

27 June 2022

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BURSA	24-Jun	Day chg	% chg
KLCI	1,436.7	5.65	0.39%
FTSE EMAS	10,257.4	50.2	0.49%
FTSE Smallcap	14,179.7	65.70	0.47%
FTSE MESDAQ	4,769.9	23.3	0.49%
KLSE Mkt Cap (RM'b)	1,567.6	9.9	0.64%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	20.3	49.4%
Local Retail	-26.7	25.3%
Foreign	6.5	25.3%

INDICES	24-Jun	Day chg	% chg
Dow Jones	31,500.7	823.3	2.68%
S&P 500	3,911.7	116.0	3.06%
NASDAQ	11,607.6	375.43	3.34%
FTSE-100	7,208.8	188.4	2.68%
Nikkei 225	26,492.0	320.7	1.23%
SHCOMP	3,349.7	29.598	0.89%
HSI	21,719.1	445.2	2.09%
STI	3,111.7	18.8	0.61%
KOSPI	2,366.6	52.3	2.26%
TWSE	15,303.3	126.9	0.84%
JCI	7,042.9	44.67	0.64%
SET	1,568.8	11.2	0.72%

FOREX	24-Jun	23-Jun	% chg
USD/MYR:	4.4028	4.4060	-0.07%
EUR/USD:	1.0553	1.0505	0.46%
GBP/USD:	1.2268	1.2211	0.47%
USD/YEN:	135.23	135.38	-0.11%
USD/SGD:	1.3862	1.3904	-0.30%
USD/HKD:	7.8492	7.8489	0.00%

KEY STATS

KLCI Spot			
Vol (m shares):	2,468.9	2,345.0	5.28%
Value (RMm):	1,478.9	1,560.4	-5.22%
KLCI Future			
June-22	1,437.0	1,425.0	0.84%
July-22	1,436.5	1,425.5	0.77%
CPO Price (RM/tonne)	4,664.0	4,744.0	-1.69%
Soybean (US\$/bu)	1,610.8	1,593.3	1.10%
SoyOil (USc/lb)	66.9	65.5	2.17%
Gold (US\$/troy oz)	1,830.3	1,829.8	0.03%
Nymex crude oil (US\$/bbl)	107.6	104.3	3.21%
Latex (RM/kg)	5.92	5.98	-1.09%
Tin (US\$/mt)	25,055.00	27,315.0	-8.27%

Research Highlights

NEWS HIGHLIGHTS

- Electricity tariff surcharge maintained in 2H22, says TNB (*Comment in Kenanga Today*)
- Pertama Digital's foreign assets disposal progresses to tranche 2
- Costlier raw materials eat into Apollo Food's 4Q profit
- Radiant Globaltech optimistic on expansion
- Paragon Globe buys three plots in Johor for RM38m for commercial development

MACRO BITS

- U.S., Japan, Australia, New Zealand and United Kingdom form Pacific group
- UK, U.S., Japan and Canada to ban Russia gold imports
- Growth to sustain at a moderate pace with persistent downside risks (*See Economic Viewpoint: Malaysia 3Q22 & 2H22 Economic Outlook*)
- Continued to climb in May due to rising costs of food and transportation (*See Economic Viewpoint: Malaysia Consumer Price Index*)
- MGS/GII yields may trend rangebound-to-lower on growing safe-haven demand (*See Economic Viewpoint: Bond Market Weekly Outlook*)
- To linger around the 4.40-level amid heightened market uncertainty (*See Economic Viewpoint: Ringgit Weekly Outlook*)
- RM77.0b subsidy so far this year highest in history, says Zafrul
- China to create yuan liquidity reserve pool with BIS, Malaysia, four others — PBOC
- Japan's inflation tops BOJ target for 2nd month in test of monetary stance
- Fed's inflation fight is 'unconditional,' Powell says
- U.S. screened 2.45m air passengers Friday, highest since early 2020
- Rates will remain main policy tool for BoE, Pill says

