



10 April 2020

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI gained 0.61% or 8.37 points to 1,369.8 points yesterday. Volume traded was lower than past trading day totalling 4.71bn units of shares worth RM2.25bn. Gainers stood at 634 outnumbered losers of 252.

Asian stock markets closed on a mixed note yesterday. Hang Seng Index was 330 points or 1.38% higher at 24,300.3 points. Shanghai Composite Index inched up 0.37% while Nikkei 225 Index edged down a marginal 0.04%.

US stock markets extended gain after Federal Reserve revealed details on US\$2.3 trillion loan package to support economy. Dow Jones rose 1.22%, S&P 500 Index gained 1.45% while Nasdaq ended 0.77% higher.



News For The Day

Fitch maintains A- on Malaysia's long-term currency rating, but downgrades outlook to negative

Fitch Ratings has affirmed Malaysia's Long-Term Foreign-Currency Issuer Default Rating at "A-" but revised the outlook from stable to negative, said the Ministry of Finance. The ratings agency has also projected the Malaysian economy to register a growth of 5.8% in 2021. – *The Edge Markets*

Fed to buy junk bonds, CLOs lend to states in new stimulus

In an unprecedented move, the Fed would move to shore up some of the hardest-hit parts of financial markets, pledging to start buying some debt recently downgraded to below investment grade as well as certain collateralised loan obligations (CLOs) and commercial mortgage-backed securities. – *Bloomberg*

Omesti bags RM95.59m job from Telekom Malaysia

Omesti Bhd has bagged a contract worth RM95.59m from Telekom Malaysia Bhd to build a new business support systems (BSS) platform. BSS are the components that a telecommunications service provider uses to run its business operations towards customers. – *The Edge Markets*

Notion Vtec to venture into PPE business

Precision component producer Notion VTEC Bhd is planning to start producing parts for medical ventilators and personal protective equipment (PPE). This is addition to its current core activity of making precision machined components. – *The Star Online*

Aeon Credit's 4Q y-o-y profit growth flat on higher expenses, declares lower dividend

Aeon Credit Service (M) Bhd's net profit for 4QFY2020 was flat at RM88.39m versus RM87.61m a year earlier, despite recording higher revenue, as it recorded higher interest and tax expenses. – *The Edge Markets*



Our Thoughts

Wall Street continued with its volatility and uptrend following statements from the Feds of a US\$2.3 trillion financing package to battle the ailing US economy. The DJI Average breached the 24,000 mark at one point before profit taking sets in pushing the index lower to close at 23,700 clearly illustrating the fragile sentiments amongst the investors. Today we anticipate some profit taking to emerge regionally ahead of the weekend. On the local front, we would expect the FBM KLCI to see some selling pressure today following a rather decent performance over the last few days with the immediate support at the 1,360 level.



10 April 2020

 research@rakutenrade.my

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees and further shall not be re-distributed to any other third party. Rakuten Trade Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Rakuten Trade Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may affect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published:

RAKUTEN TRADE SDN BHD (266701-P)

Level 7, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2110 7188 Website: www.rakutenrade.my

Kenny Yee Shen Pin
Head of Research