

24 September 2021

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BURSA	23-Sep	Day chg	% chg
KLCI	1,539.3	10.32	0.67%
FTSE EMAS	11,304.8	71.7	0.64%
FTSE Smallcap	15,877.0	142.67	0.91%
FTSE MESDAQ	7,121.5	14.0	0.20%
KLSE Mkt Cap (RM'b)	1,723.6	16.5	0.97%

**BURSA DAILY TRADING PARTICIPATION**

Participation	Net (RM'm)	Value (%)
Local Institution	-103.8	46.1%
Local Retail	-13.7	35.0%
Foreign	117.5	18.9%

INDICES	23-Sep	Day chg	% chg
Dow Jones	34,764.8	506.5	1.48%
S&P 500	4,449.0	53.3	1.21%
NASDAQ	15,052.2	155.4	1.04%
FTSE-100	7,078.4	-5.0	-0.07%
Nikkei 225	N.A.	N.A.	N.A.
SHCOMP	3,642.2	13.7	0.38%
HSI	24,511.0	N.A.	N.A.
STI	3,076.4	28.4	0.93%
KOSPI	3,127.6	N.A.	N.A.
TWSE	17,078.2	152.4	0.90%
JCI	6,142.7	34.447	0.56%
SET	1,631.2	11.6	0.71%

FOREX	23-Sep	22-Sep	% chg
USD/MYR:	4.1812	4.1930	-0.28%
EUR/USD:	1.1716	1.1734	-0.15%
GBP/USD:	1.3685	1.3638	0.34%
USD/YEN:	109.84	109.51	0.30%
USD/SGD:	1.3485	1.3517	-0.24%
USD/HKD:	7.7845	7.7872	-0.03%

**KEY STATS**

KLCI Spot			
Vol (m shares):	4,742.1	4,120.3	15.09%
Value (RMm):	3,539.2	3,163.4	11.88%
KLCI Future			
September-21	1,538.5	1,525.0	0.89%
October-21	1,536.0	1,524.5	0.75%
CPO Price (RM/tonne)	4,447.0	4,330.0	2.70%
Soybean (US\$/bu)	1,284.3	1,282.8	0.12%
SoyOil (USc/lb)	57.0	56.4	1.19%
Gold (US\$/troy oz)	1,747.7	1,776.7	-1.63%
Nymex crude oil (US\$/bbl)	73.3	72.2	1.48%
Latex (RM/kg)	4.91	4.88	0.62%
Tin (US\$/mt)	N.A.	36,331.0	N.A.

## Research Highlights

**NEWS HIGHLIGHTS**

- DNeX completes acquisition of remaining 50% stake in UK-based greenfield asset
- KPower's 4Q net profit falls 19% on impairment of investment property
- Latitude Tree posts record revenue for FY21 on higher demand for furniture in the US
- Central Global posts wider net loss in Q2, anticipates drop in export, domestic sales in upcoming quarters
- Pan Malaysia acquiring 51% in fast food chain A&W for RM21m

**MACRO BITS**

- Global real GDP growth to reach 5.6% in 2021, says IHS Markit
- U.S. business optimism in China rebounds to pre-trade war levels
- Govt revenue up 4.6% to RM106.4b in 1H21 — MoF
- BNM's international reserves risen to USD116.2b as at Sept 15
- Malaysia's Covid-19 cases drop further to 13,754 on Sept 23
- Thailand plans to halve quarantine as reopening seen delayed
- Philippine central bank keeps rate at record low as Covid-19 curbs cloud outlook
- Taiwan raises 2021 growth forecast as economy booms
- U.S. weekly jobless claims unexpectedly rise; labour market gradually healing
- Brazil raises interest rates, signals third big hike next month
- Supply constraints squeeze euro zone business growth
- The great central bank exit begins as Norway hikes rates

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

- Results Note: HSL, UMCCA, YINSON
- On Our Radar: REDTONE
- On Our Technical Watch: REDTONE, GAMUDA
- Rating Summary