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Sector Update: Technology
- Company Update: KERJAYA
- Weekly Technical Review
- Regional News Update
- Economic Viewpoint: Bond Market Weekly Outlook, MY 3Q22 & 2H22 Economic Outlook, MY CPI, 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	1.05	0.0	56.40	PMETAL	4.77	3.0	5.75	KLK	22.38	-2.0	1.43
2	HARTA	2.78	1.5	7.25	INARI	2.60	2.8	4.99	SIME	2.11	-1.9	6.61
3	PCHEM	9.25	1.1	6.62	MRDIY	1.97	2.6	4.13	SIMEPLT	4.22	-1.6	6.34
4	SIME	2.11	-1.9	6.61	TM	5.15	2.0	1.60	HLBANK	20.16	-1.2	0.41
5	SIMEPLT	4.22	-1.6	6.34	HARTA	2.78	1.5	7.25	PPB	15.00	-0.9	0.25
6	PMETAL	4.77	3.0	5.75	GENTING	4.58	1.1	3.38	MISC	6.94	-0.9	1.57
7	PBBANK	4.43	0.7	5.34	PCHEM	9.25	1.1	6.62	PETDAG	20.78	-0.4	0.10
8	INARI	2.60	2.8	4.99	DIGI	3.21	0.9	1.21	PETGAS	16.20	-0.4	0.31
9	DIALOG	2.10	0.5	4.84	IHH	6.42	0.9	3.45	NESTLE	132.60	-0.2	0.03
10	MAYBANK	8.60	0.5	4.51	HLFG	18.38	0.9	0.05	CIMB	4.90	0.0	3.67

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Electricity tariff surcharge maintained in 2H22, says TNB**

Last Friday, Tenaga Nasional Bhd announced that the imbalance cost pass-through (ICPT) mechanism will continue to be implemented for the period of July 1 until Dec 31, 2022. This follows the government's decision to maintain the electricity and water tariff in Peninsular Malaysia, as announced by Prime Minister earlier. In a bourse filing, TENAGA said the decision will address the significant increase in generation costs due to the higher fuel prices used for the supply of electricity during the period of Jan 1 to June 30, 2022. It also said that the impact of the ICPT implementation is neutral on TENAGA and will not have any effect on its business operations and financial position. *(The Edge Markets)*

Comment: There is no detail pertaining to tariff surcharge/rebate in 2H 2022 in the announcement. While 2.0 sen/kWh tariff rebate is likely to be maintained for domestic customers, a higher surcharge is highly likely to be imposed on commercial and industrial customers. This is given the skyrocketing fuel prices globally with the Indonesia coal benchmark price jumping 54% to USD282.02/MT on average for Apr and May as opposed to the average of USD183.52/MT in 1QCY22. This is against the coal base price of USD79/MT @ 4.123/MYR under the RP3 parameter. Assuming coal price stays at an average of USD282.02/MT in 2QCY22 with an unchanged coal generation mix as 1QCY22, total coal cost would increase c.RM3.28b QoQ in 2QFY22. As such, 1HFY22 total coal cost would be c.RM8.6b or 24.9 sen/kWh higher based on the coal base price of USD79/MT. Nonetheless, under the IBR mechanism, the increased cost will eventually pass through to consumers or partly offset by the KWIE fund with a 6-month lag. TENAGA is maintained at OP with TP of RM11.06. (By: Teh Kian Yeong)

- **Pertama Digital's foreign assets disposal progresses to tranche 2**

Pertama Digital Bhd's disposal of foreign assets in China — BeTop Group Ltd, formerly known as Sinotop Holdings Bhd, and Top Textile (Suzhou) Co Ltd — has progressed to tranche two on July 16, 2021. It said the disposal of its discontinued operations that deal with fabric manufacturing is to enable it to focus on mobile and digital solutions businesses. "The company endeavours to complete the disposal in the soonest possible time to focus on its new principal business operations," it said in a statement on Friday. *(The Edge Markets)*

