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BURSA	11-Jan	Day chg	% chg
KLCI	1,487.9	2.74	0.18%
FTSE EMAS	10,726.4	33.8	0.32%
FTSE Smallcap	15,428.2	154.50	1.01%
FTSE MESDAQ	5,409.8	32.9	0.61%
KLSE Mkt Cap (RM'b)	1,663.0	5.5	0.33%

BURSA DAILY TRADING PARTICIPATION		
Participation	**Net (RM'm)**	**Value (%)**
Local Institution	98.3	51.5%
Local Retail	-24.9	27.4%
Foreign	-73.3	21.1%

INDICES	11-Jan	Day chg	% chg
Dow Jones	33,973.0	268.9	0.80%
S&P 500	3,969.6	50.4	1.28%
NASDAQ	10,931.7	189.04	1.76%
FTSE-100	7,725.0	30.5	0.40%
Nikkei 225	26,446.0	270.4	1.03%
SHCOMP	3,161.8	-7.669	-0.24%
HSI	21,436.1	104.6	0.49%
STI	3,271.5	8.6	0.26%
KOSPI	2,359.5	8.2	0.35%
TWSE	14,751.4	-51.5	-0.35%
JCI	6,584.5	-38.046	-0.57%
SET	1,685.8	-5.7	-0.33%

FOREX	11-Jan	10-Jan	% chg
USD/MYR:	4.3713	4.3735	-0.05%
EUR/USD:	1.0749	1.0736	0.12%
GBP/USD:	1.2136	1.2172	-0.30%
USD/YEN:	132.50	131.98	0.39%
USD/SGD:	1.3315	1.3309	0.05%
USD/HKD:	7.8136	7.8089	0.06%

KEY STATS			
KLCI Spot			
Vol (m shares):	3,575.7	3,191.4	12.04%
Value (RMm):	2,176.9	1,910.8	13.93%
KLCI Future			
January-23	1,487.5	1,485.0	0.17%
February-23	1,489.5	1,487.0	0.17%
CPO Price (RM/tonne)	3,918.0	4,001.0	-2.07%
Soybean (US$/bu)	1,493.0	1,485.0	0.54%
SoyOil (USc/lb)	61.9	62.3	-0.75%
Gold (US$/troy oz)	1,878.9	1,876.5	0.13%
Nymex crude oil (US$/bbl)	77.4	75.1	3.05%
Latex (RM/kg)	4.79	4.73	1.16%
Tin (US$/mt)	N.A.	25,765.0	N.A.

Research Highlights

NEWS HIGHLIGHTS

- **Takaful Malaysia enters five-year bancatakaful arrangement with Affin Islamic *(Comment included in Kenanga Today)***
- **Solarvest partners Huawei Malaysia, Sarawak govt talent development unit to provide clean energy training programme**
- **Favelle Favco bags three contracts totalling RM45.5m**
- **Pesona Metro secures RM349m construction project**
- **Minetech bags RM37.7m contract to build 3MW mini-hydro power plant in Terengganu**

MACRO BITS

- **World Bank warns global economy could tip into recession in 2023**
- **Expanded in November underpinned by manufacturing output and domestic demand *(See Economic Viewpoint: Malaysia Industrial Production)***
- **Sales growth moderated in November on high base effect and low spending activity *(See Economic Viewpoint: Malaysia Distributive Trade)***
- **October wholesale, retail trade up 15.2% to RM133.9b — DOSM**
- **November manufacturing sales up 11.8% to RM159.2b — DOSM**
- **Govt policies to support energy transition ecosystem, says Nik Nazmi**
- **China's 2022 industrial output expected to have grown 3.6% y/y**
- **BOJ's 2.0% inflation target can be tweaked to 'range', deputy governor candidate says**
- **North America vows to strengthen economic ties, Mexico energy row rumbles on**
- **New U.S. House creates committee focused on competing with China**
- **ECB's Centeno: we are approaching the end of the interest rate rise process**
- **ECB's Villeroy sees rate hikes at a 'pragmatic pace' in coming months**
- **Low use of shortened work hours points to mild German recession - Ifo**

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Initiate Coverage: NATGATE**
- **Company Update: MAGNUM, SPTOTO**
- **On Our Technical Watch: MYEG, RL**
- **Economic Viewpoint: MY Distributive Trade, MY Industrial Production**