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	2.67	-5.0	47.90	GENTING	5.07	3.3	11.20	HARTA	5.70	-5.6	4.03
2	GENM	3.10	2.3	15.70	SIME	2.33	3.1	3.13	TOPGLOV	2.67	-5.0	47.90
3	GENTING	5.07	3.3	11.20	SIMEPLT	3.67	3.1	6.08	NESTLE	133.90	-0.6	0.06
4	DIALOG	2.35	0.4	10.60	AXIATA	4.11	2.8	1.99	HAPSENG	8.24	-0.5	0.18
5	CIMB	4.87	1.5	9.01	GENM	3.10	2.3	15.70	PPB	18.30	-0.1	0.53
6	PBBANK	4.06	0.5	8.37	RHBBANK	5.48	1.9	4.32	DIGI	4.46	0.0	1.63
7	TENAGA	9.99	1.8	7.55	TENAGA	9.99	1.8	7.55	MRDIY	3.90	0.0	2.28
8	PICHEM	8.08	0.4	7.26	KLK	20.18	1.6	0.43	PETGAS	16.90	0.0	0.86
9	IHH	6.64	0.2	6.42	CIMB	4.87	1.5	9.01	MISC	6.93	0.1	0.81
10	SIMEPLT	3.67	3.1	6.08	HLFG	18.38	1.0	0.04	IHH	6.64	0.2	6.42

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **DNeX completes acquisition of remaining 50% stake in UK-based greenfield asset**

Dagang NeXchange Bhd (DNeX), via its 90% owned subsidiary Ping Petroleum Ltd, has announced the completion of the acquisition of the remaining 50% interest in the UK North Sea Block containing the Avalon Oil Development. The acquisition is from Summit Exploration and Production Ltd, a wholly-owned subsidiary of Sumitomo Corp, for an initial cash consideration of USD5m (RM21.1m) with further contingent payments, giving a total price of USD17.0m (RM71.7m). In a statement today, DNeX said with 100% control of Avalon, the group has greater flexibility in executing the project in line with its growth strategy and diversification of assets. *(The Edge)*

- **KPower's 4Q net profit falls 19% on impairment of investment property**

KPower Bhd, formerly known as Kumpulan Powernet Bhd, said its net profit fell 19.0% to RM5.9m in the fourth quarter ended June 30, 2021 from RM7.3m a year ago, due mainly to the impairment of an investment property amounting to RM1.0m. Quarterly revenue rose 157.4% to RM101.3m from RM39.4m, mainly due to progress of existing projects and contributions from projects based on order basis in Malaysia and Indonesia, the sustainable energy and utilities group said in a Bursa Malaysia filing. On a quarter-on-quarter basis, however, net profit declined 58.2% from RM14.1m in the preceding quarter, while revenue dropped 26.4% from RM137.7m. For the full financial year, KPower's net profit almost tripled to RM37.5m from RM12.8m while revenue increased to RM386.1m from RM95.8m. The group said that despite a few setbacks of its plans for the financial year caused by Covid-19, the group remains optimistic that it would be able to speed up the pace of the business while strengthening its future plan. KPower's sustainable energy and utilities business involves construction related activities and specialised engineering services that are spread over various projects across the ASEAN region and Nepal. *(The Edge)*

- **Latitude Tree posts record revenue for FY21 on higher demand for furniture in the US**

