



06 March 2020

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## Previous Day Highlights

The FBM KLCI edged up 0.07% or 1.1 points to 1,491.0 yesterday. Market sentiment was positive as there were 516 gainers versus 350 losers. Value traded was RM2.07bn with 2.78bn unit of shares exchanged.

Asian stock markets closed mostly higher yesterday. Hong Kong's Hang Seng Index rose over 500 points to 26,767.9. Shanghai Composite Index was 1.99% higher and Nikkei 225 Index closed 1.09% higher at 21,329.1.

Dow Jones tumbled nearly 1000 points overnight as the impact of COVID-19 continue to weigh down market sentiment. Dow Jones closed at 26,121.3 points, Nasdaq lost 3.10% to 8,738.6 and S&P declined 3.39% ended at 3,023.9.



## News For The Day

### **Local banks' NPLs seen to rise amid headwinds**

S&P Global Ratings expects slower credit growth and a higher non-performing loan (NPL) ratio for Malaysian banks amid challenging operating conditions. – *The Edge Financial Daily*

### **Pentamaster proposes 1-for-2 bonus issue**

Penang-based automation solution provider Pentamaster Corp Bhd has proposed a one-for-two bonus issue of up to 237.4m new shares to be undertaken at a date to be determined later. – *The Edge Financial Daily*

### **Dagang NeXchange bags five-year Pan Malaysia umbrella contract**

Dagang NeXchange Bhd's subsidiary DNEX Drilling Tech and Oilfield Services Sdn Bhd has received a five-year Pan Malaysia umbrella contract from Petronas Carigali Sdn Bhd. The contract involves providing drilling equipment and services for its petroleum arrangement contractors. – *Sunbiz*

### **Opec backs biggest oil cut since 2008 crisis, awaits Russia**

The Organization of the Petroleum Exporting Countries (Opec) agreed to cut oil output by an extra 1.5m barrels per day in the second quarter of 2020 to support prices that have been hit by the coronavirus outbreak, but made its action conditional on Russia and others joining in. – *Reuters*

### **Covid-19 impact to airlines could surpass US\$100bn**

The International Air Transport Association estimates that airlines could potentially lose US\$63bn this year – more than double its previous estimate of USD\$29.3bn made on Feb 20 – in a scenario where the Covid-19 outbreak is contained in current markets with over 100 cases. – *The Edge Financial Daily*



## Our Thoughts

US markets remains volatile as wide swings between 1,000 point is becoming a norm recently suggesting mixed signals and expectations. The US 10-year Treasury yield fell below 1% to a record low as investors look for safe haven. Regional market is expected to be in the red today taking cue from the US markets. Domestically, we expect the FBM KLCI to remain range bound within 1,480 to 1,500 level. There are ample opportunities for investors for deep value rebound play on oversold stocks such as Genting Malaysia featured in our technical view today.



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