

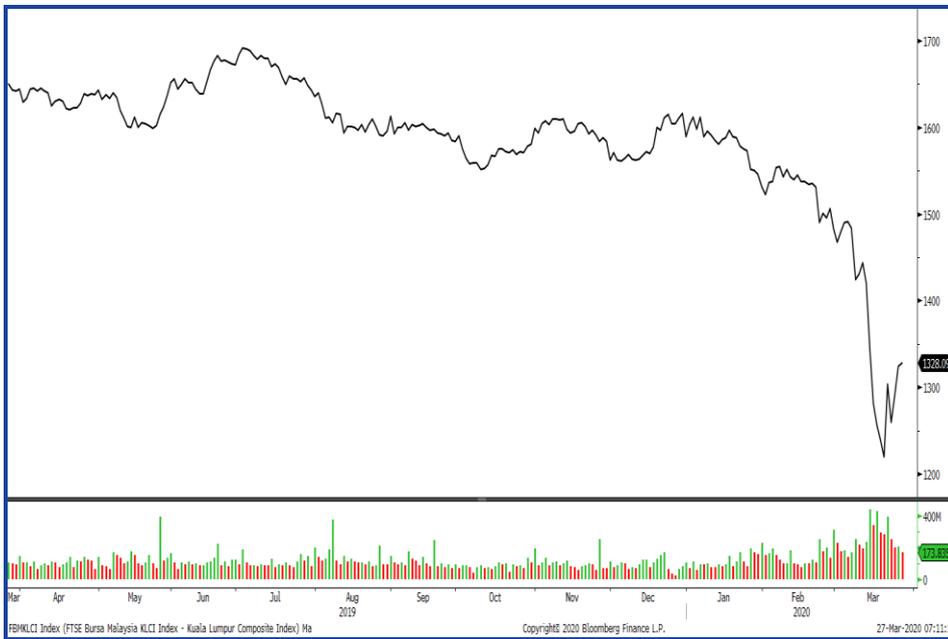
# Market Pulse

Friday, 27 Mar, 2020

**M+Online**  
Equipping Traders For The Win

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## FBM KLCI – Daily



## Ending The Week Higher

- The FBM KLCI (+0.3%) recorded its' third consecutive session of winning streak, taking cue from the positive sentiment on Wall Street overnight. The lower liners - the FBM Small Cap (+1.3%), FBM Fledgling (+0.9%) and FBM ACE (+0.6%) extended their gains, while the technology (-0.2%) and financial services (-0.4%) sectors underperformed the positive broader market.
- Market breadth remained positive as gainers outpaced the losers on a ratio of 540-to-295 stocks. Traded volumes, however, shrank 18.6% to 3.53 bln shares as market sentiment remains cautious after three consecutive days of recovery.
- Anchoring the gainers on the FBM KLCI were Nestle (+RM1.50), Petronas Gas (+32.0 sen), IHH (+28.0 sen), DIGI (+14.0 sen) and Petronas Chemicals (+14.0 sen). Significant advancers on the broader market were consumer products stocks like Carlsberg (+RM1.88), Dutch Lady (+96.0 sen), Panasonic (+60.0 sen), Ajinomoto (+38.0 sen) and Fraser & Neave (+32.0 sen).
- Meanwhile, Rapid Synergy (-12.0 sen), Ta Ann (-12.0 sen), Vitrox (-10.0 sen) and Teck Guan Perdana (-7.5 sen) declined on the broader market. Uchi Technologies slipped 9.0 sen after warns of a potential decline in revenue. Major decliners on the FBM KLCI were Hong Leong Financial Group (-40.0 sen), PPB Group (-34.0 sen), Public Bank (-18.0 sen), KLK (-16.0 sen) and Malaysia Airport Holdings (-10.0 sen).
- Asia benchmark indices retreated from their recent rebound as the Nikkei slipped 4.5% as investors re-assess the

