

13 June 2022

By Teh Kian Yeong | tehy@kenanga.com.my

BURSA	10-Jun	Day chg	% chg
KLCI	1,494.0	-15.76	-1.04%
FTSE EMAS	10,733.7	-108.0	-1.00%
FTSE Smallcap	15,382.5	-151.76	-0.98%
FTSE MESDAQ	5,134.4	-35.6	-0.69%
KLSE Mkt Cap (RM'b)	1,638.3	-14.9	-0.90%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	91.7	43.2%
Local Retail	91.5	28.6%
Foreign	-183.2	28.2%

INDICES	10-Jun	Day chg	% chg
Dow Jones	31,392.8	-880.0	-2.73%
S&P 500	3,900.9	-117.0	-2.91%
NASDAQ	11,340.0	-414.21	-3.52%
FTSE-100	7,317.5	-158.7	-2.12%
Nikkei 225	27,824.3	-422.2	-1.49%
SHCOMP	3,284.8	45.88	1.42%
HSI	21,806.2	-62.9	-0.29%
STI	3,181.7	-27.9	-0.87%
KOSPI	2,595.9	-29.6	-1.13%
TWSE	16,460.1	-161.2	-0.97%
JCI	7,086.6	-96.182	-1.34%
SET	1,632.6	-8.7	-0.53%

FOREX	10-Jun	9-Jun	% chg
USD/MYR:	4.4015	4.3930	0.19%
EUR/USD:	1.0519	1.0719	-1.87%
GBP/USD:	1.2315	1.2534	-1.75%
USD/YEN:	134.41	133.31	0.83%
USD/SGD:	1.3879	1.3750	0.94%
USD/HKD:	7.8495	7.8487	0.01%

KEY STATS

KLCI Spot			
Vol (m shares):	2,262.0	2,884.6	-21.58%
Value (RMm):	1,693.1	2,060.3	-17.82%
KLCI Future			
June-22	1,490.5	1,508.0	-1.16%
July-22	1,492.0	1,508.5	-1.09%
CPO Price (RM/tonne)	5,766.0	6,058.0	-4.82%
Soybean (US\$/bu)	1,745.5	1,769.0	-1.33%
SoyOil (USc/lb)	78.5	80.3	-2.23%
Gold (US\$/troy oz)	1,875.5	1,852.8	1.23%
Nymex crude oil (US\$/bbl)	120.7	121.5	-0.69%
Latex (RM/kg)	6.62	6.69	-1.12%
Tin (US\$/mt)	35,565.00	37,015.0	-3.92%

Research Highlights

NEWS HIGHLIGHTS

- MY EG partners Philippines tourism authority to implement online travel tax payment portal
- Durian planter PLS records highest YTD monthly crop output
- Minda Global to buy leased properties housing University of Cyberjaya
- Hua Yang proposes 1-for-4 rights issue with warrants to raise up to RM17.6 mil
- MGRC exempted from submitting regularisation plan

MACRO BITS

- Oil falls as U.S. inflation data surges, China imposes lockdowns
- Moderated to 4.6% in April on a slowdown in the manufacturing index (See *Economic Viewpoint: Malaysia Industrial Production*)
- Remains bearish above 4.40 as the Fed may turn more aggressive to fight inflation (See *Economic Viewpoint: Ringgit Weekly Outlook*)
- MGS/GII yields to rise amid soaring UST yields and upcoming Fed meeting (See *Economic Viewpoint: Bond Market Weekly Outlook*)
- Govt has enough money to continue fuel subsidy, says Tengku Zafrul
- China's moderating inflation leaves room for more easing
- China's May vehicle sales fall 12.6%, industry body says
- Japan repeats warning on sliding yen, keeps mum on FX intervention chance
- Biden says US inflation to persist 'for a while' after new data
- Consumer sentiment plunges to record low in June, according to University of Michigan survey
- Canada jobless rate hits record low, bolstering case for 75-bps rate hike
- ECB's Holzmann says not wrong to say he wants a larger rate hike in Sept
- UK jobs market lost a bit more momentum in May, REC says