#	Top Volume Stock	Price	%Chg (+/-)	Vol (m)	Top Gainer Stock	Price	%Chg (+/-)	Vol (m)	Top Loser Stock	Price	%Chg (+/-)	Vol (m)
1	PBBANK	4.31	0.2	14.20	DIGI	4.10	3.0	4.94	MRDIY	1.97	-3.4	9.78
2	CIMB	5.77	0.9	10.30	HLFG	18.86	1.5	0.11	AXIATA	2.86	-1.4	5.92
3	MRDIY	1.97	-3.4	9.78	GENTING	4.87	1.5	7.83	TENAGA	9.40	-1.4	3.34
4	MAYBANK	8.83	0.5	9.46	DIALOG	2.58	1.2	2.90	IHH	5.96	-1.2	6.01
5	PMETAL	4.95	0.6	9.45	CIMB	5.77	0.9	10.30	AMBANK	4.13	-0.7	1.85
6	GENM	2.81	0.4	8.44	SIME	2.31	0.9	5.49	MISC	7.27	-0.4	1.58
7	GENTING	4.87	1.5	7.83	PMETAL	4.95	0.6	9.45	TM	5.19	-0.2	3.30
8	PCHEM	8.30	0.0	6.84	HLBANK	20.72	0.6	1.14	QL	5.79	-0.2	2.09
9	INARI	2.65	0.4	6.46	RHBBANK	5.75	0.5	1.59	PPB	17.50	-0.1	0.86
10	IHH	5.96	-1.2	6.01	MAYBANK	8.83	0.5	9.46	KLK	21.94	-0.1	0.45

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Takaful Malaysia enters five-year bancatakaful arrangement with Affin Islamic**

  Syarikat Takaful Malaysia Keluarga Bhd has entered into a five-year bancatakaful service arrangement with Affin Islamic Bank Bhd starting Jan 1, 2023, with an option for the bank to extend another five years. Under the arrangement, Takaful Malaysia said Affin Islamic shall distribute, market and promote credit-related, advisory and other family takaful products of Takaful Malaysia Keluarga and general takaful products of Takaful Malaysia Am. In a Bursa Malaysia filing on Wednesday (Jan 11), Takaful Malaysia said the bancatakaful arrangement shall provide the group access to the bank's customer base, branch network and sales force. *(The Edge Markets)*

  Comment: We are positive on the abovementioned deal but believe it would be more principally beneficial to TAKAFUL (OP; TP: RM3.90) in support of its core takaful products. Though AFFIN (OP; TP: RM2.20) via Affin Islamic could be greater value add from cross-selling propositions, Islamic banking operations only make up of 40% of its group's interest income. That said, we view such bancassurance partnerships to be business-as-usual for both industries in driving organic growth. Further, while collaboration with AFFIN is undoubtedly earnings accretive, the size of its Islamic loans book is modest relative to its peers. We maintain our calls for both TAKAFUL and AFFIN. (Analyst: Clement Chua)

- **Solarvest partners Huawei Malaysia, Sarawak govt talent development unit to provide clean energy training programme**

  Solarvest Holdings Bhd's unit intends to establish a tripartite collaboration with Huawei Technologies (Malaysia) Sdn Bhd and Sarawak government's talent development agency to train and develop local talents to support Borneo's growth in the clean energy industry. Solarvest's wholly owned unit Solarvest Borneo Sdn Bhd, Huawei Malaysia and Centre for Technology Excellence Sarawak (Centexs) have inked a memorandum of understanding (MOU) to launch Green Energy Lab in Kuching, Sarawak. *(The Edge Markets)*

- **Favelle Favco bags three contracts totalling RM45.5m**

  Crane manufacturer Favelle Favco Bhd's subsidiaries have secured three purchase orders, totalling RM45.5 million from Nov 11, 2022 until Wednesday. In a filing with Bursa Malaysia, Favelle Favco said its wholly-owned unit, Favelle Favco Cranes (M) Sdn Bhd, had bagged two offshore crane supply contracts with Malaysia Marine and Heavy Engineering Sdn Bhd and Ocean Might Sdn Bhd. It said the first contract is expected to be delivered by early 2024 while the second one is between end-2023 and early 2024. *(The Edge Markets)*

- **Pesona Metro secures RM349m construction project**

  Pesona Metro Holdings Bhd has clinched a RM349m contract from Land Maker Sdn Bhd that includes the construction of two 44-storey luxury condominium buildings in Kuala Lumpur and ancillary facilities. In a filing with Bursa Malaysia on Wednesday, it said the contract, awarded to construction arm Pesona Metro Sdn Bhd, involves the construction and completion of the main building works, hardscape works, external works and other ancillary works. The project has a duration of 36 months starting from Feb 8, 2023. *(The Edge Markets)*

- **Minetech bags RM37.7m contract to build 3MW mini-hydro power plant in Terengganu**

