

13 March 2023

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## Previous Day Highlights

FBM KLCI closed at its intraday low on Friday, in line with negative performance across the region. The benchmark index lost 1.13% or 16.45 points to close at 1,433.08. Losers were led by PPB, HLFG and NESTLE. Market breadth was negative with 694 decliners against 239 advancers. Total volume stood at 2.73bn shares valued at RM2.12bn.

Key regional indices ended sharply lower, tracking similar declines on Wall Street, amid concern over the risk of a global recession. Nikkei 225 and STI fell by 1.67% and 1.15% to end at 28,143.97 and 3,177.43 respectively. Meanwhile, HSI and SHCOMP dived 3.04% and 1.40% to finish at 19,319.92 and 3,230.08.

Wall Street ended sharply lower Friday following February's job report and banking sector fears. The DJIA sank 1.07% to end at 31,909.64, while the S&P500 and Nasdaq tumbled 1.45% and 1.76% to finish at 3,861.59 and 11,138.89 respectively.

## Our Thoughts

Wall Street declined further as traders were spooked by the closure of Silicon Valley Bank following losses in its bond portfolio plus several others that are crypto-focused reigniting worries of the global financial crisis in 2008 thus sparking a flight of funds to safety particularly government bonds pushing the US 10-year yield down to 3.7%. As a result, the DJI Average lost 345 points while the Nasdaq tumbled by almost 200 points. In Hong Kong, the HSI experienced another steep decline as it closed to a YTD low at around the 19,300 level as earnings woes from JD.com and AIA clouded earnings outlook. As such, investors are concerned that recent run-up may not be supported by fundamentals. At home, the FBM KLCI dipped to a YTD low at just above the 1,430 mark. Though the local bourse may experience some bargain hunting activities anytime soon as it is now at an oversold position, we reckon prevailing weak sentiment may see investors sidelined. As such, we anticipate the index to trend within the 1,430-1,440 range today. The only saving grace was that wage increase in the US has been lower than expected thus traders expect the Feds to be less aggressive in hiking rates hence all eyes will on FOMC next week.



## News For The Day

### TWL shareholders approve RM111.3m rights issue to fund development projects

TWL Holdings' shareholders approved the proposed renounceable rights issue of up to RM111.3m nominal value of 5.6bn five-year redeemable convertible unsecured loan stocks (RCULS) with up to 1.1bn free detachable Warrants E. TWL said it would be on the basis of 10 RCULS together with two free Warrants E for every 10 existing shares held by entitled shareholders on the entitlement date. The fund raised from this issuance will mainly use to undertake three affordable housing development projects under the Rumah Selangorku scheme. -*The Star*

### Nexgram to acquire property management rights in Langkawi for RM22.5m

Nexgram Holdings wants to acquire the management rights of a piece of land in Langkawi, Kedah, from the resort operator for RM22.5m instead. Nexgram said its wholly-owned unit Medic Asset Group SB has entered into a conditional sale and purchase agreement with WINGS to acquire the entire management rights of a 16,900 sq m piece of land together with the 218-room Century One Helang Hotel Langkawi. -*The Edge Markets*

### Betamek in MoU with Krakatoa Technologies

Betamek's wholly owned subsidiary Betamek Electronics (M) SB has entered into a memorandum of understanding (MoU) with Krakatoa Technologies Pte Ltd to explore potential collaboration to develop a battery management system-on-a-chip for electric vehicles (EV). The MoU will be effective for a period of 12 months upon the execution and may be mutually extended by both parties. -*The Star*

### ACE Market-bound Oppstar posts RM4.46m 3Q net profit

Oppstar, en route to list on the ACE Market of Bursa Malaysia on March 15, posted a 3QFY3/23 net profit of RM4.46m. The integrated circuit (IC) design service provider made a revenue of RM14.61m during the quarter attributed to the strong demand for IC design service. -*The Edge Markets*

### Pecca to acquire 80% stake in Indonesian firm for RM1.88m

Pecca Group, through its wholly-owned subsidiary Pecca Leather SB, has entered into a shares transfer agreement for the acquisition of an 80% equity interest in PT Gemilang Maju Kencana (GMK). The price tag of the acquisition is Indonesian rupiah 6.4bn or approximately RM1.88m, which will be fully satisfied by cash via internal funding. -*The Edge Markets*



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- understand the risks involved in relation to the product or service;
- compare and consider the fees, charges and costs involved; and
- make your own risk assessment and seek professional advice, where necessary.

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