



28 February 2020

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## Previous Day Highlights

The FBM KLCI closed higher by 10.4 points or 0.70% to end at 1,505.6 yesterday mainly led by MAYBANK. However, overall market sentiment was negative with 621 losers against 264 gainers. Bursa Technology Index dropped 2.78% yesterday.

Major Asian stock markets ended on mixed note. Shanghai Composite Index was 0.11% higher, Nikkei 225 Index declined 2.13% while Hang Seng Index finished at 26,778.6 points.

US stock markets finished lower overnight. Dow Jones tumbled 1,190 points or 4.42% to 25,766.6. Nasdaq Composite Index lost 4.61% while S&P 500 Index declined 4.42%.



## News For The Day

### **Government unveils RM20bn stimulus package to boost spending**

The Malaysian government has allocated RM20bn under a stimulus package to boost the sluggish economy by putting more cash into the hands of consumers and providing tax reliefs to sectors particularly hard hit by the Covid-19 outbreak. – *The Edge Financial Daily*

### **Maybank expects 5bps NIM compression in 2020**

Malayan Banking Bhd is expecting to see net interest margin compression of five basis points this year, amid external developments such as the Covid-19 outbreak, the US-China trade dispute as well as geopolitical tensions. – *The Edge Financial Daily*

### **Accounting standards drag AirAsia, AAX lower**

AirAsia Group Bhd, Asia's largest low-cost carrier by passengers carried, has warned that it may not achieve internal projections for the FY20 as the airline industry has been severely affected by the Covid-19 outbreak since early this year. – *The Edge Financial Daily*

### **7-Eleven Malaysia 2019 sales hit record RM2.36bn**

For the full-year period ended Dec 31, 2019, 7-Eleven's net profit grew 5.4% to RM54.06m from RM51.31m, underpinned by the increase in revenue, favourable sales mix and higher marketing income. – *Sunbiz*

### **AMMB 3Q earnings up 9% at RM382m**

AMMB Holdings Bhd's net profit rose 9.2% to RM382.2m for 3QFY20. The fund-based income from interest bearing assets increased mainly from interest on fixed income securities and customer lending, whereas non-interest income recorded substantial increase compared with the same period last year. – *The Edge Financial Daily*



## Our Thoughts

We are certainly into a correctional phase with the bottom remains unknown. Yesterday's drastic decline on Wall Street has definitely changed the landscape from cautiously positive to now negative. Unless there is a sharp immediate uptick, we reckon the selling to persist for equity markets. Already the US 10-year yield has hit an all-time low with investors scurrying for safer havens. However, we may see some inflows of foreign funds into regional treasuries thus expect the MYR to strengthen against the greenback. Meanwhile, we believe the FBM KLCI to break the 1,500 mark today with 1,470 as the immediate support. We would advocate investors to hold cash with the possibility to bargain hunt eventually.



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