- **Costlier raw materials eat into Apollo Food's 4Q profit**

Apollo Food Holdings Bhd's net profit fell 34.9% to RM3.8m for the fourth quarter ended April 30, 2022 (4QFY22) from RM5.9m a year ago, despite higher revenue achieved for the quarter under review, dragged by costlier raw materials. Apart from that, the group also recorded lower production capacity due to labour shortage, the confectionery maker's Bursa Malaysia filing showed, while the previous year's corresponding quarter had recorded a reversal of impairment loss on property, plant and equipment. As a result, the group's 4QFY22 earnings per share (EPS) dropped to 4.8 sen from 7.4 sen. Revenue was up 6% at RM57.3m from RM54.1m, due to higher product selling prices. *(The Edge Markets)*

- **Radiant Globaltech optimistic on expansion**

Radiant Globaltech Bhd is optimistic about expanding its customer base and sales of digitalisation solutions to the retail, industrial and food and beverages (F&B) sectors, benefiting from the strong demand for technology adoption in Malaysia and the Southeast Asia region. The integrated technology solutions provider said the group's retail clientele includes major hypermarkets, supermarkets, convenience stores, departmental stores and pharmacies, while its industrial clientele includes fast-moving consumer goods players and manufacturing companies. The group's F&B clientele comprises various types of F&B operations, such as quick-and full-service restaurants, chains and franchises, as well as cafes and kiosks, it said in a statement on Friday (June 24). *(The Edge Markets)*

- **Paragon Globe buys three plots in Johor for RM38m for commercial development**

Paragon Globe Bhd is buying three pieces of freehold agriculture plots in Plentong, Johor, for RM38.1m to be developed into a "well-conceptualised" commercial area that it believes will enhance its future revenue and earnings. In a bourse filing, the group said the plots — measuring 10.9 ha — are being bought by its wholly-owned Paragon Platinum Sdn Bhd, which has inked the respective sale and purchase agreements with the vendors for the proposed acquisition. "The board is of the view that the proposed acquisition would provide Paragon Globe the opportunity to create greater economic value and increase the earnings potential of the company over the medium to long term as the lands have promising development potential," it said. *(The Edge Markets)*

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Macro Bits

Global

- [U.S., Japan, Australia, New Zealand and United Kingdom form Pacific group](#) The United States, Australia, Japan, New Zealand and the United Kingdom launched an informal group aimed at boosting economic and diplomatic ties with Pacific island nations, the White House said on Friday. *(Reuters)*
- [UK, U.S., Japan and Canada to ban Russia gold imports](#) Britain, the United States, Japan and Canada will ban new imports of Russian gold as part of efforts to tighten the sanctions squeeze on Moscow for its invasion of Ukraine, the British government said on Sunday. *(Reuters)*

Malaysia

- **Growth to sustain at a moderate pace with persistent downside risks** The global economy is poised for a bumpy ride in 2H22, driven mainly by soaring inflation, acceleration in global monetary policy tightening, prolonged Russia-Ukraine crisis, and ongoing China's zero-COVID policy which are likely to extend global supply chain disruptions and elevated energy prices. *(See Economic Viewpoint: Malaysia 3Q22 & 2H22 Economic Outlook)*
- **Continued to climb in May due to rising costs of food and transportation** 2022 headline inflation forecast revised up to 3.3% from 2.9% (2021: 2.5%) as supply bottlenecks continue to impinge on food prices. This raises the probability that the Bank Negara Malaysia may continue to raise the overnight policy rate in a 25 basis point increments at each of its remaining three monetary policy committee meetings in 2022 on top of emerging inflation fears, improvement in the domestic labour market and expectations of a strong economic recovery. *(See Economic Viewpoint: Malaysia Consumer Price Index)*
- **MGS/GII yields may trend rangebound-to-lower on growing safe-haven demand** We expect yields to trend rangebound-to-lower this week, with bonds remaining well bid from renewed safe-haven demand. However, yields may return to an uptrend should the US PCE Price Index surprise on the high side. *(See Economic Viewpoint: Bond Market Weekly Outlook)*
- **To linger around the 4.40-level amid heightened market uncertainty** Even though the DXY experienced a slight correction of -0.5% WoW last Friday, it may continue to trade above the 104.0 level as the market may continue to hear hawkish statements from a slew of Fed speakers this week. As such, the USDMYR pair may turn muted and is expected to trade around the 4.40 level. However, a further decline in the US Core PCE (consensus: 4.8%; Apr: 4.9%) may prompt the Fed to tone down its aggressive monetary policy tightening, possibly lifting the ringgit. *(See Economic Viewpoint: Ringgit Weekly Outlook)*
- [RM77.0b subsidy so far this year highest in history, says Zafrul](#) The projected consumption subsidy expenditure of RM77.3b so far for 2022 is the highest subsidy in history ever borne by any government, said the Ministry of Finance (MoF). *(The Edge Markets)*

