

26 July 2021

By Goh Yin Foo / [gohyf@kenanga.com.my](mailto:gohyf@kenanga.com.my); Pritika Modhgil / [pratika@kenanga.com.my](mailto:pratika@kenanga.com.my):

## Research Highlights

BURSA	23-Jul	Day chg	% chg
KLCI	1,523.4	-4.18	-0.27%
FTSE EMAS	11,178.1	-10.3	-0.09%
FTSE Smallcap	15,833.7	67.77	0.43%
FTSE MESDAQ	7,423.2	41.1	0.56%
KLSE Mkt Cap (RM'b)	1,686.6	4.1	0.24%

### NEWS HIGHLIGHTS

- Hong Seng buys 51% stake in Covid-19 antibody testing distributor
- Hextar Global partners with Ekopintar to buy ENRA Group's chemicals unit for RM50m cash
- Deferred tax income helps stop NTPM falling into losses in 4QFY21
- Pertama Digital raises stake in govtech software Dapat Vista to 80%
- Seni Jaya proposes one-for-two bonus issue of warrants

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	34.63	44.34
Local Retail	6.98	43.01
Foreign	-41.61	12.65

### MACRO BITS

- Global supply chains buckle as virus variant and disasters strike
- U.S. trade agency drops tariff threat against Vietnam over currency practices
- Eased in June due to the imposition of the full-scale MCO (See *Economic Viewpoint: Malaysia Consumer Price Index*)
- May continue to depreciate ahead of FOMC meeting, but technical rebound likely (See *Economic Viewpoint: Ringgit Weekly Outlook*)
- MGS/GII yields to decline amid impact of record high COVID-19 cases (See *Economic Viewpoint: Bond Market Weekly Outlook*)
- SOP relaxation for fully vaccinated individuals to be announced within next few days — PM
- National Recovery Plan: Threshold indicator value for new cases may be altered, says Tengku Zafrul
- Malaysia, Indonesia agree to discuss MoU on domestic workers
- Asian COVID epicentre of Indonesia extends curbs by a week
- U.S. business activity cools further in July - IHS Markit survey
- Euro zone businesses boomed in July but confidence weakened
- ECB survey sees higher growth, inflation in next 2 years

INDICES	23-Jul	Day chg	% chg
Dow Jones	35,061.6	238.2	0.68%
S&P 500	4,411.8	44.3	1.01%
NASDAQ	14,837.0	152.4	1.04%
FTSE-100	7,027.6	59.3	0.85%
Nikkei 225	N.A.	N.A.	N.A.
SHCOMP	3,550.4	-24.3	-0.68%
HSI	27,322.0	-401.9	-1.45%
STI	3,157.1	-2.2	-0.07%
KOSPI	3,254.4	4.2	0.13%
TWSE	17,572.9	0.6	0.00%
JCI	6,101.7	-35.9	-0.58%
SET	1,545.1	-7.3	-0.47%

FOREX	23-Jul	22-Jul	% chg
USD/MYR:	4.2265	4.2227	0.09%
EUR/USD:	1.1771	1.1792	-0.18%
GBP/USD:	1.3748	1.3760	-0.09%
USD/YEN:	110.55	110.32	0.21%
USD/SGD:	1.3607	1.3602	0.04%
USD/HKD:	7.7700	7.7720	-0.03%

### KEY STATS

KLCI Spot			
Vol (m shares):	5,416.0	5,189.4	4.37%
Value (RMm):	3,207.3	2,978.8	7.67%
KLCI Future			
July-21	1,524.5	1,523.0	0.10%
August-21	1,521.0	1,520.5	0.03%
CPO Price (RM/tonne)	4,271.0	4,121.0	3.64%
Soybean (US\$/bu)	1,401.0	1,416.3	-1.08%
SoyOil (USc/lb)	64.4	63.5	1.37%
Gold (US\$/troy oz)	1,801.8	1,805.4	-0.20%
Nymex crude oil (US\$/bbl)	72.1	71.9	0.22%
Latex (RM/kg)	4.77	4.92	-3.05%
Tin (US\$/mt)	35,460.00	35,010.0	1.29%

