

29 September 2022

By Raymond Choo Ping Khoon | pkchoo@kenanga.com.my

BURSA	28-Sep	Day chg	% chg
KLCI	1,401.9	-8.98	-0.64%
FTSE EMAS	10,009.5	-70.5	-0.70%
FTSE Smallcap	13,763.2	-202.54	-1.45%
FTSE MESDAQ	4,655.9	-52.5	-1.11%
KLSE Mkt Cap (RM'b)	1,535.1	-10.1	-0.66%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	177.3	47.2%
Local Retail	25.6	20.8%
Foreign	-202.9	32.0%

INDICES	28-Sep	Day chg	% chg
Dow Jones	29,683.7	548.8	1.88%
S&P 500	3,719.0	71.8	1.97%
NASDAQ	11,051.6	222.14	2.05%
FTSE-100	7,005.4	20.8	0.30%
Nikkei 225	26,174.0	-397.9	-1.50%
SHCOMP	3,045.1	-48.795	-1.58%
HSI	17,250.9	-609.4	-3.41%
STI	3,116.3	-49.2	-1.55%
KOSPI	2,169.3	-54.6	-2.45%
TWSE	13,466.1	-360.5	-2.61%
JCI	7,077.0	-35.418	-0.50%
SET	1,599.2	-11.3	-0.70%

FOREX	28-Sep	27-Sep	% chg
USD/MYR:	4.6298	4.6110	0.41%
EUR/USD:	0.9574	0.9627	-0.55%
GBP/USD:	1.0670	1.0800	-1.20%
USD/YEN:	144.67	144.28	0.27%
USD/SGD:	1.4461	1.4355	0.74%
USD/HKD:	7.8498	7.8499	0.00%

KEY STATS

KLCI Spot			
Vol (m shares):	2,143.6	2,283.3	-6.12%
Value (RMm):	2,057.2	1,923.4	6.96%
KLCI Future			
September-22	1,394.0	1,416.0	-1.55%
October-22	1,394.0	1,416.0	-1.55%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,408.8	1,408.0	0.05%
SoyOil (USc/lb)	62.2	62.4	-0.38%
Gold (US\$/troy oz)	1,660.3	1,626.5	2.08%
Nymex crude oil (US\$/bbl)	82.2	78.5	4.65%
Latex (RM/kg)	4.69	4.69	-0.11%
Tin (US\$/mt)	20,748.00	20,682.0	0.32%

Research Highlights

NEWS HIGHLIGHTS

- Kim Loong's 2Q net profit rises 37%, supported by higher palm oil prices
- SNS Network posts higher 2Q profit on strong demand for ICT products
- Ageson enters MOU to sell freehold land in Gombak for RM35m cash
- Central Global wins RM183m contract in Sandakan
- ACE Market-bound Betamek aims to raise RM34m from IPO

MACRO BITS

- Global gas scramble intensifies after Europe pipeline blasts
- Business optimism moderates in third quarter as rising costs weigh on sentiment — RAM survey
- An expected 2nd consecutive 25 bps hike to gradually rein in inflationary pressures (See *Economic Viewpoint: BoT MPC Decision*)
- China's central bank launches USD28.0b loan facility to support equipment upgrades
- Taiwan central bank says it will not adopt foreign exchange control measures
- BOJ board agreed on need for vigilance on sharp yen moves, easy policy to stay
- U.S. goods trade deficit narrows in August as imports fall
- Fed's Daly: do not want to tip economy into downturn
- U.S. mortgage interest rates jump to 6.52%, highest since mid-2008
- U.S. pending home sales post third straight monthly decline in August
- ECB policymakers put 75 bps hike on table for October
- Inflation weighs on consumer morale in euro zone's big three economies
- Bank of England to buy GBP65.0b of UK bonds to stem rout
- IMF tells UK to rethink tax cuts as Moody's says rating at risk
- UK shop price inflation speeds up again to new high - BRC

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Sector Update: Construction
- RISE: KPS
- Company Update: CIMB, MYNEWS
- On Our Technical Watch: PGF, MYNEWS
- Economic Viewpoint: BoT MPC Decision

