

16 August 2022

By Goh Yin Foo | [gohyf@kenanga.com.my](mailto:gohyf@kenanga.com.my)

BURSA	15-Aug	Day chg	% chg
KLCI	1,504.0	-2.18	-0.14%
FTSE EMAS	10,660.5	-22.6	-0.21%
FTSE Smallcap	14,467.1	-35.34	-0.24%
FTSE MESDAQ	4,959.5	22.7	0.46%
KLSE Mkt Cap (RM'b)	1,627.4	-3.4	-0.21%

**BURSA DAILY TRADING PARTICIPATION**

Participation	Net (RM'm)	Value (%)
Local Institution	-188.8	51.3%
Local Retail	68.4	29.5%
Foreign	120.4	19.2%

INDICES	15-Aug	Day chg	% chg
Dow Jones	33,912.4	151.4	0.45%
S&P 500	4,297.1	17.0	0.40%
NASDAQ	13,128.1	80.86	0.62%
FTSE-100	7,509.2	8.3	0.11%
Nikkei 225	28,871.8	324.8	1.14%
SHCOMP	3,276.1	-0.801	-0.02%
HSI	20,040.9	-134.8	-0.67%
STI	3,256.8	-12.4	-0.38%
KOSPI	N.A.	N.A.	N.A.
TWSE	15,417.4	128.4	0.84%
JCI	7,093.3	-36.001	-0.50%
SET	1,625.3	N.A.	N.A.

FOREX	15-Aug	12-Aug	% chg
USD/MYR:	4.4583	4.4445	0.31%
EUR/USD:	1.0204	1.0259	-0.54%
GBP/USD:	1.2092	1.2138	-0.38%
USD/YEN:	133.36	133.42	-0.04%
USD/SGD:	1.3761	1.3716	0.33%
USD/HKD:	7.8366	7.8375	-0.01%

**KEY STATS**

KLCI Spot			
Vol (m shares):	2,544.5	2,084.0	22.10%
Value (RMm):	1,727.8	1,628.0	6.13%
KLCI Future			
August-22	1,507.5	1,508.0	-0.03%
September-22	1,496.0	1,496.5	-0.03%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,494.0	1,535.0	-2.67%
SoyOil (USc/lb)	67.4	68.3	-1.26%
Gold (US\$/troy oz)	1,787.9	1,805.2	-0.96%
Nymex crude oil (US\$/bbl)	89.4	92.1	-2.91%
Latex (RM/kg)	5.16	5.19	-0.48%
Tin (US\$/mt)	24,911.00	25,367.0	-1.80%

# Research Highlights

**NEWS HIGHLIGHTS**

- **Datasonic's passport supply contract revised upwards to include maintenance services**
- **Maybulk diversifies into grocery business with RM54m investment**
- **Tiong Nam ties up with JCorp unit to develop logistics hub on 300-acre land in Sedenak Tech Valley**
- **Takeover offer for Cycle & Carriage Bintang 'not fair but reasonable', says independent adviser**
- **Protasco wins RM299m federal road upgrading contract in Kedah**

**MACRO BITS**

- **Iran set to give nuclear deal response and signals pact is close**
- **Zafrul: Malaysia to achieve GDP growth of 5.3%-6.3% this year**
- **Malaysia's growth to slow in 2H as pent-up demand eases, says Fitch Solutions**
- **Chicken export ban, new ceiling prices to be decided after data reviewed, says Annuar Musa**
- **Budget 2023 will continue to emphasise on Keluarga Malaysia, says Ismail Sabri**
- **Imports' YoY growth hit seven-month high in July; trade surplus narrowed (See Economic Viewpoint: Indonesia External Trade)**
- **China unexpectedly cuts two key rates, withdraws cash from banking system**
- **China new home prices in July unchanged from June, down 0.9% y/y**
- **Thai 2Q GDP notches fastest growth in a year on eased pandemic curbs**
- **Japan's economy recovers pre-pandemic size on consumption gain**
- **Homebuilders say U.S. is in a 'housing recession' as sentiment turns negative**
- **New York Empire State factory gauge plunges in August deep into contraction territory**
- **Britain's opposition Labour Party demand energy price cap freeze**
- **Ukraine's grain exports down by almost half despite unblocked ports - ministry**

**IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)**

- **Results Note: BPPLAS, KGB**
- **On Our Technical Watch: OMESTI, CUSCAPI**
- **Economic Viewpoint: ID External Trade**

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	0.80	-7.0	178.8	SIME	2.33	1.3	4.96	TOPGLOV	0.80	-7.0	178.8
2	HARTA	1.86	-7.0	50.50	MAXIS	3.83	1.1	1.63	HARTA	1.86	-7.0	50.50
3	PBBANK	4.66	0.2	14.30	TENAGA	8.72	1.0	2.65	SIMEPLT	4.56	-1.7	1.48
4	CIMB	5.43	0.0	9.59	PETDAG	22.26	1.0	0.16	MRDIY	2.09	-1.0	6.61
5	MRDIY	2.09	-1.0	6.61	DIALOG	2.33	0.9	1.63	DIGI	3.65	-0.8	1.77
6	TM	5.60	0.4	6.52	IOICORP	4.16	0.7	4.00	MAYBANK	8.91	-0.7	5.85
7	MAYBANK	8.91	-0.7	5.85	MISC	7.25	0.7	1.47	GENTING	4.72	-0.6	1.37
8	INARI	2.92	0.0	5.63	PPB	16.74	0.4	0.27	PMETAL	4.81	-0.6	3.60
9	SIME	2.33	1.3	4.96	TM	5.60	0.4	6.52	RHBBANK	5.92	-0.5	2.51
10	IOICORP	4.16	0.7	4.00	PETGAS	17.30	0.4	0.23	HLBANK	20.80	-0.4	0.58

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Datasonic's passport supply contract revised upwards to include maintenance services**

Datasonic Group Bhd's RM318.8m contract to supply 12.5m passport chips to the Ministry of Home Affairs has been revised upward to RM350.1m, to include provision of maintenance services worth RM31.4m for 2022 and 2023. In a bourse filing, Datasonic said the group is tasked to provide maintenance services on, among others, equipment, software and chip system application under the revised contract. In November last year, Datasonic secured a two-year extension for three contracts related to the supply of Malaysian passports from the ministry. *(The Edge Markets)*

- **Maybulk diversifies into grocery business with RM54m investment**

Malaysian Bulk Carriers Bhd (Maybulk) is investing an estimated RM54.4m to diversify into grocery retail business by collaborating with the operator of a retail chain under the Tunas Manja Group (TMG). The related party transaction will see Maybulk rolling out 30 outlets under the TMG brand, comprising supermarket and convenience store set-up costs, inventory purchases and working capital, Maybulk said in a bourse filing. The shipping group sees the grocery business making up 25% of its net assets. The diversification will require approval by Maybulk shareholders. *(The Edge Markets)*

- **Tiong Nam ties up with JCorp unit to develop logistics hub on 300-acre land in Sedenak Tech Valley**

Tiong Nam Logistics Holdings Bhd has entered into a preliminary collaboration agreement with a unit of Johor Corp (JCorp) to jointly develop a logistics hub on a 300-acre plot of land in Sedenak Tech Valley, Johor. In a Bursa filing on Monday (Aug 15), Tiong Nam said the agreement is subject to further exploration of the feasibility and viability studies on the project, before entering into any definitive agreement. Under the preliminary deal, JCorp's wholly-owned unit JLand Group Sdn Bhd agrees to provide 300 acres of land for the development and construction of logistics hubs, while Tiong Nam will implement the project and supervise the day-to-day progress. *(The Edge Markets)*

- **Takeover offer for Cycle & Carriage Bintang 'not fair but reasonable', says independent adviser**

The takeover offer for Cycle & Carriage Bintang Bhd (CCB) at RM2.70 per share is "not fair but reasonable", independent adviser Kenanga Investment Bank Bhd (Kenanga IB) said in a circular to CCB's shareholders on Monday (Aug 15). The RM2.70 offer price by Jardine Cycle & Carriage Ltd (Jardine CCL) — the offeror — represents a discount of RM1.26 or 31.8% to the estimated revised net asset value (RNAV) per CCB share of approximately RM3.96. "Therefore, we are of the opinion that the offer price is 'not fair' as the offer price is lower than the fair value per CCB share as indicated by the estimated RNAV. Holders would be forgoing the opportunity to fully realise their investments at the estimated RNAV per CCB share by accepting the offer at RM2.70 per offer share," it said. *(The Edge Markets)*

