

14 June 2021

By **Ahmad Ramzani Ramli** | ahmadramzani@kenanga.com.my; **Pritika Modhgil** | pratika@kenanga.com.my

Research Highlights

BURSA	11-Jun	Day chg	% chg
KLCI	1,575.2	-4.74	-0.30%
FTSE EMAS	11,503.2	-21.9	-0.19%
FTSE Smallcap	16,341.7	4.84	0.03%
FTSE MESDAQ	7,643.1	-11.0	-0.14%
KLSE Mkt Cap (RM'b)	1,720.2	-2.6	-0.15%

NEWS HIGHLIGHTS

- **Uzma secures RM12m Thai contract** (*Comment included in Kenanga Today*)
- **MAHB registers 1.6m passenger movements in May 2021**
- **Yong Tai receives first batch of SZKT's vaccine, paves way to launch phase 3 clinical trial in Malaysia**
- **Minetech unit gets sub-contract job from Valsa Sarawak**
- **Reservoir Link expands footprint into solar energy business**

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	72.67	41.32
Local Retail	69.91	42.12
Foreign	-142.58	16.56

INDICES	11-Jun	Day chg	% chg
Dow Jones	34,479.6	13.4	0.04%
S&P 500	4,247.4	8.3	0.19%
NASDAQ	14,069.4	49.1	0.35%
FTSE-100	7,134.1	45.9	0.65%
Nikkei 225	28,948.7	-9.8	-0.03%
SHCOMP	3,589.7	-21.1	-0.58%
HSI	28,842.1	103.3	0.36%
STI	3,158.0	-4.5	-0.14%
KOSPI	3,249.3	24.7	0.77%
TWSE	17,213.5	54.3	0.32%
JCI	6,095.5	-12.041	-0.20%
SET	1,636.6	11.3	0.69%

MACRO BITS

- **Crisis reaches crossroads for global interest rates: Eco Week**
- **G7 rivals China with grand infrastructure plan**
- **Soared to a record high in April, due to low base effects from MCO 1.0** (*See Economic Viewpoint: Malaysia Industrial Production*)
- **Leaped to a record high in April, largely due to the low base of last year** (*See Economic Viewpoint: Malaysia Distributive Trade*)
- **Volatility expected to rise ahead of FOMC meeting** (*See Economic Viewpoint: Ringgit Weekly Outlook*)
- **MGS/GII yields to trend rangebound, on extended FMCO** (*See Economic Viewpoint: Bond Market Weekly Outlook*)
- **Govt drafting National Recovery Plan for Covid-19 battle, says Muhyiddin**
- **Malaysia-Singapore look forward to restoring cross-border travel**
- **Australia's Victoria state expects further easing of COVID-19 curbs**
- **U.S. household wealth jumps to record USD136.9t, Fed says**
- **White House says G7 leaders will endorse proposed 15.0% global minimum corporate tax**
- **UK recovery quickens in April as economy posts record annual jump**
- **UK PM voices 'serious concern' over Delta variant in hint at delay to lockdown end**

FOREX	11-Jun	10-Jun	% chg
USD/MYR:	4.1085	4.1210	-0.30%
EUR/USD:	1.2109	1.2169	-0.49%
GBP/USD:	1.4107	1.4097	0.07%
USD/YEN:	109.66	109.48	0.16%
USD/SGD:	1.3260	1.3248	0.09%
USD/HKD:	7.7616	7.7595	0.03%

KEY STATS

KLCI Spot			
Vol (m shares):	5,327.2	4,914.9	8.39%
Value (RMm):	2,971.4	2,737.2	8.56%
KLCI Future			
June-21	1,569.5	1,577.0	-0.48%
July-21	1,570.5	1,578.5	-0.51%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,508.5	1,544.0	-2.30%
SoyOil (USc/lb)	65.7	68.7	-4.41%
Gold (US\$/troy oz)	1,879.6	1,896.4	-0.89%
Nymex crude oil (US\$/bbl)	70.9	70.3	0.88%
Latex (RM/kg)	5.65	5.73	-1.40%
Tin (US\$/mt)	32,897.00	32,420.0	1.47%

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Company Update: IJMLNT**
- **Weekly Technical Review**
- **Regional News Update**
- **Economic Viewpoint: MY Distributive Trade, Ringgit Weekly Outlook, MY Industrial Production, Bond Market Weekly Outlook**

