

By **Ahmad Ramzani Ramli** | ahmadramzani@kenanga.com.my; **Pritika Modhgil** | pritika@kenanga.com.my

Research Highlights

BURSA	6-May	Day chg	% chg
KLCI	1,564.3	-18.64	-1.18%
FTSE EMAS	11,205.6	-144.2	-1.27%
FTSE Smallcap	16,595.0	-142.36	-0.85%
FTSE MESDAQ	5,497.3	-77.3	-1.39%
KLSE Mkt Cap (RM'b)	1,710.3	-20.5	-1.18%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	91.05	40.80
Local Retail	131.52	23.85
Foreign	-222.57	35.35

INDICES	6-May	Day chg	% chg
Dow Jones	32,899.4	-98.6	-0.30%
S&P 500	4,123.3	-23.5	-0.57%
NASDAQ	12,144.7	-173.03	-1.40%
FTSE-100	7,387.9	-115.3	-1.54%
Nikkei 225	27,003.6	N.A.	N.A.
SHCOMP	3,001.6	-66.198	-2.16%
HSI	20,002.0	-791.4	-3.81%
STI	3,291.9	-51.7	-1.55%
KOSPI	2,644.5	N.A.	N.A.
TWSE	16,408.2	-287.9	-1.72%
JCI	N.A.	N.A.	N.A.
SET	1,629.6	-13.7	-0.83%

FOREX	6-May	5-May	% chg
USD/MYR:	4.3665	4.3490	0.40%
EUR/USD:	1.0551	1.0598	-0.44%
GBP/USD:	1.2348	1.2548	-1.59%
USD/YEN:	130.56	129.72	0.65%
USD/SGD:	1.3852	1.3766	0.62%
USD/HKD:	7.8496	7.8488	0.01%

KEY STATS

KLCI Spot			
Vol (m shares):	3,109.0	2,682.2	15.91%
Value (RMm):	2,438.2	2,379.0	2.49%
KLCI Future			
May-22	1,557.5	1,576.5	-1.21%
Jun-22	1,557.0	1,576.5	-1.24%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,622.0	1,647.0	-1.52%
SoyOil (USc/lb)	77.9	78.9	-1.20%
Gold (US\$/troy oz)	1,882.8	1,875.7	0.38%
Nymex crude oil (US\$/bbl)	109.8	108.3	1.39%
Latex (RM/kg)	6.50	6.51	-0.15%
Tin (US\$/mt)	39,560.75	40,779.0	-2.99%

NEWS HIGHLIGHTS

- Favelle Favco secures RM55m purchase orders
- CJ Century appoints a new non-independent and non-executive director
- TWL Holdings' largest shareholder emerges as Sentoria's substantial shareholder
- Techna-X aborts plan to sell loss-making coke business
- Matang to raise RM22.59m from private placement

MACRO BITS

- Food prices eased slightly in April after record surge, UN agency says
- Oil gains 1.5%, posts another weekly rise on supply concerns
- Volatility to persist as investors continue to seek shelter in the safe-haven USD (See *Economic Viewpoint: Ringgit Weekly Outlook*)
- MGS/GII yields to trend rangebound ahead of BNM MPC meeting (See *Economic Viewpoint: Bond Market Weekly Outlook*)
- Thailand targets 5.0m to 15.0m foreign tourists this year
- Shanghai tightens lockdown to hit zero-COVID goal by late May
- Tokyo consumer prices rise at fastest pace in 7 years
- Australia's central bank drastically raises inflation forecasts, flags more rate hikes
- US economy added 428,000 jobs in April despite worker shortages
- U.S. bond funds record outflows for 17th week in a row
- ECB doves put to flight as interest rates set to rise in July
- Two or three rate hikes this year appropriate, European Central Bank's Holzmann says
- UK rate rise expectations pared back after Bank of England warning

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Company Update: SUNCON
- Weekly Technical Review
- Regional News Update
- Economic Viewpoint: Bond Market Weekly Outlook, Asia FX Monthly Outlook, Global FX Monthly Outlook, Ringgit Weekly Outlook

