

23 July 2021

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BURSA	22-Jul	Day chg	% chg
KLCI	1,527.6	11.1	0.73%
FTSE EMAS	11,188.4	85.1	0.77%
FTSE Smallcap	15,765.9	138.89	0.89%
FTSE MESDAQ	7,382.2	79.3	1.09%
KLSE Mkt Cap (RM'b)	1,682.6	8.9	0.53%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-67.5	44.3%
Local Retail	34.8	38.9%
Foreign	32.7	16.8%

INDICES	22-Jul	Day chg	% chg
Dow Jones	34,823.4	25.3	0.07%
S&P 500	4,367.5	8.8	0.20%
NASDAQ	14,684.6	52.6	0.36%
FTSE-100	6,968.3	-30.0	-0.43%
Nikkei 225	N.A.	N.A.	N.A.
SHCOMP	3,574.7	12.1	0.34%
HSI	27,723.8	499.3	1.83%
STI	3,159.3	40.3	1.29%
KOSPI	3,250.2	34.3	1.07%
TWSE	17,572.3	113.5	0.65%
JCI	6,137.5	107.571	1.78%
SET	1,552.4	11.5	0.75%

FOREX	22-Jul	21-Jul	% chg
USD/MYR:	4.2227	4.2332	-0.25%
EUR/USD:	1.1792	1.1772	0.17%
GBP/USD:	1.3760	1.3606	1.13%
USD/YEN:	110.32	110.15	0.15%
USD/SGD:	1.3602	1.3679	-0.56%
USD/HKD:	7.7720	7.7743	-0.03%

KEY STATS

KLCI Spot			
Vol (m shares):	5,189.4	5,466.6	-5.07%
Value (RMm):	2,978.8	3,437.4	-13.34%
KLCI Future			
July-21	1,523.0	1,513.5	0.63%
August-21	1,520.5	1,510.5	0.66%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,416.3	1,439.3	-1.60%
SoyOil (US\$/lb)	63.5	64.2	-1.07%
Gold (US\$/troy oz)	1,805.4	1,803.4	0.11%
Nymex crude oil (US\$/bbl)	71.9	70.3	2.29%
Latex (RM/kg)	4.93	4.98	-1.10%
Tin (US\$/mt)	N.A.	34,265.0	N.A.

Research Highlights

NEWS HIGHLIGHTS

- ViTrox posts record 2Q profit of over RM50m on semiconductor boom
- Hong Seng bags RM112m contract to supply PCR test kits to MoH; shares jump to new record high
- UOA REIT 2Q rental income doubles from low base to RM22m
- Tiong Nam brings in new shareholder to loss-making hospitality unit by issuing new shares

- Ireka plans private placement to raise RM11.6m for working capital

MACRO BITS

- US-China trade booms as if virus, tariffs never happened
- Prepare for socio-economic transition post Covid-19 — PM
- Malaysia joins 113 countries in implementing Foreign Account Tax Compliance Act
- Fitch Solutions has slash Malaysia's 2021 real household spending growth forecast
- MoF launches National Supply Chain Finance Platform to assist SMEs
- Keeps policy rate steady at 3.50%, but slashed GDP growth (See *Economic Viewpoint: Bank Indonesia Rate Decision*)
- Thai central bank says virus outbreak to cut GDP by 0.8-2.0% in 2021
- Singapore, Pacific Alliance conclude negotiations on free trade pact
- China's latest easing sparks shift through its local debt
- China rushes to set up bailout funds for indebted state-run firms
- U.S. weekly jobless claims hit two-month high
- Biden administration releases COVID funds to boost local economies

- ECB pledges record low rates to reach 2.0% inflation

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: CMMT
- On Our Technical Watch: SUPERMX, SKPRES
- Rating Summary
- Economic Viewpoint: BI Rate Decision

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	PBBANK	4.02	0.3	26.50	MRDIY	3.47	3.9	4.24	HARTA	7.75	-1.8	4.80
2	TOPGLOV	4.10	-1.4	22.50	DIGI	4.25	2.9	2.02	TOPGLOV	4.10	-1.4	22.50
3	IHH	5.80	1.1	7.49	SIMEPLT	3.69	2.5	2.40	DIALOG	2.86	-0.4	1.79
4	CIMB	4.55	1.6	6.21	HAPSENG	7.96	2.5	0.23	GENTING	4.80	-0.2	3.92
5	PMETAL	4.88	1.7	4.83	AXIATA	3.87	2.4	2.99	RHBBANK	5.20	0.0	1.06
6	HARTA	7.75	-1.8	4.80	SIME	2.22	1.8	2.36	TM	6.03	0.2	1.70
7	IOICORP	3.68	0.3	4.33	PETDAG	18.86	1.7	0.12	PBBANK	4.02	0.3	26.50
8	MRDIY	3.47	3.9	4.24	PMETAL	4.88	1.7	4.83	IOICORP	3.68	0.3	4.33
9	MAYBANK	8.04	0.4	4.19	CIMB	4.55	1.6	6.21	NESTLE	133.90	0.3	0.04
10	GENM	2.80	0.4	4.11	HLFG	17.84	1.5	0.05	TENAGA	9.74	0.3	2.06

