



28 January 2020

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Previous Day Highlights

The FBM KLCI ended 1.6 points or 0.10% lower to 1,572.8 last Friday on the half-day trading session. Market sentiment was neutral with 378 losers versus 337 gainers.

Hong Kong's Hang Seng Index and Shanghai Composite Index were closed while Japan's Nikkei 225 Index dropped 2.03% to 23,343.5.

U.S. stock markets ended lower overnight. Dow Jones lost 1.57% to 28,535.8, S&P 500 Index declined 51.8 points to 3,243.6 and Nasdaq Composite Index was 1.89% lower.



News For The Day

Icon Offshore shares, rights classed as designated securities

Icon Offshore Bhd shares and ordinary rights with warrants (Icon OR) have been declared "designated securities" by Bursa Securities Bhd, with effect from Jan 28 until further notice. – *Sunbiz*

Koh Brothers Eco Engineering mulls spin-off of subsidiary

Koh Brothers Eco Engineering plans to spin-off its 80%-held indirect subsidiary Oiltek Sdn Bhd, for its separate listing on either Catalist or Malaysia's ACE Market. – *The Edge Markets*

Oil price sinks to 3-month lows as coronavirus raises demand fears

Crude futures dropped 2% to three-month lows on Monday as the death toll from China's coronavirus grew, curtailing travel and fuelling expectations of slowing oil demand. – *The Star Online/ Reuters*

REITs still a good bet for investors

Despite the persisting oversupply situation in the office and retail space, real estate investment trusts (REITs) could still prove to be a promising option for investors this year. This is especially so during times of challenging market conditions, given that REITs are known to be a defensive bet. – *The Star Online*

FGV terminates MoU with Samyang

FGV Holdings Bhd has terminated its memorandum of understanding signed with Samyang Foods Co Ltd early last year. Samyang Foods is a company incorporated in South Korea and listed on the Korean Stock Exchange. – *Sunbiz*

Margma prepared to increase production

The Malaysian Rubber Glove Manufacturers Association (Margma) says its members are prepared to gear up glove production to meet requirements if the coronavirus outbreak becomes a pandemic. – *Sunbiz*



Our Thoughts

Not going to be an auspicious start for the regional stock markets today. The spreading of the Wuhan coronavirus had investors scurrying for cover as many unloaded their position pushing the DJI Index 420 points lower. Meanwhile, crude oil price also retreated citing the virus may impact negatively on demand with the Brent crashed through the US\$60 level to close at US\$58.58/barrel. Looking at a plethora of adverse developments, we believe trading on the local bourse to be muted with the FBM KLCI facing some downward pressure with support seen at 1,560 today.



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