#	Top Volume			Top Gainer				Top Loser				
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	PBBANK	4.59	-0.9	32.80	AXIATA	3.43	0.9	9.46	PMETAL	5.38	-7.9	20.90
2	PMETAL	5.38	-7.9	20.90	TM	4.88	0.8	4.53	SIMEPLT	5.09	-3.4	6.28
3	TOPGLOV	1.62	-3.0	18.00	PETGAS	16.84	0.7	0.97	IOICORP	4.56	-3.4	9.54
4	MAYBANK	9.00	0.1	16.50	NESTLE	131.80	0.5	0.14	KLK	28.00	-3.1	2.90
5	INARI	2.65	-1.9	15.20	RHBBANK	6.07	0.3	5.40	TOPGLOV	1.62	-3.0	18.00
6	GENM	3.08	-0.3	15.00	CIMB	5.12	0.2	14.20	DIALOG	2.41	-2.8	9.40
7	CIMB	5.12	0.2	14.20	MAYBANK	9.00	0.1	16.50	PETDAG	21.02	-2.7	0.46
8	IOICORP	4.56	-3.4	9.54	HLBANK	20.70	0.0	1.82	PPB	16.64	-2.5	0.80
9	AXIATA	3.43	0.9	9.46	HLFG	19.10	-0.2	0.58	DIGI	3.53	-2.2	6.67
10	DIALOG	2.41	-2.8	9.40	HARTA	4.37	-0.2	3.37	IHH	6.46	-2.1	3.95

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

Corporate News

- **Favelle Favco secures RM55m purchase orders**

Favelle Favco Bhd, which on Thursday (May 5) declared a bumper dividend of 85 sen, announced on Friday (May 6) that it secured an aggregate amount of orders worth RM55 million between Feb 22, 2022, and May 6, 2022. In a bourse filing, the crane manufacturer — controlled by Main Market-listed Muhibbah Engineering (M) Bhd — said the purchase orders were received by its subsidiaries, namely Favelle Favco Cranes Pty Ltd, Favelle Favco Cranes (M) Sdn Bhd and Favelle Favco Cranes Pte Ltd. (*The Edge Markets*)

- **CJ Century appoints a new non-independent and non-executive director**

CJ Century Logistics Holdings Bhd announced the appointment of Ko Young Ho as the group's new non-independent non-executive director, effective on April 29. Ko replaces Jonathan Park who has resigned. In a bourse filing, the logistics company said Ko, 43, has built his career with the company over a period of close to 11 years from 2011. He is now the head of M&A and Post-Merger Integration as a senior vice president of CJ Logistics Corp — a major shareholder of CJ Century Logistics. (*The Edge Markets*)

- **TWL Holdings' largest shareholder emerges as Sentoria's substantial shareholder**

TWL Holdings Bhd's largest shareholder TWL Capital Bhd has emerged as a substantial shareholder of Sentoria Group Bhd with a 12.19% stake. In a bourse filing on Friday (May 6), Sentoria said TWL Capital had acquired 68 million shares in the theme park operator-cum-property developer through off market transactions on Thursday (May 5). Bloomberg data showed that TWL Capital had a 12.6% stake in TWL Holdings, formerly Tiger Synergy Bhd. (*The Edge Markets*)

- **Techna-X aborts plan to sell loss-making coke business**

Techna-X Bhd, formerly Sino Hua-An International Bhd, has aborted the plan to dispose of its loss-making metallurgical coke manufacturing business via the sale of its entire equity interest in wholly-owned subsidiary PIPO Overseas Ltd. On Nov 11, 2020, Techna-X had entered into a conditional share purchase agreement (SPA) with Hua Fei Investment Ltd, a company incorporated in the British Virgin Islands, for the proposed disposal of PIPO for RMB88 million (RM54.95 million). (*The Edge Markets*)

