

22 July 2021

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BURSA	21-Jul	Day chg	% chg
KLCI	1,516.5	-3.45	-0.23%
FTSE EMAS	11,103.3	-9.1	-0.08%
FTSE Smallcap	15,627.0	-1.42	-0.01%
FTSE MESDAQ	7,302.9	43.7	0.60%
KLSE Mkt Cap (RM'b)	1,671.6	-2.1	-0.13%

**BURSA DAILY TRADING PARTICIPATION**

Participation	Net (RM'm)	Value (%)
Local Institution	132.0	42.67%
Local Retail	14.9	37.80%
Foreign	-147.0	19.53%

INDICES	21-Jul	Day chg	% chg
Dow Jones	34,798.0	836.0	2.46%
S&P 500	4,358.7	100.2	2.35%
NASDAQ	14,632.0	357.0	2.50%
FTSE-100	6,998.3	153.9	2.25%
Nikkei 225	27,548.0	-104.7	-0.38%
SHCOMP	3,562.7	23.5	0.67%
HSI	27,224.6	-265.2	-0.96%
STI	3,119.0	7.8	0.25%
KOSPI	3,215.9	-28.1	-0.87%
TWSE	17,458.8	-330.5	-1.86%
JCI	6,030.0	12.582	0.21%
SET	1,540.9	-15.1	-0.97%

FOREX	21-Jul	19-Jul	% chg
USD/MYR:	4.2332	4.2253	0.19%
EUR/USD:	1.1772	1.1776	-0.03%
GBP/USD:	1.3606	1.3707	-0.74%
USD/YEN:	110.15	109.82	0.30%
USD/SGD:	1.3679	1.3621	0.43%
USD/HKD:	7.7743	7.7700	0.06%

**KEY STATS**

KLCI Spot			
Vol (m shares):	5,466.6	4,821.5	13.38%
Value (RMm):	3,437.4	3,434.8	0.08%
KLCI Future			
July-21	1,513.5	1,520.0	-0.43%
August-21	1,510.5	1,517.5	-0.46%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,439.3	1,428.0	0.79%
SoyOil (USc/lb)	64.2	65.0	-1.26%
Gold (US\$/troy oz)	1,803.4	1,809.2	-0.32%
Nymex crude oil (US\$/bbl)			
Latex (RM/kg)	4.98	5.03	-1.09%
Tin (US\$/mt)	34,265.00	34,180.0	0.25%

# Research Highlights

**NEWS HIGHLIGHTS**

- Sapura Energy Announces New Contract Wins of RM1.2b (*Comment included in Kenanga Today*)
- Hextar Global joins consortium to establish digital bank
- Kejuruteraan Asastera enters deal with Vodex to expand mechanical work division
- Favelle Favco secures RM121.1m purchase orders
- Poh Huat pauses operations in Vietnam

**MACRO BITS**

- Central banks, wealth funds going greener and more activist
- Central banks will accelerate rise of China's yuan - global survey
- Anti-dumping duties unchanged for steel coils imported from China, Vietnam
- Malaysia administered 299,593 doses of Covid-19 vaccine on July 20
- Thai central bank weighs up consumer loans rate cut
- China says it will continue to open up financial sector
- China's job vacancies grow in second quarter as labour demand bounces back
- Japan's factory output likely rebounded in June but retail sales soften
- June slump in Australia's retail sales clouds third-quarter growth outlook
- Australia, under lockdown, sees worrying jump in Covid-19 cases
- South Korea reports record daily infections as Delta variant drives surge
- US bond rally undercuts inflation fears
- UK's huge public borrowing falls in June, debt costs rise

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

- Results Note: AXREIT
- On Our Technical Watch: SYSCORP, JFTECH

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	4.16	5.9	38.90	TOPGLOV	4.16	5.9	38.90	MRDIY	3.34	-4.0	8.43
2	PBBANK	4.01	-0.7	26.80	HARTA	7.89	4.1	7.34	SIMEPLT	3.60	-2.4	3.83
3	MRDIY	3.34	-4.0	8.43	SIME	2.18	0.9	7.77	GENM	2.79	-2.1	7.45
4	IHH	5.74	-0.2	8.04	PICHEM	8.05	0.6	3.50	CIMB	4.48	-1.8	6.97
5	SIME	2.18	0.9	7.77	AXIATA	3.78	0.5	1.97	DIGI	4.13	-1.7	4.16
6	GENM	2.79	-2.1	7.45	HLBANK	18.30	0.3	1.11	GENTING	4.81	-1.4	4.13
7	HARTA	7.89	4.1	7.34	NESTLE	133.50	0.1	0.07	KLK	19.48	-1.2	0.31
8	CIMB	4.48	-1.8	6.97	DIALOG	2.87	0.0	3.07	IOICORP	3.67	-1.1	1.75
9	MAYBANK	8.01	-0.3	5.44	PMETAL	4.80	0.0	3.94	PETDAG	18.54	-1.1	0.18
10	DIGI	4.13	-1.7	4.16	TM	6.02	0.0	2.95	HAPSENG	7.77	-1.0	0.26

