

FBMKLCI 1Wk Chg (1,506.63, +1.78)

Our View of The Week: **Mildly Bearish**
21 September 2020

Market Commentary

Highlights:

- China stocks post weekly gain on stimulus hopes, yuan strength
- Brent on track to rise 7.4% in week; WTI set for 9% gain
- Nasdaq, S&P 500 post 3rd week of declines

Spotlight of the Week

The FBMKLCI finished reversed the gain after the U.S. Federal Reserve pledged to keep interest rate low but stopped short of offering fresh stimulus to boost the world's largest economy.

Malaysia's ringgit climbs to its highest level since Feb., with higher oil prices supporting the energy exporter. The Asian currency also rises alongside peers amid a weaker dollar.

Both the U.S. and Brent crude benchmarks posted weekly gains after Saudi Arabia pressed allies to stick to production quotas, Hurricane Sally cut U.S. production, and banks including Goldman Sachs predicted a supply deficit.

The index is likely to trade lower on bearish global sentiment.

Market Wrap Up

Regional Asia Indices:

China stocks gained 2.4%, snapping a two-week losing streak on hopes of fresh supportive measures to boost the virus-ravaged economy, while a strong yuan also helped lure foreign inflows.

China's industrial output accelerated the most in eight months in August, while retail sales grew for the first time this year, suggesting the economic recovery is gathering pace as demand starts to improve more broadly from the coronavirus crisis.

Hong Kong stocks posted third straight weekly drop on worries over ongoing Sino-U.S. tensions and lingering disappointment that central banks merely affirmed their monetary support this week.

Japanese shares closer lower as expensive valuations and a murky earnings outlook made investors cautious ahead of a long weekend.

U.S. & Europe Indices:

The STOXX 600 still eked out 0.2% weekly gain as some major retail companies showed resilience in earnings earlier this week and a string of takeovers enlivened global M&A activity.

U.S. stocks fell on Friday as technology shares sold off for a third day in a row, while the S&P 500 and Nasdaq posted a third straight week of declines.

It was the first such weekly streak for the Nasdaq since August 2019.

Financial Insights

Indices

Regional Indices	Price	1wk Chg	%	High	Low
FBM KLCI	1506.63	1.78	0.12%	1541.14	1503.19
Nikkei 225	23360.3	-46.19	-0.20%	23582.21	23272.23
Straits Times Index	2497.71	7.62	0.31%	2517.63	2481.45
Hang Seng	24455.41	-47.90	-0.20%	24829.87	24250.9
S&P / ASX 200	5864.504	5.08	0.09%	5958.5	5859.4
Shanghai Composite	3338.09	77.74	2.38%	3338.324	3248.499

US & Europe Indices	Price	1wk Chg	%	High	Low
DJI	27657.42	-8.22	-0.03%	28364.77	27487.97
S&P 500	3319.47	-21.5	-0.64%	3428.92	3292.4
NASDAQ Comp.	10793.28	-60.26	-0.56%	11245.42	10639.95
STOXX Europe 600	368.78	0.82	0.22%	373.15	367.49
DAX	13116.25	-86.59	-0.66%	13339.14	13035.94

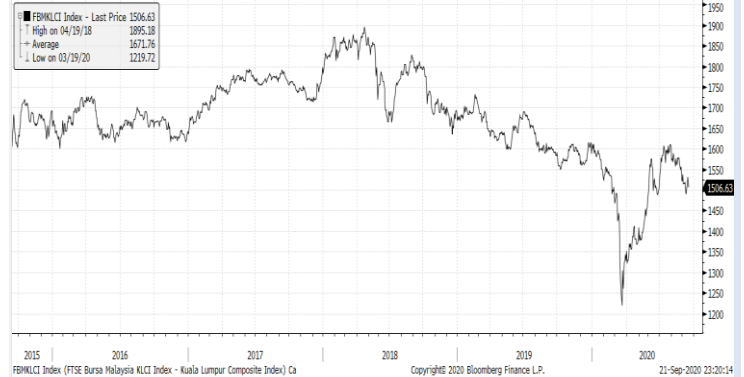
Commodities

Instrument	Price	1wk Chg	%	High	Low
COMEX Gold	1962.1	14.2	0.73%	1983.8	1938.2
WTI Crude	41.11	3.78	10.13%	41.49	36.82
Crude Palm Oil	3080	302	10.87%	3083	2838

Commodities

Instrument	Last	Change	%	High	Low
USDMYR	4.1145	-0.0390	-0.94%	4.1555	4.1000

2 years FBM KLCI Daily Chart



FKLI Spot Month Daily Candle Chart



IK1 Index (MDE Kuala Lumpur Composite Index Future) Daily 22SEP2019-18SEP2020

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Source: Bloomberg/ Phillip Futures

Technical Comments (FKLI Spot Month)

This week, we expect the FKLI to trade lower. The support is seems at 1400 and resistance at 1550.



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