

Financials Weekly

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FBMKLCI 1WK Chg (1567.0, -1.76%)

Our View of The Week:

Bullish
20 January 2025

Market Commentary

Highlights:

- KLCI Halts Losing Streak, Ends Up 0.7%; Construction Selloff Eases
- Asia stocks rise on upbeat Chinese data, Japan shares drop amid rate-hike bets
- Oil gains for fourth-straight week on US sanctions
- Global stocks rally on lower bond yields

Spotlight of the week

KLCI snapped a four-day losing streak on the last of the week, to end 0.7% higher at 1566.72 as selloff eased in construction-related stocks; sentiment also improved as advance GDP forecast showed Malaysia's economy expanded 4.8% annually in the final quarter of 2024, lifting full-year growth to 5.1%.

The FBM KLCI closed 11.18 points (0.72%) higher, at 1,566.72 after trading within a range of 1,569.43 to 1,545.67 on last Friday.

Oil prices closed lower on Friday but strengthened for a fourth-consecutive week, as the latest U.S. sanctions on Russian energy trade added to worries about oil supply disruptions.

This week, FKLII will likely to trade in slight uptrend, tracking both global and regional market performance on last Friday.

Market Wrap Up

Regional Asia Index :

Most Asian stocks rose on Friday, buoyed by gains in Chinese stocks following robust economic data, while Japanese equities declined sharply on expectations of an interest rate hike next week.

China's Shanghai Shenzhen CSI 300 index rose 0.5%, and the Shanghai Composite index gained 0.4%. Hong Kong's Hang Seng index inched 0.2% higher.

Chinese economy grew more than expected in the fourth quarter of 2024, bringing the annual gross domestic product (GDP) to 5%, which was in line with Beijing's 5% growth target, data showed on last Friday.

The market focus for next week will be on the Bank of Japan interest rate decision due on Jan 23-24, where expectations are of a rate hike.

BOJ Governor Kazuo Ueda said on Wednesday that a hike was possible if economic and price conditions continue to improve.

US & Europe Market :

Global stocks surged on last week, extending momentum from the previous session when data showed an easing in core U.S. inflation that raised expectations for Federal Reserve cuts and sent global bond yields lower.

The S&P 500 jumped 1.8%. The Dow Jones Industrial Average rallied 703 points, or 1.7%, and the Nasdaq composite leaped 2.5%.

Treasury yields eased sharply this past week, and the 10-year Treasury yield eased further on Friday. It's at 4.61%, down from 4.62% late Thursday and from 4.76% a week earlier.

The rally in risk assets stemmed from Wednesday's benign U.S. inflation report that showed the consumer price index rose in line with expectations at an annual rate of 2.9% in December, while core inflation, which excludes food and energy prices, rose by 3.2%, below forecasts for 3.3%.

Europe's STOXX 600 up 0.65% (.STOXX), opens new tab at its highest in a month and within 2% of September's record.

Financial Insights

Indices

Regional Indices	Price	1wk Chg	%	High	Low
FBM KLCI	1566.72	-35.69	-2.23%	1599.43	1545.67
Nikkei 225	38451.46	-738.94	-1.89%	39591.46	38055.68
Straits Times Index	3810.78	9.22	0.24%	3819.18	3765.41
Hang Seng	19584.06	519.77	2.73%	19664.39	18671.49
S&P / ASX 200	8310.383	16.31	0.20%	8346.8	8160.7
Shanghai Comp	3241.821	73.30	2.31%	3265.282	3140.978

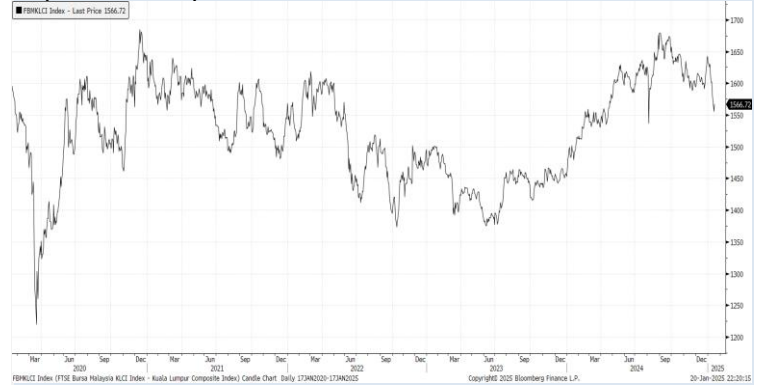
US & Europe Indices	Price	1wk Chg	%	High	Low
DJI	43487.83	1549.38	3.69%	43653.25	41844.89
S&P 500	5996.66	169.62	2.91%	6014.96	5773.31
NASDAQ Comp.	19630.20	468.57	2.45%	19709.64	18831.91
STOXX Europe 600	523.62	12.12	2.37%	524.48	506.49
DAX	20903.39	688.6	3.41%	20924.5	20025.28

Commodities

Instrument	Price	1wk Chg	%	High	Low
COMEX Gold	2748.7	33.7	1.24%	2759.2	2672
WTI Crude	77.88	1.31	1.71%	80.77	76.54
Crude Palm Oil	4190	-95	-2.22%	4438	4106