  Minetech Resources Bhd's unit has secured a RM36.7m contract from Tesdec Hydropower Sdn Bhd to build a mini-hydro power plant in Besut, Terengganu, from January this year till May 2027. This came after both parties entered into a Memorandum of Understanding (MOU) in December last year to collaborate in the development of a 30MW mini-hydro project in Terengganu. The contract award on Wednesday (Jan 11) will supersede the MOU and the latter would no longer subsist, said Minetech in a stock exchange filing. *(The Edge Markets)*

Macro Bits

Global

- **World Bank warns global economy could tip into recession in 2023** The World Bank slashed its 2023 growth forecasts on Tuesday to levels teetering on the brink of recession for many countries as the impact of central bank rate hikes intensifies, Russia's war in Ukraine continues, and the world's major economic engines sputter. *(Reuters)*

Malaysia

- **Expanded in November underpinned by manufacturing output and domestic demand** Industrial Production Index (IPI) expanded in November to 4.8% YoY (Oct: 4.6%), registering above house and market expectations (KIBB: 3.9%; consensus: 2.9%). The expansion was mainly driven by faster growth in the manufacturing index and a positive turnaround in the electricity index, despite a further slowdown in the mining segment. 2022 manufacturing index growth will likely settle between 8.0% - 8.5%, below our forecast of 9.5% (2021: 9.5%). *(See Economic Viewpoint: Malaysia Industrial Production)*
- **Sales growth moderated in November on high base effect and low spending activity** Distributive trade sales growth slowed for the fifth straight month in November (13.9% YoY; Oct: 14.9%), its lowest in seven months amid the high base effect recorded last year and slower spending momentum. Sales value (RM133.9b; Oct: RM133.6b): remained relatively high and near its all-time high (Sep: RM134.0b), with marginal growth rebound on a MoM basis (0.2%; Oct: -0.3%) thanks to a rebound in motor vehicles sales. 2022 distributive trade sales growth is expected to settle near house forecast of 20.0% (2021: 4.0%), with growth is expected to slow sharply to 1.3% in 2023. *(See Economic Viewpoint: Malaysia Distributive Trade)*
- **October wholesale, retail trade up 15.2% to RM133.9b — DOSM** Malaysia's wholesale and retail trade sales grew 15.2% year-on-year (y-o-y) to RM133.9b in October 2022, mainly boosted by growth in the retail trade sub-sector, said the Department of Statistics Malaysia (DOSM). *(The Edge Markets)*
- **November manufacturing sales up 11.8% to RM159.2b — DOSM** The manufacturing sector continued its double-digit growth to record RM159.2b in sales in November 2022, an increase of 11.8% year-on-year (y-o-y), the Department of Statistics Malaysia (DOSM) said. *(The Edge Markets)*
- **Govt policies to support energy transition ecosystem, says Nik Nazmi** The government will provide the appropriate support through its policies in promoting the development of the country's energy transition ecosystem. *(The Edge Markets)*

Asia Pacific

- **China's 2022 industrial output expected to have grown 3.6% y/y** China's industrial output is expected to have grown 3.6% in 2022 from the previous year, the Ministry of Industry and Information Technology (MIIT) said on Wednesday, despite production and logistics disruptions from COVID-19 curbs. *(Reuters)*
- **BOJ's 2.0% inflation target can be tweaked to 'range', deputy governor candidate says** The Bank of Japan's (BOJ) 2.0% inflation target can be modified into a "range" to sustain monetary policy flexibility amid possibly higher inflation compared to pre-COVID times, former board member Sayuri Shirai said on Wednesday. *(Reuters)*

Americas

- **North America vows to strengthen economic ties, Mexico energy row rumbles on** The United States, Mexico and Canada on Tuesday vowed to tighten economic ties, producing more goods regionally and boosting semiconductor output, even as integration is hampered by an ongoing dispute over Mexico's nationalist energy policies. *(Reuters)*
- **New U.S. House creates committee focused on competing with China** The U.S. House of Representatives voted overwhelmingly on Tuesday to create a select committee on China, using one of its first votes since Republicans took control to stress members' desire to counter Beijing's growing international influence. *(Reuters)*

Europe

- **ECB's Centeno: we are approaching the end of the interest rate rise process** European Central Bank's governing council member Mario Centeno said on Tuesday the current process of interest rate increases is approaching its end. *(Reuters)*
- **ECB's Villeroy sees rate hikes at a 'pragmatic pace' in coming months** Interest rate hikes by the European Central Bank will need to come at a "pragmatic pace" in the coming months, French ECB policymaker Francois Villeroy de Galhau said on Wednesday. *(Reuters)*
- **Low use of shortened work hours points to mild German recession - Ifo** Low take up of a government-backed 'Kurzarbeit' shortened hours facility points to a "very mild" recession in Germany this winter, the Ifo economic institute said on Wednesday. *(Reuters)*

