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Research Highlights

BURSA	02-Aug	Day chg	% chg
KLCI	1,493.0	-1.6	-0.11%
FTSE EMAS	10,979.7	6.2	0.06%
FTSE Smallcap	15,351.8	-69.01	-0.45%
FTSE MESDAQ	7,086.9	6.3	0.09%
KLSE Mkt Cap (RM'b)	1,659.0	2.4	0.15%

NEWS HIGHLIGHTS

- **Pecca to buy controlling stake in MD daughter's healthcare product distribution biz for RM100m**
- **Freight Management buys Klang land for RM57m for warehousing and distributions service expansion**
- **Salutica to raise funds via private placement for product range expansion**
- **Nestcon awarded RM25m roadworks subcontract**
- **Petronas JV embarks on new retail venture in India**

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	46.60	41.64
Local Retail	36.30	37.57
Foreign	-82.90	20.79

MACRO BITS

- **IMF says COVID-19 spending pushes current account imbalances higher**
- **Muted manufacturing conditions in July (See *Economic Viewpoint: Malaysia Manufacturing PMI*)**
- **Perlis, S'wak and Labuan to move into Phase three of PPN this Wednesday — PM Muhyiddin**
- **BNM, Bank Indonesia include direct investment, income and transfer in ringgit-rupee settlement**
- **Inflation edged up in July on higher food prices (See *Economic Viewpoint: Indonesia Consumer Price Index*)**
- **Delta variant delaying Indonesia's recovery, inflation pressures, rate hike — central bank chief**
- **China's July factory activity growth down to 15-month low — Caixin PMI**
- **US manufacturing growth cooling; bottlenecks starting to abate**
- **Fed's Waller: 'Go early and go fast' on taper**
- **U.S. Senate works to push USD1.0t bipartisan infrastructure bill to passage**
- **European factories hire workers at record pace to fill orders**
- **UK factories lose a bit more pace in July, prices rising-PMI**

INDICES	02-Aug	Day chg	% chg
Dow Jones	34,838.2	-97.3	-0.28%
S&P 500	4,387.2	-8.1	-0.18%
NASDAQ	14,681.1	8.4	0.06%
FTSE-100	7,081.7	49.4	0.70%
Nikkei 225	27,781.0	497.4	1.82%
SHCOMP	3,464.3	66.9	1.97%
HSI	26,235.8	274.8	1.06%
STI	3,161.2	-5.7	-0.18%
KOSPI	3,223.0	20.7	0.65%
TWSE	17,503.3	255.9	1.48%
JCI	6,096.5	26.504	0.44%
SET	1,525.1	3.2	0.21%

FOREX	02-Aug	30-Jul	% chg
USD/MYR:	4.2248	4.2205	0.10%
EUR/USD:	1.1891	1.1870	0.18%
GBP/USD:	1.3900	1.3904	-0.03%
USD/YEN:	109.51	109.72	-0.19%
USD/SGD:	1.3519	1.3544	-0.18%
USD/HKD:	7.7738	7.7718	0.03%

KEY STATS

KLCI Spot			
Vol (m shares):	3,428.6	4,120.3	-16.79%
Value (RMm):	2,380.0	2,718.1	-12.44%
KLCI Future			
August-21	1,491.5	1,495.0	-0.23%
Sept-21	1,485.0	1,495.0	-0.67%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,356.3	1,414.8	-4.14%
SoyOil (US\$/lb)	63.0	64.4	-2.25%
Gold (US\$/troy oz)	1,819.8	1,812.6	0.40%
Nymex crude oil (US\$/bbl)	71.3	74.0	-3.64%
Latex (RM/kg)	5.04	5.05	-0.10%
Tin (US\$/mt)	35,880.00	35,738.0	0.40%

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **On Our Technical Watch: INSAS, YTLPOWR**
- **Economic Viewpoint: MY Manufacturing PMI, ID CPI**

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	PBBANK	3.97	-0.3	16.30	PETGAS	15.48	1.6	0.60	SIMEPLT	3.30	-2.9	5.64
2	TOPGLOV	3.92	-1.5	8.99	IHH	5.72	1.4	2.78	DIALOG	2.70	-1.8	6.28
3	CIMB	4.47	0.5	8.26	PETDAG	18.60	1.1	0.16	TOPGLOV	3.92	-1.5	8.99
4	MAYBANK	7.99	-0.3	7.27	RHBBANK	5.16	1.0	1.16	HLFG	17.02	-1.3	0.14
5	GENM	2.74	-0.7	6.82	DIGI	4.19	1.0	1.53	GENTING	4.66	-1.1	6.48
6	GENTING	4.66	-1.1	6.48	PMETAL	4.86	0.8	3.49	MISC	6.63	-1.0	1.71
7	DIALOG	2.70	-1.8	6.28	KLK	18.66	0.8	0.33	MRDIY	3.46	-0.9	2.34
8	SIMEPLT	3.30	-2.9	5.64	MAXIS	4.28	0.5	1.15	GENM	2.74	-0.7	6.82
9	PCHEM	8.05	0.1	3.51	CIMB	4.47	0.5	8.26	AXIATA	3.71	-0.5	2.44
10	PMETAL	4.86	0.8	3.49	NESTLE	133.30	0.2	0.01	PBBANK	3.97	-0.3	16.30