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Sector Update: Plantation
- Weekly Technical Review
- Regional News Update
- Economic Viewpoint: Bond Market Weekly Outlook, MY Industrial Production, 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	TOPGLOV	1.13	-7.4	52.00	IHH	6.45	0.8	2.01	TOPGLOV	1.13	-7.4	52.00
2	GENTING	4.86	-6.5	32.60	PCHEM	9.70	0.6	4.26	GENTING	4.86	-6.5	32.60
3	PMETAL	4.99	-0.6	11.00	MISC	7.20	0.3	2.60	HARTA	3.60	-4.0	4.60
4	DIALOG	2.17	-2.7	10.20	PPB	15.88	0.3	0.66	PETDAG	21.06	-3.0	0.22
5	PBBANK	4.53	-0.9	9.39	NESTLE	132.30	-0.2	0.04	DIALOG	2.17	-2.7	10.20
6	INARI	2.72	-1.5	8.32	RHBBANK	5.90	-0.2	2.79	SIME	2.20	-2.2	2.66
7	GENM	2.97	-1.3	7.44	PETGAS	16.44	-0.4	0.39	DIGI	3.17	-1.9	2.63
8	MRDIY	3.20	-1.2	7.41	HLFG	19.20	-0.4	0.15	AXIATA	2.96	-1.7	4.53
9	TENAGA	8.66	-1.5	7.36	MAYBANK	8.75	-0.6	5.54	SIMEPLT	4.64	-1.5	5.39
10	IOICORP	4.09	-0.7	5.92	CIMB	5.04	-0.6	5.28	TENAGA	8.66	-1.5	7.36

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **MY EG partners Philippines tourism authority to implement online travel tax payment portal**

MY EG Services Bhd's unit is partnering with the Philippines' tourism authority to implement an online payment portal designed to facilitate payment for travel taxes. In a filing with Bursa Malaysia, the group said its 40%-owned unit I-Pay MYEG Philippines Inc has entered into a Memorandum of Agreement to partner Tourism Infrastructure and Enterprise Zone Authority (TIEZA) to make payment of travel taxes more effortless. Philippines citizens will have multiple options to pay for travel tax anytime online through this partnership, the group said. *(The Edge Markets)*

- **Durian planter PLS records highest YTD monthly crop output**

Durian planter PLS Plantations Bhd's monthly crop output rose to its highest year-to-date (YTD) in 2022 after climbing past 8,000 tonnes in May 2022 at the onset of Malaysia's annual durian season during which fruit traders are expecting an increase in business on demand for the king of fruits. According to PLS' Bursa Malaysia filings, PLS, which also cultivates oil palm, achieved a crop production of 8,292.68 tonnes in May 2022 compared with 7,043.34 tonnes a month earlier. PLS however did not elaborate on its monthly crop output changes. *(The Edge Markets)*

- **Minda Global to buy leased properties housing University of Cyberjaya**

Minda Global Bhd, the company that runs University of Cyberjaya, has proposed to buy the properties it is operating from for RM180 million. Acquiring the properties, which include 16,208 square metres of freehold land and the buildings on it, will provide the group a greater flexibility in undertaking future expansion plans and eliminate the risk of non-renewal of tenancy, said Minda Global. The buildings, located in Cyberjaya, are four years old and have a gross floor area of 862,850 square feet, the group added in a filing with Bursa Malaysia. *(The Edge Markets)*

- **Hua Yang proposes 1-for-4 rights issue with warrants to raise up to RM17.6 mil**

Hua Yang Bhd has proposed to undertake a renounceable rights issue of up to 88 million new shares coupled with free warrants to raise up to RM17.6 million. It is seeking an exemption from the Securities Commission Malaysia to relieve major shareholder Heng Holdings Sdn Bhd (HHSB) from its mandatory offer obligation as a result of the cash call. In a bourse filing on Friday (June 10), the property developer said the rights issue with warrants entails the issuance of one rights share for every four existing Hua Yang shares held. *(The Edge Markets)*

- **MGRC exempted from submitting regularisation plan**

Malaysian Genomics Resources Bhd (MGRC) has received a waiver from Bursa Malaysia Securities Bhd to exempt it from submitting its regularisation plan to the relevant authorities, its Bursa Malaysia filing showed on Friday (June 10). Following the waiver, Bursa Securities has uplifted MGRC from being classified as a Paragraph 8.03A company effective June 13. The group was first labelled as Paragraph 8.03A company in December 2019. Paragraph 8.03A refers to a listed corporation whose assets on a consolidated basis consist of 70% or more of cash or short-term investments, or a combination of both. *(The Edge Markets)*