Asia Pacific

- [China to create yuan liquidity reserve pool with BIS, Malaysia, four others — PBOC](#) The People's Bank of China (PBOC) will create a yuan reserve pool with the Bank for International Settlements (BIS) and five other regulators to provide liquidity to participating economies in periods of market volatility. *(The Edge Markets)*
- [Japan's inflation tops BOJ target for 2nd month in test of monetary stance](#) Japan's annual core consumer inflation topped the central bank's target for a second straight month in May, data showed on Friday, highlighting the intensifying pressure on the country's fragile economy from soaring global raw material costs. *(Reuters)*

Americas

- [Fed's inflation fight is 'unconditional,' Powell says](#) The Federal Reserve's commitment to reining in 40-year-high inflation is "unconditional," U.S. central bank chief Jerome Powell told lawmakers on Thursday, even as he acknowledged that sharply higher interest rates may push up unemployment. *(Reuters)*
- [U.S. screened 2.45m air passengers Friday, highest since early 2020](#) The U.S. Transportation Security Administration (TSA) screened 2.45m air passengers on Friday, the highest daily number since February 2020. *(Reuters)*

Europe

- [Rates will remain main policy tool for BoE, Pill says](#) Bank of England Chief Economist Huw Pill said on Friday that interest rates would remain the central bank's main monetary policy tool as it prepares to start selling bonds, reversing part of its economic stimulus push. *(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
CSC STEEL HOLDINGS BHD	1.170	10.69	6.00	1.42	1.160
SARAWAK PLANTATION BHD	2.000	14.89	10.35	5.03	1.990
ANN JOO RESOURCES BHD	0.990	17.26	14.59	14.09	0.980
ELSOFT RESEARCH BHD	0.630	19.34	14.85	3.74	0.630
GENTING PLANTATIONS BHD	6.500	19.58	13.73	6.35	6.500
SARAWAK OIL PALMS BERHAD	4.230	20.50	12.79	2.73	4.110
HARTALEGA HOLDINGS BHD	2.780	20.91	21.76	39.44	2.710
HIBISCUS PETROLEUM BHD	0.905	20.93	12.41	0.82	0.895
FORMOSA PROSONIC INDS BHD	2.730	21.00	17.68	38.66	2.640
LUXCHEM CORP BHD	0.565	21.43	18.00	26.17	0.550
BOILERMECH HOLDINGS BERHAD	0.800	22.97	21.85	29.51	0.770
HUME CEMENT INDUSTRIES BHD	0.970	23.10	21.85	46.99	0.950
TDM BHD	0.225	23.20	17.66	4.14	0.225
MEDIA PRIMA BHD	0.410	23.35	18.13	18.10	0.405
HUP SENG INDUSTRIES BHD	0.755	23.92	23.64	42.30	0.745
GHL SYSTEMS BERHAD	1.240	24.04	15.77	2.11	1.230
UEM EDGENTA BHD	1.280	24.73	22.23	29.02	1.260
RIMBUNAN SAWIT BHD	0.175	24.99	22.89	29.33	0.170
TH PLANTATIONS BHD	0.600	25.13	22.32	15.68	0.595
FIAMMA HOLDINGS BERHAD	0.760	25.28	20.21	12.26	0.755
JAYA TIASA HOLDINGS BHD	0.620	25.57	23.50	21.22	0.620
MUDA HOLDINGS BERHAD	1.900	26.51	26.83	44.15	1.820
DATASONIC GROUP BHD	0.455	26.94	21.40	19.15	0.450
PHARMANIAGA BERHAD	0.600	27.03	27.82	45.34	0.590
BAHVEST RESOURCES BHD	0.305	27.05	23.64	18.54	0.300
DAGANG NEXCHANGE BHD	0.765	27.20	24.17	32.25	0.745
AEON CREDIT SERVICE M BHD	13.260	27.49	24.16	32.52	13.000
IRIS CORP BHD	0.130	27.73	26.93	28.37	0.125
RANHILL UTILITIES BHD	0.410	27.79	30.80	54.91	0.390
MALAYSIA SMELTING CORP BHD	2.440	28.32	28.76	43.67	2.340
INNOPRISE PLANTATIONS BHD	1.410	28.35	26.59	43.15	1.350
KIM LOONG RESOURCES BHD	1.600	28.53	26.85	35.01	1.560
MALAYSIAN BULK CARRIERS BHD	0.375	28.73	29.45	49.77	0.360
SCICOM (MSC) BHD	1.030	28.81	27.21	39.20	1.010
POH KONG HOLDINGS BHD	0.755	28.89	20.82	2.20	0.755
MKH BHD	1.210	28.92	25.57	39.41	1.200
TA ANN HOLDINGS BERHAD	4.240	29.01	27.07	31.68	4.050
SERN KOU RESOURCES BHD	0.695	29.26	24.22	14.06	0.670
HIAP TECK VENTURE BHD	0.290	29.72	29.64	34.77	0.275