Latitude Tree Holdings Bhd's profit surged by more than six times to RM2.6m in the fourth quarter ended June 30, 2021 (4QFY21), from RM407,000 a year ago, on the back of a higher revenue. Earnings per share jumped to 2.1 sen from 0.3 sen, the furniture maker said in a filing with Bursa Malaysia. Quarterly revenue increased 55.9% year-on-year to RM216.0m from RM138.6m. On a quarter-on-quarter basis, however, Latitude Tree's earnings and top line were lower. Net profit fell 77.8% from RM11.6m in the preceding quarter, while revenue was down by a marginal 0.3% from RM216.7m. The group blamed the lower earnings to the higher tax provisions compared with the preceding quarter. It was also due to lower sales and production output recorded by the group's plants in Malaysia amid the full lockdown effective from June 1, although this was partly offset by the higher sales recorded by its furniture plant in Vietnam. For the full financial year, Latitude Tree saw its net profit jump 220.4% to RM53.8m, from RM16.8m in the previous year. Full-year revenue expanded 33.2% to an all-time high of RM911.9m, from RM684.7m previously. The group attributed the substantial increase in full-year revenue to higher furniture sales on stronger demand in the United States, and higher local sales recorded by its Malaysian saw mill plant and panel board lamination plant due to pent-up demand. *(The Edge)*



- **Central Global posts wider net loss in Q2, anticipates drop in export, domestic sales in upcoming quarters**

Central Global Bhd (CGB) posted a wider net loss of RM516,000 for the second quarter (Q2) ended June 30, 2021, from RM184,000 net loss a year ago. The company's revenue decreased 9.5% to RM18.1m in Q2 from RM20.0m a year ago. CGB's revenue for construction operations has decreased to RM2.0m during the quarter under review compared to the corresponding quarter last year of RM10.5m. The reduction in revenue was mainly due to the completion of the Eco Horizon and Beacon project in February 2021 and April 2021, respectively. The reduction of revenue was exacerbated by the stoppage of construction work on April 19, 2021, for the montage project due to a delay in payment by the customer, it said. For the six months ended June 30, 2021, the company recorded a higher net loss of RM1.5m from RM73,000 last year. However, revenue rose 11% to RM55.7m from RM50.0m in 2020. The manufacturing segment contributed RM33.5m, or 60%, to the company's total revenue. The construction segment contributed the remaining 40% or RM22.2m. The company paid no dividend during the quarter under review. Executive chairman said the past year and a half have been challenging for CGB as it navigates the impacts the Covid-19 outbreak has on the company's growth and the local and international business scenes. "We are anticipating a drop in our export and domestic sales in the upcoming quarter due to the total closure of our production plant in July and the imposition of the 60% limit on manpower capacity from July to August, due to the worsening pandemic situation, which affected our production output," said the executive chairman. *(NST Business)*

- **Pan Malaysia acquiring 51% in fast food chain A&W for RM21m**

Pan Malaysia Corp Bhd (PMC) has entered into a sale and purchase agreement with Inter Mark Resources Sdn Bhd (IMR) to acquire a total of 31.6m shares, or a 51% stake, in A&W (M) Sdn Bhd (A&W Malaysia). In an announcement to Bursa Malaysia today, PMC said the proposed acquisition, which is valued at RM21.0m, will be satisfied through a combination of cash amounting to RM11.6m and a share transfer of 63.1m PMC shares at a transfer price of 15 sen per share, amounting to RM9.5m. The transfer price of 15 sen per share represents a 25% premium to the five-day weighted average market price up to the LPD of 12 sen. The completion of the sale is conditional upon IMR obtaining the consent from A Great American Brand International Pte Ltd (AGABI) to terminate the international franchise agreement and development agreement dated July 1, 2019 that was made between the latter and the former. *(The Edge)*

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## Macro Bits

### Global

- [Global real GDP growth to reach 5.6% in 2021, says IHS Markit](#) After a 3.4% decline in 2020, world real gross domestic product (GDP) growth is projected to reach 5.6% in 2021 and 4.5% in 2022, led by strong recoveries in consumer spending and business investment. IHS Markit said the forecast of global growth was revised downwards owing to a weaker third quarter (3Q21) performance in the US. (*The Edge Markets*)
- [U.S. business optimism in China rebounds to pre-trade war levels](#) U.S. companies' optimism about business conditions in China has recovered to hit three-year highs even though the firms have reservations about Beijing's COVID-19 policy, an annual survey showed on Thursday. (*Reuters*)

