



20 June 2019

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## Previous Day Highlights

The FBM KLCI extended its gain to close at 1,666.54 yesterday. The index rose 13.8 points or 0.83%, closing near to its intra-day high of 1,666.9. The market breath on Bursa Malaysia was positive with 474 gainers outpaced 330 losers.

Asian market rose yesterday with the Shanghai Composite Index ended 0.96% to 2,917.8 points. Japan's Nikkei 225 index and Hong Kong's Hang Seng Index climbed 1.72% and 2.56% respectively.

U.S. markets continued to finish higher after Federal Reserve signaled potential rate cuts later this year. The Dow gained 0.15% to 26,504 points, the S&P 500 Index rose 0.30% while the Nasdaq Composite Index increased 0.42%



## News For The Day

### **Fed holds rates but signals more dovish outlook**

The Federal Reserve held interest rates steady but shifted towards a more dovish stance and pointed to possible interest rate cuts in the future, citing rising "uncertainties" about the economic outlook. — *Financial Times*

### **Apex gets green light from shareholders for Mercury merger**

Apex Equity Holdings Bhd has obtained a simple majority from its shareholders for the proposed merger with Mercury Securities Sdn Bhd and the proposed private placement of 20 million new ordinary shares. After the proposed merger, Mercury Securities would become the single largest shareholder in Apex with a 31% stake. The merger process is expected to be completed in two months. — *The Sun Daily*

### **JAG, Empire agree to terminate MoU on bauxite mining**

JAG Bhd and Empire Mining Sdn Bhd have mutually agreed to terminate a memorandum of understanding (MoU) to jointly explore bauxite mining opportunities in Langkawi, Kedah. — *The Sun Daily*

### **Genting Malaysia chairman voluntarily takes 20% pay cut**

Genting Malaysia Bhd chairman and chief executive, Tan Sri Lim Kok Thay, has reportedly announced he would take a 20% pay cut to offset the effect of heavy gaming taxes which have weighed on the group's financial performance. — *The Edge Market*

### **Malaysia among countries eyed by Apple to move production capacity**

Apple Inc has asked its major suppliers to assess the cost implications of moving 15%-30% of their production capacity from China to Southeast Asia as it prepares for a restructuring of its supply chain, according to Nikkei Asian Review. The countries being considered include Mexico, India, Vietnam, Indonesia and Malaysia. India and Vietnam are among the favourites for smartphones. — *The Star Online*



## Our Thoughts

It is apparent that we are in the midst of entering another era of low interest rate regime. Though the Federal Reserves maintained the US rates for now, it is highly likely that rates will slide going forward as per the US 10-year Treasury yields which have dipped below the 2.0% mark to 1.97% currently. As a result, we would expect foreign funds to return to take advantage of higher returns from our 10-year MGS now at 3.69%. We also anticipate the Ringgit to strengthen in line with the declining rates in the US.



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