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## BURSA MALAYSIA

# CMCO announcement, Anwar's royal audience spook investors

**KUALA LUMPUR:** The spike in Covid-19 cases, which prompted the government to place Selangor, Putrajaya and here under the Conditional Movement Control Order (CMCO), pulled down Bursa Malaysia yesterday.

Domestic political uncertainties ahead of Datuk Seri Anwar Ibrahim's royal audience also weighed on investors' sentiment.

Senior Minister (Security Cluster) Datuk Seri Ismail Sabri Yaakob, in a live broadcast, said the CMCO decision was made following advice from the Health Ministry after Covid-19 cases

continued to increase in the Klang Valley namely Klang, Petaling and Hulu Langat.

The CMCO will come into effect at 12.01am tomorrow and ends on Oct 27.

Meanwhile, the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) fell 11.92 points, or 0.78 per cent, to 1,518.43 yesterday.

It had slipped 11.35 points to 1,518.99 in morning trade as key index-linked stocks fell.

The index remained in the negative zone at the midday break as heavyweights Malayan Banking Bhd, Public Bank Bhd and Tena-

ga Nasional Bhd (TNB) retreated.

Bank Islam Malaysia Bhd economist Adam Mohamed Rahim said Selangor and Kuala Lumpur collectively contributed around 40 per cent to the nation's gross domestic product.

"Any slowdown in business activity will definitely impact the overall sentiment. However, businesses are allowed to operate under the CMCO as long as they adhere to the standard operating procedure," he told the *New Straits Times* yesterday.

Adam said the spike in Covid-19 cases had shown that rubber

glove makers would continue to benefit from the high demand for their products.

"Rubber glove makers that are FBM KLCI constituents, such as Hartalega Holdings Bhd and Top Glove Corp Bhd, make up around 12 to 13 per cent of the index's market capitalisation," he said.

By comparison, consumer-related counters such as Nestle Bhd made up roughly 3.0 per cent of the FBM KLCI's overall market capitalisation, he said.

"Henceforth, we believe that the FBM KLCI decline is a knee-jerk reaction and the optimism in

glove makers will continue to support the local bourse," he added.

Maybank Investment Bank senior chartist Nik Ihsan Raja Abdullah said the CMCO was not a complete "lockdown".

"Essential services remain open while equities market interest could shift to healthcare sectors after the 2.94 per cent surge (yesterday)."

Meanwhile, glove maker Hartalega is now the fourth largest capitalised stock on Bursa at RM59.85 billion, having overtaken TNB at RM58.42 billion.