



14 April 2020

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Previous Day Highlights

The FBM KLCI ended 0.11% or 1.5 points lower to 1,356.0 yesterday. Volume traded stood at 3.12bn units of shares while RM1.51bn worth of stocks were traded. Losers were 497, outnumbered gainers of 307.

Shanghai Composite Index and Nikkei 225 Index started the week on a weaker note. Shanghai Composite Index declined 0.49% to 2,783.1 while Nikkei 225 Index fell 2.33% to 19,043.4. Hong Kong stock exchange was closed due to Easter Monday.

Major US stock market indices fell overnight with the Dow Jones and S&P 500 lost 1.39% and 1.10% to 23,390.8 and 2,761.6 respectively. Nasdaq Composite Index finished 0.48% higher at 8,192.4.

Our Thoughts

Wall Street have had another wild session yesterday as US is entering into its earnings season. The DJI Average trended between a 600-point range before it closed 330 points lower. In line with this, we believe regional markets to continue being stuck in the realm of volatility. On the local front, following a rather resilient session yesterday we expect the local bourse to experience some selling pressure today with the FBM KLCI to test the immediate support at the 1,350 mark. Meanwhile, let's not forget about Covid-19 which could top 2m cases globally by today.

News For The Day

Declining factory production ahead

Economists are projecting a steep fall in the Industrial Production Index in March and possibly months ahead. This is due to not just factories closing temporarily during MCO but also anticipated weak global demand coupled with the supply chain disruption. – *The Edge Financial Daily*

Petronas says risks of project delays rising, aims to maintain local capex

Malaysian state energy giant Petroliaam Nasional Bhd (Petronas) said the risks of delays to some of its projects were rising due to prolonged coronavirus-related lockdowns around the world. Petronas said it would try to maintain its domestic spending for this year. – *Sunbiz*

Axiata settles US\$185m capital gain tax payment with Nepal

Axiata Group Bhd has settled the US\$185m (RM800.2m) demanded by the Nepalese government as outstanding capital gains tax, along with another 990.3m Nepalese rupees (RM35.3m) in interest, in relation to the group's purchase of an 80% stake in Ncell Private Ltd. – *The Edge Markets*

Default rates to rise due to recessions in economies: Moody's

Moody's Investors Service expects the global default rate to rise to 10.6% at end-2020 and edge higher to 11.3% by end-March 2021 compared with the March 2020 level of 3.5%. – *Sunbiz*

Foreigners aggressively sold Asian bonds in March on coronavirus worries

Asian bonds recorded their biggest foreign outflows in at least seven years in March, as investors turned risk averse on concerns over the coronavirus outbreak and chased safer assets such as the US dollar and money market instruments. – *Reuters*



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