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **ViTrox posts record 2Q profit of over RM50m on semiconductor boom**

ViTrox Corp Bhd's second quarter net profit more than doubled to a record RM50.6m, from RM22.9m a year earlier, on the back of the semiconductor boom which saw heightened demand for its solutions. Earnings per share for the quarter ended June 30, 2021 rose to 10.7 sen, from 4.9 sen previously, ViTrox's bourse filing showed. The commendable results came as ViTrox's quarterly revenue more than doubled to RM196.2m, from RM96.5m the year before. *(The Edge)*

- **Hong Seng bags RM112m contract to supply PCR test kits to MoH; shares jump to new record high**

Hong Seng Consolidated Bhd, whose share price hit another record high, said its 51%-indirect unit has secured a RM112.3m contract from the Ministry of Health (MoH) to supply polymerase chain reaction (PCR) Covid-19 test kits to the ministry. The one-year contract will be in effect from July 26, 2021 to July 25, 2022, Hong Seng said in a bourse filing. It did not disclose the volume contracted between the two parties. The PCR test kits will be supplied to the Institute for Medical Research and Public Health Laboratory Kota Kinabalu. The letter of award from MoH was received on July 22 by Pantasniaga Sdn Bhd, a 51%-owned unit of HS Bio Sdn Bhd, which is wholly owned by Hong Seng. *(The Edge)*

- **UOA REIT 2Q rental income doubles from low base to RM22m**

UOA Real Estate Investment Trust's (UOA REIT) rental income rose 98.2% to RM22.1m in the April-June quarter from its low base of RM11.1m in the same quarter last year at the height of the Movement Control Order (MCO). Earnings per unit for the second quarter ended June 30, 2021 rose to 2.21 sen, from 1.67 sen a year ago. Quarter-on-quarter, however, the REIT's rental income weakened 2.77% from RM22.7m in the first quarter. *(The Edge)*

- **Tiong Nam brings in new shareholder to loss-making hospitality unit by issuing new shares**

Tiong Nam Logistics Holdings Bhd will be issuing 5.2m new shares in its loss-making unit Terminal Perintis Sdn Bhd (TPSB) to Create Fortune Enterprise Sdn Bhd (CFE) for RM36.7m. Tiong Nam said in a bourse filing, it has entered into a shareholders agreement with CFE for the latter to subscribe to 5.2m new shares of TPSB, which will result in the dilution of Tiong Nam's equity interest in TPSB from 100% to 49%. The proceeds to be received from the subscription of shares will be utilised by TPSB for working capital and other financial obligations, according to the filing. *(The Edge)*

- **Ireka plans private placement to raise RM11.6m for working capital**

Ireka Corp Bhd has proposed to undertake a private placement of up to 10% of its total number of issued shares to raise an estimated RM11.6m for working capital. The placement will involve 18.7m shares, which will be issued to third-party investors to be identified later at a yet-to-be issue price, the construction and property development firm said in a bourse filing. Based on an illustrative issue price of 62 sen per placement share, the exercise is expected to raise RM11.6m, of which RM11.4m will be used as working capital, such as staff costs and other operating costs. *(The Edge)*



Macro Bits

Global

- [US-China trade booms as if virus, tariffs never happened](#) China and the US are shipping goods to each other at the brisk pace in years, making the world's largest bilateral trade relationship look as if the protracted tariff war and pandemic never happened. Monthly two-way trade, which tumbled to USD19.0b in February of last year amid shutdowns in Chinese factories, rebounded over the past year to new records. (*Bloomberg*)

