

Raymond Choo Ping Khoo | pkchoo@kenanga.com.my

BURSA	21-Oct	Day chg	% chg
KLCI	1,591.6	-14.7	-0.92%
FTSE EMAS	11,723.4	-94.2	-0.80%
FTSE Smallcap	17,235.1	-73.76	-0.43%
FTSE MESDAQ	7,198.9	-86.2	-1.18%
KLSE Mkt Cap (RM'b)	1,780.6	-11.4	-0.63%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-112.2	36.5%
Local Retail	95.4	27.8%
Foreign	16.8	35.8%

INDICES	21-Oct	Day chg	% chg
Dow Jones	35,603.1	-6.3	-0.02%
S&P 500	4,549.8	13.6	0.30%
NASDAQ	15,215.7	94.0	0.62%
FTSE-100	7,190.3	-32.8	-0.45%
Nikkei 225	28,708.6	-547.0	-1.87%
SHCOMP	3,594.8	7.8	0.22%
HSI	26,017.5	-118.5	-0.45%
STI	3,188.5	-9.6	-0.30%
KOSPI	3,007.3	-5.8	-0.19%
TWSE	16,889.5	1.7	0.01%
JCI	6,633.0	N.A.	N.A.
SET	1,643.4	5.9	0.36%

FOREX	21-Oct	20-Oct	% chg
USD/MYR:	4.1580	4.1597	-0.04%
EUR/USD:	1.1640	1.1634	0.05%
GBP/USD:	1.3804	1.3762	0.31%
USD/YEN:	114.01	114.44	-0.38%
USD/SGD:	1.3456	1.3439	0.13%
USD/HKD:	7.7760	7.7753	0.01%

KEY STATS

KLCI Spot			
Vol (m shares):	3,856.1	4,294.5	-10.21%
Value (RMm):	3,476.2	3,113.3	11.66%
KLCI Future			
October-21	1,592.5	1,605.5	-0.81%
November-21	1,591.5	1,605.0	-0.84%
CPO Price (RM/tonne)	4,968.0	5,071.0	-2.03%
Soybean (US\$/bu)	1,224.0	1,245.5	-1.73%
SoyOil (USc/lb)	62.2	64.1	-3.00%
Gold (US\$/troy oz)	1,781.9	1,784.9	-0.17%
Nymex crude oil (US\$/bbl)	82.5	83.9	-1.63%
Latex (RM/kg)	5.41	5.26	2.85%
Tin (US\$/mt)	N.A.	39,475.0	N.A.

Research Highlights

NEWS HIGHLIGHTS

- Vitrox's 3Q net profit grows 42% to RM42m, in tandem with revenue increase
- Pantech's 2Q net profit rises 42.8% to RM15.3m, declares one sen dividend
- KPS unit bags RM92m contract from Air Selangor
- Willowglen bags RM5.8m contract for installation of security, communications systems
- Construction group Ageson to sell portion of industrial land in Perak for RM279m

MACRO BITS

- UK and New Zealand strike free trade deal
- India among 11 'countries of concern' on climate change for U.S. spy agencies
- Malaysia's daily Covid-19 cases back above 6,000 on Oct 21
- Covid-19 hospital admissions in Selangor and Putrajaya rise after interstate travel ban lifted
- Govt studying best mechanism to implement digital economy tax — deputy minister
- Malaysia must seize digital transformation opportunities, says Mustapa
- Pandemic, climate change to dominate Asia-Pacific ministers' meeting
- China vows to keep property curbs, Evergrande risk seen limited
- Parts of northern China brace for more COVID-19 lockdowns and curbs
- Korea early exports show resilience in face of China slowdown
- U.S. jobless claims fall to new pandemic low of 290,000
- Factbox: Biden, Democrats USD2.0t spending plan: What is in, what is cut?
- UK PM says sticking with current plan for COVID-19 despite high case numbers
- UK manufacturers raise prices by most since 1980 - CBI
- Turkey's central bank cuts rates again at the Lira's expense

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: AXREIT, CLMT, DIGI, KOSSAN
- Company Update: SUPERMX
- On Our Technical Watch: CYPARK, DRBHCORP
- Rating Summary

