

27 September 2022

By Raymond Choo Ping Khooon I [pkchoo@kenanga.com.my](mailto:pkchoo@kenanga.com.my)

## Research Highlights

### BURSA DAILY TRADING PARTICIPATION

Participant	Net (RM'm)	Value (%)
Local Institution	224.0	43.31%
Local Retail	-15.3	23.6%
Foreign Institution	-208.7	33.1%

### NEWS HIGHLIGHTS

- Microlink bags RM49m job from Koperasi Co-opbank Pertama
- Perak Transit signs 20-year deal with TNB, GSPARX to source solar energy
- Paramount disposes remaining stake in education biz for lower price tag of RM120m
- Favelle Favco bags six contracts worth RM130.8m
- Omesti bags RM20m mobile services contract from TM

### MACRO BITS

- Energy, inflation crises risk pushing big economies into recession — OECD
- Moody's Analytics revises downwards global GDP forecasts to 2.7% for 2022, 2.3% for 2023
- US warns of catastrophic consequences if Russia uses nuclear weapons in Ukraine
- Malaysia bags RM67.05m sales from trade mission to Manila — Matrade
- China steps up yuan support as currency nears weakest since 2008
- Hong Kong businesses push for full reopening to revive city
- Indonesia posts USD7.1b Jan-Aug budget surplus, expects higher energy bills
- Thai economy improving but household debt a problem, finance minister says
- Thai August exports close to forecast, exports to China slump
- Japan's factory activity expands at slowest pace in 20 months
- Fed's Collins sees inflation fight costing jobs; recession not inevitable
- Chicago Fed national activity index unchanged in August
- Canada to remove all COVID border, travel measures from Oct 1
- Further interest rate hikes will depend on data, ECB's de Guindos says
- Euro zone inflation becoming increasingly broad, ECB's de Guindos says
- German business morale slumps as winter recession looms

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

- Sector Update: Ports & Logistics
- Result Note: ASTRO
- On Our Technical Watch: BONIA, SKPRES

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Microlink bags RM49m job from Koperasi Co-opbank Pertama**

Microlink Solutions Bhd has secured a five-year contract worth RM48.6m from Koperasi Co-opbank Pertama Malaysia Bhd (CBP) for the upgrade of its existing MiBS core banking platform. In a Bursa Malaysia filing on Monday (Sept 26), Microlink said its wholly owned subsidiary Microlink Systems Sdn Bhd has accepted a letter of offer from CBP, which entails two years of implementation and three years of maintenance and support, commencing in October this year. *(The Edge Markets)*

- **Perak Transit signs 20-year deal with TNB, GSPARX to source solar energy**

Public transportation terminals operator Perak Transit Bhd has entered into 20-year agreements with Tenaga Nasional Bhd (TNB) and GSPARX Sdn Bhd to source solar energy. Under the deal, GSPARX will install solar photovoltaic (PV) energy generating systems with a total installed capacity of 422kWp at Perak Transit's Terminal Meru Raya in Ipoh, Kampar Putra Sentral in Kampar, and at three petrol stations. Perak Transit, which also provides public bus services, said its subsidiaries — namely CKS Bumi Sdn Bhd, CKS Labur Sdn Bhd, Star Kensington Sdn Bhd and The Combined Bus Services Sdn Bhd — will make payments based on monthly billings issued by TNB, the group said in a bourse filing. *(The Edge Markets)*

- **Paramount disposes remaining stake in education biz for lower price tag of RM120m**

Paramount Corp Bhd is disposing of its remaining stake in education units Paramount Education Sdn Bhd (PESB), Sri KDU Klang Sdn Bhd (SKK) and Sri KDU Sdn Bhd (SK) to XCL Education Malaysia Sdn Bhd for RM120m cash. The group has inked a conditional share sale and purchase agreement (SPA) with XCL, formerly known as Prestigion Education Sdn Bhd, which will mark Paramount's exit from the education business. Paramount, whose core business is in property development, holds 30.3% in PESB, which is a 66%-shareholder of R.E.A.L. Education Group. Paramount also owns 20% each in SKK and SK, it said. *(The Edge Markets)*

- **Favelle Favco bags six contracts worth RM130.8m**

Crane manufacturer Favelle Favco Bhd has bagged six orders worth a combined RM130.8m from various customers, with delivery ranging from end of 2022 to second quarter of 2025. In a Bursa Malaysia filing on Monday (Sept 26), Favelle Favco said it has received purchase orders to supply tower cranes to Marr Contracting Pty Ltd, OREC Engineering Holdings Pty Ltd, Lindores Construction Logistics Pty Ltd and Favco Heavy Industry (Changshu) Co Ltd. Apart from that, it also received purchase orders to supply offshore cranes to McDermott Middle East Inc and powerpack to Zachry Industrial Inc. *(The Edge Markets)*

