



18 March 2020

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Previous Day Highlights

The FBM KLCI ended on negative territory yesterday. The index lost 24.1 points or 1.9% to 1,256.6. There were 713 losers versus gainers of 267. Volume traded was 4.43bn unit of shares valued at RM3.87bn.

Asian stock markets finished slightly higher yesterday. Hang Seng Index turned into positive territory as the index ended 0.87% higher at 23,263.7. Nikkei 225 Index inched up 0.06% while Shanghai Composite Index closed 0.34% lower.

U.S. stock markets bounced back overnight after the Trump administration released more details on its proposed \$850bn financial stimulus package. Dow Jones rallied over 1,000 points to finish at 21,237.4. Nasdaq Composite Index advanced 6.23% while S&P 500 gained 6.0%.



News For The Day

Major institutional funds lose RM55.7bn in rout

It is estimated that the four major institutional funds, namely the EPF, PNB, KWAP and Khazanah Nasional Bhd, have in total lost RM55.7bn, since the start of the year, in term of paper loss in their equity investment portfolios. – *The Edge Financial Daily*

Retail sector seen contracting 3.9% in 1Q

With an estimated shopping traffic decline of up to 50% in certain shopping centres as the Covid-19 outbreak persists, Malaysia's retail industry is expected to post a 3.9% y-o-y contraction for 1Q20, according to Retail Group Malaysia. – *The Edge Financial Daily*

Poh Kong shines with 57.6% jump in Q2 net profit

Poh Kong Holdings Bhd posted a 57.6% jump in net profit to RM10.64m for its second quarter ended Jan 31, 2020 from RM6.75m in the previous corresponding quarter, as the uptrend in gold prices improved operating profits. – *Sunbiz*

Kumpulan Jetson bags RM79m job to construct education institution

Kumpulan Jetson Bhd has been awarded a RM78.93m contract by Asia Pacific University Sdn Bhd for the construction of a private higher education institution. – *The Edge Markets*

Morgan Stanley, Goldman say global recession under way

Goldman Sachs and Morgan Stanley economist joined the rush on Wall Street to declare that Covid-19 has triggered a global recession, with the debate now focusing on its likely length and depth. – *The Edge Markets*



Our Thoughts

Wall Street rebounded rather strongly overnight following news of a huge injection of liquidity by the Feds. Nonetheless, we remain unconvinced if this a solution to the prevailing market situations. Though we can expect some rebound today, we would prefer to stay cautious and again advocate to sell into strength. Locally we anticipate the FBM KLCI to possibly retest the 1,280 level today with the support seen at 1,250.



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