

14 September 2023

 [research@rakutentrade.my](mailto:research@rakutentrade.my)



## Previous Day Highlights

FBM KLCI pared losses and closed flattish due to late buying. The benchmark index gained 0.01% or 0.15 points to close at 1,453.54. Gainers were led by PCHEM, MISC and TENAGA. However, market breadth was negative with 480 losers against 405 gainers. Total volume stood at 2.51bn shares valued at RM1.88bn.

Major regional indices trended mostly lower. Nikkei225, HSI and SHCOMP declined 0.21%, 0.09% and 0.45% to end at 32706.52, 18,009.22 and 3,123.07 respectively. Meanwhile STI gained 0.14 to finish at 3,218.93.

Wall Street ended mixed as investors digest core inflation which came in higher than expected. The DJIA declined 0.20% to end at 34,577.23. S&P500 and Nasdaq rose 0.12% and 0.29% to close at 4,467.74 and 13,813.59 respectively.



## Our Thoughts

Wall Street closed on a mixed note as the US inflation reading came in higher than expected for the month of August. As a result, the DJI Average lost 70 points while the Nasdaq added almost 40 points thanks largely to gains from Tesla and Amazon. Meanwhile, the US 10-year yield eased to 4.254%. As for the Hong Kong market, the HSI completed its 6<sup>th</sup> day of losses on concerns over China's economic recovery despite developer Country Garden obtained temporary reprieve from its creditors to delay bond payments. Back home, the FBM KLCI closed flat following some late buying activities. Though the local bourse seems to be well supported currently, underlying sentiment is still cautious as daily volume traded is still lower than desired. Nonetheless, we reckon persistent accumulation on the blue chips will eventually see spillover effects on the smaller cap stocks. For today, we reckon the index to hover between the 1,450-1,460 range again.



## News For The Day

### **AirAsia plans to reactivate full fleet**

AirAsia has announced its plan to fully reactivate its 204 aircraft supported by a refreshed agreement with its long-term partner and engine provider, CFM International. AirAsia look forward to capitalise on this achievement as it reinstated its 204-fleet and expand to above 300 aircraft in the next five years, continuing to connect people across ASEAN and beyond with affordable and best-value travel options. Capital A CEO Tony Fernandes said the company has made enormous strides in bringing back their planes and restarting operations, balancing a mismatch of the cost of 204 planes and the revenue from flying an average of 143 planes this year. -*The Star*

### **Bumi Armada to develop LNG in Madura gas field**

Bumi Armada has entered into a non-binding agreement with Indonesian state-owned PT Pertamina International Shipping and natural gas trading company PT Davenergy Mulia Perkasa to develop and commercialise liquefied natural gas (LNG) from the Madura gas field and its surrounding fields. Bumi Armada said it will collaborate with Pertamina International Shipping to construct and operate a floating natural gas liquefaction and storage facility, together with an LNG carrier to transport LNG to consumers who are not proximate to clean energy sources. -*The Edge Markets*

### **MyEG denies charging fees illegally for foreign worker permits**

MyEG Services has denied illegally collecting fees for its foreign worker permit renewal services. In a bourse filing on Wednesday, the e-services provider clarified that there was and had been no misrepresentation by MyEG in the services available on its online platform, and that all services continue to be provided in accordance to the terms and conditions stipulated by the government of Malaysia. -*The Edge Markets*

### **SC plans to embrace ISSB's sustainability standard**

The Securities Commission Malaysia (SC) is planning to adopt the International Sustainability Standards Board's (ISSB) global standards to ensure that sustainability becomes an integral part of local corporations, said SC chairman Datuk Seri Dr Awang Adek Hussin. "But we intend to customise them to align with our local requirements," he said. -*The Edge Markets*

### **Oil jumps 2% to near 10-month high**

Oil prices jumped about 2% to a near 10-month high on Tuesday on a tighter supply outlook and OPEC optimism over the resilience of energy demand in major economies. Brent futures rose US\$1.42 or 1.6%, to settle at US\$92.06 a barrel, while US West Texas Intermediate (WTI) crude rose US\$1.55, or 1.8%, to settle at US\$88.84. -*The Star*



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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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Published:

Kenny Yee Shen Pin  
Head of Research