

01 August 2022

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BURSA	29-Jul	Day chg	% chg
KLCI	1,492.2	1.03	0.07%
FTSE EMAS	10,601.9	23.3	0.22%
FTSE Smallcap	14,307.4	90.89	0.64%
FTSE MESDAQ	4,848.0	15.5	0.32%
KLSE Mkt Cap (RM'b)	1,619.9	4.4	0.27%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	25.4	46.5%
Local Retail	-44.3	27.1%
Foreign	18.9	26.4%

INDICES	29-Jul	Day chg	% chg
Dow Jones	32,845.1	315.5	0.97%
S&P 500	4,130.3	57.9	1.42%
NASDAQ	12,390.7	228.1	1.88%
FTSE-100	7,423.4	78.2	1.06%
Nikkei 225	27,801.6	-13.8	-0.05%
SHCOMP	3,253.2	-29.338	-0.89%
HSI	20,156.5	-466.2	-2.26%
STI	3,211.6	-9.1	-0.28%
KOSPI	2,451.5	16.2	0.67%
TWSE	15,000.1	108.2	0.73%
JCI	6,951.1	-5.694	-0.08%
SET	N.A.	N.A.	N.A.

FOREX	29-Jul	28-Jul	% chg
USD/MYR:	4.4508	4.4532	-0.05%
EUR/USD:	1.0220	1.0134	0.85%
GBP/USD:	1.2171	1.2118	0.44%
USD/YEN:	133.27	135.58	-1.70%
USD/SGD:	1.3805	1.3833	-0.20%
USD/HKD:	7.8500	7.8498	0.00%

KEY STATS

KLCI Spot			
Vol (m shares):	2,791.8	2,827.5	-1.26%
Value (RMm):	1,980.2	1,812.9	9.23%
KLCI Future			
July-22	1,490.5	1,487.5	0.20%
August-22	1,490.5	1,487.5	0.20%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,637.0	1,609.3	1.72%
SoyOil (USc/lb)	66.5	64.0	3.91%
Gold (US\$/troy oz)	1,762.9	1,750.3	0.72%
Nymex crude oil (US\$/bbl)	98.6	96.4	2.28%
Latex (RM/kg)	5.31	5.31	-0.09%
Tin (US\$/mt)	25,212.00	24,465.5	3.05%

Research Highlights

NEWS HIGHLIGHTS

- Deferment of new launches drags EcoFirst into 4Q loss
- Opcom sees further progress in 5G market expansion after highest profit in four years
- Vizione sinks into red in 2Q
- Tower REIT declares 0.7 sen DPU as 4Q income dips 4%; expects challenging office rental outlook to persist
- Ingenieur Gudang acquires 149 commercial units for RM9.1m

MACRO BITS

- Signs emerge that global inflation could be transitory
- Oil prices surge USD4/bbl as chances of OPEC+ supply boost dim
- Global bond issuance to contract about 16.0% in 2022, says S&P
- M3 growth eased to 6.6% in June; loan and deposit growth expanded (See *Economic Viewpoint: Malaysia Money & Credit*)
- MGS/GII yields to continue downtrend in line with lower global bond yields (See *Economic Viewpoint: Bond Market Weekly Outlook*)
- Likely to trade range-bound with upside potential amid weak US jobs report expectations (See *Economic Viewpoint: Ringgit Weekly Outlook*)
- Targeted subsidy scheme can save country RM20.0b annually, says Muhyiddin
- Thai c.bank likely to hike rate next month, ups GDP outlook
- China's factory activity contracts unexpectedly in July as Covid flares up
- U.S. consumer inflation expectations ease in July
- Euro zone inflation hits yet another record high after big jump
- UK businesses expect zero growth over next 3 months

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Sector Update: Banking
- Weekly Technical Review
- Regional News Update
- Economic Viewpoint: Asia FX Monthly Outlook, Bond Market Weekly Outlook, Global FX Monthly Outlook, MY Money and Credit, 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	0.97	-0.5	54.20	SIMEPLT	4.36	3.1	5.66	PETDAG	22.40	-2.2	0.25
2	INARI	2.86	-0.4	18.80	TENAGA	8.26	2.5	5.23	DIALOG	2.21	-1.8	5.82
3	PBBANK	4.64	0.0	14.60	HARTA	2.74	1.5	4.68	GENTING	4.73	-1.7	2.71
4	CIMB	5.21	-1.3	10.10	MAXIS	3.67	1.4	3.66	CIMB	5.21	-1.3	10.10
5	IHH	6.39	0.0	8.36	DIGI	3.63	0.8	2.31	GENM	2.92	-0.7	2.63
6	PMETAL	4.86	0.6	8.12	AXIATA	2.87	0.7	5.25	MISC	7.21	-0.6	4.28
7	PCHEM	8.88	-0.3	8.04	PMETAL	4.86	0.6	8.12	TOPGLOV	0.97	-0.5	54.20
8	SIME	2.34	-0.4	7.51	MRDIY	2.22	0.5	4.08	SIME	2.34	-0.4	7.51
9	MAYBANK	8.86	0.1	6.25	PPB	16.28	0.3	0.45	KLK	21.92	-0.4	1.21
10	DIALOG	2.21	-1.8	5.82	PETGAS	17.14	0.1	0.99	TM	5.68	-0.4	2.93

