

KLCI to trade at 1,550-1,617-level next week, glove stocks to watch out for

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KUALA LUMPUR, Aug 1 -- The benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) is likely to hover between 1,550 and 1,617 points next week, with glove counters continuing to be the stocks to watch out for, as several glove companies will release their second quarter results starting August.

Hence, Malacca Securities Sdn Bhd head of research Loui Low expected bargain-hunting activities to emerge next week.

However, Low cautioned that market sentiment would be affected by the latest political development in the country, as any uncertainty would drag the performance of the key index.

“I think there will be more clarity over the weekend, as the current situation is quite vague, and there are so many outcomes that can be expected from the political scene. Therefore, we are still waiting for more clarity.

“For now, we believe that any uncertainty will cause some drags in the KLCI, but overall, we should see some bargain-hunting activities throughout next week,” he told Bernama.

UMNO president Datuk Seri Dr Ahmad Zahid Hamidi said on Thursday that Bersatu had expressed its desire to formally withdraw from Perikatan Nasional to join Muafakat Nasional, an alliance of UMNO and PAS.

Bersatu president Tan Sri Muhyiddin Yassin, who is also the Prime Minister, expressed this intention at his meeting with Barisan Nasional Members of Parliament on Wednesday, Ahmad Zahid said.

Meanwhile, Sabah Chief Minister Datuk Seri Mohd Shafie Apdal has announced the dissolution of the Sabah State Assembly to pave the way for a state election, which has to be held within 60 days.

For the holiday-shortened week just ended, the key index FTSE Bursa Malaysia KLCI (FBM KLCI) was traded mostly higher, closing at 1,611.42, the highest level of the year.

Over the past week, the rises were mainly supported by glove-linked stocks amid the resurgence of new COVID-19 cases globally, but gains were capped by the targeted moratorium extension announcement, hurting the finance-linked counters most.

The key index, however, staged a pullback on Thursday due to the political uproar.

On a Thursday-to-Friday basis, the index gained 14.14 points to end at 1,603.75 from 1,589.61 in the previous week.

On the scoreboard, the FBM Emas Index leapt 141.75 points to 11,413.93, the FBMT 100 Index garnered 140.02 points to 11,254.07, and the FBM Emas Shariah Index surged 341.48 points to 13,439.53.

The FBM 70 climbed 341.30 points to 14,495.58 and the FBM ACE Index soared 636.80 points to 8,534.88.

Sector-wise, the Financial Services Index shrank 252.13 points to 13,165.51, while the Plantation Index increased 32.48 points to 7,147.51 and the Industrial Products and Services Index eked out a gain of 1.48 points to 141.13.

Weekly turnover rose to 45.91 billion units worth RM26.58 billion compared with 45.32 billion units worth RM28.93 billion in the previous week.

Main Market volume dwindled to 20.61 billion shares valued at RM17.78 billion versus 53.22 billion shares worth RM28.75 billion in the week earlier.

Warrants turnover, meanwhile, improved to 3.84 billion units worth RM1.52 billion from last week's 3.60 billion units worth RM736.71 million.

The ACE Market volume narrowed to 21.44 billion shares valued at RM7.27 billion compared with 26.14 billion units valued at RM5.81 billion last week.

Bursa Malaysia Bhd and its subsidiaries were closed last Friday for the Aidiladha holiday. Trading resumes on Monday.

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