Macro Bits

Global

- [Oil falls as U.S. inflation data surges, China imposes lockdowns](#) Oil prices fell on Friday, after U.S. consumer prices rose more than expected and China imposed new COVID-19 lockdown measures. For the day, oil prices sank along with Wall Street stocks after news that U.S. consumer prices accelerated in May. *(Reuters)*

Malaysia

- **Moderated to 4.6% in April on a slowdown in the manufacturing index** Industrial Production Index (IPI) eased to 4.6% in April (Mar: 5.1%), coming in below house and market expectations (KIBB: 5.5%; consensus: 5.5%). 2022 manufacturing index forecast retained at 7.0% (2021: 9.5%). *(See Economic Viewpoint: Malaysia Industrial Production)*
- **Remains bearish above 4.40 as the Fed may turn more aggressive to fight inflation** The DXY breached the 104.0 level on June 10 due to a hotter-than-expected US inflation reading of 8.6% YoY or 1.0% MoM. Due to this, the Fed may deliver a more hawkish guidance at its June FOMC meeting, prompting the MYR to continue to trade above the 4.40 level against a well-positioned USD. *(See Economic Viewpoint: Ringgit Weekly Outlook)*
- **MGS/GII yields to rise amid soaring UST yields and upcoming Fed meeting** Domestic yields to continue an uptrend this week, following the surge in US Treasury yields last Friday and amid the upcoming US FOMC meeting (June 14 – 15), which will likely see the US Fed raise the funds rate by another 50 bps. *(See Economic Viewpoint: Bond Market Weekly Outlook)*
- [Govt has enough money to continue fuel subsidy, says Tengku Zafrul](#) The government still has sufficient funds to continue to provide fuel subsidy to the people despite rising global crude oil prices. *(The Edge Markets)*

Asia Pacific

- [China's moderating inflation leaves room for more easing](#) China's inflation moderated in May as global commodity prices cooled and consumer demand weakened, leaving room for the government to ease monetary policy and add stimulus to shore up the economy. The producer price index rose 6.4% last month from a year earlier, the weakest pace since March 2021, National Bureau of Statistics data showed Friday. *(The Edge Markets)*
- [China's May vehicle sales fall 12.6%, industry body says](#) China's auto sales fell 12.6% in May from a year earlier, data showed on Friday, but the extent of the decline improved from April's falls as authorities rolled out stimulus to support a market depressed by the country's COVID-19 lockdowns. *(The Edge Markets)*
- [Japan repeats warning on sliding yen, keeps mum on FX intervention chance](#) Japanese Finance Minister Shunichi Suzuki on Friday refrained from commenting on the possibility of government intervention in the foreign exchange market to stem a weak yen, while maintaining his warning against any rapid fluctuations. *(The Edge Markets)*

Americas

- [Biden says US inflation to persist 'for a while' after new data](#) US President Joe Biden told Democratic donors that they should expect high inflation to persist "for a while" after new data released on Friday (June 10) showed prices rising faster than forecast. The Labor Department reported on Friday that US consumer prices increased 8.6% in May from a year earlier, a new 40-year record that exceeded forecasts. *(The Edge Markets)*
- [Consumer sentiment plunges to record low in June, according to University of Michigan survey](#) The University of Michigan's gauge of consumer sentiment fell sharply to a record-low reading of 50.2, down from a May reading of 58.4. Economists polled by the Wall Street Journal had expected a June reading of 59. The level is comparable to the low point reached in the middle of the 1980 recession, the university said. *(MarketWatch)*
- [Canada jobless rate hits record low, bolstering case for 75-bps rate hike](#) Canada's jobless rate inched down to a new record low after adding more jobs than expected in May, and wage growth picked up steam, official data showed on Friday, bolstering the case for an even larger rate increase next month by the central bank. *(Reuters)*

Europe

- [ECB's Holzmann says not wrong to say he wants a larger rate hike in Sept](#) European Central Bank policymaker and outspoken policy hawk Robert Holzmann said on Friday he wants a larger interest rate increase in September than the 25 basis-point hike currently planned for July. *(Reuters)*
- [UK jobs market lost a bit more momentum in May, REC says](#) British employers added staff in May at the slowest pace since early 2021, according to a survey that adds to signs that the labour market is losing some of its heat. The survey's gauge of temporary staff hiring in May also fell to its lowest since early last year. *(Reuters)*

