



25 February 2020

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Previous Day Highlights

The FBM KLCI plunged 41.1 points or 2.7% to 1,490.1 yesterday amid the political uncertainties. Losers totalling 1,015 significantly outpaced gainers of 138. Volume was higher at 4.03bn unit of shares with RM3.91bn value of stocks traded.

Asian stock markets ended on negative note as the Hang Seng Index lost 487.9 points to 26,820.9. Shanghai Composite Index closed 0.28% lower and Nikkei 225 Index declined 0.39%.

Dow Jones tumbled over 1,000 points to end at 27,960.8 overnight amid the outbreak of COVID-19 and this marks the third-biggest daily point drop in history. S&P 500 dropped 3.35% to 3,225.9 and Nasdaq lost 3.71% to 9,221.3.



News For The Day

Dr M now interim PM

Malaysia is facing an unprecedented political situation following the surprise resignation of Tun Dr Mahathir Mohamad as its seventh prime minister, and the exit of his political party, Bersatu from the Pakatan Harapan coalition. – *The Edge Financial Daily*

Political drama erases RM43.4bn market cap

The political drama since Sunday triggered panic selling on Bursa Malaysia yesterday. The selling wiped out RM43.4bn in market capitalisation from Bursa in a single day. – *The Edge Financial Daily*

Guan Chong posts record full-year profit, proposes one sen dividend

Guan Chong Bhd, the world's fourth-largest cocoa grinder, posted a fresh record net profit of RM219.4m for FY19, up 15.4% from a year ago. It was due to a 20.1% jump in year-on-year sales volume of cocoa ingredients, in addition to its enhanced operating efficiency. – *The Edge Financial Daily*

Globetronics 4Q net profit falls by a third

Globetronics Technology Bhd's net profit fell by one-third in the fourth quarter ended Dec 31, 2019 to RM14.54m, from RM21.98m in the year-ago quarter, which it blamed on lower volume loadings of products from some customers. – *The Edge Markets*

UEM Sunrise net profit soars over six folds on Aus divestment

UEM Sunrise Bhd posted a net profit of RM126.25m in its fourth quarter ended Dec 31, 2020 a 6.4 fold improvement over RM19.75m reported in the same quarter of the previous year, attributed to the gain from its disposal of its St Kilda Road property in Melbourne, Australia. – *Sunbiz*



Our Thoughts

Regional markets spiralled downwards on fears of the Covid-19 aggression. Wall Street was also spooked by the pandemic as the DJI index slumped over 1,000 points yesterday. The local bourse also declined but predominantly due to our internal political scenario. All in all, it will be another devastating day for equity markets today as we expect there to be more sell-down. Malaysia not only saw a sell-down on equities as bonds also suffered. As a result, the MYR closed at a 2-year low of RM4.22/US\$1. In view of this, we can expect more selling on the local bourse today with the FBM KLCI expected to test the 1,470 level thereafter the 1,450 mark.



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