*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
BREM HOLDING BHD	1.190	87.46	97.04	100.00	1.200
COCOALAND HOLDINGS BHD	1.450	71.03	72.48	33.34	1.470

*Only for stocks with market cap >RM300m

Source: Bloomberg



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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
HIBISCUS PETROLEUM BHD-C34	0.015	16.66	13.19	2.76	0.015	24/11/2022
FTSE BURSA MALAYSIA KLCI INDEX - KUALA LUMPUR COMPOSITE INDEX-FM	0.005	17.10	17.13	16.84	0.005	31/10/2022
ECO WORLD DEVELOPMENT GROUP BHD-WB	0.085	19.32	18.84	6.36	0.085	12/4/2029
DPS RESOURCES BHD-WB	0.030	19.57	7.28	0.01	0.025	15/1/2025
HONG SENG CONSOLIDATED BHD-WB	0.080	19.91	14.46	3.63	0.070	3/10/2024
DAGANG NEXCHANGE BHD-CW	0.060	20.08	14.98	11.93	0.060	14/10/2022
KUALA LUMPUR KEPONG BHD-C9	0.080	20.96	12.05	0.92	0.080	28/6/2022
DATASONIC GROUP BHD-WA	0.095	21.07	12.65	0.62	0.090	5/7/2023
HIBISCUS PETROLEUM BHD-C25	0.040	23.23	15.94	5.24	0.040	22/8/2022
SCOPE INDUSTRIES BHD-WB	0.030	25.77	25.97	39.76	0.025	25/11/2024
TOP GLOVE CORP BHD-P	0.040	26.65	31.02	56.65	0.030	30/11/2022
DAGANG NEXCHANGE BHD-CN	0.055	27.07	26.31	43.06	0.045	30/8/2022
HIBISCUS PETROLEUM BHD-C24	0.035	27.12	19.05	3.88	0.035	29/8/2022
HANG SENG INDEX-QQ	0.005	27.31	23.47	8.01	0.005	29/6/2022
FTSE BURSA MALAYSIA KLCI INDEX - KUALA LUMPUR COMPOSITE INDEX-FH	0.095	28.41	29.03	35.51	0.090	30/8/2022
HIBISCUS PETROLEUM BHD-C29	0.010	28.50	23.50	16.83	0.010	30/9/2022
MALAYSIAN PACIFIC INDUSTRIES BHD-CT	0.010	28.90	20.04	4.59	0.010	11/11/2022
TA WIN HOLDINGS BHD-WB	0.025	29.71	28.32	15.51	0.025	19/8/2024

Source: Bloomberg

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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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