

23 June 2020

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## Research Highlights

BURSA	22-Jun	Day chg	% chg
KLCI	1,511.2	3.98	0.26%
FTSE EMAS	10,616.0	15.4	0.14%
FTSE Smallcap	12,140.0	-43.53	-0.36%
FTSE MESDAQ	6,128.5	75.6	1.25%
KLSE Mkt Cap (RM'b)	1,515.9	1.1	0.07%

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	11.8	48.4%
Local Retail	102.0	38.3%
Foreign	-113.8	13.2%

INDICES	22-Jun	Day chg	% chg
Dow Jones	26,025.0	153.5	0.59%
S&P 500	3,117.9	20.1	0.65%
NASDAQ	10,056.5	110.4	1.11%
FTSE-100	6,244.6	-48.0	-0.76%
Nikkei 225	22,437.3	-41.5	-0.18%
SHCOMP	2,965.3	-2.4	-0.08%
HSI	24,511.3	-132.5	-0.54%
STI	2,629.7	-5.1	-0.20%
KOSPI	2,126.7	-14.6	-0.68%
TWSE	11,572.9	23.1	0.20%
JCI	4,918.8	-23.4	-0.47%
SET	1,352.2	-18.6	-1.36%

FOREX	22-Jun	19-Jun	% chg
USD/MYR:	4.2787	4.2675	0.26%
EUR/USD:	1.1214	1.1178	0.32%
GBP/USD:	1.2381	1.2350	0.25%
USD/YEN:	106.90	106.87	0.03%
USD/SGD:	1.3952	1.3974	-0.16%
USD/HKD:	7.7501	7.7504	0.00%

### KEY STATS

KLCI Spot			
Vol (m shares):	6,334.3	6,327.8	0.10%
Value (RMm):	3,112.9	4,922.6	-36.76%
KLCI Future			
June-20	1,510.0	1,503.5	0.43%
July-20	1,508.0	1,501.5	0.43%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	876.3	876.5	-0.03%
SoyOil (USc/lb)	28.6	28.7	-0.52%
Gold (US\$/troy oz)	1,766.4	1,753.0	0.76%
Nymex crude oil (US\$/bbl)	40.5	39.8	1.79%
Latex (RM/kg)	4.83	4.86	-0.62%
Tin (US\$/mt)	16,986.0	17,010.0	-0.14%

### NEWS HIGHLIGHTS

- YNH's 1Q earnings down 59% on slower project progress, sluggish hospitality division
- Supercomnet gets UMA query as share price hits fresh record high
- Daibochi records RM10.8m net profit in 3Q, pays 2 sen dividend
- Techbond inks deal to be exclusive distributor of German disinfecting chemical product in Malaysia
- Bina Darulaman posts 1Q net profit of RM418,000 on higher sales

### MACRO BITS

- China's Li says EU is a partner, despite tensions
- Coronavirus cases soar in big countries, especially Brazil, WHO says
- Freeze on recruitment of foreign workers until year-end, says Saravanan
- Health DG: Malaysia's borders may reopen before RMCO ends
- Thai central bank says lenders' capital positions still strong
- Soft underbelly in China's steel sector boom points to bumpier economic recovery
- Indonesia warns unemployment to spike due to Covid-19
- No second wave of coronavirus: U.S. White House adviser Kudlow
- Italy readies 15-20b euros of new stimulus, pushing deficit beyond 11% of GDP: source
- After splurging on coronavirus, EU seeks state aid compromise with Britain
- UK factories suffer worst quarter on record, CBI says
- UK remains top financial services investment pick in Europe

### IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: MUHIBAH, SKPRES
- On Our Technical Watch: DAIBOCHI, MYEG

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	15.60	1.3	16.10	TM	4.07	4.1	10.40	IOICORP	4.33	-1.6	2.12
2	TM	4.07	4.1	10.40	PPB	17.86	3.2	0.18	GENM	2.70	-1.5	10.40
3	GENM	2.70	-1.5	10.40	KLCCSS	7.95	3.0	1.94	SIME	2.11	-1.4	5.63
4	HARTA	11.98	-0.8	8.87	IHH	5.52	2.2	0.43	SIMEPLT	4.98	-1.4	0.38
5	DIALOG	3.59	0.8	7.98	HLFG	14.28	1.9	0.06	PMETAL	4.59	-1.3	1.59
6	CIMB	3.69	0.3	7.05	AXIATA	3.51	1.5	2.68	HAPSENG	8.89	-1.2	0.15
7	GENTING	4.32	-0.5	6.99	TOPGLOV	15.60	1.3	16.10	HLBANK	14.26	-1.1	0.19
8	SIME	2.11	-1.4	5.63	PBBANK	16.78	1.2	0.88	MAXIS	5.39	-1.1	0.44
9	MAYBANK	7.66	0.0	3.02	MISC	7.80	1.0	1.76	DIGI	4.25	-0.9	1.73
10	AXIATA	3.51	1.5	2.68	PETDAG	22.36	0.9	0.05	HARTA	11.98	-0.8	8.87

