



13 February 2020

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Previous Day Highlights

The FBM KLCI lost 0.55% or 8.5 points to 1,542.9 yesterday. Market sentiment was neutral as there were 405 losers versus 419 gainers. Volume traded was 2.8bn units shares valued at RM2.78bn.

Asian stock markets finished mostly higher yesterday. Nikkei 225 Index ended 0.74% higher, Shanghai Composite Index rose 0.87% and Hang Seng Index gained 239.8 points.

U.S. stock market rallied overnight with all three major benchmarks closed at all-time highs. Dow Jones ended at 29,551.4, Nasdaq Composite Index finished at 9,726.0 and S&P 500 Index closed at 3,379.5.



News For The Day

GDP growth at 10-year low in 2019

While Malaysia's 2019 gross domestic product (GDP) growth skidded to a 10-year low, Bank Negara Malaysia governor Datuk Nor Shamsiah Mohd Yunus said the country has "that policy space" for another rate cut to support the economy. – *The Edge Financial Daily*

Banking stocks fall to multi-year low after weak GDP growth

Banking stocks, the proxy to economic growth, succumbed to heavy selling yesterday. Selling pressure emerged after the news that Malaysia's domestic economy grew at barely 3.6% for the 4Q2019, which in turn dragged down the annual growth to 4.3% - the slowest pace in 10 years. – *The Edge Financial Daily*

Kelington secures RM64m China's UHP contracts

Integrated engineering solutions provider Kelington Group Bhd has clinched several new contracts worth RM64m in China under the Ultra High Purity (UHP) segment. The projects were awarded by the largest semiconductor foundry company in China for specialised engineering works for a few of their wafer fabrication plants in China such as Beijing and Tianjin. – *New Straits Times*

CJ Century Logistics expands via acquisition of CJ Korea Express Malaysia

CJ Century Logistics Holdings Bhd is acquiring a 100% stake in logistics services provider CJ Korea Express Malaysia Sdn Bhd from CJ Logistics Asia Pte Ltd for RM100m, in order to expand its existing logistics business. – *Sunbiz*

TA Enterprise proposes to privatise property arm

TA Enterprise is planning to privatise its property arm TA Global Bhd for 28 sen per share. The voluntary general offer to acquire the remaining 39.83% stake in TA Global will be satisfied via a cash consideration of 28 sen for every offer share; or a share exchange based on an exchange ratio of 0.4211 new TA Enterprise shares to be issued at an issue price of 66.5 sen each for every offer share surrendered. – *Sunbiz*



Our Thoughts

Wall Street closed on a high yesterday spurred by easing concerns over the impact of Covid-19. Though this may boost sentiments regionally, we prefer to remain cautious as such a view could merely be just an illusion. Locally, the FBM KLCI continue to experience a downtrend as investors are opting for the 10-year MGS at the expense of equities. Currently, the 10-year MGS yield has dipped to 2.92% which is the lowest since 2004. Nonetheless, we expect there to be some nibbling on equities today with the FBM KLCI immediate resistance of 1,550 to be tested again.



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