

18 September 2023

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## Previous Day Highlights

FBM KLCI closed higher in tandem with the positive performance of regional indices. The benchmark index gained 0.65% or 9.45 points to close at 1,459.03. Gainers were led by KLK, PCHEM and SIMEPLT. Market breadth was positive with 550 gainers against 387 losers. Total volume stood at 4.02bn shares valued at RM4.31bn.

Major regional indices trended mostly higher. Nikkei225, HSI and STI added 1.10%, 0.75% and 0.96% to close at 33,533.09, 18,182.89 and 3,280.69 respectively. Meanwhile SHCOMP slipped 0.28% to end at 3,117.74.

Wall Street finished lower with selling mainly on tech stocks. The DJIA lost 0.86% to end at 34,618.24. S&P500 and Nasdaq dived 1.22% and 1.56% to close at 4,450.32 and 13,708.33 respectively.



## Our Thoughts

Wall Street retreated as traders are looking ahead for the Feds move on interest rates this Wednesday following a mixed batch of economic data. Though it is widely expected that the Feds will maintain the rates for now, recent headline inflationary figures still showed a slight expansion. As such, the DJI Average lost 289 points while the Nasdaq declined by 218 points as the US 10-year yield inched higher to 4.336%. Meanwhile in Hong Kong, the HSI added 135 points after China's move to cut the Statutory Reserve Requirement (SRR) last Friday to inject more liquidity into the financial system. China's August retail sales and factory output that exceeded expectation further boosted sentiment. At the local front, the FBM KLCI finally tested the 1,460 mark or a 6-month high attributed to persistent accumulation by foreign funds. We believe this level should be breached anytime soon as valuation of the local blue chips remains low. Despite the headwinds from Wall Street, we expect the index to continue with its upward trajectory and expect it to hover between the 1,460-1,470 range today.



## News For The Day

### **Hibiscus Petroleum to develop Marigold field in North Sea**

Hibiscus Petroleum's wholly owned unit Anasuria Hibiscus UK Ltd (AHUK) has entered into a unitisation and unit operating agreement (UUOA) to develop the Marigold field located in the Central North Sea. AHUK holds a 87.5% interest in Licence P198 Block 15/13a, which contains the Marigold West field, with Caldera Petroleum (UK) holding the remaining 12.5%, having joined forces with Ithaca Oil and Gas Ltd to jointly develop the field.-*The Edge Markets*

### **KKB Engineering initiates arbitration against Shapadu**

KKB Engineering said its 60.81%-owned OceanMight SB (OMSB) has initiated arbitration proceedings against Shapadu Energy Services SB, which it subcontracted to undertake certain hook-up and commissioning projects in Sarawak, to resolve a dispute between them over the projects. According to KKB Engineering's bourse filing Friday, OMSB alleged that Shapadu Energy had breached its contractual obligations, leading to the takeover of the projects by OMSB. Hence, OMSB is claiming from Shapadu Energy the costs for the completed projects, loss of profits, all other losses and expenses incurred.- *The Edge Markets*

### **Solid Automotive to dispose of JB land for RM48m**

Solid Automotive has proposed to sell a 4.05-hectare parcel of land in Johor Bahru for RM48m, using the proceeds for investment purposes, capital expenditure (capex) and working capital. The sale is expected to result in a pro forma gain of RM34.2m.-*The Edge Markets*

### **Rapid Synergy sells properties in Perak for RM7m gain**

Precision tool-making company Rapid Synergy has disposed of 6,653/10,000 undivided share of a parcel of land in Manjung, Perak, measuring 303,487 sq ft, to Yokado Sdn Bhd for RM22.9m cash. The parcel of land comes together with a one-storey commercial shopping complex and a one-storey temporary building comprising a futsal court and a commercial lot. It is expected to report a gain of RM7m from the proposed disposal.-*The Edge Markets*

### **Oil gains for 3<sup>rd</sup> straight week on tight supply, China optimism**

Oil prices hit a 10-month high on Friday and posted a third weekly gain as supply tightness spearheaded by Saudi Arabian production cuts combined with optimism around Chinese demand to lift crude. Brent crude futures rose 23 cents, or 0.3%, to settle at US\$93.93 a barrel, while US West Texas Intermediate futures were up 61 cents, or 0.7%, to close at US\$90.77 a barrel.- *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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