



19 September 2019

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Previous Day Highlights

The FBM KLCI dropped 4.8 points or 0.3% to 1,599.49 yesterday. Market participation was low with 2.0bn unit of shares valued at RM1.6bn being traded. There were 480 losers versus 339 gainers.

Asian stock markets closed mostly lower as the Hang Seng Index and Nikkei 225 Index dropped 0.13% and 0.18% respectively. Likewise, Shanghai Composite Index gained 0.25%.

US stock markets ended mostly higher yesterday after Federal Reserve lowered US interest rates by 25 basis points, to a range of 1.75% to 2%. The Dow gained 0.13%, S&P 500 inched up 0.03% while Nasdaq fell 0.11%.



Our Thoughts

As widely expected, the Federal Reserve has cut 25bps yesterday and this marks the second rate cut for the year while leaving room for further easing. The back-to-back rate cuts have seen most major central banks globally following the easing of rates to support the slowdown in growth in most countries. Malaysia which move ahead of the rest with the rate cut back in May has time on its side, and we see no rush to cut rates. As for our equity market, we expect the FBM KLCI to remain range bound within 1,600 level and selective buying opportunities.



News For The Day

Household debt remains 'elevated' at 82.2%, driven by residential property loans

The country's household debt level is still at an "elevated" 82.2% of Gross Domestic Product, with loans for the purchase of residential properties continuing to drive debt growth, according to Bank Negara Malaysia. - *The Edge Markets*

Perak Transit to raise RM500m via sukuk

It plans to raise up to RM500m by establishing a sukuk murabahah programme to refinance the group's bank borrowings. The money will also be used to finance its capital expenditure and working capital requirements. - *The Edge Markets*

Fernandes to quit all positions except in AirAsia Group, AirAsia X

AirAsia Group Bhd co-founder and group chief executive officer Tan Sri Tony Fernandes is to step down from all his positions, except in AirAsia Group and AirAsia X. - *The Edge Markets*

Supermax proposes 1-for-65 treasury share distribution

It proposes a final dividend via the distribution of one treasury share for every 65 Supermax share held in respect to its financial year ended June 30, 2019. - *The Sun Daily*

MNC Wireless to venture into film industry

MNC Wireless Bhd has entered into a memorandum of understanding with New Zealand-based production house Monfiles Pictures Ltd to produce and market a biopic of war photojournalist, Tim Page. - *The Sun Daily*

AME inks underwriting deals with CIMB, RHB

Industrial space solutions provider AME Elite Consortium Bhd has signed a retail underwriting agreement with CIMB Investment Bank Bhd and RHB Investment Bank Bhd for its initial public offering on the Main Market of Bursa Malaysia. - *The Sun Daily*

OSK Ventures International gets moneylending licence

OSK Ventures International has been granted a money lending licence by the Ministry of Housing and Local Government. - *The Edge Markets*



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Published:

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