- **Matang to raise RM22.59m from private placement**

Matang Bhd plans to raise RM22.59 million via a proposed private placement of up to 217.2 million shares or 10% of its total issued shares at an issue price to be determined later. In a filing on Friday, the oil palm and durian planter said its total issued shares stood at 2.17 billion as at April 25, 2022, and has no treasury shares or convertible securities. Based on the indicative price of 10.4 sen per placement share, which represents a 9.57% discount to the five-day volume-weighted average market price of Matang shares up to April 25 of 11.5 sen, the group would raise up to RM22.59 million. (*The Edge Markets*)



09 May 2022

Macro Bits

Global

- [Food prices eased slightly in April after record surge, UN agency says](#) World food prices eased slightly in April after hitting a record high in March, but global food security remained a concern because of the difficult market conditions, the United Nations (UN) food agency said on Friday (May 6). The Food and Agriculture Organization's (FAO) food price index, which tracks the most globally traded food commodities, averaged 158.5 points last month versus an upwardly revised 159.7 for March. (*The Edge Markets*)
- [Oil gains 1.5%, posts another weekly rise on supply concerns](#) Oil prices rose nearly 1.5% on Friday, posting a second straight weekly increase as impending European Union sanctions on Russian oil raised the prospect of tighter supply and had traders shrugging off worries about global economic growth. (*Reuters*)

Malaysia

- **Volatility to persist as investors continue to seek shelter in the safe-haven USD** As the BNM is broadly expected to keep the overnight policy rate unchanged at 1.75% and as the DXY is seen to remain elevated around the 104.0 area, the ringgit may continue to trade under pressure within the 4.36 – 4.38 range. (*See Economic Viewpoint: Ringgit Weekly Outlook*)
- **MGS/GII yields to trend rangebound ahead of BNM MPC meeting** Domestic yields may trend rangebound this week, with all eyes on Bank Negara's MPC meeting (May 10 – 11), although MGS/GII will likely remain sensitive to the volatility of US Treasuries. We expect BNM to keep the policy rate unchanged at 1.75%, especially given downside risks to global growth amid the Russia-Ukraine conflict and China's COVID-19 condition. (*See Economic Viewpoint: Bond Market Weekly Outlook*)

Asia Pacific

- [Thailand targets 5.0m to 15.0m foreign tourists this year](#) Thailand is aiming for 5.0m to 15.0m foreign tourist arrivals this year as the country further eases travel restrictions to support the key tourism sector, a government spokesperson said on Friday. (*Reuters*)
- [Shanghai tightens lockdown to hit zero-COVID goal by late May](#) Shanghai is tightening its already strict COVID-19 lockdown in a fresh push to eliminate infections outside quarantined areas of China's biggest city by late this month, people familiar with the matter said. (*Reuters*)
- [Tokyo consumer prices rise at fastest pace in 7 years](#) Core consumer prices in Tokyo, considered a leading indicator of Japanese price trends, rose 1.9% in April from a year earlier, marking the fastest annual pace in seven years, government data showed on Friday. (*Reuters*)
- [Australia's central bank drastically raises inflation forecasts, flags more rate hikes](#) Australia's central bank on Friday drastically revised up forecasts for inflation, foreshadowing how far interest rates might have to rise to bring the country's cost of living crisis under control. In its quarterly statement on monetary policy, the Reserve Bank of Australia (RBA) warned core inflation could now hit 4.6% by December. (*Reuters*)

Americas

- [US economy added 428,000 jobs in April despite worker shortages](#) Non-farm payrolls grew by 428,000 in April, according to data released by the Bureau of Labor Statistics on Friday, matching the revised 428,000 increase in March and exceeding economists' forecasts for 391,000, according to a Reuters poll. (*Financial Times*)
- [U.S. bond funds record outflows for 17th week in a row](#) U.S. investors remained net sellers of bond funds in the week to May 4 as the economy's rising inflationary challenges fanned caution ahead of the Federal Reserve's policy meeting this week. According to Refinitiv Lipper data, U.S. investors offloaded USD5.52b worth of bond funds in a 17th straight week of net selling. (*Reuters*)