## Market Scorecard

|                        | Close<br>26-Mar-20 | Change<br>% |
|------------------------|--------------------|-------------|
| FBM KLCI               | 1,328.09           | 0.27        |
| 52-W High              | 1,694.55           |             |
| 52-W Low               | 1,207.80           |             |
| FBM EMAS               | 9,064.44           | 0.85        |
| FBM 100                | 9,003.66           | 0.83        |
| FBM Small Cap          | 8,765.18           | 1.25        |
| FBM Fledgling          | 10,250.32          | 0.86        |
| FBM ACE                | 3,679.42           | 0.58        |
| FBM Shariah            | 9,904.37           | 1.37        |
| FBM MidS Cap           | 9,492.00           | 1.12        |
| FBM MidS (Shariah)     | 8,999.03           | 1.03        |
| Market Participation   |                    |             |
| Trading Volume (mln)   | 3,525.48           | -18.56      |
| Trading Value (RM mln) | 2,269.41           | -19.92      |
| FKLI Spot Futures      | 1,322.00           | -0.56       |
| FKLI Forward Futures   | 1,314.00           | -0.98       |
| Dow Jones              | 22,552.17          | 6.38        |
| S&P 500                | 2,630.07           | 6.24        |
| NASDAQ                 | 7,797.54           | 5.60        |
| FTSE 100               | 5,815.73           | 2.24        |
| DAX                    | 10,000.96          | 1.28        |
| CAC 40                 | 4,543.58           | 2.51        |
| FTSE STI               | 2,487.56           | -0.71       |
| Shanghai Composite     | 2,764.91           | -0.60       |
| Hang Seng Index        | 23,352.34          | -0.74       |
| Nikkei 225             | 18,664.60          | -4.51       |
| WTI Crude Oil (USD)    | 23.14              | 2.39        |
| Brent Spot (USD)       | 26.34              | -3.83       |
| Gold (USD)             | 1,631.30           | 0.00        |
| CPO (RM)               | 2,357.00           | -1.09       |
| USD                    | 4.3313             | 1.23        |
| GBP                    | 5.1640             | 1.49        |
| EURO                   | 4.7397             | 0.46        |
| SGD                    | 3.0132             | 0.90        |
| YEN                    | 25.4190            | -0.36       |

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stimulus package announced by the White House, whilst sentiment remain fragile with number of Covid-19 continue to rise. The Hang Seng Index slipped 0.7%, while the Shanghai Composite fell 0.6% after both indices endured a choppy trading session. Asia stockmarkets, meanwhile, finished mixed yesterday.

- Wall Street registered their third-day winning streak as the Dow rallied 6.4% to come off from the bear market territory as the US\$2.0 trn economic relief package now heads to the House of Representatives to pass it by voice vote, offsetting the record high 3.3 mln jobless claims last week. Likewise, the S&P 500 jumped 6.2% with all eleven major sectors in the green, while the Nasdaq surged 5.6%.
- Major European stockmarkets - the FTSE (+2.2%), CAC (+2.5%) and DAX (+1.3%), all rebounded after market sentiment turned upbeat, a move in line with the positive sentiment on Wall Street. In the meantime, Bank of England kept interest rates unchanged and announced potentially increase in net asset purchases if required to cushion the impact from Covid-19.

## THE DAY AHEAD

- Stocks across Bursa Malaysia continue to build onto their recovery, supported by the passing of the stimulus package bill by the Congress in White House. With market sentiment remain upbeat, we see the local bourse likely to end the week on a positive note. However, gains could be capped as investors remain cautious on the rising cases of Covid-19 that seems to have not peaked for the time being.
- Under the prevailing market condition, we reckon the rebound may sustain with the 1,300 level continue to be supported.

Further gains may come by with the FBM KLCI potentially heading towards the 1,350 and 1,360 resistances level. In contrast, any pullback may see the FBM KLCI to be supported at the 1,300 psychological level with the next support is pegged at the 1,250 level.