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

- Sector Update: Automotive, Media
- Results Note: BAT
- Company Update: INARI
- Weekly Technical Review
- Regional News Update
- Economic Viewpoint: Ringgit Weekly Outlook, Bond Market Weekly Outlook, MY CPI

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	4.14	1.0	22.10	TOPGLOV	4.14	1.0	22.10	SIME	2.18	-1.8	1.95
2	PBBANK	4.02	0.0	18.90	IOICORP	3.71	0.8	0.77	DIGI	4.19	-1.4	1.13
3	MAYBANK	8.03	-0.1	4.55	MRDIY	3.49	0.6	2.02	SIMEPLT	3.65	-1.1	0.98
4	HARTA	7.70	-0.7	3.92	DIALOG	2.87	0.4	1.66	PMETAL	4.83	-1.0	2.28
5	GENTING	4.78	-0.4	3.32	MAXIS	4.39	0.2	0.26	HAPSENG	7.88	-1.0	0.09
6	TENAGA	9.73	-0.1	3.14	IHH	5.81	0.2	2.95	CIMB	4.51	-0.9	2.03
7	IHH	5.81	0.2	2.95	AXIATA	3.87	0.0	0.65	PPB	18.36	-0.8	0.18
8	GENM	2.79	-0.4	2.77	PBBANK	4.02	0.0	18.90	HARTA	7.70	-0.7	3.92
9	PMETAL	4.83	-1.0	2.28	TENAGA	9.73	-0.1	3.14	HLFG	17.74	-0.6	0.04
10	TM	6.01	-0.3	2.27	MAYBANK	8.03	-0.1	4.55	PETDAG	18.76	-0.5	0.05

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Hong Seng buys 51% stake in Covid-19 antibody testing distributor**

One day after the news of its 51%-owned unit securing a RM112m one-year contract to supply Covid-19 test kits to the Ministry of Health, Hong Seng Consolidated Bhd announced it is also venturing into distributing Covid-19 antibody testing kits. The company, whose share price has jumped 111% this month so far, is acquiring a 51% stake in Covid-19 antibody testing distributor RZAC Immunesafe Sdn Bhd for RM40.3m. *(The Edge)*

- **Hextar Global partners with Ekopintar to buy ENRA Group's chemicals unit for RM50m cash**

Agrochemical company Hextar Global Bhd, which has joined the race for a digital banking licence, is buying a 49% stake in ENRA Kimia for RM24.5m cash. ENRA Kimia, is one of the largest distributors of specialty chemicals and catalyst for the oil and gas (O&G) industry in Malaysia, said Hextar Global in the filing with Bursa Malaysia. *(The Edge)*

- **Deferred tax income helps stop NTPM falling into losses in 4QFY21**

The deferred tax income of RM7.84m helped lift NTPM Holdings Bhd's net profit to RM5.6m or earnings per share of 0.5 sen per share in its fourth quarter ended April 30, 2021 (4QFY21), from RM4.1m or 0.4 sen per share last year. At the pre-tax level, the tissue paper maker incurred a loss before tax of RM2.3m in 4QFY21, compared with a profit before tax of RM10.0m in 4QFY20. Quarterly revenue, however, dropped 6.5% to RM188.5m, from RM201.6m in 4QFY20, no thanks to the decrease in sales of tissue paper products. *(The Edge)*

- **Pertama Digital raises stake in govtech software Dapat Vista to 80%**

Pertama Digital Bhd is raising its stake in govtech software company, Dapat Vista (M) Sdn Bhd, by exercising its contractual option to buy an additional 24% equity in the software company. In a Bursa Malaysia filing, Pertama Digital said its subsidiary, Television Airtime Services Sdn Bhd (TAS), will be acquiring the stake from HeiTech Padu Bhd. Upon completion of the transaction, Pertama Digital's stake in Dapat will increase to 80%, while Hei Tech holds 20%. "Under the contract signed in 2019, TAS has the right to acquire up to 60% ordinary shares in Dapat until December 2023. *(The Edge)*