Europe

- [ECB doves put to flight as interest rates set to rise in July](#) Momentum is building for the European Central Bank to raise interest rates in July to fight soaring inflation, after dovish policymakers indicated they are ready to accept an end to almost eight years of negative borrowing costs. (*Financial Times*)
- [Two or three rate hikes this year appropriate, European Central Bank's Holzmann says](#) The European Central Bank should hike interest rates as many as three times this year to combat inflation, hawkish policymaker Robert Holzmann told the Salzburger Nachrichten paper in an interview. (*Reuters*)
- [UK rate rise expectations pared back after Bank of England warning](#) Investors have pared back their expectations for further rises in UK interest rates after the Bank of England warned the economy would stall at the end of the year as double digit inflation squeezed household incomes. (*Financial Times*)

09 May 2022

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

ME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
KESM INDUSTRIES BHD	7.660	22.29	13.49	1.27	7.600
ABF MALAYSIA BOND INDEX FUND	1.133	24.04	19.13	14.86	1.133
GUAN CHONG BHD	2.480	25.83	15.94	2.08	2.450
ELSOFT RESEARCH BHD	0.785	27.19	19.71	4.96	0.770
DIALOG GROUP BHD	2.410	27.49	21.11	6.25	2.410

*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
PETRON MALAYSIA REFINING & M	5.830	79.15	81.52	77.23	6.160
RAPID SYNERGY BHD	11.780	79.13	78.52	72.26	11.800
HARRISONS HOLDINGS MALAYSIA	5.680	75.15	78.76	87.10	5.800
RUBBEREX CORP M BHD	0.770	72.38	73.79	75.16	0.780
POWER ROOT BHD	1.550	71.80	73.43	62.37	1.580
SCGM BHD	2.380	71.64	79.25	94.62	2.430
DATASONIC GROUP BHD	0.575	71.61	71.30	67.44	0.585
TEXCHEM RESOURCES BERHAD	2.940	71.45	69.21	62.28	3.170
ZHULIAN CORP BHD	2.050	71.02	72.14	78.66	2.050
IGB REAL ESTATE INVESTMENT T	1.650	70.84	74.06	73.75	1.680
CHIN TECK PLANTATIONS BHD	8.880	70.46	73.24	76.41	9.000
PACIFIC & ORIENT BERHAD	1.230	70.09	69.06	56.45	1.290

*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
HANG SENG INDEX-JE	0.110	18.33	19.39	20.97	0.105	28/10/2022
REVENUE GROUP BHD-WA	0.550	24.23	15.85	5.08	0.540	14/1/2024
PRESS METAL ALUMINIUM HOLDINGS BHD-C62	0.075	25.87	18.92	5.52	0.075	5/9/2022
JF TECHNOLOGY BHD-WA	0.275	25.91	21.48	10.63	0.265	23/1/2026
PRESS METAL ALUMINIUM HOLDINGS BHD-C68	0.035	26.71	20.22	7.89	0.035	24/11/2022
PRESS METAL ALUMINIUM HOLDINGS BHD-C64	0.030	27.38	19.93	6.18	0.030	29/8/2022
INARI AMERTRON BHD-C	0.025	28.55	22.21	13.04	0.025	24/11/2022

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
HENGYUAN REFINING CO BHD-C22	0.315	87.30	88.68	84.27	0.390	31/5/2022
HARN LEN CORP BHD-WB	0.600	80.57	85.36	86.40	0.610	19/9/2026
HIBISCUS PETROLEUM BHD-C30	0.095	73.11	78.58	95.62	0.095	31/10/2022
DYNACIATE GROUP BHD-WA	0.080	70.84	73.37	73.26	0.085	26/12/2023
DATASONIC GROUP BHD-WA	0.160	70.77	71.85	71.23	0.165	5/7/2023

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

