



20 April 2020

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Previous Day Highlights

The FBM KLCI broke above the 1,400 level last Friday. The index rose over 20 points or 1.5% to finish at 1,407.3. Trading volume was significantly higher with 6.31bn unit of shares worth RM3.02bn were traded. There were 764 gainers versus 211 losers.

Asian stock markets closed higher last Friday. Nikkei 225 Index advanced 3.15% to 19,897.3, Hang Seng Index gained 1.56% to 24,380 while Shanghai Composite Index finished 0.66% higher to 2,838.5.

Dow Jones Industrial Average Index closed 2.99% or 704.8 points higher to 24,242.5. Nasdaq Composite Index advanced 1.38% or 117.8 points to 8,650.1 and S&P 500 gained 2.68% or 75.0 points to 2,874.6.



News For The Day

AirAsia to resume domestic flights

AirAsia's scheduled domestic flights is slated to resume on April 29, 2020, followed by Thailand and the Philippines on May 1, India on May 4, and Indonesia on May 7, subject to approval from the authorities. – *The Edge Markets*

Grim 1Q earnings outlook for selected industries

Earnings for the gaming industry, comprising casino and numbers forecast operators, will be affected the most, followed by the airline, property, and banking sector due to the impact of Covid-19. – *The Edge Financial Daily*

Broadcom sounds alarm on tech industry disruptions

Broadcom Inc warned customers they will need to place orders for parts at least six months ahead of time, a surprisingly long lead time that points to wider-than-anticipated disruptions to the technology industry's global supply chain. – *Bloomberg*

Why credit rating matters despite great need to aid people, business

Governments around the world are expected to sizeably raise borrowings for necessary expenditure to battle the ill effects of the Covid-19 pandemic and its economic consequences, pushing budget deficits and public debt ratios well above levels last seen during the global financial crisis. Global debt is estimated to increase 13.1% to reach 96.4% of GDP in 2020 from 83.3% in 2019. – *The Edge Financial Daily*

Scomnet declares 1.5 sen dividend

Supercomnet Technologies Bhd has proposed a 1.5 sen dividend for its year ended Dec 31, 2019. The dividends consist of a special single tier dividend of 0.5 sen and a final single tier dividend of 1 sen. – *The Star Online*



Our Thoughts

Wall Street was higher last Friday on hopes of an early opening of the US economies as mooted by Trump. However, judging from the Covid-19 figures in the US where total cases are closing in at 800,000 with deaths surpassing 40,000, we believe Trump's wish is only wishful thinking and is playing a highly dangerous game. Nonetheless, we reckon after a rather strong performance last week, regional markets may look to take a breather today. Locally, the FBM KLCI which was up by 50 points last week may see some easing today with 1,400 as the immediate support level. Meanwhile with crude oil prices plunging to a low again, this may put additional pressure on the MYR currently hovering at the RM4.40/US\$1.



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