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Sapura Energy Announces New Contract Wins of RM1.2b**

SAPNRG had announced a total of seven contract wins with a combined contract value of approximately RM1.2b, which entails: two Malaysian engineering and construction (E&C), two Malaysian operating and maintenance (O&M), and three drilling (two in Malaysia, one in Thailand). (*Bursa Malaysia*)

*Comment: We are positive on the contract win, providing the necessary order book replenishment to the group in order to sustain revenue visibility. Furthermore, seeing that most of the contracts secured are from Malaysia, this could also be indicative of Petronas' increased willingness for capex spending, despite the industry-wide slowdown over the past 12-18 months. We are encouraged by this, with SAPNRG being one of the main beneficiaries as one of the largest oil and gas contractors locally. Overall, this is SAPNRG's third contract win announcement within the FY, bringing FYTD cumulative wins to ~RM4b. This brings current order book to roughly ~RM13b, providing 2-3 years of revenue visibility. No changes to our FY22E/FY23E core loss assumption of RM184m/RM113m, as the contract wins are still within our full-year order book replenishment assumption of RM5b. Maintain OP and TP of RM0.21, pegged to 0.4x PBV – close to mean valuations. Our call is premised on its ongoing corporate and financial restructuring, post-lockdown recovery in activities, and its steeply discounted valuations – currently trading at ~0.2x PBV. (By: Steven Chan)*

- **Hextar Global joins consortium to establish digital bank**

Hextar Global Bhd had today entered into a consortium agreement with Dagang NeXchange Bhd's (DNeX) major shareholder Arcadia Acres Sdn Bhd besides Fass Payment Solutions Sdn Bhd's special purpose vehicle Ihsan Equity Sdn Bhd to establish a Syariah-compliant digital bank. According to a joint statement by agrochemical producer Hextar Global, Arcadia Acres and Ihsan Equity, the consortium agreement is pursuant to the submission for a digital banking licence application to Bank Negara Malaysia (BNM) on June 30, 2021. (*The Edge*)

- **Kejuruteraan Asastera enters deal with Vodex to expand mechanical work division**

Kejuruteraan Asastera Bhd (KAB) announced today that its wholly-owned subsidiary KAB Technologies Sdn Bhd (KABT) has entered into a binding term sheet with Vodex Technical Services Sdn Bhd to expand its mechanical work division. In a statement, KAB said that under the binding term sheet, a special purpose vehicle named TVT Link Tech Solutions Sdn Bhd was formed. (*The Edge*)

- **Favelle Favco secures RM121.1m purchase orders**

Favelle Favco Bhd has secured purchase orders for offshore cranes, tower cranes, compressor system manpower, upgrade work and solar system with a combined value of RM121.1m. The construction cranes manufacturer said in a bourse filing that the purchase orders were secured by its subsidiaries Favelle Favco Cranes Pte Ltd, Favelle Favco Cranes (M) Sdn Bhd, Favelle Favco Cranes Pty. Limited, Kroll Cranes A/S and Exact Automation Sdn Bhd. (*The Edge*)

- **Poh Huat pauses operations in Vietnam**

Furniture manufacturer Poh Huat Resources Holdings Bhd has temporarily halted the operations of its main subsidiary in Vietnam. In a filing, Poh Huat said Vietnam-based Poh Huat Furniture Industries Vietnam Joint Stock Company's factories in the Binh Duong province and Dong Nai province had paused production activities in compliance with the Vietnamese government's orders to close non-essential businesses to contain the spread of the Covid-19 virus in the nation. (*The Edge*)

22 July 2021

## Macro Bits

### Global

- [Central banks, wealth funds going greener and more activist](#) The COVID-19 pandemic is accelerating a shift by central banks and sovereign wealth and public pension funds to greener and more activist investment strategies, one of the largest annual surveys of their behaviours showed. *(Reuters)*
- [Central banks will accelerate rise of China's yuan - global survey](#) The Chinese yuan is on course to become a much more influential part of the global financial system with almost a third of central banks planning to add the currency to their reserve assets, a survey showed on Wednesday. The Global Public Investor survey here showed 30.0% of central banks plan to increase yuan holdings over the next 12-24 months, compared to just 10.0% last year. *(Reuters)*

### Malaysia

- [Anti-dumping duties unchanged for steel coils imported from China, Vietnam](#) Following a sunset review initiated in January, Malaysia will continue imposing the same rate for anti-dumping duties on imports of prepainted, painted or colour coated steel coils originating or exported from China and Vietnam. *(The Edge Markets)*
- [Malaysia administered 299,593 doses of Covid-19 vaccine on July 20](#) Malaysia administered 299,593 doses of the Covid-19 vaccine on July 20, down 29.5% from 424,936 the day before. This was the lowest number of daily doses recorded in nine days after over 300,000 to 400,000 shots were delivered previously. *(The Edge Markets)*