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	4.72	-1.7	16.40	PETDAG	19.22	2.1	0.16	SUPERMX	3.71	-2.9	13.20
2	SUPERMX	3.71	-2.9	13.20	IHH	5.48	1.7	3.33	SIMEPLT	4.13	-2.4	2.77
3	PBBANK	4.21	0.2	11.70	MISC	6.95	1.2	2.03	HAPSENG	7.84	-1.8	0.49
4	PMETAL	5.06	-1.4	8.22	DIALOG	2.97	1.0	4.75	TOPGLOV	4.72	-1.7	16.40
5	HARTA	8.30	-1.4	7.65	NESTLE	135.80	0.7	0.05	HARTA	8.30	-1.4	7.65
6	GENM	2.98	-0.3	7.46	AXIATA	3.83	0.3	3.17	PMETAL	5.06	-1.4	8.22
7	CIMB	4.58	-0.9	7.33	PBBANK	4.21	0.2	11.70	MAXIS	4.45	-1.3	4.16
8	MAYBANK	8.18	0.0	4.79	TM	6.10	0.2	1.88	KLK	21.54	-1.2	0.29
9	SIME	2.25	-0.9	4.77	PPB	18.58	0.1	0.37	DIGI	4.20	-0.9	1.95
10	DIALOG	2.97	1.0	4.75	TENAGA	9.94	0.1	1.74	SIME	2.25	-0.9	4.77

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Uzma secures RM12m Thai contract**

News: Uzma received a contract award from Medco Energi Thailand for the provision of chemical and supply and services for the Bualuang Field for a period of three years, dated 20 May 2021. Value of the contract is approximately USD3 (or ~RM12m). Scope of work comprises of supply of production chemicals and oilfield chemicals including technical services for the chemical management program for the Bualuang Field in the Gulf of Thailand. *(Bursa Malaysia)*

Comment: We are positive on the contract award, as this marks UZMA's first overseas chemical supply job, and is in line with the group's strategy of expanding its oil and gas business in Thailand. Nonetheless, given the small contract value and insignificant financial impact, we made no changes to our FY21E/FY22E earnings of RM25.6m/RM30.8m, as the contract only contributes <1% to its order book of ~RM1.4b. Maintain OP with TP of RM1.00, pegged to 0.6x PBV – broadly in-line with mean valuations. (By: Steven Chan)

- **MAHB registers 1.6m passenger movements in May 2021**

Malaysia Airports Holdings Bhd (MAHB) entire network of airports registered 1.6m passenger movements in May 2021, against a backdrop of renewed stringent measures and flight restrictions taken by both Malaysia and Turkey authorities to contain the resurgence of Covid-19 cases. In contrast, it registered 238,000 passenger movements in May last year. International and domestic passenger movements came in at 467,000 and 1.1m passenger movements respectively in May 2021, MAHB's latest passenger traffic data snapshot filed with Bursa Malaysia showed. *(The Edge)*

- **Yong Tai receives first batch of SZKT's vaccine, paves way to launch phase 3 clinical trial in Malaysia**

Property developer Yong Tai Bhd has announced that its subsidiary YTB Healthcare Sdn Bhd (YTBH) received the first batch of an inactivated Covid-19 vaccine developed by China-based Shenzhen Kangtai Biological Products Co Ltd (SZKT). The arrival of the vaccine followed the National Pharmaceutical Regulatory Agency granting its approval for the Clinical Trial Import License (CTIL) on June 3. This also enables YTBH to roll out the phase 3 clinical trial in Malaysia. *(The Edge)*

- **Minetech unit gets sub-contract job from Valsa Sarawak**

Engineering services company Minetech Resources Bhd's 55%-owned subsidiary Konsep Khas Sdn Bhd has accepted a letter of award (LOA) from total communications infrastructure solutions provider Valsa (Sarawak) Sdn Bhd for a sub-contract work. The work involves supplying labour, materials and machinery for the designing, constructing, completing, testing and commissioning of telecommunication structures in Sarawak, an initiative under the Malaysian Communications and Multimedia Commission's universal service provisions. *(The Edge)*