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **YNH's 1Q earnings down 59% on slower project progress, sluggish hospitality division**

YNH Property Bhd's net profit slipped to RM3m for the first quarter ended March 31, 2020 (1QFY20), down almost 59% from RM7.3m a year earlier, on slower project progress and impact on the group's hospitality arm as a result of the Covid-19 pandemic. Quarterly revenue shrank to RM66.6m from RM74.8m previously, the group said in its results filing with Bursa Malaysia. "Project site has ceased progress after the Movement Control Order (MCO) was enforced on March 18. The group's performance for this year is mainly derived from profit recognition from sales of inventories in Pangsapuri Samudera and progressive profit recognition of Kiara 163," it said. *(The Edge)*

- **Supercomnet gets UMA query as share price hits fresh record high**

Bursa Malaysia Securities Bhd has issued an unusual market activity (UMA) query to Supercomnet Technologies Bhd, as its share price jumped 36 sen or 29%. The gain pushed the share price of the wires and cables manufacturer to a fresh record high of RM1.60, making it the third biggest gainer among Bursa stocks. It later pared some of that gain to settle at RM1.50, still up 26 sen or 20.97%, for a market capitalisation of RM964.5m. The counter's trading volume surged to 37.5m shares, over 16 times its 200-day average of 2.3m shares. Its five-year warrants expiring 2024 similarly saw a strong 25.5 sen or 34.2% jump to as high as RM1.01, before settling at 92 sen, with a gain of 17.5 sen or 23.5% for the day. *(The Edge)*

- **Daibochi records RM10.8m net profit in 3Q, pays 2 sen dividend**

Packaging materials manufacturer Daibochi Bhd posted a net profit of RM10.8m on the back of a revenue of RM152m for its third quarter ended April 30, 2020 (3QFY20). This resulted in an earnings per share of 3.31 sen, its stock exchange filing showed. The group also declared an interim dividend of 2 sen per share, payable on July 17. The group did not provide any comparison figures due to a change in its financial year end from Dec 31 to July 31, which took effect in April last year, to coincide with the financial year end of its holding company, Scientex Bhd. *(The Edge)*

- **Techbond inks deal to be exclusive distributor of German disinfecting chemical product in Malaysia**

Techbond Group Bhd has been appointed as the exclusive distributor for a cleaning and disinfecting chemical product in Malaysia for general and industrial usage. The homegrown manufacturer of industrial adhesives and sealants signed an exclusive distribution agreement with Calvatis Asia Pacific Co Ltd (Calvatis AP), it said in a statement. Based in Thailand, Calvatis AP is part of Calvatis GmbH, one of the world's leading independent manufacturers of detergents and disinfectants headquartered in Germany. *(The Edge)*

- **Bina Darulaman posts 1Q net profit of RM418,000 on higher sales**

Bina Darulaman Bhd (DBD) posted a net profit of RM418,000 for the first quarter ended March 31, 2020 (1QFY20), compared to a net loss RM5.9m a year earlier, on the back of higher sales to clear its existing stock as well as steady construction progress in its Bandar Darulaman and Bandar Sejahtera townships. In a bourse filing, the Kedah-based developer said revenue for the quarter rose 17.6% to RM46.2m, versus RM39.3m previously, on higher contributions from its property, road building and quarry divisions. Earnings per share (EPS) were 0.14 sen versus a loss per share of 1.92 sen a year earlier. *(The Edge)*

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## Macro Bits

### Global

- [China's Li says EU is a partner, despite tensions](#) China and the European Union are more partners than competitors, Chinese Premier Li Keqiang said on Monday, as the two sides held their first formal talks since ties soured over accusations that Beijing has spread disinformation about the novel coronavirus. *(Reuters)*
- [Coronavirus cases soar in big countries, especially Brazil, WHO says](#) Coronavirus cases are soaring in several major countries at the same time, with "worrying increases" in Latin America, especially Brazil, the World Health Organization (WHO) said on Monday. *(Reuters)*

### Malaysia

- [Freeze on recruitment of foreign workers until year-end, says Saravanan](#) There will be no new intake of foreign workers in all sectors until the year-end as locals will be given priority to fill up vacancies, said Human Resources Minister Datuk Seri M. Saravanan. *(Bernama)*
- [Health DG: Malaysia's borders may reopen before RMCO ends](#) Malaysia's borders may reopen as early as during the Recovery Movement Control Order (RMCO), which is slated to expire on Aug 31, said the Health Ministry's director-general Datuk Dr Noor Hisham Abdullah. *(The Edge Markets)*

