



03 February 2020

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Previous Day Highlights

The FBM KLCI tumbled 14.5 points or 0.94% to 1,531.1 last Friday. Losers of 897 outnumbered gainers of 159 more than five times. Value traded stood at RM3.29bn with 3.79bn unit of shares exchanged.

Asia stock markets were mixed as the Hang Seng Index continued to trend lower last Friday. The index lost 136.5 points to 26,312.6. Nikkei 225 Index was 0.99% higher.

U.S. stock markets finished in negative territory last Friday. The Dow Jones Industrial Average Index lost 603 points to 28,256.0. Nasdaq Composite Index also dropped 1.59% to 9,150.9 while S&P 500 Index ended 1.44% to 3,225.5.



News For The Day

China to inject \$174bn of liquidity on Feb 3

China's central bank said it will inject 1.2tn yuan (\$173.8bn) worth of liquidity into the markets via reverse repo operations on 3 Feb, as the country prepares to reopen its stock markets amid a new coronavirus outbreak. – *Sunbiz*

REITs stand out against low interest rates

Real estate investment trusts are expected to be sought after, more so after Bank Negara Malaysia's recent cut in the overnight policy rate by 25 basis points which resulted in lower bank deposit rates. – *The Edge Financial Daily*

IPO pipeline will remain healthy this year

The pipeline of initial public offering is expected to remain healthy, as a total of 19 listings are expected by Bursa Malaysia Bhd this year, almost half of its target of 40 IPOs this year. – *The Edge Financial Daily*

Pos Malaysia gears up for transformation

The review of the commercial postage rates would contribute towards improving Pos Malaysia's finances, particularly to better support the increasing costs in serving the Universal Service Obligation – *The Edge Markets*

Power Root to allot new shares in four units to existing shareholders

Power Root Bhd has proposed to issue and allot new shares in four of its subsidiaries to its existing shareholders and new subscribers in order to provide the sharing of direct risk and rewards with Power Root in driving their respective businesses. – *The Edge Markets*

Straits Inter Logistics proposes diversification into port management

Straits Inter Logistics Bhd has proposed to subscribe to a 51% stake in Megah Port Management Sdn Bhd and has proposed a diversification of its existing business activities to include the provision of port management and related services. – *Sunbiz*



Our Thoughts

Coronavirus and Wuhan has taken the steam out of bull of global markets where stronger earnings season from US markets have taken a back seat for the moment. All eyes will be on China's equity market which has reopened today after an extended break. On the local front today, market is expected to be selling mode with FBM KLCI's support level at 1,500. Longer term investors may take the opportunity to bargain hunt on oversold stocks.



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