



25 March 2020

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI finished 31.3 points or 2.48% higher to 1,291.1 yesterday. There were 756 gainers versus 155 losers. Volume traded was 3.17bn unit of shares valued at RM2.18bn.

Asia stock markets rebounded yesterday with the China's Shanghai Composite Index rose 2.34% to 2,722.4. Hong Kong's Hang Seng Index gained 4.46% while Nikkei 225 Index surged over 1,000 points or 7.13% to 18,092.4.

U.S. equities surged overnight driven by expectations of an economic stimulus package from Congress. Dow Jones recorded its best day since 1933, finished 11.37% higher to 20,704.9. Nasdaq Composite Index rose 8.12% while S&P 500 gained 9.38%.

Our Thoughts

Wall Street saw one of its finest spike-up yesterday ahead of some aggressive stimulus incentives. Whether this is sustainable remains to be seen as we are still sceptical of this sharp reversal because the western world may now be the new epicentre of the dreaded coronavirus judging from the high fatalities and new cases of late. Nonetheless, we believe some positivity today as regional markets are poised to trend higher. Locally, we expect the FBM KLCI to see the same with the initial target of 1,320 thereafter at 1,350. Let's not be overwhelmed by Wall Street's strong performance as we are still highly susceptible to Covid 19 and believe we haven't seen the peak yet. Therefore, we would use this window as sellers into strength.

News For The Day

Banks grant six-month automatic moratorium on loans

Banking institutions will grant an automatic moratorium on all loan/financing repayment, payments, principal and interest by individuals and SME borrowers for a period of six months from April 1, 2020. The moratorium does not apply to credit card balances. – *Sunbiz*

Apollo's 3QFY20 net profit falls 12.2% y-o-y

Apollo Food Holdings Bhd's net profit for the third quarter ended Jan 31, 2020 declined 12.19% to RM3.98m from RM4.54m a year ago, due to higher administrative expenses, foreign exchange loss and fair value loss incurred. – *The Edge Markets*

Malaysia will face recession if partial lockdown extended, MIER warns

Assuming the movement control order is extended for another two weeks to contain the spread of the Covid-19 pandemic, Malaysia's real gross domestic product may shrink by about 2.9% for 2020 compared to 2019, and result in some 2.4m people losing their jobs, according to the Malaysian Institute of Economic Research (MIER). – *The Edge Markets*

Tee brothers raise stake in E&O to 14.8%

The private vehicle controlled by Datuk Tee Eng Ho and his brother Tee Eng Seng has raised its stake in property developer Eastern & Oriental and emerged the single largest shareholder. – *The Edge Financial Daily*

US could be the next 'virus epicentre'

The US could become the global epicentre of the Covid-19 pandemic the World Health Organization said, as India announced a full 24-hour, nationwide lock down in the world's second-most populous country. – *Reuters*



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RAKUTEN TRADE SDN BHD (266701-P)

Level 7, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2110 7188 Website: www.rakutenrade.my

Kenny Yee Shen Pin
Head of Research