### Asia Pacific

- [Thai central bank says lenders' capital positions still strong](#) The capital positions of Thailand's commercial banks will remain strong to weather the impact of the coronavirus outbreak to some extent and the latest measures to bolster their buffers will be good for the long term, the central bank said on Monday. *(The Edge Markets)*
- [Soft underbelly in China's steel sector boom points to bumpier economic recovery](#) Behind the boom in China's steel production since March - and hopes for a quick economic recovery - is a tale of two diverging sectors: construction demand for infrastructure projects has been strong, while manufacturing has been slower to bounce back. *(Reuters)*
- [Indonesia warns unemployment to spike due to Covid-19](#) Indonesia expects its unemployment rate to spike to 8.1% to 9.2% this year due to the economic impact of the Covid-19 pandemic, from 5.28% in 2019, according to presentations by Cabinet ministers in a parliamentary hearing today. *(The Edge Markets)*

### Americas

- [No second wave of coronavirus: U.S. White House adviser Kudlow](#) White House economic adviser Larry Kudlow said on Monday there is no second wave of the coronavirus pandemic, even though there are some flare-ups in states such as Florida, and it is unlikely there will be widespread shutdowns across the country. *(Reuters)*

### Europe

- [Italy readies 15-20b euros of new stimulus, pushing deficit beyond 11% of GDP: source](#) Italy is preparing a new spending package worth 15-20b euros to help its battered economy through the coronavirus crisis, which will push its budget deficit beyond 11% of national output, a government source told Reuters. *(Reuters)*
- [After splurging on coronavirus, EU seeks state aid compromise with Britain](#) The European Union could soften demands in trade talks that Britain follow its state aid rules, diplomats and officials have said, just as the bloc's own splurge to cushion the hit from the coronavirus has stretched its competition rules. *(Reuters)*
- [UK factories suffer worst quarter on record, CBI says](#) British industrial output recorded its biggest quarterly fall on record during the three months to June as COVID-19 heavily disrupted operations, and a further decline is likely in the months to come, a survey showed on Monday. *(Reuters)*
- [UK remains top financial services investment pick in Europe](#) The UK remains the most attractive place for foreign investment in financial services in Europe, despite the ongoing pressures of Brexit and the economic fallout from the Covid-19 pandemic. *(Bloomberg)*

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## List of Oversold Stocks (14-Day RSI<30-mark)

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
PANASONIC MANUFACTURING MALA	29.200	26.69	11.74	0.22	29.020
HEXTAR GLOBAL BHD	0.545	27.19	15.78	0.86	0.540
CARLSBERG BREWERY MALAYSIA B	22.740	28.94	22.00	9.89	22.600

\*Only for stocks with market cap &gt;RM300m

Source: Bloomberg

## List of Overbought Stocks (14-Day RSI>70-mark)

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
SERN KOU RESOURCES BHD	1.250	87.94	90.06	90.31	1.270
PANSAR BHD	0.915	84.74	82.43	79.68	0.920
MINETECH RESOURCES BHD	0.325	74.69	80.73	83.12	0.350
SUPERCOMNET TECHNOLOGIES BHD	1.500	74.64	77.19	86.71	1.600
SAM ENGINEERING & EQUIPMENT	7.210	74.41	79.53	92.67	7.290
JHM CONSOLIDATION BHD	1.320	73.68	77.12	74.39	1.430
BATU KAWAN BHD	14.500	72.94	75.39	77.48	14.520
JF TECHNOLOGY BHD	2.110	72.29	76.55	90.24	2.250

\*Only for stocks with market cap &gt;RM300m

Source: Bloomberg

## List of Overbought Warrants (14-Day RSI>70-mark)

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
MQ TECHNOLOGY-WA	0.045	89.94	94.32	99.61	0.045	21/11/2021
LEONG HUP INT-CT	0.110	87.24	92.41	99.65	0.110	29/1/2021
ANZO HOLDINGS BERHAD-WB	0.085	84.57	90.68	99.31	0.095	25/8/2023
APPASIA BERHAD-WA	0.215	83.46	88.57	97.80	0.215	23/12/2024
LUSTER INDUSTRIES-WA	0.060	77.63	78.77	77.67	0.065	3/6/2022
LUSTER INDUSTRIES BHD-WB	0.060	74.36	75.97	75.47	0.065	26/5/2023
SUPERCOMNET TECH-WA	0.920	73.76	75.92	82.32	1.010	19/6/2024
NI HSIN RESOURCES-WB	0.065	73.42	78.88	95.66	0.070	13/5/2022
ASIA POLY HOLDINGS-WB	0.055	72.46	72.77	72.75	0.065	12/12/2022

Source: Bloomberg



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**Stock Ratings are defined as follows:****Stock Recommendations**

OUTPERFORM : A particular stock's Expected Total Return is MORE than 10%  
MARKET PERFORM : A particular stock's Expected Total Return is WITHIN the range of -5% to 10%  
UNDERPERFORM : A particular stock's Expected Total Return is LESS than -5%

**Sector Recommendations\*\*\***

OVERWEIGHT : A particular sector's Expected Total Return is MORE than 10%  
NEUTRAL : A particular sector's Expected Total Return is WITHIN the range of -5% to 10%  
UNDERWEIGHT : A particular sector's Expected Total Return is LESS than -5%

***\*\*\*Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.***

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