



02 March 2020

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Previous Day Highlights

The FBM KLCI lost 22.9 points or 1.52% to end below 1,500-mark last Friday. The index finished at 1,482.6 level. Volume traded was high recorded at 5.09bn unit of shares with RM4.75bn stocks traded. Losers of 1055 significantly outnumbered gainers of 126.

Asian stock markets were broadly lower as the Hang Seng Index lost 648.7 points to 26,129.9. Nikkei 225 Index declined 3.67% and Shanghai Composite Index dropped 3.71%.

Dow Jones dropped 357.3 points or 1.39% to finished at 25,4094 points last Friday, representing a drop of 12% for the week. S&P 500 Index lost 0.82% while Nasdaq managed to close flat (+0.01%) at 8,567.4 last Friday.



News For The Day

Net outflow dominates market amid political turmoil

Malaysia saw its net outflow dominated the equity market last week, surpassing a net sell of over RM1.15bn compared with the previous week's RM447.9m due to unnerving political turmoil, culminating in the scramble among political parties seeking to form the next government. – *The Edge Financial Daily*

MBSB Q4 profit jumps three times on expected credit loss writeback

Malaysia Building Society Bhd's net profit tripled to RM356.69m for the fourth quarter ended December 31, 2019 against RM117.96m in the same quarter a year ago, due to the expected credit loss writeback. – *Sunbiz*

CIMB's Q4 earnings drop 24%, declares 12 sen dividend

CIMB Group Holdings Bhd saw a 24% drop in its net profit for the fourth quarter ended Dec 31, 2019, to RM848.6m, from RM1.1bn in the previous corresponding quarter due to a decline in non-interest income and a lower gain on a non-performing loan sale during the quarter. – *Sunbiz*

FGV back in the black for 4Q, net earnings at 76m

GV Holdings Bhd returned to positive territory for the fourth quarter ended Dec 31, posting a net profit of RM75.8m, from a net loss of RM209.2m in the previous corresponding quarter due to improved crude palm oil margins, and significantly reduced operating costs as a result of tighter controls and improved efficiencies across the group. – *Sunbiz*

TNB posts higher Q4 net earnings, pays record dividend of RM1

Tenaga Nasional Bhd recorded net earnings of RM653.3m for the fourth quarter ended Dec 31, from a net loss of RM134.3m a year ago, due to the impairment of the cost of investment in an associate of RM304.7m. – *Sunbiz*



Our Thoughts

It is going to be another interesting day for regional equities following Wall Street continuous decline last week. We reckon there would be more volatility ahead as sentiments has turned extremely cautious now. Treasuries are currently at record lows with the US 10-year yield now at 1.11% thus we would expect foreign funds to U-turn back to Asia seeking for safer havens with reasonable yields like Malaysia with its 10-year yield hovering at 2.83%. As such, MYR is set to strengthen vis-à-vis the US\$. Meanwhile the FBM KLCI is expected to test the 1,470 today after which the 1,450 would be the next support level.



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