



23 January 2020

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## Previous Day Highlights

The FBM KLCI lost 9.3 points or 0.59% to 1,578.0 mainly dragged by bank counters following the reduction of OPR by 25 basis points. Bursa Finance Index dropped 1.37% yesterday. There were 509 losers versus 397 gainers.

Asian stock markets closed higher yesterday as the Hang Seng Index rebounded 1.27% to 28,341.0. Shanghai Composite Index was 0.28% higher while Nikkei 225 Index rose 0.70%.

U.S. stock markets ended mixed overnight. The Dow Jones Industrial Average Index edged down 0.03% to 29,186.3. Nasdaq Composite Index rose 0.14% while S&P 500 edged up 0.03%.

## Our Thoughts

Bank Negara Malaysia cut OPR by 25bps to 2.75% yesterday. The move surprised us as there were no such pre-emptive measure elsewhere. With the move, Banks may have to reprice their products with the MGS to see some buying activities pushing the 10-year rate closer to the 3.0% level. Amid the lower interest rate environment, we reckon investors may opt for high dividend stocks. Amongst others, we like Maybank, Ambank, CIMB and KIP REIT. As for the performance of equities, we believe the prevailing fear of the Wuhan virus will continue to plague trading activities with the FBM KLCI to find some support at the 1,570 level.

## News For The Day

### **BNM's OPR cut surprises the market**

Bank Negara Malaysia's decision to cut the overnight policy rate by 25 basis points to 2.75 percent — a level not seen since March 11, 2011 — has surprised the market, upending the wide expectation of the rate being maintained at least for the year's first Monetary Policy Committee meeting. — *The Edge Markets*

### **Caring Pharmacy Q2 earnings lower**

Caring Pharmacy Group Bhd's net profit for the second quarter ended Nov 30, 2019 fell 13.66% to RM4.96m from RM5.74m a year ago as its immature outlets have yet to turn around. — *Sunbiz*

### **Rimbunan Sawit sells Sarawak plantation land to RM85m cash**

Rimbunan Sawit Bhd is selling plantation land measuring 4,698.2 hectares to WTK Holdings Bhd for RM85m cash. It is expecting to make a gain of RM900,000 from the disposal. — *The Edge Markets*

### **Gadang 2Q net profit falls 36.3%**

Gadang Holdings Bhd recorded a 36.3% fall in net profit in its second financial quarter to RM10.85m from RM17.03m in the year-ago quarter, mainly due to fair value loss on quoted investments that amounted to RM3.2m. — *The Edge Markets*

### **LBS Bina disposes of stake in Chinese firm**

LBS Bina Group Bhd has disposed of all its 9.7% equity stake in China-based Zhuhai Holdings Investment Group Ltd for HK\$164.5m (RM86.05m). — *The Edge Markets*

### **Leader Steel buys land in Klang for business expansion**

Leader Steel Holdings Bhd is acquiring a piece of freehold land in Klang for RM30.67m to expand its manufacturing cum warehouse facility. — *The Edge Markets*



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