### Asia Pacific

- [Thai central bank weighs up consumer loans rate cut](#) Thailand's central bank is debating a reduction in interest rates for some consumer loans amid fears that lenders will reject high-risk borrowers and drive them towards loan sharks, an assistant governor said Wednesday. *(Reuters)*
- [China says it will continue to open up financial sector](#) China will continue to open up its financial sector and improve rules for foreign banks and insurance firms entering the market, state media quoted the cabinet as saying on Wednesday. China has stepped up efforts to open its financial sector to help lure in more foreign investment and shore up the economy. *(Reuters)*
- [China's job vacancies grow in second quarter as labour demand bounces back](#) Job vacancies in China grew in the second quarter of the year, although the increase was uneven across sectors and regions, reflecting the nation's patchy economic recovery from the coronavirus pandemic, a new employment survey shows. *(South China Morning Post)*
- [Japan's factory output likely rebounded in June but retail sales soften](#) Japan's factory output likely rebounded in June from the prior month's drop, while retail sales growth was expected to slow as new coronavirus infections dampened consumer confidence, a Reuters poll showed on Wednesday. *(Reuters)*
- [June slump in Australia's retail sales clouds third-quarter growth outlook](#) Australian retail sales slumped in June as coronavirus lockdowns and mobility restrictions in much of the country hit demand, casting a shadow over the outlook for growth in the third quarter as COVID-19 cases continue to rise. *(Reuters)*
- [Australia, under lockdown, sees worrying jump in Covid-19 cases](#) Australia's two largest states reported sharp increases in new Covid-19 cases on Wednesday, a blow to hopes that lockdown restrictions would be lifted with more than half the country's population under stay-at-home orders. *(The Edge Markets)*
- [South Korea reports record daily infections as Delta variant drives surge](#) South Korea reported a daily record of 1,784 coronavirus cases for Tuesday, breaking a mark set last week, as the authorities struggled to get on top of a surge in outbreaks linked to the Delta variant. *(The Edge Markets)*

### Americas

- [US bond rally undercuts inflation fears](#) The months long decline in bond yields exemplifies investors' belief that inflation likely is not the biggest problem facing the U.S. and global economy. Monday's sharp selloff in major U.S. stock indexes highlighted investors' mounting concern that the biggest risk to markets right now is underwhelming growth, rather than the runaway price increases feared earlier in the year. *(The Wall Street Journal)*

### Europe

- [UK's huge public borrowing falls in June, debt costs rise](#) British public borrowing last month was almost a fifth lower than a year earlier, when the economy was feeling the full force of the coronavirus pandemic, but rising inflation put upward pressure on debt costs. Public sector net borrowing, excluding public sector banks, fell to GBP22.8b (USD31.0b) in June, still the second-highest June figure on record. *(The Edge Markets)*

22 July 2021

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
BURSA MALAYSIA BHD	7.610	20.88	18.97	16.61	7.500
SUPERCOMNET TECHNOLOGIES BHD	1.400	26.69	20.36	10.34	1.400
DAYANG ENTERPRISE HLDGS BHD	1.180	27.98	23.27	18.86	1.160
COASTAL CONTRACTS BHD	0.750	28.26	17.77	2.57	0.740
GENTING PLANTATIONS BHD	6.740	28.79	30.05	50.98	6.610
WAH SEONG CORP BHD	0.650	28.83	25.40	36.63	0.635
EURO HOLDINGS BHD	0.820	28.90	31.95	29.98	0.550

\*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	HIGH 30D
MULPHA INTERNATIONAL BHD	2.330	80.26	80.17	69.40	2.430
HEXTAR GLOBAL BHD	1.300	75.84	80.58	79.82	1.350
GENETEC TECHNOLOGY BHD	17.600	75.32	71.39	53.55	19.460
ADVENTA BHD	2.070	72.24	82.16	95.89	2.120
AEMULUS HOLDINGS BHD	0.980	72.02	78.28	95.08	0.995
KUMPULAN FIMA BHD	2.080	71.30	74.62	67.42	2.120

\*Only for stocks with market cap &gt;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
ECO WORLD DEVELOPMENT GROUP BHD-WA	0.035	18.53	10.32	0.19	0.030	26/3/2022
ECO WORLD INTERNATIONAL BHD-WA	0.015	21.28	14.63	1.28	0.015	4/4/2022
SERN KOU RESOURCE BHD-WA	0.370	25.98	23.50	14.65	0.365	20/3/2023
HIBISCUS PETROLEUM BHD-C16	0.060	26.20	25.97	26.95	0.055	28/3/2022
JAKS RESOURCES BHD-CD	0.020	27.45	32.54	38.33	0.015	28/3/2022
AMMB HOLDINGS BHD-C23	0.005	28.78	27.60	31.26	0.005	30/8/2021
HANG SENG INDEX-IA	0.060	29.86	25.85	15.45	0.050	29/9/2021

Source: Bloomberg

22 July 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.***

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Published and printed by:

**KENANGA INVESTMENT BANK BERHAD (15678-H)**

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