#	Top Volume			Top Gainer	Price	%Chg (+/-)	Vol (m)	Top Loser	Price	%Chg (+/-)	Vol (m)	
	Stock	Price	%Chg (+/-)									Stock
1	TOPGLOV	0.59	-3.3	105.0	HARTA	1.64	1.9	8.56	DIALOG	2.00	-6.1	10.40
2	CIMB	5.11	-2.7	24.40	PETDAG	21.20	1.4	0.45	INARI	2.52	-4.9	23.80
3	INARI	2.52	-4.9	23.80	PBBANK	4.26	1.2	19.90	SIMEPLT	4.08	-4.5	4.24
4	PBBANK	4.26	1.2	19.90	HLBANK	20.44	0.9	2.76	TOPGLOV	0.59	-3.3	105.0
5	RHBBANK	5.52	-0.2	18.20	DIGI	3.44	0.6	3.37	CIMB	5.11	-2.7	24.40
6	MAYBANK	8.56	-0.1	15.00	MAXIS	3.55	0.6	3.44	PPB	16.14	-1.9	1.67
7	PMETAL	4.00	0.0	11.90	NESTLE	130.70	0.5	0.18	AXIATA	2.68	-1.8	2.55
8	SIME	2.14	-0.5	11.50	PETGAS	16.50	0.4	0.62	TENAGA	8.60	-1.4	3.36
9	DIALOG	2.00	-6.1	10.40	IHH	5.93	0.3	9.35	MISC	6.80	-1.2	1.43
10	PCHEM	8.37	0.2	10.30	PCHEM	8.37	0.2	10.30	IOICORP	3.77	-0.8	3.38

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Kim Loong's 2Q net profit rises 37%, supported by higher palm oil prices**

Kim Loong Resources Bhd's net profit grew 37.4% to RM49.7m for the second quarter ended July 31, 2022 (2QFY23), from RM36.2m a year earlier, on the back of higher palm oil prices. Earnings per share increased to 5.1 sen from 3.9 sen, the plantation company's filing with Bursa Malaysia showed. It was the group's strongest quarterly results since listing. Quarterly revenue rose 40.8% to RM564.4m from RM400.8m in 2QFY22, driven by higher fresh fruit bunches (FFB) and average selling prices of crude palm oil (CPO). For the first six months of FY23, Kim Loong delivered a 37.8% increase in its net profit to RM88.9m, compared with RM64.5m in the same period of FY22, as revenue rose 50.6% to RM1.1b from RM713.3m. *(The Edge Markets)*

- **SNS Network posts higher 2Q profit on strong demand for ICT products**

Newly-listed SNS Network Technology Bhd has reported a 42.4% rise in net profit to RM8.8m for the second quarter ended July 21, 2022 (2QFY23), compared to RM6.2m in the immediate preceding quarter, on the back of higher revenue. The company said revenue rose 19.7% to RM296.9m, from RM248.2m in 1QFY23, primarily driven by strong demand for its ICT products. There are no comparative year-on-year figures, as the company was only listed on the ACE Market of Bursa Malaysia on Sept 2. *(The Edge Markets)*

- **Ageson enters MOU to sell freehold land in Gombak for RM35m cash**

Ageson Bhd is selling 9.3 acres of freehold land in Gombak, Selangor to Koperasi Belia Nasional Bhd for RM35m cash. In a bourse filing on Wednesday (Sept 28), Ageson said its indirect 99%-owned subsidiary Solidvest Properties Sdn Bhd entered into a memorandum of understanding (MOU) with Koperasi Belia for the land. Upon completion of the sale of the land, Koperasi Belia intends to appoint Solidvest as the developer of a project. Solidvest will be in charge of planning, developing, completing and procuring potential purchasers for a proposed residential development which consists of 56 semi-detached houses and four bungalows, as well as a pump house and suction tank, and an electrical substation. *(The Edge Markets)*

