



24 March 2020

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## Previous Day Highlights

The FBM KLCI was in line with the regional downtrend as the index lost 3.33% or 43.4 points to end at 1,259.9 yesterday. However, transactional volume and value traded was lower. There were 2.80bn unit of shares valued at RM2.32bn traded. Gainers were 161 versus losers of 771.

Hang Seng Index dropped 1,108.9 points or 4.86% yesterday to finish at 21,693.1. Shanghai Composite Index ended 3.11% lower while Nikkei 225 gained 2.02%.

U.S. equities slid overnight despite the Federal Reserves revealed quantitative easing plans to support economy. Dow Jones fell 3.04% to 18,591.9, Nasdaq closed 0.27% lower while S&P 500 ended at 2,237.4.



## News For The Day

### **Short selling suspended on Bursa amid virus-driven volatility**

The Securities Commission Malaysia and Bursa Malaysia have decided to temporarily suspend short selling of equities to mitigate further volatility in the market. The suspension will take immediate effect and be in place until April 30. – *The Edge Financial Daily*

### **Ringgit skids to three-year low**

The ringgit fell to its lowest in three years, as the country registered 212 new Covid-infections – its highest daily jump in new cases. The local note settled at 4.4470 against the US dollar. Year To date, ringgit has fallen 8.6% against the greenback. – *The Edge Financial Daily*

### **Feb signals unlimited QE, adds aid for firms, municipalities**

The US fed announced a massive second wave of initiatives to support a shuttered US economy, including buying an unlimited amount of bonds to keep borrowing costs low and setting up programs to ensure credit flows to corporations and state and local governments. – *Bloomberg*

### **Shopping mall industry could lose over RM750m during MCO**

The Malaysia Shopping Malls Association is appealing to the government to provide urgent relief as it estimates that the shopping mall industry will lose more than RM750m, excluding turnover from the retail sector during the MCO. – *The Edge Financial Daily*

### **Crude edges higher, U.S. gasoline slumps over 30% on sinking demand**

Oil prices inched higher on Monday, while US gasoline prices plunged more than 30% to a record low as global restrictions on travel to slow the spread of coronavirus destroyed demand for fuel. – *Reuters*



## Our Thoughts

Investors remained unconvinced of the Fed's latest move to shore up US assets as many are still stuck in selling mode particularly for equities. As a result, the DJI Average declined another 3% yesterday breaking the 19,000 mark. On the flipside, investors opted to buy up the US 10-year Treasury with the yield now hovering at the below the 0.8% from above 1.2% only a few days ago. Nonetheless, we may see some buying support today for regional markets following yesterday's sharp decline. On the local front, we expect the FBM KLCI taking cue from the regional market and may see some buying today. Therefore, we expect the FBM KLCI to trend between the 1,250/80 range with some upside bias.



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