13 June 2022

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
RANHILL UTILITIES BHD	0.440	14.84	9.14	1.55	0.435
HARTALEGA HOLDINGS BHD	3.600	21.86	17.70	7.20	3.590
TA WIN HOLDINGS BHD	0.095	24.07	19.40	6.58	0.090
JAYA TIASA HOLDINGS BHD	0.710	24.78	19.06	11.04	0.705
TH PLANTATIONS BHD	0.695	25.03	18.64	7.45	0.690
SARAWAK PLANTATION BHD	2.460	26.00	18.87	6.26	2.430
GENTING PLANTATIONS BHD	7.170	26.35	20.69	9.42	7.150
ASIA FILE CORP BHD	1.840	27.28	22.24	8.82	1.750
PHARMANIAGA BERHAD	0.640	27.56	24.91	20.78	0.635
KRETAM HOLDINGS BHD	0.550	27.58	18.80	1.48	0.550
JF TECHNOLOGY BHD	0.780	27.61	26.21	19.56	0.775
CB INDUSTRIAL PRODUCT HLDG	1.360	27.67	18.96	1.44	1.350
IRIS CORP BHD	0.150	27.89	21.66	7.18	0.140
JCY INTERNATIONAL BHD	0.200	28.38	27.39	25.01	0.200
ANN JOO RESOURCES BHD	1.340	28.43	26.30	21.15	1.320
HUME CEMENT INDUSTRIES BHD	1.050	28.48	22.80	28.37	1.040
MALAYSIA SMELTING CORP BHD	3.150	28.73	25.53	16.53	3.110
DRB-HICOM BHD	1.180	28.74	25.46	18.49	1.160
MALAYSIAN BULK CARRIERS BHD	0.425	29.19	24.31	14.86	0.425
LION INDUSTRIES CORP BHD	0.485	29.25	24.27	9.12	0.480
COMFORT GLOVE BHD	0.635	29.46	25.80	18.59	0.620
FGV HOLDINGS BHD	1.630	30.00	26.14	8.46	1.610

*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
CHIN TECK PLANTATIONS BHD	9.960	89.46	94.89	99.85	9.970
BREM HOLDING BHD	1.190	87.46	97.04	100.00	1.190
KUMPULAN FIMA BHD	2.850	77.87	80.67	87.17	2.860
COCALAND HOLDINGS BHD	1.460	77.44	85.32	98.44	1.470
RAPID SYNERGY BHD	12.700	74.47	78.59	94.70	12.700
SKP RESOURCES BHD	1.650	74.05	82.61	97.69	1.700

*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
UNISEM M BHD-C23	0.005	14.98	18.35	14.81	0.005	17/10/2022
HARTALEGA HOLDINGS BHD-C91	0.010	15.20	12.82	1.75	0.010	16/1/2023
IOI CORP BHD-C43	0.045	17.71	18.42	9.57	0.045	17/1/2023
TAFI INDUSTRIES BHD-WA	0.110	18.38	11.90	1.39	0.105	15/2/2027
DAGANG NEXCHANGE BHD-CX	0.095	19.69	17.41	6.41	0.090	24/11/2022
TA WIN HOLDINGS BHD-WB	0.030	19.77	11.01	0.15	0.025	19/8/2024
ECO WORLD DEVELOPMENT GROUP BHD-WB	0.105	21.69	26.14	18.45	0.105	12/4/2029
COUNTRY HEIGHTS HOLDINGS BHD-WB	0.110	25.36	19.73	3.39	0.105	20/12/2023
DYNACIATE GROUP BHD-WA	0.030	25.57	19.76	8.95	0.030	26/12/2023
MALAYSIA SMELTING CORP BHD-CC	0.030	26.15	20.10	4.72	0.030	11/11/2022
DIALOG GROUP BHD-C82	0.010	28.92	27.26	7.02	0.010	30/8/2022
HLT GLOBAL BHD-WA	0.080	29.70	28.34	12.13	0.080	27/12/2022

Source: Bloomberg

This section is intentionally left blank

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