Malaysia

- [Prepare for socio-economic transition post Covid-19 — PM](#) Tan Sri Muhyiddin Yassin said it is time for industries and businesses to prepare for the socio-economic transition post-Covid-19 as the government is ramping up the rollout of vaccination programmes, as well as delivering socio-economic policies and recovery packages to mitigate the impact of the pandemic. (*The Edge Markets*)
- [Malaysia joins 113 countries in implementing Foreign Account Tax Compliance Act](#) Malaysia joins 113 countries that have implemented the Foreign Account Tax Compliance Act (FATCA). The Ministry of Finance (MoF) said the Malaysian government has signed the intergovernmental agreement with the US government on July 21. (*The Edge Markets*)
- [Fitch Solutions has slash Malaysia's 2021 real household spending growth forecast](#) Fitch Solutions Country Risk and Industry Research has slashed its real household spending growth forecast for Malaysia for 2021 to 3.0% year-on-year (y-o-y), from the previous forecast of 11.0% y-o-y, due to the Covid-19 pandemic. (*The Edge Markets*)
- [MoF launches National Supply Chain Finance Platform to assist SMEs](#) The Ministry of Finance (MoF) today launched the National Supply Chain Finance Platform, dubbed as "JanaNiaga", with an aim to assist small and medium enterprises (SMEs) in maintaining a healthy cash flow while also limiting credit risk to financiers or financial institutions in Malaysia. (*The Edge Markets*)

Asia Pacific

- [Keeps policy rate steady at 3.50%, but slashed GDP growth](#) Bank Indonesia (BI) kept the benchmark 7-day reverse repo rate unchanged at 3.50% for the fifth consecutive meeting at its 7th Board of Governor meeting this year on July 22. (*See Economic Viewpoint: Bank Indonesia Rate Decision*)
- [Thai central bank says virus outbreak to cut GDP by 0.8-2.0% in 2021](#) The latest coronavirus wave to hit Thailand is expected to reduce gross domestic product by 0.8-2.0% this year, Thailand's central bank said on Thursday, as the Southeast Asian country tackles its biggest outbreak of the virus to date. (*Reuters*)
- [Singapore, Pacific Alliance conclude negotiations on free trade pact](#) Negotiations have been concluded between Singapore and the Pacific Alliance, a trading bloc of four Latin American nations, on an agreement to collaborate on energy, digital economy, infrastructure and urban solutions, port management and logistics, and other areas. (*The Straits Times*)
- [China's latest easing sparks shift through its local debt](#) China's newly introduced measures to spruce up economic growth are starting to trickle down to the regional level, the latest bond auctions have shown. (*Bloomberg*)
- [China rushes to set up bailout funds for indebted state-run firms](#) Local governments in China are racing to launch rescue funds worth billions of dollars to bail out state-owned groups after a flurry of high-profile bond defaults that shook international investors. (*Financial Times*)

Americas

- [U.S. weekly jobless claims hit two-month high](#) The number of Americans filing new claims for jobless benefits rose to a two-month high last week, a reminder that the labour market was far from being out of the woods as the nation confronts a resurgence in new COVID-19 infections. (*Reuters*)
- [Biden administration releases COVID funds to boost local economies](#) The Biden administration on Thursday released USD3.0b in COVID-19 rescue funds aimed at helping localities bolster their economies in the wake of the pandemic, calling on communities to seek funding for a range of revitalization projects. (*Reuters*)

Europe

- [ECB pledges record low rates to reach 2.0% inflation](#) The European Central Bank pledged on Thursday to keep interest rates at record lows for even longer to help sluggish inflation in the euro zone rise back to its elusive 2.0% target. ECB President Christine Lagarde told a news conference the bank was committed to "a persistently accommodative monetary policy stance to meet our inflation target". (*Reuters*)



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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
EURO HOLDINGS BHD	0.815	28.74	31.59	27.32	0.550
WAH SEONG CORP BHD	0.650	28.83	25.40	36.63	0.635
GENTING PLANTATIONS BHD	6.750	29.61	31.56	57.21	6.610
SERN KOU RESOURCES BHD	0.490	29.80	27.46	6.91	0.485

*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	HIGH 30D
MULPHA INTERNATIONAL BHD	2.330	80.26	80.17	69.40	2.430
HUP SENG INDUSTRIES BHD	0.980	79.77	86.26	98.51	1.030
GENETEC TECHNOLOGY BHD	18.720	77.94	75.73	75.06	19.460
HEXTAR GLOBAL BHD	1.300	75.84	80.58	79.82	1.350
SYMPHONY LIFE BHD	0.680	73.04	83.12	98.44	0.685
ADVENTA BHD	2.060	71.59	81.05	92.51	2.140
KUMPULAN FIMA BHD	2.080	71.30	74.62	67.42	2.120

*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
ECO WORLD DEVELOPMENT-WA	0.030	16.27	8.33	0.08	0.030	26/3/2022
APPASIA BERHAD-WA	0.115	19.46	21.06	58.48	0.105	23/12/2024
VIZIONE HOLDINGS BHD-WD	0.050	27.96	27.31	48.88	0.040	24/8/2023

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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Published and printed by:

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