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Deferment of new launches drags EcoFirst into 4Q loss**

EcoFirst Consolidated Bhd slipped into a net loss of RM4.4m or 0.4 sen per share in the fourth quarter ended May 31, 2022 (4QFY22), as compared to a net profit of RM16m or 1.9 sen per share a year ago. In a filing with Bursa Malaysia on Friday (July 29), the property developer said its weaker financial performance was mainly due to deferment in the launching of new developments, pending approval from relevant authorities. Revenue for the quarter under review fell 43% year-on-year to RM7.9m, down from RM13.9m in 4QFY21. *(The Edge Markets)*

- **Opcom sees further progress in 5G market expansion after highest profit in four years**

Fibre optic cable manufacturer Opcom Holdings Bhd sees further progress in its fifth generation (5G) market expansion this year, as it benefitted from the government's 4G and 5G rollout to post its strongest earnings in four years. This was despite a recent margin squeeze on higher cost of sales and administrative expenses, which dragged the group into the red in the latest quarter ended March 31, 2022 (4QFY22). In a statement on Friday (July 29), Opcom Independent Non-Executive Chairman expressed belief that the 5G technology "is the key driver [to] Malaysia's digital economic aspirations". *(The Edge Markets)*

- **Vizione sinks into red in 2Q**

Diversified group Vizione Holdings Bhd slipped into the red in the second quarter ended May 31, 2021 (2QFY22) with a net loss of RM2.4m, as compared to a net profit of RM2.04 million a year earlier, dragged by lower contribution across all its segments. The group's construction segment's net profit fell 46% year-on-year (y-o-y) to RM1.5m, down from RM2.7m. Meanwhile, its investment holdings, property development and healthcare segments were making losses, its bourse filing showed on Friday (July 29). Vizione's investment holdings segment posted a net loss of RM2m, while its property development division sank into the red with a net loss of RM234,000. Besides, the group's healthcare segment also recorded a net loss of RM1.4m, as compared to a net profit of RM5.2m a year ago. *(The Edge Markets)*

- **Tower REIT declares 0.7 sen DPU as 4Q income dips 4%; expects challenging office rental outlook to persist**

Tower Real Estate Investment Trust (REIT) reported that its net property income (NPI) dipped 4% to RM4m for the fourth quarter ended June 30, 2022 (4QFY22), from RM4.2m a year ago, mainly because the previous year had benefited from a reversal of expenses that it over-provided. The REIT's revenue slipped 0.9% year-on-year to RM8.3m in 4QFY22 from RM8.3m for 4QFY21, its bourse filing with Bursa Malaysia showed. It declared a final income distribution of 0.7 sen per unit, payable on Aug 30 to unitholders. This brings its full FY22 distribution to 1.9 sen, down from the 2.2 sen it paid in FY21. *(The Edge Markets)*



- **Ingenieur Gudang acquires 149 commercial units for RM9.1m**

Ingenieur Gudang Bhd's wholly-owned subsidiary MGudang Properties Sdn Bhd (MPSB) has proposed to acquire 149 units of the retail and commercial properties from Paradise Boulevard Sdn Bhd for RM9.1m. In a filing with Bursa Malaysia on Friday, Ingenieur Gudang, formerly Dynaciate Group Bhd, said the leasehold property known as Pandan Safari Lagoon Shopping Complex and Water Theme Park is located at Pandan Perdana, Bandar Ampang, Selangor. MPSB will be acquiring retail lots, car park and roof top and will modify, refurbish and repurpose the properties into a storage and warehousing space. (*The Edge Markets*)

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Macro Bits

Global

- [Signs emerge that global inflation could be transitory](#) Central banks and markets may have dropped the narrative that inflation is "transitory," but there is a strong chance that current spikes in prices are temporary and will soon begin to trend downward, economists and former central bank policymakers told the Reuters Global Markets Forum (GMF). *(Reuters)*
- [Oil prices surge USD4/bbl as chances of OPEC+ supply boost dim](#) Oil prices jumped more than USD4 a barrel on Friday as attention turned to next week's OPEC+ meeting and dimming expectations that the producer group will boost supply. *(The Edge Markets)*
- [Global bond issuance to contract about 16.0% in 2022, says S&P](#) The global bond issuance is expected to contract about 16.0% in 2022, said S&P Global Ratings Research. The rating agency said the heightened market volatility and rising interest rates of the first-quarter extended through the full first half of the year as inflation stress is joined by rising recession risk. *(The Edge Markets)*