### Malaysia

- [Govt revenue up 4.6% to RM106.4b in 1H21 — MoF](#) Government revenue increased 4.6% year-on-year (y-o-y) to RM106.4b for the first half of 2021 (1H21), which fell below the Budget 2021 estimate. Deputy Finance Minister I Mohd Shahar Abdullah said the federal government's revenue for the entire year is projected to rise 4.2% to RM236.9b or 15.1% of gross domestic product (GDP). (*The Edge Markets*)
- [BNM's international reserves risen to USD116.2b as at Sept 15](#) Bank Negara Malaysia's (BNM) international reserves had risen slightly to USD116.2b as at Sept 15, 2021 from USD111.3 b as at Aug 13, 2021. In a statement today, the central bank said the reserves position is sufficient to finance 8.1 months of retained imports and is 1.3 times total short-term external debt. (*The Edge Markets*)
- [Malaysia's Covid-19 cases drop further to 13,754 on Sept 23](#) Malaysia's Covid-19 cases dropped further to 13,754 on Thursday from 14,990 the day before, marking two consecutive days of declining new infections in the country. The bulk of new infections — at 13,521 or 98.3% — had no symptoms (Category 1) or only mild symptoms (Category 2). (*The Edge Markets*)

### Asia Pacific

- [Thailand plans to halve quarantine as reopening seen delayed](#) Tourism-reliant Thailand is planning to slash a mandatory quarantine period for vaccinated international travellers to seven days to boost its economy as a wider reopening is seen delayed by a low vaccination rate. The reduction in quarantine from the current 14 days will help boost Thailand's economy and tourism. (*Bloomberg*)
- [Philippine central bank keeps rate at record low as Covid-19 curbs cloud outlook](#) The Philippine central bank left key interest rates steady on Thursday as it continued to support an economy grappling with the fallout of recent Covid-19 curbs, even as it increased its inflation forecasts for 2021-2023. The Bangko Sentral ng Pilipinas (BSP) kept the rate on the overnight reverse repurchase facility at 2.0%. (*The Edge Markets*)
- [Taiwan raises 2021 growth forecast as economy booms](#) Taiwan's central bank revised up the island's growth outlook for the year on Thursday as strong exports bolstered a trade-reliant economy that has boomed even in the face of local Covid-19 cases, also keeping interest rates steady as expected. The central bank raised its 2021 estimate for gross domestic product (GDP) growth to 5.75% from the 5.08% forecast in June. (*The Edge Markets*)

### Americas

- [U.S. weekly jobless claims unexpectedly rise; labour market gradually healing](#) The number of Americans filing new claims for jobless benefits unexpectedly rose last week amid a surge in California, but the labour market continues to steadily recover. Initial claims for state unemployment benefits increased 16,000 to a seasonally adjusted 351,000 for the week ended Sept. 18. (*Reuters*)
- [Brazil raises interest rates, signals third big hike next month](#) Brazil's central bank on Wednesday raised interest rates by 100 basis points and flagged a third straight hike of that size in October as it battles surging inflation with the world's most aggressive monetary tightening. (*Reuters*)