- **Central Global wins RM183m contract in Sandakan**

Central Global Bhd has secured a RM183.3m contract for the supply of plant, machinery, labour and materials required for the construction and completion of a project known as "Projek Jalan Semawang ke Tanjung Kuala Gum-Gum" in Sandakan, Sabah. Its 70%-owned subsidiary RYRT International Sdn Bhd had on Wednesday (Sept 28) been awarded the project by a third party main contractor, Pembinaan Urusmesra Sdn Bhd, which is scheduled to start on Oct 14, 2022, and be completed by Oct 13, 2025. *(The Edge Markets)*

- **ACE Market-bound Betamek aims to raise RM34m from IPO**

Betamek Bhd, which is slated to be listed on the Bursa Malaysia's ACE Market on Oct 26, aims to raise RM33.8m from its initial public offering (IPO) exercise. Under the listing exercise, Betamek is issuing 67.5m new shares, representing 15% of the enlarged share capital at an issue price of 50 sen per share. Based on the enlarged share capital of 450m shares, Betamek is expected to have a market capitalisation of RM225m upon listing. Betamek is an electronic manufacturing services (EMS) provider specialising in design and development, procurement and manufacturing of customised electronics and components for the automotive industry. *(The Edge Markets)*



Macro Bits

Global

- [Global gas scramble intensifies after Europe pipeline blasts](#) The suspected sabotage of pipelines carrying Russian gas to Europe looks set to intensify already-heated global competition for shipments of the power-station fuel. European gas prices surged more than 20.0% at one point on Tuesday, with Asian liquefied natural gas futures also rising on the worsening supply outlook. *(The Edge Markets)*

Malaysia

- [Business optimism moderates in third quarter as rising costs weigh on sentiment — RAM survey](#) The overall index of the RAM-CTOS Business Confidence Index (BCI) for the third quarter (Q3) of 2022 receded to 51.4, from a record high of 65.0 in the preceding quarter. *(The Edge Markets)*

Asia Pacific

- [An expected 2nd consecutive 25 bps hike to gradually rein in inflationary pressures](#) The Bank of Thailand (BoT) raised the key rate by 25 bps to 1.00%, in line with house and market expectations. The committee stated that gradual policy normalisation was still appropriate as Thailand's economic recovery continued to gain momentum and headline inflation remained elevated. *(See Economic Viewpoint: BoT MPC Decision)*
- [China's central bank launches USD28.0b loan facility to support equipment upgrades](#) China's central bank said on Wednesday it has set up a relending facility worth more than CNY200.0b (USD27.59b) to help manufacturers and other companies upgrade their equipment, as part of a push to revive flagging demand. *(Reuters)*
- [Taiwan central bank says it will not adopt foreign exchange control measures](#) Taiwan's central bank said on Wednesday it will not adopt foreign exchange control measures and that foreign exchange management measures are enough to maintain financial market stability. *(Reuters)*
- [BOJ board agreed on need for vigilance on sharp yen moves, easy policy to stay](#) Bank of Japan (BOJ) board members agreed the inflationary impact of the yen's recent sharp moves must be closely scrutinised, but policymakers reiterated their resolve to keep policy loose even as the currency's rapid fall has unsettled financial markets. *(Reuters)*

Americas

- [U.S. goods trade deficit narrows in August as imports fall](#) The U.S. trade deficit in goods narrowed in August amid a decline in imports, which is being driven by slowing domestic demand as the Federal Reserve aggressively tightens monetary policy to tame inflation. The report from the Commerce Department on Wednesday suggested that trade would again contribute to gross domestic product in the third quarter. *(Reuters)*
- [Fed's Daly: do not want to tip economy into downturn](#) San Francisco Federal Reserve Bank President Mary Daly said on Tuesday that the U.S. central bank is "resolute" about bringing down high inflation but also wants to do so "as gently as possible" so as not to drive the economy into a downturn. *(Reuters)*
- [U.S. mortgage interest rates jump to 6.52%, highest since mid-2008](#) The average interest rate on the most popular U.S. home loan climbed to its highest level since August 2008, data from the Mortgage Bankers Association (MBA) showed on Wednesday. *(Reuters)*
- [U.S. pending home sales post third straight monthly decline in August](#) Contracts to buy U.S. previously owned homes fell for a third straight month in August, weighed down by soaring mortgage rates and high house prices, which are eroding affordability. *(Reuters)*

