

15 March 2023

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## Previous Day Highlights

FBM KLCI tumbled to below the 1,400 marks as sentiment remains fragile following the US bank crisis. The benchmark index lost 1.97% or 28.00 points to close at 1,393.83. Losers were led by NESTLE, HLBANK and PETDAG. Market breadth was negative with 878 losers against 179 gainers. Total volume stood at 3.38bn shares valued at RM2.50bn.

Key regional markets ended sharply lower amid escalating tensions within the global financial world. Nikkei 225 and STI dropped 2.19% and 0.08% to end at 27,222.04 and 3,129.75 respectively. Meanwhile, HSI and SHCOMP slumped 2.27% and 0.72% to finish at 19,247.96 and 3,245.31.

Wall Street rebounded after a choppy session as investors bet that a contagion following the bank crisis may be averted. The DJIA and S&P 500 rose 1.06% and 1.65% to end at 32,155.40 and 3,919.29 respectively, while Nasdaq rallied 2.14% to finish at 11,428.15.



## Our Thoughts

Wall Street staged a relief rally as traders are betting that a contagion from recent bank failures may have been averted. In addition, the latest CPI data came in within expectations suggesting the Federal Reserve may be less aggressive with rate hike. As such, the DJI Average jumped 336 points while the Nasdaq added 239 points with the US 10-year yield edged higher at 3.69%. In Hong Kong, shares tumbled with the HSI declined by 448 points as the market was spooked by the collapse of Silicon Valley Bank and that HSBC will buy SVB's subsidiary that saw HSBC share price dropped by almost 5%. On the home front, the FBM KLCI dipped below the 1,400 level attributed to broad-based selling amid the regional bloodbath as a knee jerk reaction to the bank failures in the US. Nonetheless, we reckon bargain hunting to emerge today on hopes that the Feds will be less reluctant to hike rates now thus expect buying to return on Banks and Telcos stocks today. As such, we believe the index to see a rebound today and expect it to hover between the 1,400-1,415 range.



## News For The Day

### **F&N seals exclusive rights for Nestle's Bear Brand sterilised milk in Cambodia**

Fraser & Neave Holdings (F&N) has secured extended rights from Societe Des Produits Nestle S.A. and Nestec S.A. (Nestle) as the exclusive manufacturer and distributor for Nestle's Bear Brand sterilised milk in Cambodia. F&N said the group would now manufacture as well as distribute and market the milk products directly to end consumers in Cambodia, effective March 1, 2023, until 2037. "This contract expansion is part of licence agreements originally granted by Nestle in 2007 and subsequently renewed in 2015," it said. -*The Star*

### **MD Eddie Ng disposes of 25.34m shares, ceases to be substantial shareholder of Revenue Group**

After a boardroom tussle involving the Ng brothers, Revenue Group's managing director cum alternative chairman Datuk Eddie Ng Chee Siong had disposed of 25.34m of his shares in the company off market, representing 5.26% of the total issued share capital. Eddie then ceased to be the substantial shareholder of the group. -*The Edge Markets*

### **LYC Healthcare buys Cheras properties for RM4.5m**

LYC Healthcare has proposed to acquire three units of 1½ storey light industrial factory in Cheras for RM4.5m cash. LYC said its subsidiary, Aqurate Ingredients Intl (M) SB had entered into a sale and purchase agreement (SPA) with Golden City Development SB (GCDSB) for the proposed acquisition. LYC said three units measured a total of 622 square metres. -*The Star*

### **Landmarks' unit defaults on RM133m financing facility**

Landmarks, a 21.7% associate of Genting, said its wholly owned subsidiary has defaulted in its repayment on financing facilities totalling RM133.37m. The property developer said OCBC Bank (Malaysia) has issued its wholly owned unit Andaman Resort SB a notice of recall dated March 8, demanding the repayment of banking and credit facilities amounting to RM133.37m be paid within 14 days, by March 22. -*The Edge Markets*

### **Steel Hawk bags system maintenance contracts**

Steel Hawk has secured two contracts from Petronas Carigali SB to provide pig trap system maintenance for a tenure of one year, with an additional one-year extension option. Steel Hawk said its wholly owned subsidiary Steel Hawk Engineering SB obtained the contracts from Petronas Carigali, the wholly owned exploration arm of Petroliaam Nasional (Petronas). The contracts are expected to contribute positively to its FY23 earnings. - *The Edge Markets*

**Rakuten Trade Sdn. Bhd.** contribute positively to its FY23 earnings. - *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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