Malaysia

- **M3 growth eased to 6.6% in June; loan and deposit growth expanded** Slower growth in government spending and a deeper contraction in net other influences outweighed higher growth in private sector spending and net external reserves. Loan growth increased to 5.6% in June, a 39-month high (May: 5.0%). Deposit growth rose to 6.6% YoY (May: 6.1%), increasing by 0.8% MoM (May: 0.2%). *(See Economic Viewpoint: Malaysia Money & Credit)*
- **MGS/GII yields to continue downtrend in line with lower global bond yields** Domestic yields will likely maintain a downtrend this week, as demand for local bonds remain robust and as global bond yields decline following the recent US GDP report. For the long-term outlook, we have revised down our end-2022 10Y MGS yield target to 4.35% from 4.60% previously (2021: 3.60%), as we reckon global bond yields may register lower than initially expected amid growing recessionary risk. *(See Economic Viewpoint: Bond Market Weekly Outlook)*
- **Likely to trade range-bound with upside potential amid weak US jobs report expectations** Despite the falling DXY and 10-year US Treasury yield, the ringgit may continue to trade range-bound around the 4.45-level due to the ongoing global market instability. However, there may be some room for upside for the ringgit amid expectations that US job growth may be slowing. *(See Economic Viewpoint: Ringgit Weekly Outlook)*
- [Targeted subsidy scheme can save country RM20.0b annually, says Muhyiddin](#) The government can save RM20.0b a year by implementing the targeted subsidy scheme, said National Recovery Council (MPN) chairman Tan Sri Muhyiddin Yassin. According to Muhyiddin, at the moment only 20.0% of subsidies provided by the government are taken up by the bottom 40.0% income group (B40). *(The Edge Markets)*

Asia Pacific

- [Thai c.bank likely to hike rate next month, ups GDP outlook](#) Thailand's central bank is highly likely to raise its key policy rate at its August meeting, an official said on Friday, as its economic recovery gains more traction and as other central banks tighten monetary policy to contain inflation. *(Reuters)*
- [China's factory activity contracts unexpectedly in July as Covid flares up](#) China's factory activity contracted unexpectedly in July after bouncing back from Covid-19 lockdowns the month before, as fresh virus flare-ups and a darkening global outlook weighed on demand, a survey showed on Sunday. The official manufacturing purchasing managers' Index (PMI) fell to 49.0 in July from 50.2 in June. *(The Edge Markets)*

Americas

- [U.S. consumer inflation expectations ease in July](#) U.S. consumers lowered their views of where inflation is headed in July, a closely watched survey showed on Friday, a downshift in expectations that will be welcome news at the Federal Reserve in its battle with the highest inflation rate in four decades. *(Reuters)*

Europe

- [Euro zone inflation hits yet another record high after big jump](#) Euro zone inflation rose to another record high in July and its peak could still be months away, keeping pressure on the European Central Bank to opt for another big interest rate increase in September. Consumer price growth in the 19 countries sharing the euro currency accelerated to 8.9% in July from 8.6% a month earlier. *(The Edge Markets)*
- [UK businesses expect zero growth over next 3 months](#) British businesses do not expect any growth over the next three months, as a surging cost of living squeezes consumer demand, a monthly survey showed on Sunday. The Confederation of British Industry (CBI) said members reported above-average growth in the three months to the end of July - slightly faster than in the three months to June - but expect this to peter out in the months ahead. *(Reuters)*



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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
IDEAL CAPITAL BHD	1.500	81.34	86.64	96.53	1.500
UNISEM (M) BERHAD	3.000	77.05	87.04	97.74	3.020
FRONTKEN CORP BHD	2.880	75.60	85.95	97.87	2.920
GENETEC TECHNOLOGY BHD	2.440	72.64	83.11	98.35	2.480
KRONOLOGI ASIA BHD	0.505	70.39	81.50	98.07	0.510
JF TECHNOLOGY BHD	0.820	70.15	79.72	92.17	0.850

*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
AMB BK -CW23 MY EG SERVICE	0.015	8.11	7.69	4.07	0.015	17/1/2023
MACQ MK-PW22 DOW JONES IND	0.030	25.83	19.34	5.32	0.030	19/9/2022
AMB BK -CW22 DRB-HICOM BHD	0.005	26.81	21.90	7.03	0.005	12/10/2022
CIMB -CW22 TENAGA NASION	0.005	28.13	23.89	18.70	0.005	30/9/2022
MACQ MK-CW22 HANG SENG IND	0.025	28.71	18.74	1.02	0.015	30/8/2022
MACQ MK-PW22 S&P 500 INDEX	0.580	28.81	21.71	4.49	0.570	19/9/2022

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D	EXPIRY DATE
TELADAN SETIA GROUP BHD-CW26	0.250	75.74	84.79	98.87	0.250	31/12/2099
YINSON HOLDINGS BHD-CW25	0.440	71.87	80.45	96.30	0.450	21/6/2025

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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