



23 March 2020

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Previous Day Highlights

The FBM KLCI rallied 83.6 points or 6.85% to close at 1,303.3 last Friday. There were 895 gainers versus losers of 145. Volume traded was 5.06bn unit of shares valued at RM4.05bn.

Asian stock markets ended mostly higher last Friday with the Hong Kong's Hang Seng Index surged over 1,000 points to 22,805.1 level. Shanghai Composite Index gained 1.61% while Nikkei 225 Index dropped 1.04%.

U.S stock markets finished on negative territory as the Dow Jones Industrial Index lost 4.55% to 19,174.0 Nasdaq Composite Index was down 3.79% while S&P 500 Index closed 4.34% lower.



News For The Day

Market is oversold, but volatility persists

With shares on Bursa Malaysia slumping further last week amid continued fears and uncertainty over the Covid-19 pandemic, analysts concurred that the market is grossly oversold. – *The Edge Financial Daily*

More than 700 companies valued at below US\$100m on Bursa

The double whammy of the Covid-19 outbreak and the oil price crash has dampened investor sentiments around the globe, especially on net export oil-producing economies like Malaysia. The FBM KLCI has plunged 18% YTD, current PE ratio stood at 14.6 times, a 15.1% discount to its 10-year average of 17.2 times. – *The Edge Financial Daily*

Mynews sees 1Q net profits drop 63%

Mynews Holdings Bhd net profits fell by 62.9% to RM3.04m in its first quarter ended Jan 31, 2020 from RM8.17m reported in the same quarter of the previous year, due to expansion costs and losses from its bakery and ready-to-eat manufacturing segments, higher depreciation and interest costs. – *Sunbiz*

Tex Cycle forms JV to look into solar energy opportunities

Tex Cycle Technology (M) Bhd, which specialises in the recycling and recovery of scheduled waste, is forming a joint venture company with a local company to expand its renewable power generation business. – *The Edge Markets*

Oil falls more than US\$1 as coronavirus spreads

Oil prices fell more than US\$1 a barrel at the start of the trading session on Sunday, as more governments ordered lockdowns to curb the spread of the global coronavirus pandemic that has slashed the demand outlook for crude. – *Reuters*



Our Thoughts

We believe many is still underestimating the impact from Covid-19 as we are near to a global lockdown. As expected, Wall Street succumbed to more selling and closed almost 1,000 points lower last Friday. As a result, we would expect regional markets to remain volatile with some downside bias today. Though the FBM KLCI was up rather impressively last week, we would expect some selling pressure today with immediate support at 1,250 thereafter at the 1,220 mark.



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