



15 January 2020

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Previous Day Highlights

The FBM KLCI dropped 4.1 points or 0.26% to 1,580.6 yesterday, in line with regional downtrend. There were 541 losers vs 336 gainers. Volume traded was 2.65bn unit of shares valued at RM1.78bn.

Asian stock markets closed mostly lower with the Hang Seng Index dropped 69.8 points to 28,885.1, Shanghai Composite Index dropped 0.28% to 3,106.8 and Nikkei 225 was 0.73% higher.

U.S. stocks closed mixed overnight as President Donald Trump reiterated that USD250bn worth of Chinese goods are still subjected to tariff in 2020. Dow Jones gained 0.11%, S&P 500 lost 0.15% while Nasdaq Composite Index declined 0.24%.



News For The Day

Malaysian exports to recover in 2020

The Socio-Economic Research Centre is expecting Malaysia's exports to recover in 2020 with an estimated 2% expansion, following an estimated contraction of between 1.5% and 2% for 2019. – *The Edge Financial Daily*

After four years, THHE awarded Petronas licence

TH Heavy Engineering Bhd (THHE) has received the green light from Petroliam Nasional Bhd to supply certain products and services to oil and gas companies in Malaysia, after a multi-year suspension due to non-performance in 2016. – *The Edge Markets*

Atlan Q3 earnings down on higher expenses, finance costs

Atlan Holdings Bhd posted a 42.5% decline in its net profit to RM7.9m for its third quarter ended Nov 30, from RM13.7m at the same time last year on higher operating expenses, finance costs and depreciation and amortisation. – *The Edge Markets*

China to boost US purchased in trade deal

China has pledged to buy almost USD80bn (RM325.6m) of additional manufactured goods from the US over the next two years as part of a trade war truce, likely giving a much-needed boost for plan-maker Boeing. – *The Edge Financial Daily/ Reuters*

London Biscuits' shares to be suspended from Jan 21

Trading in the shares of London Biscuits Bhd will be suspended from Jan 21, until further notice. It is currently facing a winding-up petition and has pledged cooperation in the interim liquidation process. – *The Edge Markets*



Our Thoughts

The US are moving the goal posts (again) with regard to the tariffs on Chinese goods as Mr Trump is unwilling to commit. Meanwhile expectations of a weaker than forecast earnings performance from Wall Street may be added road bumps for the equity markets. Therefore, we are expecting another mixed performance from the regional markets. Locally, we reckon the FBM KLCI to remain mixed hovering between the 1,570/85 range. The only consolation is that foreign investors may take advantage of the stronger Ringgit which has been the main catalyst for the fund inflows of late. The Ringgit has appreciated by 2.3% from RM4.18 in early December 2019 to around RM4.08 currently.



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