



07 June 2019

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## Previous Day Highlights

The FBM KLCI closed lower 11.22 points (-0.68%) to 1,644.10 points for half day trading for Hari Raya holiday shortened trading hours with volume only at RM1.002 bn with value of RM1.006bn. Bursa Malaysia was closed for 2 days.

Asian market continued to be under pressure on heightened trade war tension. The Shanghai Composite Index lost 1.17%, while Nikkei 225 Index fell marginally 0.01% and Hang Seng Index inch up 0.26%.

US Dow Jones rose 181.1 points (+0.71%) to close at 25,720.70 and Nasdaq also close higher rising 40.1 points (+0.53%) to 7,615.60



## News For The Day

### **No changes to FBM KLCI constituents**

FTSE Russell and Bursa Malaysia announced that there will be no changes to the constituents of the FTSE Bursa Malaysia KLCI, following the semi-annual review of the FTSE Bursa Malaysia Index Series - *The SunBiz*

### **Trump turs up heat on China over import tariffs**

US President Donald Trump threatened to hit China with tariffs on "at least" another US\$300 billion worth of Chinese goods but he said he thought both China and Mexico wanted to make deals in their trade disputes with the United States. - *The SunBiz*

### **Trade tensions could slow global growth: Lagarde**

The International Monetary Fund (IMF) does not see the threat of global recession brought on by a widening US-China trade war and potential US tariffs on Mexican goods and autos, IMF managing director Christine Lagarde said. "We don't see a recession" "Decelerating growth, but growth nonetheless - 3.3% at the end of this year, and certainly a strong US economy" - *The StarBiz*

### **GDP growth seen inching lower to 4.6% in 2019**

The Malaysian economy is expected to inch lower to 4.6% in 2019 and be around the same level in 2020, reflecting the ongoing fiscal consolidation and headwinds arising from the slowdown in global electronics cycle, lower crude oil prices and uncertainty over the outcome of US-China trade tension - *The StarBiz*

### **Bond market seen holding up despite negative news**

The Malaysian bond market will likely hold up for now with the benchmark 10-year Malaysian Government Securities (MGS) projected to hover between 3.75 and 4.00 by year-end as investors adopt a wait-and-see stance in the wake of recent negative newsflows. Economists and bond analysts concurred that the local debt market is still resilient underpinned by the country's healthy macro fundamentals - *The StarBiz*



## Our Thoughts

US Dow Jones has rebounded close to 1,000 points for the last three trading sessions on the back of Federal Reserve Chairman Jerome H. Powell saying the central bank is prepared to act to sustain economic expansion if President Trump's trade was weakened the economy. The comments were interpreted as such that interest rate cuts could be on the cards.

Foreign net buying has turned positive for the 4<sup>th</sup> straight day which is a good sign.

As this is a shortened trading week for Malaysia with Raya Eid celebrations, we expect our market to also be in holiday mood and will see sporadic trading activity.



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