



31 January 2020

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Previous Day Highlights

The FBM KLCI dropped below 1,550 level yesterday. The index fell 0.31% or 4.9 points to 1,545.6. Losers outnumbered gainers by 646 to 253. Valued traded stood at RM2.3bn with 2.8bn unit of shares exchanged.

Asia stock markets were in red yesterday. Hong Kong's Hang Seng Index tumbled 711.5 points to 26,449.1 while Nikkei 225 Index lost 1.72% to 22,977.8.

U.S. stock markets ended higher following the better-than-expected corporate results. The Dow Jones rose 0.43% to 28,859.5, Nasdaq Composite Index climbed 0.26% and S&P 500 Index ended 0.31% higher.



News For The Day

Bursa Malaysia aims to expand revenue stream

Bursa Malaysia Bhd, which has allocated RM30m in capital expenditure this year, aims to expand its revenue stream to include value-added data services, extended hours for its derivatives markets and allow remote participation. – *Sunbiz*

Lotte Chemical Titan Q4 earnings jump 26 times

Lotte Chemical Titan Holding Bhd's net profit for the fourth quarter ended Dec 31, 2019 surged 26 times to RM187.76m from RM7.22m a year ago, mainly due to a one-off gain on the disposal of equity interest of RM139.5m, capitalisation of depreciation of right-of-use assets of RM6.6m and lower write down of inventories to net realisable value by RM31.1m. – *The Edge Markets*

Pestech, Japan's RS Renewables terminate MoU

Pestech International Bhd's wholly owned subsidiary Pestech Power Sdn Bhd and Japan's RS Renewables KK have mutually agreed to terminate a memorandum of understanding (MoU) to bid for a large-scale solar photovoltaic plant project. – *Sunbiz*

E.A. Technique bullish on 2020 performance

Marine transportation provider E.A. Technique (M) Bhd is bullish on this year's performance with an improvement of between 30% and 40% in its bottom line. Revenue from projects secured last year is expected to transpire in the current financial year. – *The Edge Markets*

Oil falls to new three-month lows as virus fears grow

Oil prices fell more than 2% on Thursday to the lowest in three months on concerns over the potential economic impact of the coronavirus that continues to spread worldwide, while the market also considered the possibility of an early OPEC meeting. – *Reuters*



Our Thoughts

Undented by the virus fear, Wall Street closed on a positive note on the back of improved earnings. Nonetheless, we believe this could be short lived as sentiments may eventually be affected by fears of the pandemic. We expect regional markets to readjust itself following a sell-off over the last few days and possibly some buying would prevail. Locally we expect the selling to ease with the FBM KLCI to test the 1,550 level and maybe it's time to look at laggard healthcare stocks namely Pharmaniaga, KPJ Healthcare and Caring.



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