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Headline: KLCI Pares Losses, Stays Above 1,750-Level

**THE EDGE**<sup>TM</sup>  
**MARKETS**

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## KLCI pares losses, stays above 1,750-level

KUALA LUMPUR (June 5): The FBM KLCI pared some of its losses at mid-morning today and recovered some lost ground to move above the 1,750-point level.

At 12.30pm, the FBM KLCI fell 4.15 points to 1,751.02. The index had earlier slipped to its intra-morning low of 1,747.76.

Gainers led losers by 300 to 274, while 541 counters traded unchanged. Volume was 1.52 billion shares valued at RM1.05 billion.

The top losers included Ajinomoto (M) Bhd, Panasonic Manufacturing Malaysia Bhd, Malaysian Pacific Industries Bhd, Allianz Malaysia Bhd, MISC Bhd, British American Tobacco (M) Bhd, Aeon Credit Service (M) Bhd and Genting Bhd.

The actives included UCrest Bhd, My E.G. Services Bhd, Sapura Energy Bhd, Cuscape Bhd, PUC Bhd, Pintaras Jaya Bhd, Thriven Global Bhd and Eden Inc Bhd.

The gainers included Petronas Gas Bhd, United Plantations Bhd, Nestle (M) Bhd, Hong Leong Financial Group Bhd, UMW Holdings Bhd, Rapid Synergy Bhd, Yinson Holdings Bhd and Hartalega Holdings Bhd.

Asian stocks pulled back on Tuesday as investors paused for breath after the previous day's rally, although tech-inspired Wall Street gains supported broader sentiment as focus shifted to bullish economic fundamentals, away from trade concerns, according to *Reuters*.

MSCI's broadest index of Asia-Pacific shares outside Japan dipped 0.1% after surging 1.4% the previous day, it said.

Meanwhile, Hong Leong IB Research lowered its end-2018 FBM KLCI target to 1,770 (from 1,880) and said for the 1Q18 results season, 47% came in below expectations, 42% inline and 11% above.

In a strategy note today, the research house said this proportion of results disappointment was the highest since 2Q15 with cost being the key reason.

It explained that sectorial wise, the disappointments came from plantation, construction, oil and gas, and wood based manufacturers.

"Post GE14, May witnessed net foreign selling of RM5.6 billion, the highest since Aug 2013.

"In the short term, investors are expected to stay out of Malaysian equities until more concrete policy clarity is unveiled by the new administration.

"We cut our FBM KLCI 2018 earnings growth from 7.8% to 6.6% and also lower our P/E target from 16.5x to 15.5x. Our FBM KLCI target is reduced from 1,880 to 1,770," it said.