- **Seni Jaya proposes one-for-two bonus issue of warrants**

Seni Jaya Corp Bhd, which recently proposed a private share placement, has announced a proposal to undertake the bonus issue of warrants on the basis of one bonus warrant for every two existing ordinary shares. In a statement, the Main Market-listed leading provider of outdoor advertising services said the exercise entails the issuance of up to 24.3m warrants under the maximum scenario, which assumes the completion of the private placement prior to the entitlement date of the warrants. This means that investors who take up the share placement would be entitled to the bonus issue. *(The Edge)*



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## Macro Bits

### Global

- [Global supply chains buckle as virus variant and disasters strike](#) A new worldwide wave of COVID-19, natural disasters in China and Germany and a cyber attack targeting key South African ports were the events that have conspired to drive global supply chains towards breaking point. *(Reuters)*
- [U.S. trade agency drops tariff threat against Vietnam over currency practices](#) The U.S. Trade Representative's office on Friday said it had determined that no tariff action against Vietnam was warranted after its central bank agreed with the U.S. Treasury not to manipulate its currency for an export advantage. *(Reuters)*

### Malaysia

- **Eased in June due to the imposition of the full-scale MCO.** The headline inflation softened to 3.4% in June, a tad lower than expectation (KIBB: 3.5%; consensus: 3.5%; May: 4.4%). Despite a MoM rebound in food prices in June (0.3%; May: -0.1%), Malaysia's inflation eased on a YoY basis due to the implementation of the full-scale Movement Control Order (MCO) on June 1 and as 2020 low base effect began to dissipate. 2021 headline inflation forecast retained at 1.8% (2020: -1.2%) amid heightened COVID-19 uncertainty. The inflation rate is projected to hover around 1.0-2.0% in the 2H21 as the low base effect starts to wear off, bringing the CPI to trend lower in the next few months due to the rising domestic COVID-19 cases, prolonged full-scale MCO and PEMULIH electricity bill discounts. *(See Economic Viewpoint: Malaysia Consumer Price Index)*
- **May continue to depreciate ahead of FOMC meeting, but technical rebound likely** MYR depreciated for the sixth consecutive week to a level last seen in July 2020. The weak performance was primarily due to the unabated rise in domestic COVID-19 cases, which rose past the 15.0k mark last Friday. MYR may continue to decline against the USD ahead of the FOMC meeting this week as the market factor in the possibility that the Fed may start to tiptoe towards tapering its bond purchases. *(See Economic Viewpoint: Ringgit Weekly Outlook)*
- **MGS/GII yields to decline amid impact of record high COVID-19 cases.** MGS and GII yields remained mixed last week, moving between -6.8bps to 3.4bps overall. The 10Y MGS initially fell 9.3bps to 3.103%, a 2-month low, before closing the week at 3.128% (previous: 3.196%). Domestic yields will likely fall this week, driven by sustained risk-off sentiment as Malaysia registered a record 17k new COVID-19 cases on Sunday (25 July). *(See Economic Viewpoint: Bond Market Weekly Outlook)*
- [SOP relaxation for fully vaccinated individuals to be announced within next few days — PM](#) People who have completed taking their two doses of the Covid-19 vaccine can expect some good news over the next few days. Prime Minister Tan Sri Muhyiddin Yassin will announce a relaxation of the standard operating procedures (SOPs) for these people. *(The Edge Markets)*
- [National Recovery Plan: Threshold indicator value for new cases may be altered, says Tengku Zafrul](#) The threshold indicator for new Covid-19 cases set under the National Recovery Plan (PPN) may be changed to a more appropriate value based on current developments and the situation in the country. *(The Edge Markets)*

