

Teh Kian Yeong | tehy@kenanga.com.my

Research Highlights

BURSA	24-Jun	Day chg	% chg
KLCI	1,502.6	-4.41	-0.29%
FTSE EMAS	10,572.5	-19.0	-0.18%
FTSE Smallcap	12,100.0	-43.97	-0.36%
FTSE MESDAQ	6,102.9	-179.7	-2.86%
KLSE Mkt Cap (RM'b)	1,510.5	-5.0	-0.33%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	98.31	47.86%
Local Retail	11.31	34.69%
Foreign	-109.62	17.45%

INDICES	24-Jun	Day chg	% chg
Dow Jones	25,445.9	-710.2	-2.72%
S&P 500	3,050.3	-81.0	-2.59%
NASDAQ	9,909.2	-222.2	-2.19%
FTSE-100	6,123.7	-196.4	-3.11%
Nikkei 225	22,534.3	-14.7	-0.07%
SHCOMP	2,979.6	8.9	0.30%
HSI	24,781.6	-125.8	-0.50%
STI	2,628.6	-6.3	-0.24%
KOSPI	2,161.5	30.3	1.42%
TWSE	11,660.7	48.3	0.42%
JCI	4,964.7	85.6	1.75%
SET	1,333.4	-23.0	-1.70%

FOREX	24-Jun	23-Jun	% chg
USD/MYR:	4.2720	4.2752	-0.07%
EUR/USD:	1.1307	1.1292	0.13%
GBP/USD:	1.2522	1.2457	0.52%
USD/YEN:	106.53	107.06	-0.50%
USD/SGD:	1.3886	1.3917	-0.22%
USD/HKD:	7.7501	7.7501	0.00%

KEY STATS

KLCI Spot			
Vol (m shares):	5,388.4	8,746.5	-38.39%
Value (RMm):	2,601.5	2,983.5	-12.80%
KLCI Future			
June-20	1,499.0	1,504.5	-0.37%
July-20	1,497.0	1,503.5	-0.43%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	870.8	875.0	-0.49%
SoyOil (USc/lb)	27.9	28.4	-1.83%
Gold (US\$/troy oz)	1,775.1	1,782.0	-0.39%
Nymex crude oil (US\$/bbl)	38.0	40.4	-5.85%
Latex (RM/kg)	4.83	4.85	-0.31%
Tin (US\$/mt)	16,742.0	17,036.0	-1.73%

NEWS HIGHLIGHTS

- **TNB awards three LSS3 projects with total capacity of 290.88 MWAC**
- **Digi launches HR super app to equip Malaysian SMEs for the new normal**
- **DRB-Hicom may have to make difficult decisions in Covid-19-driven new normal**
- **Aeon Credit lines up product expansion**
- **Cuscapi inks agreement to set up online management suite for F&B sector**

MACRO BITS

- **IMF predicts deeper global recession due to coronavirus pandemic**
- **U.S. to review tariffs on EU goods amid aircraft row**
- **Deflation persisted at an unchanged rate in May (See *Economic Viewpoint: Malaysia Consumer Price Index*)**
- **Companies in Malaysia focus on employee support despite Covid-19-induced cost pressure**
- **Monetary easing paused, optimistic of a recovery in the 2H20 (See *Economic Viewpoint: BoT MPC Decision*)**
- **Exports tanked in May on plunging automotive and electronics shipments (See *Economic Viewpoint: Thailand External Trade*)**
- **Thai baht firms to five-month high as central bank seen on hold**
- **BOJ offers USD78b to firms hurt by pandemic in first phase of loan programme**
- **IMF says U.S. economy to shrink 8.0%, Canadian GDP to fall 8.4%**
- **Europe's emergency loan schemes stir fears of a debt trap**
- **Spain sticks to 'prudent' 2020 economic forecast, says Calvino**

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Sector Update: Automotive**
- **MidS: ULICORP, WTHORSE, MAGNA**
- **Results Note: SPRITZER, MEDIAC, GAMUDA, YINSON**
- **Company Update: AXIATA**
- **On Our Technical Watch: VITROX, KGB**
- **Economic Viewpoint: Malaysia CPI, Thailand Trade, Bank Of Thailand MPC Decision**