- **Protasco wins RM299m federal road upgrading contract in Kedah**

Protasco Bhd has bagged a contract worth RM299.2m for the upgrading of a section of federal road in Kulim, Kedah. The group said its wholly-owned subsidiary HCM Engineering Sdn Bhd (HCM) has entered into a memorandum of agreement with K.I. Engineering Sdn Bhd to regulate the relationship with each other and to set out their respective rights, duties and obligation in order to execute the contract. "Under the agreement, HCM shall share 70% of the profit from the project and shall act as the implementer to undertake the overall construction and financing of the project until its completion by Jan 27, 2026," Protasco said in a bourse filing. *(The Edge Markets)*



16 August 2022

## Macro Bits

### Global

- [Iran set to give nuclear deal response and signals pact is close](#) Iran has said it will respond officially to the European Union's proposal for reviving the 2015 nuclear accord by the end of Monday, signalling it may be nearer a deal with the US that could restore Iranian oil exports to global markets. (*The Edge Markets*)

### Malaysia

- [Zafrul: Malaysia to achieve GDP growth of 5.3%-6.3% this year](#) Malaysia is on track to achieve a gross domestic product (GDP) growth of between 5.3% and 6.3% in 2022, said Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz on Monday (Aug 15). "I feel very optimistic that we will achieve the GDP [growth] forecast of between 5.3% and 6.3%," he said during an interview with CNBC on Monday morning. (*The Edge Markets*)
- [Malaysia's growth to slow in 2H as pent-up demand eases, says Fitch Solutions](#) Fitch Solutions Country Risk and Industry Research said following the data release for the second quarter of 2022 (2Q22), it has revised its real gross domestic product growth forecast for Malaysia to 5.9% for 2022, from 5.2% previously. (*The Edge Markets*)
- [Chicken export ban, new ceiling prices to be decided after data reviewed, says Annuar Musa](#) Although many poultry breeders have requested the ban be lifted following high demand from Singapore, Annuar asked all parties to be patient and allow the taskforce to assess the findings to ensure everything was under control. (*The Edge Markets*)
- [Budget 2023 will continue to emphasise on Keluarga Malaysia, says Ismail Sabri](#) Budget 2023 that will be tabled in October will continue to place emphasis on the welfare of Keluarga Malaysia (the Malaysian Family), said Prime Minister Datuk Seri Ismail Sabri Yaakob. (*The Edge Markets*)

### Asia Pacific

- [Imports' YoY growth hit seven-month high in July; trade surplus narrowed](#) Export growth moderated in July (32.0% YoY; Jun: 41.0%) but above consensus' forecast (29.7%). We expect export growth to remain above 20.0% primarily due to the lower base last year and further bolstered by relatively higher commodity prices. (*See Economic Viewpoint: Indonesia External Trade*)
- [China unexpectedly cuts two key rates, withdraws cash from banking system](#) China's central bank unexpectedly cut key interest rates for the second time this year, and withdrew some cash from banking system on Monday (Aug 15), in an attempt to revive credit demand to support the Covid-hit economy. (*The Edge Markets*)
- [China new home prices in July unchanged from June, down 0.9% y/y](#) China's new home prices in July were unchanged for a second month as already fragile sentiment was further corroded by a mortgage boycott by homebuyers upset by unfinished projects despite continued stimulus measures. (*Reuters*)
- [Thai 2Q GDP notches fastest growth in a year on eased pandemic curbs](#) Thailand's economy expanded at the fastest pace in a year in the second quarter as eased Covid-19 restrictions boosted activity and tourism, but multi-year high inflation and China's slowdown remain a drag on the nascent recovery. (*The Edge Markets*)
- [Japan's economy recovers pre-pandemic size on consumption gain](#) The world's third largest economy recovered to its pre-pandemic size in the second quarter, as consumer spending picked up following the end of coronavirus curbs on businesses. Gross domestic product grew at an annualized pace of 2.2% in the second quarter of this year, coming in below the median estimate of 2.6%, Cabinet Office data showed Monday. (*The Edge Markets*)