### Europe

- [Supply constraints squeeze euro zone business growth](#) Euro zone business growth was much weaker than expected this month as curbs to limit the Delta variant of coronavirus hit demand and already worsened supply-chain constraints pushed input cost rises to an over two-decade high, a survey showed. IHS Markit's Flash Composite Purchasing Managers' Index fell to a five-month low of 56.1 in September from 59.0 in August. (*Reuters*)
- [The great central bank exit begins as Norway hikes rates](#) Norway has become the first major developed economy to lift interest rates as growth rebounds following a pandemic that unleashed extraordinary stimulus across the globe. As an economic recovery takes hold and inflationary pressures build, some central banks are confident that now is the time to head to the exit. (*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
COMFORT GLOVE BHD	1.300	11.90	5.33	0.38	1.280
CAREPLUS GROUP BHD	1.220	18.98	12.79	7.58	1.200
RUBBEREX CORP M BHD	0.590	19.32	17.96	24.45	0.575
SUPERMAX CORP BHD	2.240	19.38	12.63	5.38	2.240
EURO HOLDINGS BHD	0.560	24.90	21.44	29.99	0.535
DAYANG ENTERPRISE HLDGS BHD	0.910	25.78	18.99	6.46	0.880
N2N CONNECT BHD	0.725	26.16	16.14	0.34	0.725
DIALOG GROUP BHD	2.350	26.89	22.93	24.13	2.310
HARALEGA HOLDINGS BHD	5.700	27.55	23.91	19.98	5.650
POS MALAYSIA BERHAD	0.700	28.32	23.84	22.46	0.685
LUSTER INDUSTRIES BERHAD	0.135	28.56	25.76	17.73	0.125

\*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
PMB TECHNOLOGY BHD	12.960	90.18	90.72	90.71	13.260
AYS VENTURES BHD	0.795	79.08	80.10	90.13	0.815
GENETEC TECHNOLOGY BHD	39.500	78.20	80.57	89.28	40.000
SAM ENGINEERING & EQUIPMENT	19.500	77.71	82.37	94.86	19.940
DAIBOCHI BHD	2.700	76.48	81.05	91.27	2.710
ANCOM BHD	1.880	75.99	77.21	64.91	1.960
HONG LEONG CAPITAL BHD	6.550	75.93	77.28	79.71	6.580
HONG LEONG CAPITAL BHD	6.550	75.93	77.28	79.71	6.580
D&O GREEN TECHNOLOGIES BHD	6.030	73.03	77.82	87.06	6.150
SUPERCOMNET TECHNOLOGIES BHD	1.760	71.58	75.71	86.08	1.810
KELINGTON GROUP BHD	1.730	71.37	71.16	58.81	1.880
WELLCALL HOLDINGS BHD	1.080	70.85	74.37	76.73	1.110
IHH HEALTHCARE BHD	6.640	70.74	69.70	61.58	6.790
FRONTKEN CORP BHD	3.910	70.46	74.08	85.11	3.970

\*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	HIGH 30D	EXPIRY DATE
TOP GLOVE COR-WA	0.040	13.43	8.76	0.26	0.040	11/2/2022
LUSTER INDUSTRIES-WA	0.040	21.62	12.66	0.11	0.035	3/6/2022
DIALOG GROUP-C74	0.050	23.12	18.69	20.65	0.040	31/3/2022
JIANKUN INTERNATIONAL-WA	0.050	25.55	17.89	3.38	0.040	23/12/2021
ALIBABA GROUP-C5	0.035	27.83	27.33	11.97	0.025	2/3/2022
COMFORT GLOVE BHD-WB	0.345	29.82	20.67	8.46	0.340	26/6/2026

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D	EXPIRY DATE
KELINGTON GROUP BHD-WB	0.820	86.86	88.68	90.95	0.920	24/7/2026
FRONTKEN CORP BHD-WB	0.635	82.08	84.71	90.42	0.665	3/5/2026
CTOS DIGITAL-CA	0.175	76.46	80.76	96.27	0.180	30/6/2022
CTOS DIGITAL-CE	0.165	73.53	78.44	96.49	0.170	11/2/2022
VS INDUSTRY BHD-WB	0.540	73.05	78.21	90.87	0.540	14/6/2024
CTOS DIGITAL-CC	0.315	72.91	77.33	96.26	0.325	28/2/2022
CTOS DIGITAL-CD	0.135	72.86	77.53	97.28	0.135	31/3/2022
CN ASIA CORP BHD-WA	0.660	71.34	62.66	10.77	0.745	7/6/2024

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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Published and printed by:

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

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