- **Omesti bags RM20m mobile services contract from TM**

Omesti Bhd has bagged a one-year contract from Telekom Malaysia Bhd (TM) relating to mobile services valued at RM20m. In a Bursa Malaysia filing on Monday (Sept 26), Omesti said it accepted a letter of award (LOA) on Sept 23 from TM. The work comprises design, development, customisation, configuration, delivery, installation, integration, testing, commissioning and knowledge transfer for mobile services business support system. These are also to ensure mobile services continuity including 5G and other mobile-related services, maintenance and support services as well as provision of software subscription. *(The Edge Markets)*



27 September 2022

## Macro Bits

### Global

- [Energy, inflation crises risk pushing big economies into recession — OECD](#) Global economic growth is slowing more than was forecast a few months ago in the wake of Russia's invasion of Ukraine, as energy and inflation crises risk snowballing into recessions in major economies, the OECD said on Monday (Sept 26). *(The Edge Markets)*
- [Moody's Analytics revises downwards global GDP forecasts to 2.7% for 2022, 2.3% for 2023](#) Moody's Analytics has revised downwards its global real gross domestic product (GDP) forecasts to 2.7% for 2022, and 2.3% for 2023. This is from forecasts made in January of 4.2% for 2022, and 3.6% for 2023. *(The Edge Markets)*
- [US warns of catastrophic consequences if Russia uses nuclear weapons in Ukraine](#) The US warned on Sunday (Sept 25) of "catastrophic consequences" if Moscow were to use nuclear weapons in Ukraine, after Russia's foreign minister said regions holding widely-criticised referendums would get full protection if annexed by Moscow. *(The Edge Markets)*

### Malaysia

- [Malaysia bags RM67.05m sales from trade mission to Manila — Matrade](#) Malaysia bagged RM67.05m worth of export sales from its Export Acceleration Mission (EAM) to Manila, the Philippines from Aug 22 to 26. *(The Edge Markets)*

### Asia Pacific

- [China steps up yuan support as currency nears weakest since 2008](#) China has made it more expensive to bet against the yuan in the derivatives market, ramping up support for the currency as it slides toward the weakest level since the 2008 financial crisis. *(The Edge Markets)*
- [Hong Kong businesses push for full reopening to revive city](#) Hong Kong's dismantling of hotel quarantine for arrivals is being met by calls for the city to remove remaining travel restrictions to help bolster its fortunes as an international financial hub. *(The Edge Markets)*
- [Indonesia posts USD7.1b Jan-Aug budget surplus, expects higher energy bills](#) Indonesia had a budget surplus of IDR107.4t (USD7.10b) in the January to August period, equivalent to 0.58% of gross domestic product, its finance minister said on Monday, compared with a 2.26% deficit in the same period in 2021. *(Reuters)*
- [Thai economy improving but household debt a problem, finance minister says](#) Thailand's economy is improving but the country is facing issues with people's debt and the government will seek to ease problems in the longer term, Finance Minister Arkhom Termpittayapaisith said on Monday. *(Reuters)*
- [Thai August exports close to forecast, exports to China slump](#) Thailand's exports rose slightly less than expected in August as global demand for food products increased, but oil-related shipments fell and exports to China slumped, the commerce ministry said on Monday. *(Reuters)*
- [Japan's factory activity expands at slowest pace in 20 months](#) Japan's factory activity growth hit a 20-month low in September, as firms struggled with a global slowdown and pressure from high energy and raw material prices that was exacerbated by a weak yen. *(Reuters)*

### Americas

- [Fed's Collins sees inflation fight costing jobs; recession not inevitable](#) The Federal Reserve's need to bring down unacceptably high inflation will cause the jobless rate to rise but a recession is not inevitable, Boston Fed President Susan Collins said in her maiden public speech on Monday. *(Reuters)*
- [Chicago Fed national activity index unchanged in August](#) U.S. economic activity slowed in August as production-related measures slipped and employment indicators rose moderately, data from the Federal Reserve Bank of Chicago showed on Monday. *(Reuters)*
- [Canada to remove all COVID border, travel measures from Oct 1](#) Canada will remove all COVID-19 restrictions for inbound travelers from Oct. 1, as well as testing, quarantine, and isolation requirements, the government said on Monday. *(Reuters)*

### Europe

- [Further interest rate hikes will depend on data, ECB's de Guindos says](#) The exact number of further interest rate increases by the European Central Bank will depend on upcoming macroeconomic data, ECB Vice-president Luis de Guindos said on Monday. *(Reuters)*
- [Euro zone inflation becoming increasingly broad, ECB's de Guindos says](#) Euro zone inflation is becoming increasingly broad while growth is weakening as the bloc struggles with the fallout from Russia's war in Ukraine, European Central Bank Vice President Luis de Guindos said on Monday. *(Reuters)*
- [German business morale slumps as winter recession looms](#) The German economy is heading for recession, the Ifo institute said on Monday, reporting a stronger-than-forecast plunge in business morale across all sectors as Germany scrambles to avoid a gas shortage this winter. *(Reuters)*



27 September 2022

**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)

