



07 January 2020

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Previous Day Highlights

The FBM KLCI dropped 13.6 points or 0.85% to 1,597.8 yesterday. Bursa Energy Index gained 2.15% on the rise of oil and gas related stocks. Volume traded totaled 3.40bn unit of shares valued at RM1.64bn.

Asian equities ended lower due to the geopolitical tension between U.S. and Iran. Hang Seng Index lost 225.3 points to 28,226.2. Shanghai Composite Index flat at 3,083.4 and Nikkei 225 Index lost 1.9%.

U.S. stock markets rebounded from previous loss with the Dow Jones Industrial Average Index rose 0.24% to 28,703.4 points. Nasdaq Composite Index gained 0.56% while S&P 500 Index ended 0.35% higher.



News For The Day

MISC unit bags US\$245m contract in Brazil

MISC Bhd's unit, AET Tanker Holdings Sdn Bhd, has bagged a US\$245m contract for shuttle tankers service from Brazil Shipping Ltd, a Shell Group entity. – *Sunbiz*

KKB Engineering secures EPCC job from Petronas

KKB Engineering Bhd has received a letter of award from Petronas Carigali Sdn Bhd. The contract is for the provision of engineering, procurement, construction, commissioning & installation of wellhead platform for BKD-A and Host Tie-In Modification at BNCPP-B Topsides - Bakau Non-Associated Gas Development Project. – *Sunbiz*

GHL rolls out Mastercard tokenization for merchants

GHL Systems Bhd, in partnership with Mastercard, has launched a tokenized e-payments solution that offers simpler, more secure and seamless digital payment experiences for consumers. The Mastercard Digital Enablement Service for Merchants is offered by GHL's fintech arm, eGHL, for online and in-app transactions. - *The Edge Markets*

Pan Borneo Highway records 22% progress

The construction of the Pan Borneo Highway in Sabah has recorded 22% progress of 12 ongoing work packages as of Dec 31 last year and is expected to be fully completed in stages by June 2023. – *The Edge Markets*

Safe-haven currencies in demand amid US, Iran tension

The yen and other safe-haven currencies were in demand, along with assets such as gold, as investors fretted that the killing of Iran's most prominent military commander by the United States could trigger a broader Middle East conflict. – *Reuters*



Our Thoughts

As expected, there is a sudden U-turn as investors returned to equities with Wall Street staging a relief rebound yesterday touting that the tension in the Middle east as not too bad. Meanwhile, we believe regional markets to follow suit after yesterday's sell-down. Therefore we anticipate the FBM KLCI to see a mild rebound with immediate resistance at the 1,605 level. Meanwhile, both the crude oil and CPO prices remain rather solid hence may see continued buying interests on the Oil & Gas and Plantation related stocks.



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