- **Reservoir Link expands footprint into solar energy business**

Reservoir Link Energy Bhd is looking to diversify its business and enter the solar energy business. In a bourse filing, the group said it has signed a share sale agreement with Lee Seng Chi to acquire a 51% stake in Founder Synergy Sdn Bhd (FESB) for RM21.17 million. This purchase consideration will be funded via RM8.5m in cash, and the allotment of 18.2m new shares in Reservoir Link at 70 sen a piece to Lee. *(The Edge)*

14 June 2021

Macro Bits

Global

- [Crisis reaches crossroads for global interest rates: Eco Week](#) The Federal Reserve's much awaited interest-rate meeting this week is just one of a panoply by global central banks whose policies are increasingly diverging as economies respond in different ways to the coronavirus crisis. (*Bloomberg*)
- [G7 rivals China with grand infrastructure plan](#) The Group of Seven richest democracies sought on Saturday to counter China's growing influence by offering developing nations an infrastructure plan that could rival President Xi Jinping's multi-trillion-dollar Belt and Road initiative. (*Reuters*)

Malaysia

- **Soared to a record high in April, due to low base effects from MCO 1.0** Industrial Production Index (IPI) growth surged in April (50.1%; Mar: 9.3%), its highest level on record; beating market expectations but below house forecast (KIBB: 55.4%; consensus: 47.9%). Primarily reflecting the lower base of last year, amid the onset of the COVID-19 pandemic and nationwide Movement Control Order (MCO). 2021 manufacturing production forecast revised down to 9.2% from 11.2% (2020: -2.7%) amid the full-scale MCO. (*See Economic Viewpoint: Malaysia Industrial Production*)
- **Leaped to a record high in April, largely due to the low base of last year** Distributive trade sales jumped 66.2% (Mar: 9.3%), the biggest YoY increase since records began, largely attributable to the low base effect, as last year's Movement Control Order (MCO) weighed heavily on business operations and consumer activities. 2021 distributive trade sales forecast revised down to between 6.0% to 8.0% from 8.0% to 10.0% (YTD: 12.7%; 2020: -5.9%) due to the implementation of a nationwide full-scale MCO. (*See Economic Viewpoint: Malaysia Distributive Trade*)
- **Volatility expected to rise ahead of FOMC meeting** MYR further strengthened its position to below the 4.11 level against the USD as the 10-year US Treasury (UST) yield fell to below 1.5% despite a higher-than-expected increase in US CPI. The local note could advance further against the greenback this week as the Fed's policy is expected to remain easy as we think that it is a little bit too soon for the Fed to be hawkish. (*See Economic Viewpoint: Ringgit Weekly Outlook*)
- **MGS/GII yields to trend rangebound, on extended FMCO** MGS and GII yields were mixed last week, moving between -10.0bps to 2.3bps overall. The 10Y MGS soared 7.4bps to 3.323% on 8 June, an 11-week high, before closing the week lower at 3.23%. We expect domestic yields to continue trending rangebound this week, with a slight downside bias, on the back of pressured UST yields and the extension of the FMCO until 28 June. (*See Economic Viewpoint: Bond Market Weekly Outlook*)
- [Govt drafting National Recovery Plan for Covid-19 battle, says Muhyiddin](#) The government is drafting a National Recovery Plan in preparation for the country to emerge from the Covid-19 pandemic at a reasonable level, said Tan Sri Muhyiddin Yassin. (*The Edge Markets*)

Asia Pacific

- [Malaysia-Singapore look forward to restoring cross-border travel](#) Singapore and Malaysia are looking forward to restoring cross-border travel when the Covid-19 situation in both countries allows for it, according to the republic's Minister for Transport S Iswaran. (*The Edge Markets*)
- [Australia's Victoria state expects further easing of COVID-19 curbs](#) Australia's Victoria state expects to announce further easing of COVID-19 restrictions this week, acting Premier James Merlino said on Sunday, as the state reported one new locally acquired infection for a second straight day. (*Reuters*)

Americas

- [U.S. household wealth jumps to record USD136.9t, Fed says](#) U.S. household wealth jumped to a record USD136.9t at the end of March, a report from the Federal Reserve showed on Thursday, suggesting plenty of dry tinder for economic growth as the coronavirus pandemic recedes and the nation reopens. (*Reuters*)
- [White House says G7 leaders will endorse proposed 15.0% global minimum corporate tax](#) G7 leaders meeting in Britain will endorse U.S. President Joe Biden's proposal for global minimum tax of at least 15.0% on corporations, White House national security adviser Jake Sullivan said on Twitter on Friday. (*Reuters*)