### Asia Pacific

- [Malaysia, Indonesia agree to discuss MoU on domestic workers](#) Malaysia and Indonesia have agreed to hold an official-level Technical Working Group Meeting to finalise a memorandum of understanding (MoU) on the recruitment and protection of Indonesian domestic workers (PDI) in Malaysia. *(The Edge Markets)*
- [Asian COVID epicentre of Indonesia extends curbs by a week](#) Indonesia extended its COVID-19 restrictions by a week to Aug. 2 on Sunday to try to curb infections, after the government said it would add more intensive care units amid a rise in deaths. *(Reuters)*

### Americas

- [U.S. business activity cools further in July - IHS Markit survey](#) U.S. business activity grew at a moderate pace for a second straight month in July amid supply constraints, suggesting a cooling in economic activity after what was expected to have been a robust second quarter. *(Reuters)*

### Europe

- [Euro zone businesses boomed in July but confidence weakened](#) Euro zone business activity expanded at its fastest monthly pace in over two decades in July as the loosening of more COVID-19 restrictions gave a boost to services but fears of another wave of infections hit business confidence, a survey showed. *(Reuters)*
- [ECB survey sees higher growth, inflation in next 2 years](#) Euro zone growth and inflation could be higher this year and next than earlier predicted, the European Central Bank's Survey of Professional Forecasters showed on Friday. *(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	7.620	22.97	22.71	37.97	7.500
SUPERCOMNET TECHNOLOGIES BHD	1.400	26.69	20.36	10.34	1.390
GENTING PLANTATIONS BHD	6.700	27.87	28.15	29.28	6.610
WAH SEONG CORP BHD	0.645	27.92	24.02	26.13	0.635
EURO HOLDINGS BHD	0.810	28.56	31.20	24.11	0.550
PERUSAHAAN SADUR TIMAH MALAY	3.860	29.12	23.46	14.10	3.860
ATLAN HOLDINGS BERHAD	2.750	29.73	21.58	4.39	2.730
SERN KOU RESOURCES BHD	0.490	29.80	27.46	6.91	0.485

\*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
MULPHA INTERNATIONAL BHD	2.320	78.74	78.05	63.29	2.430
HEXTAR GLOBAL BHD	1.300	75.84	80.58	79.82	1.350
GENETEC TECHNOLOGY BHD	18.160	73.73	69.78	55.71	19.460
ADVENTA BHD	2.120	73.15	82.64	94.32	2.190
SYMPHONY LIFE BHD	0.680	73.04	83.12	98.44	0.685
AEMULUS HOLDINGS BHD	1.020	73.02	77.92	86.31	1.050
FCW HOLDINGS BHD	1.320	71.33	76.77	91.63	1.430

\*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
GDEX BHD-CU	0.005	21.56	13.22	0.32	0.005	6/9/2021
PUBLIC BANK BHD-C62	0.025	27.91	23.73	15.66	0.025	14/10/2021
VIZIONE HOLDINGS BHD-WD	0.050	27.96	27.31	48.88	0.040	24/8/2023
ECO WORLD INTERNATIONAL BHD-WA	0.015	28.65	27.46	29.50	0.015	4/4/2022
CANSINO BIOLOGICS INC-C2	0.150	29.30	18.67	1.96	0.140	24/2/2022

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
LAMBO GROUP BHD-WB	0.090	92.76	95.96	99.80	0.125	29/4/2024
WEGMANS HOLDINGS BHD-WA	0.070	77.19	86.39	98.57	0.070	13/1/2022
GLOBALTEC FORMATION BHD-WA	0.135	71.06	77.38	94.18	0.190	17/12/2021
SAMAIDEN GROUP BHD-WA	0.390	70.55	76.22	94.47	0.460	21/6/2026

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.**

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Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: [www.kenanga.com.my](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)