



16 March 2020

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Previous Day Highlights

The FBM KLCI tumbled 74.7 points or 5.26% to end at 1,344.8 last Friday. The index hit an intra-day low of 1,321.0. Losers of 986 outnumbered gainers of 158 significantly. Volume traded was 5.68bn unit of shares valued at RM4.90bn.

Asian stock markets continued to trend lower last Friday. Hang Seng Index dropped 1.14% to 24,032.9, Shanghai Composite Index declined 1.23% and Nikkei 225 Index dropped sharply (-6.08%) to 17,431.1.

Dow Jones surged nearly 2000 points to end at 23,185.6 while Trump declared national emergency and unleashed \$50bn in government funding. Nasdaq Composite Index rose over 600 points and S&P 500 Index gained 9.29% to 2,711 points.



News For The Day

Malaysia's Covid-19 tally spikes to 428 with 190 new cases

The ministry of health announced that there are 190 new confirmed Covid-19 cases, bring the country's tally to 428. This is the sharpest single day rise in the number of new cases since the first infection was reported on Jan 25. – *The Edge Financial Daily*

Global oil demand heads for record annual drop

Global oil consumption is free fall, heading for the biggest annual contraction in history, as more countries introduce unprecedented measures to fight the Covid-19 outbreak. – *The Edge Financial Daily*

Tadmax sells 35% stake in Pulau Indah power plant for RM58.45m

Tadmax Resources Bhd is disposing of its 35% stake in a power plant on Pulau Indah, Selangor for RM58.45m cash. It had inked an agreement to sell the stake in wholly owned subsidiary Pulau Indah Power Plant Sdn Bhd to Worldwide Holdings Bhd. – *Sunbiz*

Superlon Holdings Bhd posts RM2.15m 3Q net profit

Superlon Holdings Bhd's net profit jumped 39.3% to RM2.15m, or 1.36 sen per share, in the third quarter ended Jan 31, 2020 versus RM1.54m or 0.97 sen per share a year ago. Revenue grew 3.61% to RM26.44m from RM25.52m. – *The Edge Markets*

TH Heavy proposes acquisition of O&G engineering unit

PN17 company TH Heavy Engineering Bhd has signed a non-binding memorandum of understanding with ICE Petroleum Ventures Sdn Bhd in relation to the acquisition of its engineering unit ICE Petroleum Engineering Sdn Bhd. – *The Edge Markets*



Our Thoughts

We are in for a roller coaster ride today. With the FEDs aggressive rate cut over the weekend to near zero, any rebound will be met with selling activities. Judging by the US latest QE, we reckon this indicates the scenario is even worse than initially anticipated. Locally, we expect the downside pressure on the FBM KLCI to be high with 1,300 as the immediate psychological support level. With the outlook on interest rates clearer now, next is to look out for currencies which should be see heightened volatility. Again, we would advocate investors to be cautious and adopt the sell into strength mode, if any.



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