- In view of the positive general market undertone, we see the recovery to sustain as investors continue to bargain hunt from the recent slide. However, gains may be measured premised to the slowing trading activities that suggests buying momentum appears to taper with cautiousness returning to the fore.

## COMPANY BRIEF

- Sunway Construction Group Bhd's joint venture (SunCon) Sunway Construction Sdn Bhd-RNS Infrastructure Ltd has secured a highway contract worth RM508.0 mln from the National Highways Authority of India (NHAI) in Tamil Nadu.
- The project consists of developing a new road and widening of the existing road to four lanes on a 36.75km highway stretch in Tamil Nadu. The project will be operated under the hybrid annuity model (HAM), where NHAI will pay 40.0% of the project cost during the construction period while the remaining 60.0% will be paid over a period of 15 years as fixed annuity amount.
- The letter of award also includes a 15-year operations and maintenance contract which will bring about an additional RM4.0 mln per annum. Work is expected to start in October 2020 and the construction period is two years. (The Star)

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- **Worldwide Holdings Bhd** plans to acquire an additional 40.0% stake in **Tadmax Resources Bhd**'s RM Pulau Indah power plant project, on top of the 35.0% stake it already owns. Tadmax received a letter dated 16th March 2020 from Worldwide expressing interest to acquire the additional 40.0% equity interest in the project company, Pulau Indah Power Plant Sdn Bhd (PIPP). (The Edge)
- **Pestech International Bhd** has bagged a US\$7.3 mln (RM31.8 mln) contract for a project in Cambodia, which entails works for the 230/11kV Okvau Transmission Substation for the Okvau Gold Mine. The project is the first gold mine transmission substation asset to be undertaken by its subsidiary Pestech (Cambodia) Plc and had commenced on 1st March 2020 and will be completed within 12 months of commencement. (The Edge)
- **AirAsia Group Bhd** and its long-haul arm AirAsia X Bhd (AAX) will ground most of their fleet and suspend flights from 28th March 2020 except a small number, mostly within Indonesia and Thailand. To further manage and contain costs, AirAsia's management and senior employees will forego their salary, ranging from 100% at the very top to 15%.
- AirAsia will temporarily suspend all international and domestic flights in Malaysia from 28th March 2020 to 21st April 2020, while that of its flights operated by AirAsia Philippines will be suspended from 20th March 2020 to 14th April 2020, while AirAsia X Thailand has suspended its operations for three months since 16th March 2020. (The Edge)
- **Uchi Technologies Bhd** has warned that it expects revenue in U.S. dollar terms to decline by a low double-digit for the financial year ending 31st December 2020 (FY20) on lower demand. Nevertheless, the group is confident of remaining profitable in FY20 amid the unprecedented challenges. (The Edge)
- **VS Industry Bhd**'s 2QFY20 net profit retreated 12.5% Y.o.Y to RM33.2 mln, as it recorded lower sales, which resulted in revenue falling 16.2% Y.o.Y to RM820.3 mln.
- For 1HFY20, cumulative net profit grew 4.5% Y.o.Y to RM81.3 mln. Revenue for the period, however, dropped 9.8% Y.o.Y to RM1.85 bln.
- The group has reported order flow from customers is expected to slow in the coming months, given the extent and reach of the coronavirus, which had affected global trade activities. (The Edge)
- **Eco World International Bhd**'s (EWI) 1QFY21 net profit slumped by 95.6% Y.o.Y to RM5.2 mln in the absence of higher sales registered a year prior. Revenue for the quarter slipped 42.2% Y.o.Y to RM492.7 mln. (The Edge)
- **Marine & General Bhd**'s (M&G) 3QFY20 net loss stood at RM11.0 mln on the back of revenue of RM50.3 mln. There are no comparison figures due to a change in financial year end from 31st December to 30th April. For 9MFY20, cumulative net loss stood at RM31.6 mln, on the back of revenue of RM158.7 mln. (The Edge)

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