### Americas

- [Homebuilders say U.S. is in a 'housing recession' as sentiment turns negative](#) Builder sentiment in the market for single-family homes fell into negative territory in August, as builders and buyers struggle with higher costs. The National Association of Home Builders/Wells Fargo Housing Market Index dropped 6 points to 49 this month, its eighth straight monthly decline. (*CNBC*)
- [New York Empire State factory gauge plunges in August deep into contraction territory](#) The New York Fed's Empire State business conditions index, a gauge of manufacturing activity in the state, plummeted 42.4 points to negative 31.3 in August, the regional Fed bank said Monday. (*MarketWatch*)

### Europe

- [Britain's opposition Labour Party demand energy price cap freeze](#) Britain's Labour Party called on Monday for the energy price cap to be frozen to help people deal with another expected surge in fuel bills, putting pressure on the Conservative government as Britons grapple with the worst cost-of-living crisis in decades. (*Reuters*)
- [Ukraine's grain exports down by almost half despite unblocked ports - ministry](#) Ukraine's grain exports are down 46.0% year on year at 2.65m tonnes so far in the 2022/23 season, the agriculture ministry said on Monday. Grain exports for the 2021/22 season ending June 30 rose 8.5% to 48.5m tonnes, driven by strong shipments before Russia invaded Ukraine on Feb. 24. (*Reuters*)

16 August 2022

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
HARTELEGA HOLDINGS BHD	1.860	18.82	11.63	1.34	1.850
RUBBEREX CORP M BHD	0.465	29.47	22.69	6.63	0.450
SUPERMAX CORP BHD	0.755	29.59	23.12	4.67	0.750

\*Only for stocks with market cap &gt;RM300m

Source: Bloomberg

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D
IDEAL CAPITAL BHD	1.800	92.90	95.85	99.59	1.800
SUPERCOMNET TECHNOLOGIES BHD	1.400	78.82	84.02	94.66	1.450
CARLSBERG BREWERY MALAYSIA B	24.000	78.81	86.76	97.74	24.300
OCK GROUP BHD	0.420	76.33	83.50	95.35	0.425
BERJAYA LAND BHD	0.225	75.90	90.56	100.00	0.230
HARN LEN CORP BHD	1.780	74.59	78.54	87.24	1.790
MICROLINK SOLUTIONS BHD	0.610	72.89	81.36	97.36	0.615
ABF MALAYSIA BOND INDEX FUND	1.178	72.85	81.77	94.06	1.178
TEXCHEM RESOURCES BERHAD	3.770	72.71	80.64	95.15	3.770
CAN-ONE BHD	3.800	72.54	79.14	93.40	3.890
TROPICANA CORP BHD	1.020	72.47	80.23	96.69	1.020
WELLCALL HOLDINGS BHD	1.240	72.34	82.94	98.98	1.240

\*Only for stocks with market cap &gt;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
HARTELEGA HOLDINGS BHD-C96	0.020	19.80	13.79	1.68	0.015	13/1/2023
S&P 500 INDEX-C11	0.250	20.13	11.66	0.53	0.240	19/9/2022
TOP GLOVE CORP BHD-S	0.030	23.34	17.07	2.23	0.030	31/1/2023
BUMI ARMADA BHD-C68	0.010	24.82	22.19	13.97	0.010	30/11/2022
GENTING BHD-W	0.050	25.08	25.33	14.44	0.050	30/12/2022
NASDAQ 100 STOCK INDEX-H2	0.070	25.21	19.18	9.87	0.065	19/9/2022
HANG SENG INDEX-Q2	0.005	25.57	14.71	0.26	0.005	30/8/2022
HANG SENG INDEX-JA	0.070	29.11	24.47	14.28	0.065	29/9/2022
HARTELEGA HOLDINGS BHD-C96	0.020	19.80	13.79	1.68	0.015	13/1/2023

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-WA	0.550	87.36	90.66	97.48	0.590	31/12/2099
CLASSIC SCENIC BHD-WA	0.390	77.95	81.09	75.10	0.415	8/8/2026
HARN LEN CORP BHD-WB	1.130	77.74	80.96	91.01	1.130	19/9/2026
YINSON HOLDINGS BHD-WA	0.515	76.90	83.71	97.74	0.525	21/6/2025
DAGANG NEXCHANGE BHD-C3	0.090	72.46	70.76	66.81	0.100	27/1/2023
OCK GROUP BHD-WB	0.175	71.16	81.12	98.56	0.185	4/1/2026

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](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)