#	Top Volume			Top Gainer	Price	%Chg (+/-)	Vol (m)	Top Loser	Price	%Chg (+/-)	Vol (m)
	Stock	Price	%Chg (+/-)								
1	TOPGLOV	2.73	-4.6	MRDIY	3.69	1.4	4.02	TOPGLOV	2.73	-4.6	24.10
2	PBBANK	4.23	-0.9	IOICORP	4.05	1.3	2.39	AXIATA	3.96	-3.4	2.37
3	DIALOG	2.93	-1.7	HLBANK	18.90	1.1	0.97	HAPSENG	7.93	-3.4	0.25
4	MAYBANK	8.20	-1.3	SIMEPLT	4.31	0.5	7.82	HLFG	18.00	-2.9	0.34
5	CIMB	5.33	-1.5	NESTLE	134.50	0.4	0.14	PETGAS	16.66	-1.9	2.20
6	SIME	2.29	-0.4	KLK	22.94	0.2	1.37	PMETAL	5.91	-1.8	8.28
7	PICHEM	8.81	0.1	PICHEM	8.81	0.1	8.55	DIALOG	2.93	-1.7	18.70
8	PMETAL	5.91	-1.8	PETDAG	20.24	0.1	0.17	CIMB	5.33	-1.5	14.90
9	SIMEPLT	4.31	0.5	IHH	6.60	0.0	5.14	MAYBANK	8.20	-1.3	16.90
10	GENM	3.17	-1.3	TENAGA	9.75	-0.1	2.73	GENM	3.17	-1.3	7.39

Notes: # KL Composite Index (FBM KLCI) component stocks

Corporate News

- **Vitrox's 3Q net profit grows 42% to RM42m, in tandem with revenue increase**

Vitrox Corporation Bhd saw its net profit for the third quarter ended Sept 30, 2021 (3QFY21) increased by 42% to RM42.2m from RM29.7m in the previous year. The rise in net profit came on the back of a 36% increase in 3QFY21 revenue, which grew to RM168.3m compared to RM123.7m a year ago. The group attributed the higher revenue to an increase in sales of its machine vision system (MVS) and automated board inspection (ABI) products, which led to the higher net profits recorded by the group. For the nine-month period ended Sept 30, 2021 (9MFY21), net profit surged 67.63% to RM123.5m from RM73.7m a year ago. Similarly, revenue rose 60% to RM494.4m. "The favourable market condition and well market acceptance of new product introduction led to stronger demand for both MVS and ABI products, and contributed to overall increase in revenue," said the group in a statement. (*The Edge Markets*)

- **Pantech's 2Q net profit rises 42.8% to RM15.3m, declares one sen dividend**

Pantech Group Holdings Bhd's net profit rose 42.8% to RM15.3m for the second quarter ended Aug 31, 2021 (2QFY22), from RM10.7m a year ago, mainly due to optimised trading and manufacturing operations, robust export demand and higher product prices. Its quarterly revenue remained flattish at RM136.5m, against RM136.3m a year ago, according to the group's filing to Bursa Malaysia. Pantech has declared a second interim single-tier dividend of one sen per share for the quarter, bringing the total dividend declared thus far for the financial year ending Feb 28, 2022 to 1.5 sen. The dividend will be paid on Dec 23, 2021. (*The Edge Markets*)

- **KPS unit bags RM92m contract from Air Selangor**

Kumpulan Perangsang Selangor Bhd's (KPS) 51%-owned subsidiary Aqua-Flo Sdn Bhd has clinched an RM91.6m contract from Pengurusan Air Selangor Sdn Bhd (Air Selangor) to supply water chemicals to water treatment locations specified by Air Selangor or its subsidiary and associated companies. The contract will run for 14 months from Nov 1, 2021 to Dec 31, 2022, KPS said in a statement. "The contract, which was secured via an open tender, bears an option for extension upon the request by Air Selangor. "It is expected to contribute positively to KPS' net assets and earnings for financial years ending Dec 31, 2021 and 2022," it added. KPS managing director and group chief executive officer said the group is excited to continue to build on the strong business relationships with Air Selangor, and is committed to providing long-term solutions and sustainable growth of the water industry. (*The Edge Markets*)

- **Willowglen bags RM5.8m contract for installation of security, communications systems**

Willowglen MSC Bhd's wholly-owned subsidiary Willowglen Services Pte Ltd has been awarded a RM5.8m contract for works relating to the installation of a public address emergency system and other security and communication systems for a fire station at Singapore Changi Airport. In its bourse filing, the company said the contract was awarded by China Communications Construction Company Ltd (Singapore Branch), with works entailing the supply, delivery, installation, testing and commissioning of the public address emergency system, emergency voice communication system, integrated security management system, master clock



system, flame detection CCTV system and additional compliance to security enhancement for the fire station. The contract commenced on Oct 19, and will be completed by June 17, 2022. “The contract is expected to contribute positively to the group’s earnings and net assets per share for the financial years ending Dec 31, 2021 and 2022,” it said. *(The Edge Markets)*

