

Concerns over spike in COVID-19 cases drag Bursa lower

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KUALA LUMPUR, Oct 6 -- The local bourse took a hit today, changing course in mid-afternoon to finish lower as the nation experienced a staggering increase in COVID-19 cases.

At the closing bell, the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) shed 2.96 points to 1,509.47 from yesterday's close of 1,512.43.

The index opened at 1,515.70 and moved in the range of 1,508.18 to 1,522.32 throughout the day.

However, the overall market saw losers overtaking gainers 749 to 315, while 417 counters were unchanged, 614 untraded and 20 others suspended.

Total volume decreased to 6.02 billion shares worth RM3.80 billion from yesterday's 6.34 billion shares worth RM4.59 billion.

An equity analyst said the market shift witnessed since mid-afternoon was due to the anticipation of a drastic hike in new COVID-19 cases today, and the prime minister was expected to give a special address on national television.

"The drastic increase will put more restrictions in place, which will hurt businesses especially small and medium enterprises and the tourism sector that is just starting to regain its footing post-Movement Control Order (MCO) imposed in March," she said.

Muhyiddin, who is undergoing self-quarantine after being in a meeting with a cabinet minister who tested positive for COVID-19 yesterday, is expected to give a special address on national television today on the MCO updates.

Earlier today, the government had banned travel to and from Sabah, which is one of the hotbeds for COVID-19.

“We expect a market sell-down tomorrow, pushing it further towards the oversold position. However, until COVID-19 settles, the equity market is expected to be dampened with downside risk prevailing,” she said.

Asked if the healthcare sector will buck the trend, especially glove and pharma stocks; she said that such stock has been locked in as a long term position for investors.

“Retail investors will not be as involved this round as the previous rally as the moratorium that took place during the period has ended. It will still see growth, but on a more organic momentum,” she said.

On the technical side, the FBM KLCI is now seeing resistance at 1,515 and underlying support at 1,480.

Of the heavyweights, Maxis added 14 sen to RM5.04, Petronas Chemicals rose 10 sen to RM6.00, Tenaga Nasional inched up 14 sen to RM10.54, and Maybank gained seven sen to RM7.19.

Among the gainers, Vitrox climbed 22 sen to RM12.90, BLD Plantation added 28 sen to RM7.80 and Nestle leaped 70 sen to RM140.30.

As for the losers, Hartalega slipped 54 sen to RM17.02, Malaysian Pacific declined 48 sen to RM19.12 and Supermax shed 48 sen to RM9.23.

On the index board, the FBM Emas Index slipped 47.85 points to 10,877.99 and the FBM Emas Shariah Index dipped 89.52 points to 12,990.50.

The FBM 70 declined 140.97 points to 14,239.86, the FBMT 100 Index fell 42.64 points to 10,706.50, and the FBM ACE was 16.61 points lower at 10,241.35.

Sector-wise, the Financial Services Index lifted 38.08 points to 12,449.87, the Plantation Index erased 32.46 points to 6,963.58, and the Industrial Products and Services Index was 0.44 of-a-point weaker at 139.55.

Warrants turnover declined to 696.22 million units worth RM182.44 million from yesterday's 782.00 million units worth RM233.88 million.

Volume on the ACE Market improved to 2.48 billion shares worth RM929.56 million from Monday's 2.24 billion shares worth RM964.80 million.

Consumer products and services accounted for 745.47 million shares traded on the Main Market, industrial products and services (899.95 million), construction (166.94 million), technology (385.83 million), SPAC (nil), financial services (32.96 million), property (164.46 million), plantations (40.24 million), REITs (7.26 million), closed/fund (6,000), energy (172.00 million), healthcare (112.71 million), telecommunications and media (34.32 million), transportation and logistics (71.22 million), and utilities (9.21 million).

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