

Daily Market Report



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17 March 2023

Previous Day Highlights

FBM KLCI finished lower and dipped below 1,400 marks as global banking crisis weighed on market sentiment. The benchmark index lost 0.88% or 12.33 points to close at 1,391.60. Losers were led by NESTLE, PETGAS and HLBANK. Market breadth was negative with 719 decliners against 238 advancers. Total volume stood at 3.52bn shares valued at RM2.22bn.

Key regional indices closed on weak note amid the uncertainty over global and regional conditions. Nikkei 225 and STI dropped 0.80% and 0.55% to end at 27,010.61 and 3,155.54 respectively. Meanwhile, both HSI and SHCOMP slumped 1.72% and 1.12% to close at 19,203.91 and 3,226.89.

Wall Street ended sharply higher as First Republic Bank gets US\$30bn capital pledge from US banks to ease the banking crisis fears. The DJIA and S&P 500 rallied 1.17% and 1.76% to end at 32,246.55 and 3,960.28 respectively, while Nasdaq soared 2.48% to close at 11,717.28.

Our Thoughts

Wall Street rebounded as bailouts for both Credit Suisse and First Republic Bank eased concerns of a deepening banking crisis despite the ECB (European Central bank) jacked up interest rates by another 50bps. Meanwhile, many are betting that the Feds may be less aggressive in hiking interest rates next week. As a result, the DJI Average gained 372 points while the Nasdaq jumped by 283 points as the US 10-year yield edged higher to 3.58%. As for Hong Kong, the HSI tumbled 336 points on concerns of the banking crisis that spillover to the region. Additionally, Baidu's launch of its ChatGpt-like Ernie disappointed market as its share price slumped 6.4%. Back home, in line with the regional downtrend, the FBM KLCI declined to just above the 1,390 level due to persistent selling on Banks, Telco and Energy stocks. For today, a rebound is in the offing buoyed by the positive performance on Wall Street hence expect the index to hover within the 1,390-1,405 range on broad based accumulation.



News For The Day

Top Glove slip to the red with 2Q net loss of RM164.67m

Top Glove Corp reported a 2QFY8/23 net loss of RM164.67m from a net profit of RM87.55m last year. Top Glove's 2QFY23 results were largely flattish compared to 1QFY23, with lower revenue of RM618.01m from RM1.48bn previously. The glove company said destocking activity persisted, driven by excess customer inventory, resulting in a softer order book. -NST

Sunway REIT acquires properties from EPF worth RM520m

Sunway REIT Management SB has announced the properties that it would acquire for Sunway Real Estate Investment Trust (Sunway REIT) from the Employees Provident Fund (EPF) worth RM520m in total. The properties to be acquired by Sunway REIT are six strategically located hypermarkets and retail complexes in the Klang Valley and Johor. -The Edge Markets

Inta Bina wins RM79.9m construction contract

Inta Bina Group's wholly owned subsidiary, Inta Bina SB has secured a construction contract worth RM79.9m from Paragon Pinnacle SB. The contract involved the construction of 300 houses. The construction period shall be 16 months commencing from the date of site possession on April 14, 2023. -The Edge Markets

MGB bags RM47m contract to build houses in Puchong

MGB has bagged a RM46.8m contract to build 155 double-storey terrace houses at the D'Island Residence township in Puchong. With the contract in hand, the group's current outstanding order book is approximately RM1.88bn. The project is expected to complete by 2024. - The Edge Markets

TT Vision bags RM23.6m contract

TT Vision Holdings has secured purchase orders for its solar cell inspection equipment from one of the largest solar cell manufacturers in the world worth RM23.6m. The contract is expected to be fulfilled within six to nine months. The company did not disclose the name of the major customer. -The Star

Microlink bags RM17.8m contract from LPPSA

Microlink Solutions has bagged a RM17.8m contract from Public Sector Home Financing Board (LPPSA) for the maintenance and support services for the loan management system. The 5 years contract will commence from April 1, 2023 until March 31, 2028 with no clause on renewal in the LoA.-The Star



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All buy calls are based on the research team's judgement. Investing is risky and trading is at your own risk. We advise investors to:

- read and understand the contents of the disclosure document or any relevant agreement or contract before investing;
- 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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