

19 September 2023

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## Previous Day Highlights

FBM KLCI closed flat paring earlier losses. The benchmark index lost 0.07% or 1.04 points to close at 1,457.99. Losers were led by KLK, PCHEM and SIMEPLT. Market breadth was mixed with 468 gainers against 498 losers while 396 were unchanged. Total volume stood at 4.38bn shares valued at RM2.12bn.

Major regional indices trended mostly lower. HSI and STI lost 1.39% and 0.49% to close at 17,930.55 and 3,264.54 respectively. Meanwhile SHCOMP added 0.26% to end at 3,125.93. Nikkei225 was closed for public holiday.

Wall Street ended flattish due to cautious trading ahead of the FOMC meeting on Wednesday. The DJIA gained 0.02% to end at 34,624.30. S&P500 and Nasdaq added 0.07% and 0.01% to close at 4,455.53 and 13,710.24 respectively.

## Our Thoughts

Wall Street closed flat amid a lacklustre day as traders are sidelined ahead of the Feds FOMC meeting tomorrow. As a result, the DJI Average added 6 points while the Nasdaq gained 2 points as the US 10-year yield eased to 4.303%. Though consensus is expecting the Feds to maintain interest rates tomorrow, many are concerned by uptick in the inflationary data recently especially by the latest surge in crude oil prices. In Hong Kong, the HSI slumped to below the 18,000 level again as sell-down continues with the negative outlook of the Chinese Yuan which declined to a 16-year low coupled with the detainment of several executive in Evergrande Group. Nonetheless, we are of the opinion that the cheaper Yuan may actually spur Chinese exports going forward. Back home, persistent accumulation of blue chips saw the FBM KLCI pared earlier losses to close almost flat. We reckon trading to be on a cautious mode today with an eye on the Feds move tomorrow thus expect the index to hover between the 1,455-1,465 range.



## News For The Day

### Citaglobal signs RM15bn MOU with Chinese firm

Chinese waste treatment conglomerate Shanghai SUS Environment Co Ltd is looking to inject RM15bn of foreign direct investment into the Malaysian economy via a collaboration to establish a waste-to-energy (WtE) plant in the country. Citaglobal, had entered into an MOU with SUS, which outlines the intention of the parties to potentially collaborate on developing WtE power plants in Malaysia.-*The Star*

### ITMAX bags 15-year job worth RM105m from MBBJ

ITMAX System's (ITMAX) subsidiary has secured a contract entailing the provision of video surveillance services for the Johor Bahru City Council (MBJB) worth RM105.3m for a 15-year period. The contract, which includes a smart command centre and a closed-circuit camera system with artificial intelligence features on a service subscription basis, was awarded by MBBJ to its 65%-owned subsidiary, Southmax SB.-*The Edge Markets*

### SIMEPLT inks MOU to expand presence in China

SIMEPLT's downstream arm Sime Darby Oils International Ltd (SDO) has inked a memorandum of understanding (MOU) with Guangxi Beibu Gulf International Port Group Ltd (BGP) to expand its presence in China. The plantation group said the one-year MOU is to leverage BGP's port, logistics, as well as trade in the Beibu Gulf economic region to explore the possibility of establishing a refined palm oil trading and distribution centre in the Qinzhou Free Trade Zone.-*The Edge Markets*

### Malaysia reviewing windfall tax on palm oil industry

Malaysia is reviewing an existing windfall tax on the palm industry and hopes to complete it next year, plantations and commodities minister Datuk Seri Fadillah Yusof said on Monday. Planters in Malaysia, the world's second largest producer of palm oil, have for years asked the government to reassess the tax rate and the threshold for the windfall profit tax. Malaysia currently imposes a windfall levy of 3% on palm oil prices above RM3,000 per tonne in Peninsular Malaysia and above RM3,500 tonne in Sabah and Sarawak - the largest palm oil producing states in the country.-*The Star*

### Oil climbs on supply concerns, recovery in China demand

Oil prices rose for a third straight session on Monday, buoyed by forecasts of a widening supply deficit in the fourth quarter after Saudi Arabia and Russia extended cuts and by optimism about a recovery in demand in China. Brent crude futures rose 71 cents, or 0.8%, to \$94.64 a barrel by 0622 GMT while WTI crude futures were at \$91.55 a barrel, up 78 cents, or 0.9%. -*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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