

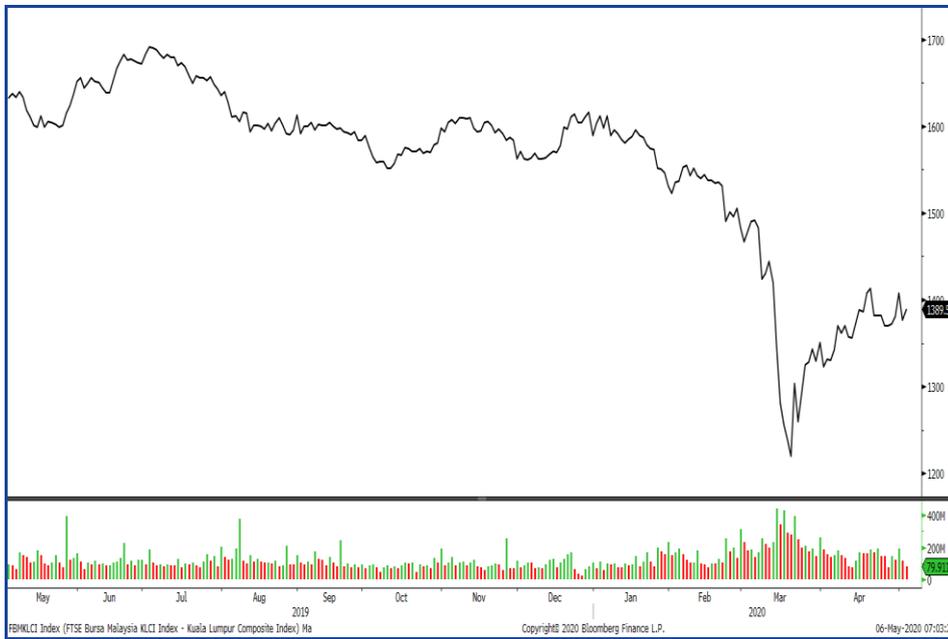
Market Pulse

Wednesday, 06 May, 2020

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 5-May-20	Change %
FBM KLCI	1,389.55	0.94
52-W High	1,694.55	
52-W Low	1,207.80	
FBM EMAS	9,746.20	1.11
FBM 100	9,603.83	1.02
FBM Small Cap	11,284.19	3.17
FBM Fledgling	12,593.22	2.07
FBM ACE	4,909.88	2.78
FBM Shariah	10,842.61	1.14
FBM MidS Cap	12,563.14	3.16
FBM MidS (Shariah)	12,085.76	3.24
Market Participation		
Trading Volume (mln)	5,761.81	5.27
Trading Value (RM mln)	2,699.42	9.02
FKLI Spot Futures	1,386.50	1.91
FKLI Forward Futures	1,381.00	1.88

Momentum Picking Up Steam

- The FBM KLCI (+0.9%) rebounded following Bank Negara's decision to cut benchmark interest rate by 50 basis points to the lowest level since 2010. The lower liners - the FBM Small Cap (+3.2%), FBM Fledgling (+2.1%) and FBM ACE (+2.8%), all advanced, while the broader market finished higher with all 13 major sectors in the green.
- Market breadth turned positive as gainers held an upper hand against the losers on a ratio of 14-to-3. Traded volumes added 5.3% to 5.76 bln shares amid the positive market sentiment.
- The Hang Seng Index (+1.2%) recovered from the previous session slump after reporting 1Q2020 GDP contracted -8.9% Y.o.Y, but the government is confident for a recovery in 2Q2020. Japan stockmarkets were closed for the Children's Day public holiday, while China's stockmarket will re-open today. Other Asia stockmarkets such as Kospi was battered yesterday.
- U.S. stockmarkets extended their gains overnight with the Dow rising 0.6% as investors pinned hopes over the re-opening of economic activities with the number of Covid-19 case counts starts to peak. On the broader market, the S&P 500 rose 0.9%, while the Nasdaq jumped 1.1%.
- Major European stockmarkets - the FTSE (+1.7%), CAC (+2.4%) and DAX (+2.5%), all advanced on the back of gradual reopening of economies in the Europe. Gains were also driven by the weaker Euro Currency against the Greenback.