Europe

- [UK recovery quickens in April as economy posts record annual jump](#) Britain's recovery from the COVID-19 pandemic sped up in April as lockdown measures eased, with the fastest monthly growth since July leaving output a record 27.6% higher than a year earlier, when the virus was rampant and lockdown tightest. (*Reuters*)
- [UK PM voices 'serious concern' over Delta variant in hint at delay to lockdown end](#) British Prime Minister Boris Johnson on Saturday expressed "serious concern" about rising infections of the Delta variant of coronavirus, reinforcing suggestions that he is set to delay lifting England's last remaining lockdown curbs. (*Reuters*)

14 June 2021

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
POWER ROOT BHD	1.360	21.97	19.05	18.21	1.350
SARAWAK CONSOLIDATED INDUSTR	0.785	24.25	21.45	7.77	0.780
NOTION VTEC BHD	0.665	25.35	18.60	19.50	0.650
KPOWER BHD	1.040	26.79	25.78	23.64	1.010
GENTING PLANTATIONS BHD	7.570	27.03	26.72	33.09	7.490
MEDIA PRIMA BHD	0.450	27.55	20.46	1.79	0.430
HARTALEGA HOLDINGS BHD	8.300	28.91	21.21	2.83	8.210
GREEN PACKET BHD	0.260	28.92	27.60	13.90	0.245
EURO HOLDINGS BHD	2.590	29.82	27.84	8.88	2.110

*Only for stocks with market cap >RM300m

Source: Bloomberg

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
KOBAY TECHNOLOGY BHD	2.370	85.99	90.80	98.32	2.370
AMCORP PROPERTIES BHD	0.880	84.66	78.59	15.08	0.895
MPHB CAPITAL BHD	1.580	79.47	85.72	94.12	1.610
MANULIFE HOLDINGS BHD	2.560	75.55	79.55	90.98	2.560
HARRISONS HOLDINGS MALAYSIA	4.400	73.58	80.99	95.05	4.400
C.I. HOLDINGS BERHAD	3.420	72.75	72.93	62.29	3.800
SAM ENGINEERING & EQUIPMENT	7.060	72.22	79.89	88.37	7.080
CAN-ONE BHD	3.310	70.85	80.70	98.55	3.330
ATRIUM REAL ESTATE INVESTMEN	1.540	70.18	72.89	78.21	1.580

*Only for stocks with market cap >RM300m

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
SERBA DINAMIK-C16	0.005	18.90	14.26	4.80	0.005	30/9/2021
SERBA DINAMIK-C22	0.010	21.97	16.98	12.76	0.005	25/11/2021
TOP GLOVE COR-C98	0.010	22.78	12.32	0.04	0.010	30/9/2021
SERN KOU RESOURCES-WA	0.430	24.55	20.73	12.06	0.390	20/3/2023
AT SYSTEMATIZATION BHD-WC	0.060	26.86	16.79	0.30	0.060	17/5/2025
EKOVEST BHD-C23	0.035	27.79	25.28	34.72	0.030	8/9/2021
SARAWAK CONSOLIDATED IN-WB	0.205	27.82	25.97	16.60	0.200	8/2/2024
S&P 500 INDEX-HT	0.150	27.91	26.64	8.61	0.135	20/9/2021
SERBA DINAMIK-C17	0.020	28.73	28.35	25.52	0.010	30/11/2021
SERBA DINAMIK HOLDINGS-WA	0.085	29.40	28.58	24.12	0.050	5/12/2024
KPOWER BHD-WA	0.275	29.48	26.78	18.84	0.270	19/1/2026
TOP GLOVE COR-1L	0.060	29.72	24.27	14.69	0.060	8/10/2021

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
IJM PLANTATIO-CE	0.345	87.60	91.71	96.24	0.355	17/12/2021
MMC CORP BHD-C24	0.955	80.83	82.20	78.79	1.040	30/7/2021
INSAS BHD-WC	0.285	72.64	78.06	88.54	0.285	28/2/2026

Source: Bloomberg

14 June 2021

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