Notes: #KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Pecca to buy controlling stake in MD daughter's healthcare product distribution biz for RM100m**

Pecca Group Bhd is buying a 51% stake in healthcare products distributor Rentas Health Sdn Bhd for RM100m in a cash and stock deal to venture into the healthcare-related business, to expand its revenue stream. The 51% stake purchase shall be satisfied via a combination of RM50m cash and the issuance of 11.99m new Pecca shares at an issue price of RM4.17 apiece to Teoh Zi Yuen, the daughter of Pecca's founder and managing director (MD) Datuk Teoh Hwa Cheng. *(The Edge)*

- **Freight Management buys Klang land for RM57m for warehousing and distributions service expansion**

Freight Management Holdings Bhd is buying two pieces of vacant industrial land in Klang for RM56.8m or RM140 per sq ft. The group said the freehold land, measuring a combined 405,979 sq ft or 4.67 acres, will be used for the expansion of its third party logistics warehousing and distribution services, which include e-commerce fulfilment and parcel delivery services. *(The Edge)*

- **Salutica to raise funds via private placement for product range expansion**

Salutica Bhd plans to raise up to RM19.4m via a placement of 38.8m shares — equivalent to 10% of its issued share capital — mainly to fund the expansion of the group's product range. "The proposed private placement marks the first equity fund raising by Salutica since its listing on Bursa Securities in 2016, and the board believes this exercise is timely to fuel the group's growth ambitions led by the general recovery of global economic activity," the group said. *(The Edge)*

- **Nestcon awarded RM25m roadworks subcontract**

Nestcon Bhd has won a subcontract in relation to the construction of an access road connecting to Sungai Pulai Bridge for the proposed Petrochemical & Maritime Industry Centre development in Tanjung Bin, Pontian, Johor. In a filing with the bourse, the group said the job was awarded to its wholly-owned subsidiary Nestcon Infra Sdn Bhd by MMC Engineering Sdn Bhd. The provisional quantities subcontract sum for the works is valued at RM25.1m. *(The Edge)*

- **Petronas JV embarks on new retail venture in India**

Petroliam Nasional Bhd (Petronas) and Indian Oil Corp Ltd's equally-owned joint venture (JV) company Indian Oil Petronas Pvt Ltd (IPPL) is planning to launch a new fuel and gas retail venture, the latest development in the two-decade-old JV between the Malaysia and India national oil companies, according to news reports quoting Indian Oil Corp chairman SM Vaidya. It was reported that IPPL will get into retailing of transportation fuel besides natural gas in India. *(The Edge)*



Macro Bits

Global

- [IMF says COVID-19 spending pushes current account imbalances higher](#) The COVID-19 pandemic reversed a steady decline in global current account imbalances in 2020 as massive deficit aid spending in advanced countries combined with wider trade gaps for medical supplies and plunging demand for oil and travel, the International Monetary Fund said on Monday. *(Reuters)*

Malaysia

- **Muted manufacturing conditions in July** Manufacturing PMI inched up to 40.1 in July (Jun: 39.9) but remained at a contraction level (below 50-level). Manufacturing recovery was hindered by the extended nationwide Full Movement Control Order (FMCO) amid a surge in COVID-19 infections, which significantly disrupted demand and consumer confidence. *(See Economic Viewpoint: Malaysia Manufacturing PMI)*
- [Perlis, S'wak and Labuan to move into Phase three of PPN this Wednesday — PM Muhyiddin](#) He said the matter needs to be scrutinised carefully to ensure the government's efforts to revive the economy and the people's quality of life can be carried out smoothly and efficiently. Muhyiddin said the government's strategy is to vaccinate as many adults in the country as possible to ensure Malaysia's recovery plan runs smoothly. *(The Edge Markets)*
- [BNM, Bank Indonesia include direct investment, income and transfer in ringgit-rupiah settlement](#) Bank Negara Malaysia (BNM) and Bank Indonesia have announced that the expansion of the local currency settlement framework to include direct investment, income and transfer, in addition to trade, as eligible underlying transactions effective today. *(The Edge Markets)*

Asia Pacific

- **Inflation edged up in July on higher food prices** Headline inflation climbed to a two-month high in July (1.52%; Jun: 1.33%), beating consensus of 1.45%, but remained below Bank Indonesia's (BI) inflation target band of 2.0-4.0%. Inflationary pressure picked up on higher food, beverage & tobacco prices. *(See Economic Viewpoint: Indonesia Consumer Price Index)*
- [Delta variant delaying Indonesia's recovery, inflation pressures, rate hike — central bank chief](#) The latest wave of coronavirus infections in Indonesia will now delay inflationary pressures in the economy until late 2022, and the central bank's policy interest rate cannot be raised from record lows before then, its governor told Reuters on Monday. *(The Edge Markets)*
- [China's July factory activity growth down to 15-month low — Caixin PMI](#) China's factory activity growth slipped sharply in July as demand contracted for the first time in over a year in part on high product prices, a business survey showed on Monday, underscoring challenges facing the world's manufacturing hub. *(The Edge Markets)*