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

NAME*	LAST PRICE	RSI_14D	RSI_9D	RSI_3D	LOW 30D
DUTCH LADY MILK INDS BHD	29.800	28.72	20.52	15.70	29.720

**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
CYPARK RESOURCES BHD	0.715	87.28	92.09	99.20	0.730
RGB INTERNATIONAL BHD	0.205	77.76	84.19	98.68	0.210
HONG LEONG CAPITAL BHD	6.400	76.82	87.57	99.10	6.400
HONG LEONG CAPITAL BHD	6.400	76.82	87.57	99.10	6.400
KAREX BHD	0.770	76.31	79.56	96.69	0.785
ANN JOO RESOURCES BHD	1.260	75.38	82.78	97.99	1.280
ALLIANZ MALAYSIA BHD	14.640	75.38	78.50	90.70	14.680
PA RESOURCES BHD	0.330	74.58	80.73	94.63	0.335
MUHIBBAH ENGINEERING (M) BHD	0.555	74.14	78.26	87.01	0.570
BERJAYA LAND BHD	0.280	73.16	76.72	92.96	0.285
POH KONG HOLDINGS BHD	0.895	72.86	76.06	80.07	0.895
FOCUS POINT HOLDINGS BHD	1.040	72.35	71.73	68.17	1.090
MALAYSIAN BULK CARRIERS BHD	0.385	72.14	77.31	96.14	0.392
KAWAN FOOD BHD	2.350	71.66	83.08	98.79	2.400
MALAYSIA SMELTING CORP BHD	1.780	71.57	80.99	97.53	1.800
MBM RESOURCES BERHAD	3.450	71.19	80.83	95.58	3.460
RANHILL UTILITIES BHD	0.480	70.45	73.80	92.73	0.485
ZHULIAN CORP BHD	1.910	70.27	75.50	75.92	1.940
DIALOG GROUP BHD	2.580	70.24	73.32	80.28	2.590
HAP SENG CONSOLIDATED	6.840	70.15	80.20	97.69	6.950

**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
DAGANG NEXCHANGE BHD-C6	0.015	17.80	23.19	88.65	0.010	30/8/2023
HARN LEN CORP BHD-WB	0.645	20.68	16.64	16.24	0.535	19/9/2026
HONG SENG CONSOLIDATED BHD-WB	0.015	22.22	13.68	0.89	0.010	3/10/2024
HANG SENG INDEX-KU	0.245	23.06	20.05	7.59	0.230	27/4/2023
HANG SENG INDEX-KF	0.025	24.60	16.66	2.38	0.025	27/2/2023
HANG SENG TECH INDEX-HN	0.020	25.39	23.44	6.67	0.020	27/4/2023
HANG SENG INDEX-KW	0.115	25.59	25.93	27.58	0.100	30/5/2023
HANG SENG INDEX-KM	0.040	26.85	18.50	1.44	0.040	30/3/2023
HANG SENG INDEX-E8	0.010	27.07	20.93	11.19	0.010	30/1/2023
HANG SENG INDEX-E9	0.140	27.07	20.81	8.06	0.115	30/1/2023
HANG SENG INDEX-KX	0.200	28.01	25.32	18.46	0.185	30/5/2023
WIDAD GROUP BHD-WA	0.060	29.20	18.90	1.40	0.055	5/8/2023
HANG SENG INDEX-KG	0.115	29.94	20.97	4.01	0.105	27/2/2023

Source: Bloomberg

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

NAME	LAST PRICE	RSI_14D	RSI_9D	RSI_3D	HIGH 30D	EXPIRY DATE
K SENG SENG CORP BHD-WA	1.030	83.51	86.66	98.47	1.100	10/10/2029
YINSON HOLDINGS BHD-WA	0.605	82.65	88.91	98.75	0.605	21/6/2025
SERSOL BHD-WA	0.140	76.23	78.89	85.89	0.140	18/4/2023
HANG SENG INDEX-J6	0.165	73.57	77.95	86.13	0.175	27/2/2023
ANEKA JARINGAN HOLDINGS BHD-WA	0.060	72.67	76.89	84.98	0.070	20/6/2025
HANG SENG INDEX-J9	0.380	71.65	75.14	80.11	0.420	27/2/2023

Source: Bloomberg

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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Published by:

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