Dow Jones	23,883.09	0.56
S&P 500	2,868.44	0.90
NASDAQ	8,809.12	1.13
FTSE 100	5,849.42	1.66
DAX	10,729.46	2.51
CAC 40	4,483.13	2.40
FTSE STI	2,572.36	0.34
Shanghai Composite	2,860.08	1.33
Hang Seng Index	23,868.66	1.08
Nikkei 225	19,619.35	-2.84
WTI Crude Oil (USD)	25.37	3.30
Brent Spot (USD)	30.97	13.86
Gold (USD)	1,705.69	-0.01
CPO (RM)	1,975.00	-0.40

USD	4.3063	0.24
GBP	5.3575	0.12
EURO	4.6720	1.07
SGD	3.0415	0.18
YEN	24.7880	-0.18

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THE DAY AHEAD

- The interest rate reduction by Malaysia's central bank provided some alleviation from the previous session sell-down as investors adopted the risk-on approach in search for higher yields against the traditional fixed deposit. Market sentiment was also boosted by the recovery in crude oil prices, coupled with signs of stability over the global markets condition.
- Buying momentum may continue to build-up on the local bourse as the key index continues its quest to recovery towards the 1,400 resistance level. Beyond that, the 1,430 level will serve as the next resistance. The supports, meanwhile, remain pegged at the 1,360 and 1,350 levels.
- The lower liners and broader market shares also delivered strong performance yesterday and we see the positive momentum to extend over the foreseeable future. However, we also caution that the toppish conditions may prompt quick profit taking activities ahead of the mid-week break.

COMPANY BRIEF

- **Malayan Banking Bhd** will reduce its base rate (BR) and base lending rate (BLR) by 50 basis points effective 8th May 2020 following Bank Negara Malaysia's decision to slash the Overnight Policy Rate by that quantum. Maybank's BR will be lowered from 2.5% per annum to 2.0% per annum while its BLR will be reduced from 6.15% per annum to 5.65% per annum. (The Star)
- **CIMB Group Holdings Bhd's** CIMB Bank Bhd and CIMB Islamic Bank Bhd will reduce their base rate and fixed deposit/fixed return income Account-i board rates

by 50 basis points with effect from 13th May 2020. All financing facilities based on base lending rate (BLR) and base financing rate (BFR) will be reduced by half a percent or 0.5%. (The Star)

- **AT Systemization Bhd's** wholly-owned unit AT Precision Tooling Sdn Bhd signed a memorandum of understanding (MoU) with Shanghai JieNaXin Mech & Elec Equipment Co Ltd (JNX) to produce high precision tooling parts for melt-blown non-woven fabric mask making machines. The collaboration would focus on designing different types of spinneret – a critical component used in the manufacture of three-ply face masks. (The Edge)
- **Dufu Technology Corp Bhd's** 1Q2020 net profit surged 239.1% Y.o.Y to RM14.1 mln, due to higher revenue and unrealised forex gain, with a stronger greenback. Revenue for the quarter rose 27.6% Y.o.Y to RM63.0 mln. (The Edge)
- **KLCCP Stapled Group's** 1Q2020 net profit fell 3.9% Y.o.Y to RM176.9 mln, due to the negative impact of the Covid-19 pandemic on its hotel segment. Revenue for the quarter declined marginally by 0.3% Y.o.Y to RM354.6 mln. A distribution per stapled security of 8.3 sen – composed of 5.84 sen for KLCC REIT and 2.46 sen for KLCC Property, payable on 18th June 2020 was declared. (The Edge)
- **MCE Holdings Bhd** has bagged a contract from Perodua to supply electronic and mechatronic components and parts for the local marque's new models. The contract is expected to generate RM34.0 mln in revenue over six years, while the estimated total investment cost is

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RM2.2 mln. (The Edge)

- **Nestle (Malaysia) Bhd**'s 1Q2020 net profit fell 20.8% Y.o.Y to RM186.3 mln as a result of Covid-19, higher commodity costs and earlier Chinese New Year timing. Revenue for the quarter slipped 1.3% Y.o.Y to RM1.43 bln. (The Edge)
- **Uzma Bhd** saw Urusharta Jamaah Sdn Bhd cease to be a substantial shareholder after the latter disposed of 1.2 mln Uzma shares on 23rd March 2020, reducing its stake to 15.0 mln shares or a 4.7% stake. Urusharta Jamaah is a special-purpose vehicle set to take over assets previously owned by Lembaga Tabung Haji. (The Edge)

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