Europe

- [ECB policymakers put 75 bps hike on table for October](#) The European Central Bank may need to raise interest rates by another 75 basis points at its October meeting and move again in December to a level that no longer stimulates the economy, policymakers said on Wednesday. *(Reuters)*
- [Inflation weighs on consumer morale in euro zone's big three economies](#) Consumer morale was down across the euro zone's three largest economies as high inflation shows no sign of relenting heading into winter, according to surveys on Wednesday. *(Reuters)*
- [Bank of England to buy GBP65.0b of UK bonds to stem rout](#) The Bank of England stepped into Britain's bond market on Wednesday to stem a market rout, pledging to buy GBP65.0b (USD69.4b) of long-dated gilts after a government fiscal statement triggered the biggest sell-off in decades. *(Reuters)*
- [IMF tells UK to rethink tax cuts as Moody's says rating at risk](#) The International Monetary Fund urged the UK government to reconsider the massive unfunded tax cuts announced last week, while Moody's Investors Service said the plan could do permanent damage to the public finances. *(The Edge Markets)*
- [UK shop price inflation speeds up again to new high - BRC](#) The climb in prices charged by shops and supermarkets in Britain accelerated again in the 12 months to September, hitting its highest since records began in 2005, the British Retail Consortium said on Wednesday. *(Reuters)*



29 September 2022

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
KUMPULAN FIMA BHD	1.950	15.53	10.07	4.59	1.930
GHL SYSTEMS BERHAD	0.725	17.40	13.42	7.43	0.705
GENTING PLANTATIONS BHD	5.650	18.15	10.80	1.15	5.510
TA ANN HOLDINGS BERHAD	3.040	19.86	12.00	1.24	3.030
JAYA TIASA HOLDINGS BHD	0.480	20.51	13.04	1.71	0.475
HUP SENG INDUSTRIES BHD	0.675	21.07	14.86	2.49	0.675
SARAWAK OIL PALMS BERHAD	2.250	21.46	14.50	2.99	2.250
TAMBUN INDAH LAND BHD	0.765	21.86	14.91	2.68	0.765
TH PLANTATIONS BHD	0.395	22.02	19.50	19.00	0.395
HIAP TECK VENTURE BHD	0.230	23.32	16.60	5.18	0.230
ANN JOO RESOURCES BHD	0.890	23.64	15.63	2.70	0.885
MALAYSIA SMELTING CORP BHD	1.470	24.30	17.91	3.15	1.450
MEDIA PRIMA BHD	0.390	24.67	15.18	0.90	0.390
GDEX BHD	0.115	24.77	22.05	5.60	0.115
FGV HOLDINGS BHD	1.410	25.18	17.88	4.04	1.400
TASCO BHD	0.825	25.78	19.40	9.60	0.825
LBS BINA GROUP BHD	0.395	25.88	18.42	3.11	0.395
MALAYSIAN RESOURCES CORP BHD	0.305	26.33	19.55	3.45	0.300
ATRIUM REAL ESTATE INVESTMEN	1.370	26.58	20.19	3.47	1.370
UOA REAL ESTATE INVESTMENT	1.100	26.72	21.02	7.79	1.100
SARAWAK PLANTATION BHD	1.930	26.83	20.65	5.88	1.910
MALAYSIAN BULK CARRIERS BHD	0.355	27.68	17.95	1.48	0.350
EVERGREEN FIBREBOARD BHD	0.405	27.74	20.30	11.22	0.395
SUPERMAX CORP BHD	0.670	27.90	24.52	33.74	0.650
BOILERMECH HOLDINGS BERHAD	0.670	28.35	22.00	1.73	0.650
PIE INDUSTRIAL BHD	2.780	28.55	23.15	27.35	2.700
MKH BHD	1.170	28.95	21.06	4.55	1.170
AMANAHRAYA REIT	0.595	29.51	25.31	16.09	0.595
AEON CREDIT SERVICE M BHD	13.360	29.77	23.30	8.35	13.220
WESTPORTS HOLDINGS BHD	3.150	29.80	25.36	10.87	3.110