Currency	Last	Change	%	High	Low
USDMYR	4.5063	0.01	0.20%	4.5185	4.4925

2 years FBM KLCI Daily Chart

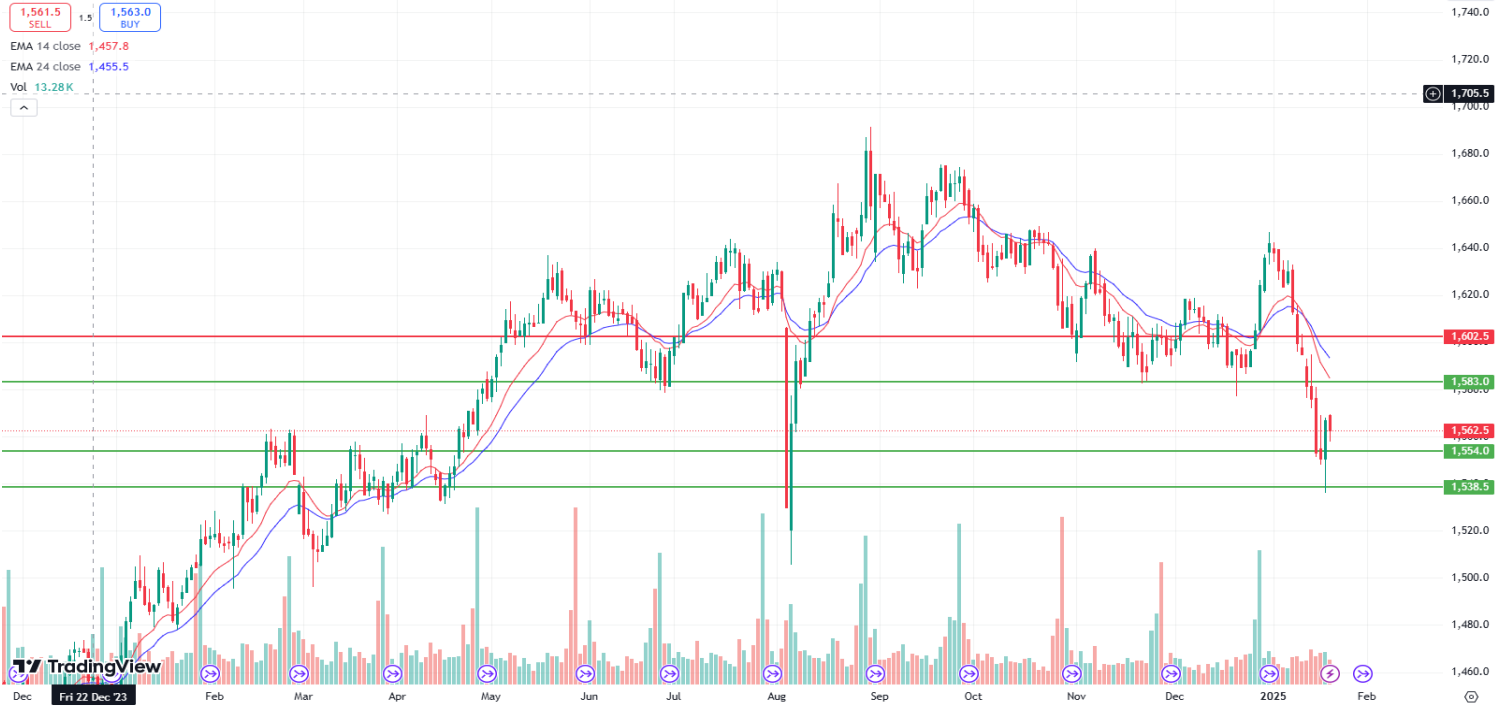


Source: Bloomberg/ Phillip Capital

FKLI Spot Month Daily Candle Chart

GPC ik1 f10 gpc

FTSE Bursa Malaysia KLCI Futures - 1D - MYX O 1,457.0 H1,460.0 L 1,451.5 C 1,457.5 +1.0 (+0.07%)



Source: TradingView/ Phillip Capital

Technical Comments (FKLI Spot Month)

There is a huge sell-off on the Malaysia index since it penetrated the support level of 1602.5 and 1583. The market touched 1583 at its lowest and made a sharp rebound and closes at 1567. On Friday closing, bullish engulfing candle was formed and volume traded is higher than previous day. The index has shown signs of bullish momentum but investors are advise to seek for more validation; such as waiting for golden cross to form on the EMA line before looking to long on the market. The market would likely to be supported at 1538 - 1554 and psychological 1600 levels are likely to cap gains for investors.



Anwar Bin Mohd Lasa
anwar.lasa@phillipcapital.com.my

Chan Yoon Chang
chan.yoonchang@phillipcapital.com.my

Tan Leong Wee
tan.leongwee@phillipcapital.com.my

Chong Chia Wei
chong.chiawei@phillipcapital.com.my

CONTACT US:
Kuala Lumpur Headquarters:
 (+603) 2711 0026
futures_dealing@phillipcapital.com.my

Johor Branch:
 (+607) 557 2188
pcjb@phillipcapital.com.my

Kuching Branch:
 (+6082) 247 633
pckc@phillipcapital.com.my

Sibu Branch:
 (+6084) 377 933
pcsb@phillipcapital.com.my

Kota Damansara Branch:
 (+603) 9212 2818
pcsb_enquiry@phillipcapital.com.my

Penang Branch:
 (+604) 202 0039
pcpg@phillipcapital.com.my

Malacca Branch:
 (+606) 225 0018
pcmk@phillipcapital.com.my

Kota Kinabalu Branch:
 (+6088) 335 346
pckb@phillipcapital.com.my

Official Website: www.phillip.com.my
Official Facebook Page: www.facebook.com/PhillipCapitalSdnBhd

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