- **Construction group Ageson to sell portion of industrial land in Perak for RM279m**

Construction company Ageson Bhd is selling a piece of industrial land measuring approximately 168 acres in Batang Padang, Perak for a purchase consideration of RM278.8m. Ageson’s indirect 75%-owned subsidiary Ageson Holdings Sdn Bhd (AHSB) had on Thursday (Oct 21) entered into a sale and development agreement with China’s Zhejiang Guorong Digital Economy Group Ltd (ZGDEG), according to a bourse filing. ZGDEG is principally involved in providing digital industrialisation and industrial empowerment for the governmental and enterprise organisations and promoting the optimisation and upgrading of the industrial economic system. ZGDEG is also involved in several industrial park projects involving planning and building digital and intelligent cities for the Chinese government to improve urban management capabilities and economic growth. The land is part of a larger 475-acre parcel, for which Menteri Besar Incorporated (MBI) Perak had granted AHSB exclusive development rights to develop. According to the development rights agreement between AHSB and MBI Perak, AHSB would carry out and complete a mixed development project comprising government agencies and administration units, industrial, commercial and residential at AHSB’s sole discretion on the development land. Following the sale, AHSB will build approximately 33 industrial lots and necessary infrastructure on the land, subject to the proposed development order to be obtained within six months of the submission date of July 29. *(The Edge Markets)*

(This section is intentionally left blank)



22 October 2021

Macro Bits

Global

- [UK and New Zealand strike free trade deal](#) Britain and New Zealand have reached agreement in principle on a free trade deal designed to reduce tariffs, improve services trade, and take London one step closer to membership in a broader trans-Pacific trade agreement. *(Reuters)*
- [India among 11 'countries of concern' on climate change for U.S. spy agencies](#) Afghanistan, India and Pakistan were among 11 countries singled out by U.S. intelligence agencies on Thursday as being "highly vulnerable" in terms of their ability to prepare for and respond to environmental and societal crises caused by climate change. *(Reuters)*

Malaysia

- [Malaysia's daily Covid-19 cases back above 6,000 on Oct 21](#) Malaysia's new Covid-19 cases rose to 6,210 on Thursday — up 12.58% from 5,516 a day earlier — after staying below the 6,000 mark for three consecutive days. *(The Edge Markets)*
- [Covid-19 hospital admissions in Selangor and Putrajaya rise after interstate travel ban lifted](#) Public hospitals as well as quarantine and low-risk treatment centres in Selangor and Putrajaya are seeing more Covid-19 admissions after the lifting of the interstate travel ban. *(The Edge Markets)*
- [Govt studying best mechanism to implement digital economy tax — deputy minister](#) The government is studying the mechanisms to implement taxation on digital economy businesses that have recorded billions of ringgit in profit in the country. *(The Edge Markets)*
- [Malaysia must seize digital transformation opportunities, says Mustapa](#) Malaysia must seize digital transformation opportunities, as not only are they critical for the nation's economic recovery efforts, but they also enhance the country's future economic resilience, said Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed. *(The Edge Markets)*

Asia Pacific

- [Pandemic, climate change to dominate Asia-Pacific ministers' meeting](#) Ministers from the Asia-Pacific trade group APEC will meet virtually on Friday, hoping to chart a path forward for the region to recover from the COVID-19 pandemic and address other pressing issues including climate change. *(Reuters)*
- [China vows to keep property curbs, Evergrande risk seen limited](#) China's banking regulator vowed to keep its curbs on the nation's property market, dismissing concerns that the crisis enveloping China Evergrande Group will have any major impact on the credit profile of the sector as a whole. *(Bloomberg)*
- [Parts of northern China brace for more COVID-19 lockdowns and curbs](#) Parts of northern China are bracing for more COVID-19 curbs as a wave of cases raises concerns of a broader outbreak, with three areas enforcing lockdowns, some schools halting classes, and an aerospace firm delaying work on a rocket project. *(Reuters)*
- [Korea early exports show resilience in face of China slowdown](#) Strong gains in South Korea's exports this month suggest global demand is holding up despite headwinds from supply chain snags and an energy crunch disrupting Chinese production. *(Bloomberg)*

Americas

- [U.S. jobless claims fall to new pandemic low of 290,000](#) The number of Americans applying for unemployment benefits fell last week to a new low point since the pandemic erupted, evidence that layoffs are declining as companies hold onto workers. *(Bloomberg)*
- [Factbox: Biden, Democrats USD2.0t spending plan: What is in, what is cut?](#) U.S. President Joe Biden and Democrats in Congress rolled out an ambitious USD3.5t spending plan in August to support his economic policies. The measure is being whittled down to reach a compromise that all Democratic legislators will support. *(Reuters)*