*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
COMPUTER FORMS (MALAYSIA) BH	1.490	83.89	90.19	98.64	1.550
RAPID SYNERGY BHD	13.860	80.74	84.84	79.32	13.860
COCOALAND HOLDINGS BHD	1.490	78.55	93.48	100.00	1.490
IMASPRO CORP BHD	4.990	78.02	82.48	69.81	5.000
MULPHA INTERNATIONAL BHD	2.280	75.45	85.51	98.77	2.290
CLASSIC SCENIC BHD	1.250	72.24	69.79	73.83	1.280
BERJAYA LAND BHD	0.260	70.79	68.43	52.02	0.275

*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
FTSE BURSA MALAYSIA KLCI INDEX - KUALA LUMPUR	0.045	18.59	14.88	2.18	0.040	28/2/2023
COMPOSITE INDEX-FI	0.125	20.89	16.91	4.25	0.125	27/2/2023
HANG SENG INDEX-LB	0.290	21.26	17.77	6.34	0.280	27/2/2023
GENTING MALAYSIA BHD-R	0.045	21.69	18.96	6.24	0.045	30/12/2022
HANG SENG INDEX-JW	0.105	22.73	16.20	2.70	0.105	29/12/2022
HANG SENG INDEX-J9	0.090	23.01	18.16	3.25	0.090	27/2/2023
GENTING MALAYSIA BHD-Q	0.025	23.04	20.63	9.36	0.025	31/1/2023
HANG SENG INDEX-J5	0.140	23.65	19.11	4.14	0.005	30/1/2023
HANG SENG INDEX-JO	0.095	24.14	17.84	3.36	0.090	29/11/2022
HANG SENG INDEX-JR	0.245	24.42	16.62	2.45	0.230	29/11/2022
HANG SENG INDEX-LA	0.060	24.48	19.99	3.82	0.060	27/2/2023
ECO WORLD DEVELOPMENT GROUP BHD-WB	0.065	25.11	17.02	0.92	0.065	12/4/2029
HANG SENG INDEX-JH	0.010	25.13	19.30	2.14	0.005	28/10/2022
HANG SENG INDEX-JN	0.040	25.30	19.59	3.65	0.035	29/11/2022
TOP GLOVE CORP BHD-Y	0.015	25.82	25.05	24.67	0.015	28/2/2023
HANG SENG INDEX-JM	0.020	26.12	19.87	4.58	0.020	29/11/2022
HANG SENG INDEX-JV	0.030	26.20	19.86	3.15	0.030	29/12/2022
HANG SENG INDEX-JG	0.005	26.86	24.05	30.40	0.005	28/10/2022
HANG SENG INDEX-JU	0.010	27.28	21.59	6.39	0.010	29/12/2022
CCK CONSOLIDATED HOLDINGS BHD-WA	0.015	29.55	21.59	0.67	0.010	18/6/2023
NASDAQ 100 STOCK INDEX-C4	0.145	29.89	25.08	14.35	0.145	19/12/2022

Source: Bloomberg

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

<u>NAME</u>	<u>LAST PRICE</u>	<u>RSI 14D</u>	<u>RSI 9D</u>	<u>RSI 3D</u>	<u>HIGH 30D</u>	<u>EXPIRY DATE</u>
CLASSIC SCENIC BHD-WA	0.615	82.43	82.74	79.53	0.630	8/8/2026
HANG SENG INDEX-EL	0.325	81.54	86.67	95.03	0.325	28/10/2022
HANG SENG INDEX-EU	1.060	78.62	85.36	98.02	1.060	29/11/2022
HANG SENG INDEX-EN	1.380	78.48	84.97	97.73	1.410	28/10/2022
HANG SENG INDEX-EM	0.570	75.80	81.99	93.69	0.580	28/10/2022
HANG SENG INDEX-ES	0.235	73.76	78.60	89.67	0.235	29/11/2022
TANCO HOLDINGS BHD-WC	0.140	72.60	70.55	72.71	0.165	25/8/2025

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 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