Americas

- [US manufacturing growth cooling: bottlenecks starting to abate](#) US manufacturing activity grew at a slower pace in July for the second straight month as raw material shortages persisted, though there are signs of some easing in supply-chain bottlenecks. *(The Edge Markets)*
- [Fed's Waller: 'Go early and go fast' on taper](#) Federal Reserve Governor Christopher Waller on Monday said the U.S. central bank could start to reduce its support for the economy by October if the next two monthly jobs reports each show employment rising by 800,000 to 1 million, as he expects. *(Reuters)*
- [U.S. Senate works to push USD1.0t bipartisan infrastructure bill to passage](#) The U.S. Senate will try to complete work this week on a USD1.0t infrastructure investment bill that would bring long-awaited improvements to roads, bridges and mass-transit systems and deliver a rare bipartisan victory to President Joe Biden. *(Reuters)*

Europe

- [European factories hire workers at record pace to fill orders](#) Job creation was particularly pronounced in Germany and Austria last month, according to an IHS Markit survey of purchasing managers. Manufacturers continued to face substantial supply-chain bottlenecks and passed on rising costs to customers. *(The Edge Markets)*
- [UK factories lose a bit more pace in July, prices rising-PMI](#) Britain's factories reported a further slowing of growth in July - although it was still one of the fastest paces on record - as they struggled with staff shortages and supply chain problems caused by the COVID-19 pandemic, a survey showed on Monday. *(Reuters)*



03 August 2021

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
WAH SEONG CORP BHD	0.610	22.70	16.95	5.08	0.550
COASTAL CONTRACTS BHD	0.730	23.82	16.56	4.16	0.730
NAIM HOLDINGS BERHAD	0.630	24.45	17.87	2.69	0.625
GENTING PLANTATIONS BHD	6.540	24.94	22.48	10.20	6.510
DAYANG ENTERPRISE HLDGS BHD	1.040	25.55	23.44	20.52	1.040
DIALOG GROUP BHD	2.700	26.04	18.56	3.71	2.670
SOLUTION GROUP BHD	0.890	26.24	22.34	22.25	0.610
MALAYSIAN RESOURCES CORP BHD	0.375	26.53	16.70	0.69	0.370
PERUSAHAAN SADUR TIMAH MALAY	3.780	27.44	24.46	22.94	3.750
DUTCH LADY MILK INDS BHD	33.020	28.67	21.46	3.67	33.020
IRIS CORP BHD	0.205	29.80	24.43	7.54	0.205

*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
TANCO HOLDINGS BHD	0.205	89.90	89.93	82.53	0.235
SAM ENGINEERING & EQUIPMENT	10.680	88.34	90.87	93.64	12.480
KESM INDUSTRIES BHD	13.980	79.58	84.78	93.00	15.000
GENETEC TECHNOLOGY BHD	22.760	78.89	79.01	86.26	23.940
UNISEM (M) BERHAD	8.600	74.63	80.11	92.77	8.800
JHM CONSOLIDATION BHD	2.350	73.13	77.13	86.23	2.380
KOBAY TECHNOLOGY BHD	4.000	72.52	76.25	94.57	4.000
AMCORP PROPERTIES BHD	0.900	71.11	69.65	76.06	0.910
MALAYSIAN PACIFIC INDUSTRIES	45.560	70.82	76.02	92.63	46.000

*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
APPASIA BHD-WA	0.105	20.55	23.12	40.96	0.095	23/12/2024
MALAYSIAN RESOURCES CORP BHD-WB	0.070	22.40	14.75	0.48	0.070	29/10/2027
MR DIY GROUP M BHD-CR	0.005	23.55	19.87	13.06	0.005	30/9/2021
MY EG SERVICES BHD-G	0.085	24.46	23.48	12.73	0.085	6/9/2021
HANG SENG INDEX-IA	0.020	27.13	22.38	8.58	0.015	29/9/2021
ECO WORLD DEVELOPMENT GROUP BHD-WA	0.025	27.41	28.84	49.74	0.020	26/3/2022
HANG SENG INDEX-FW	0.010	27.64	21.40	2.37	0.005	30/8/2021

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
GREATTECH TECHNOLOGY BHD-CA	0.135	75.65	81.24	94.04	0.140	30/11/2021
HONG SENG CONSOLIDATED BHD-CA	0.395	75.24	69.17	31.58	0.505	30/5/2022
HARN LEN CORP BHD-WB	0.335	73.36	77.47	85.14	0.375	19/9/2026

Source: Bloomberg

03 August 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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