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	CIMB	3.62	-0.6	13.40	RHBBANK	4.80	1.5	4.09	PETDAG	21.64	-4.6	0.21
2	TOPGLOV	15.60	-0.3	8.86	IOICORP	4.40	1.4	1.05	HAPSENG	8.55	-2.2	0.27
3	TM	4.00	-0.7	7.45	KLCCSS	22.34	1.0	1.01	GENM	2.63	-1.9	6.75
4	GENM	2.63	-1.9	6.75	HARTA	12.10	0.8	5.98	GENTING	4.27	-1.6	4.23
5	HARTA	12.10	0.8	5.98	KLCCSS	8.01	0.8	0.77	SIME	2.08	-1.4	2.12
6	DIALOG	3.63	0.0	5.52	PBBANK	16.48	0.5	2.07	MAXIS	5.33	-1.3	1.46
7	TENAGA	11.74	-1.2	4.69	PPB	17.98	0.5	1.53	TENAGA	11.74	-1.2	4.69
8	GENTING	4.27	-1.6	4.23	SIMEPLT	4.95	0.4	2.49	PMETAL	4.55	-1.1	0.84
9	RHBBANK	4.80	1.5	4.09	HLBANK	14.20	0.1	0.60	HLFG	13.78	-0.9	0.18
10	IHH	5.40	-0.6	3.35	MISC	7.80	0.1	2.56	TM	4.00	-0.7	7.45

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **TNB awards three LSS3 projects with total capacity of 290.88 MWAC**

Utility giant Tenaga Nasional Bhd (TNB) inked three large-scale solar (LSS) Photovoltaic Power Purchase Agreements (PPAs) with three special purpose companies (SPCs) to build transmission connected LSS projects, which have a total capacity of 290.88 megawatts of alternating current (MWAC). The new agreements are in relation to the LSS Phase 3 (LSS3) competitive bidding exercise organised by Suruhanjaya Tenaga in the first quarter of 2019 to develop, among others, the transmission connected LSS projects. *(The Edge)*

- **Digi launches HR super app to equip Malaysian SMEs for the new normal**

Digi Telecommunications Sdn Bhd has launched a digital workforce management solution named altHR to help Malaysian companies digitalise human resources (HR) processes and drive better employee empowerment and engagement. In a statement, it said altHR is a solution that works in line with Digi's aim to help more Malaysian companies go digital and cope better with unforeseen challenges of the Covid-19 pandemic. *(The Edge)*

- **DRB-Hicom may have to make difficult decisions in Covid-19-driven new normal**

DRB-Hicom Bhd chairman said the diversified group's imperatives and endeavours to address adversities may involve difficult decisions impacting its performance in the interim as it charts its path to recovery. In DRB-Hicom's latest annual report, which was filed with Bursa Malaysia, the chairman said the Covid-19 pandemic has broad reverberations across the globe and is cutting across all sectors as it compels companies, organisations and institutions to make significant changes in the way they operate. *(The Edge)*

- **Aeon Credit lines up product expansion**

Aeon Credit Service (M) Bhd plans to expand its insurance products with high affinity with the existing peripheral business as well as pursue cashless transactions through e-wallet. Aeon Credit managing director said it wanted to improve its digital platforms and leverage on new technologies. This is by pushing sales via digital channels and services, and simultaneously reducing the frequency of face-to-face sales with customers. *(Bernama)*

- **Cuscapi inks agreement to set up online management suite for F&B sector**

Cuscapi Bhd has entered into an agreement to set up a new online management suite for food and beverage (F&B) companies. In a statement, Cuscapi said it had entered into a strategic agreement with lifestyle app Presto and delivery platform Hungry to develop a fully integrated and digitalised cloud-powered F&B management suite, Custory, which is designed to help F&B operators manage items such as order-to-delivery cycle. *(The Edge)*



Macro Bits

Global

- [IMF predicts deeper global recession due to coronavirus pandemic](#) The coronavirus pandemic has caused wider and deeper damage to economic activity than first thought, the International Monetary Fund said on Wednesday, prompting the institution to slash its 2020 global output forecasts further. The IMF said it now expects 2020 global output to shrink by 4.9%. *(Reuters)*
- [U.S. to review tariffs on EU goods amid aircraft row](#) The United States is weighing its tariffs on European products and is considering changing rates for various products as part of the trading partners' aircraft dispute, according to a notice by the Office of the U.S. Trade Representative. *(Reuters)*