Europe

- [UK PM says sticking with current plan for COVID-19 despite high case numbers](#) Britain is sticking with its current plan for managing COVID-19 said Prime Minister Boris Johnson, adding that although infection numbers are high they are within the levels forecast by scientific advisers. *(Reuters)*
- [UK manufacturers raise prices by most since 1980 - CBI](#) British manufacturers raised prices by the most since 1980 over the past three months as they sought to pass on rapidly rising costs for raw materials and manage acute labour shortages, a long-running survey showed on Thursday. *(Reuters)*
- [Turkey's central bank cuts rates again at the Lira's expense](#) Powered by President Recep Tayyip Erdogan's unorthodox monetary ideas, Turkey's central bank delivered a bigger-than-expected interest-rate cut on "transitory" inflation, adding that it has limited room left for further reductions this year. *(Bloomberg)*

22 October 2021

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
SYARIKAT TAKAFUL MALAYSIA KE	3.950	25.80	23.10	20.76	3.950
7-ELEVEN MALAYSIA HOLDINGS B	1.490	27.26	13.82	0.06	1.460
CAREPLUS GROUP BHD	1.010	27.97	28.50	29.12	1.000

*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
HONG LEONG CAPITAL BHD	7.950	95.81	97.60	99.75	7.950
LION INDUSTRIES CORP BHD	0.880	84.64	89.55	92.18	0.925
GENETEC TECHNOLOGY BHD	47.560	82.43	87.05	96.20	48.180
CAB CAKARAN CORP BHD	0.510	78.33	88.08	99.74	0.515
COUNTRY HEIGHTS HOLDINGS BHD	1.600	78.20	80.49	88.77	1.600
TH PLANTATIONS BHD	0.815	77.90	79.01	78.08	0.850
KIM LOONG RESOURCES BHD	1.720	77.86	82.53	95.58	1.740
CCK CONSOLIDATED HOLDINGS BH	0.630	76.95	83.78	92.41	0.640
BAHVEST RESOURCES BHD	0.580	76.93	80.04	79.33	0.590
KUMPULAN FIMA BHD	2.100	76.13	84.83	99.30	2.100
ANCOM BHD	2.770	76.02	76.85	89.13	2.850
RAPID SYNERGY BHD	9.330	75.59	79.07	82.03	9.790
MKH BHD	1.430	74.39	79.53	70.69	1.450
TDM BHD	0.285	73.73	77.51	69.44	0.295
HIBISCUS PETROLEUM BHD	0.920	73.66	72.66	50.92	0.970
APOLLO FOOD HOLDINGS BHD	4.220	73.34	78.66	93.50	4.220
MALAYSIA SMELTING CORP BHD	2.830	73.16	77.50	81.85	2.870
MULPHA INTERNATIONAL BHD	2.510	72.06	81.61	99.60	2.520
DKSH HOLDINGS MALAYSIA BHD	5.810	72.00	73.30	80.87	5.990
KKB ENGINEERING BHD	1.490	71.79	73.25	44.21	1.520
MENANG CORP MALAYSIA BHD	0.645	71.24	73.71	79.73	0.675

*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	HIGH 30D	EXPIRY DATE
DIALOG GROUP-C69	0.025	14.36	18.40	31.94	0.015	10/1/2022
SUPERMAX CORP-C21	0.010	20.30	12.09	0.23	0.010	29/3/2022
SUPERMAX CORP-WA	0.010	25.38	23.12	8.17	0.005	31/1/2022
BIOALPHA HOLDINGS-WA	0.015	27.94	24.30	13.61	0.010	5/1/2022
HANG SENG IND-WA	0.005	28.52	22.70	5.78	0.005	28/10/2021
HANG SENG IND-G7	0.005	28.85	21.27	3.96	0.005	28/10/2021
HANG SENG IND-G8	0.015	29.65	22.43	5.14	0.015	28/10/2021

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D	EXPIRY DATE
ECO WORLD DEV-C5	0.195	87.47	92.35	98.50	0.200	31/3/2022
CLASSIC SCENIC BHD-WA	0.290	82.53	87.06	94.82	0.300	8/8/2026
ANCOM BHD-WB	1.920	80.64	81.76	93.43	1.950	9/9/2025
AME ELITE CONSORTIUM BH-WA	0.390	75.76	73.01	53.96	0.420	22/9/2026
UEM SUNRISE B-C77	0.140	70.87	76.18	70.32	0.145	31/5/2022

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.***

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published and printed by:

KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my