Malaysia

- **Deflation persisted at an unchanged rate in May** Headline inflation contracted at an unchanged rate of -2.9% YoY in May, a tad below expectation. Weakness in demand conditions and energy prices continued to linger, albeit easing slightly as more economic activities were allowed to resume under the Conditional Movement Control Order (MCO) which lasted from 4 May until 9 June. *(See Economic Viewpoint: Malaysia Consumer Price Index)*
- [Companies in Malaysia focus on employee support despite Covid-19-induced cost pressure](#) Companies in Malaysia are decreasing recruitment budget while prioritising employee engagement and support initiatives to cope with the impact of the Covid 19 pandemic, human resource consulting firm Mercer LLC said. *(The Edge Markets)*

Asia Pacific

- **Monetary easing paused, optimistic of a recovery in the 2H20** The Bank of Thailand (BoT) described its monetary policy as "extra accommodative", which combined with the deployed fiscal, financial, and credit measures have helped to weather the impacts from the pandemic and would support the ensuing economic recovery, lift inflation back to the target, and reduce financial stability risks. Policy rate maintained at a record low of 0.50%. *(See Economic Viewpoint: BoT MPC Decision)*
- **Exports tanked in May on plunging automotive and electronics shipments** Exports tumbled in May at the fastest pace since the Global Financial Crisis, underperforming expectation (-22.5% YoY; KIBB: -15.0%; consensus: -6.4%; Apr: 2.1%). *(See Economic Viewpoint: Thailand External Trade)*
- [Thai baht firms to five-month high as central bank seen on hold](#) The Thai baht firmed along with other Asian currencies today as investors expected the central bank to keep its policy rate unchanged while the US dollar weakened following stronger US and European economic data. *(The Edge Markets)*
- [BOJ offers USD78b to firms hurt by pandemic in first phase of loan programme](#) The Bank of Japan on Wednesday offered JPY8.28t (USD77.74b) in loans to financial institutions under a new lending programme aimed at channeling funds to cash-strapped firms hit by the coronavirus pandemic. The three-month loans will be extended on Thursday through Dec. 25, the central bank said. *(Reuters)*

Americas

- [IMF says U.S. economy to shrink 8.0%, Canadian GDP to fall 8.4%](#) For the United States, the IMF predicts that gross domestic product — the value of all goods and services produced in the United States — will plummet 8.0% this year, even more than its April estimate of a 5.9% drop. *(Yahoo Finance)*

Europe

- [Europe's emergency loan schemes stir fears of a debt trap](#) A long-term concern for governments and banks across Europe, which are rushing to prop up struggling companies, but are worried that the increased debt levels will hinder their ability to invest in growth. *(The Edge Markets)*
- [Spain sticks to 'prudent' 2020 economic forecast, says Calvino](#) The Spanish government is sticking to its previous "prudent" forecast of gradual recovery in the second half of 2020 after the severe impact of the coronavirus pandemic, the economy minister said on Wednesday. The government would not change its prediction of 9.2% contraction in 2020 announced at the beginning of May. *(Reuters)*



25 June 2020

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
PANSAR BHD	0.900	73.04	64.66	32.20	0.920
SAM ENGINEERING & EQUIPMENT	7.260	72.20	75.80	80.29	7.330
BATU KAWAN BHD	14.480	71.68	72.92	65.98	14.540
SUPERCOMNET TECHNOLOGIES BHD	1.450	70.81	71.93	71.56	1.600
SKP RESOURCES BHD	1.430	70.54	74.57	87.49	1.450
PPB GROUP BERHAD	17.980	70.15	74.42	88.57	18.080

*Only for stocks with market cap >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
ANZO HOLDINGS BERHAD-WB	0.125	89.77	94.46	99.75	0.125	25/8/2023
APPASIA BERHAD-WA	0.210	77.97	80.49	75.00	0.230	23/12/2024
SUPERCOMNET TECH-WA	0.925	73.34	75.31	80.65	1.010	19/6/2024
MNC WIRELESS-WA	0.010	72.88	83.32	99.49	0.010	5/11/2021
CABNET HOLDINGS BHD-WA	0.060	71.49	79.59	95.34	0.075	2/7/2021
ASIA POLY HOLDINGS -WA	0.040	70.51	71.97	74.17	0.055	13/12/2020

Source: Bloomberg



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.**

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published and printed by:

KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my