

15 March 2023

## Research Highlights

### NEWS HIGHLIGHTS

- Volcano mulls fundraising exercise
- LYC Healthcare buys Cheras properties for RM4.5m
- BSL Corp unaware of reason for UMA but 1.5b new rights shares to be listed March 15
- Landmarks' unit defaults on RM133.4m financing facility
- Anzo no longer intends to submit regularisation plan, to be delisted on Friday

### MACRO BITS

- Eyeing China, Biden and allies unveil nuclear-powered submarine plan for Australia
- Fiscal Responsibility Act to be tabled in June, says Anwar
- PM maintains no GST going forward, confident revenue is enough
- RM750.0m allocation for People's Income Initiative sufficient — Rafizi
- China's official data likely to show economy strengthening
- Thailand extends diesel tax cut to ease living costs, says official
- Bank Indonesia to hold rates steady at 5.75% through this year: Reuters poll
- Philippines posts biggest trade deficit in 5 months
- Australia business activity strong in Feb, even as confidence wanes
- India's Feb wholesale inflation eases to lowest in over 2 years
- Little relief for US consumers as sticky rents keep inflation elevated
- Euro zone ministers back tighter fiscal stance for 2024
- EU converges on principles of new debt rules, no deal yet on details
- UK pay growth slows as Bank of England mulls rates pause

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

- Sector Update: Construction, Property
- Initiating Coverage: OPPSTAR
- On Our Technical Watch: MALAKOF, DRBHCOM

## Corporate News

- **Volcano mulls fundraising exercise**

Volcano Bhd, which has received an unusual market activity (UMA) query from Bursa Malaysia, is assessing an equity fundraising exercise to be announced in due course. “The company is assessing an equity fund-raising exercise to be announced in due course, subject to relevant due diligence reviews. Save for this, there is no corporate development relating to Volcano and its subsidiary companies’ business and affairs that has not been previously announced that may account for the trading activity including those in stage of negotiation/discussion,” Volcano said in a reply to the UMA query. The nameplates and plastic injection moulded parts manufacturer said it is unaware of any reason for the sharp rise in its share price and volume recently. (*The Star*)

- **LYC Healthcare buys Cheras properties for RM4.5m**

LYC Healthcare Bhd has proposed to acquire three units of 1½ storey light industrial factory in Cheras for RM4.5m cash. LYC said its subsidiary, Aqurate Ingredients Intl (M) Sdn Bhd had entered into a sale and purchase agreement (SPA) with Golden City Development Sdn Bhd (GCDSB) for the proposed acquisition. LYC said three units measured a total of 622 square metres. The group said the proposed acquisition may enable Aqurate to expand its business operations and ensure long term sustainability of operations and prevent any risk of any operations downtime (*The Star*)

- **BSL Corp unaware of reason for UMA but 1.5b new rights shares to be listed March 15**

BSL Corp Bhd, which was slapped with an unusual market activity (UMA) query by Bursa Malaysia on Tuesday (14 Mar), said it is unaware of any reason for the recent sharp fall in its share price. However, more than 1.5b rights shares are scheduled to be listed March 15 under a rights issue exercise by the company to raise funds. The metal parts manufacturer said it is unaware of any rumour or report concerning its business and affairs as well as any possible explanation regarding the group that may account for the UMA. (*The Edge Markets*)

- **Landmarks' unit defaults on RM133.4m financing facility**

Landmarks Bhd, a 21.7% associate of Genting Bhd, said its wholly owned subsidiary has defaulted in its repayment on financing facilities totalling RM133.4m. The property developer said OCBC Bank (Malaysia) Bhd has issued its wholly owned unit Andaman Resort Sdn Bhd a notice of recall dated March 8, demanding the repayment of banking and credit facilities amounting to RM133.4m be paid within 14 days — by March 22. “The company and Andaman Resort are currently engaged in the process of devising a repayment plan that is commensurate with their current financial position and the timing for such repayment,” it said. (*The Edge Markets*)

- **Anzo no longer intends to submit regularisation plan, to be delisted on Friday**

Anzo Holdings Bhd will be delisted from Bursa Malaysia Securities on Friday (March 17) after the company said it was unable to appoint a principal adviser within the prescribed time frame. The appointment of the principal adviser by March 13 was among the conditions imposed by Bursa Securities on Feb 13 when granting Anzo a six-month extension to April 30 to submit its regularisation plan. Anzo also said that it “does not have any further intention to (*The Edge Markets*)



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## Macro Bits

### Global

- [Eyeing China, Biden and allies unveil nuclear-powered submarine plan for Australia](#) The United States, Australia and Britain unveiled details of a plan to provide Australia with nuclear-powered attack submarines from the early 2030s to counter China's ambitions in the Indo-Pacific. *(Reuters)*

### Malaysia

- [Fiscal Responsibility Act to be tabled in June, says Anwar](#) The proposed Fiscal Responsibility Act (FRA) to improve governance, accountability and transparency in fiscal management is expected to be tabled in the Dewan Rakyat in June, said Prime Minister Datuk Seri Anwar Ibrahim. *(The Edge Markets)*
- [PM maintains no GST going forward, confident revenue is enough](#) The government has maintained that there is no need to bring back the goods and services tax (GST) going forward, and is confident that efficient revenue collection can expand national income. *(The Edge Markets)*
- [RM750.0m allocation for People's Income Initiative sufficient — Rafizi](#) The allocation of a total of RM750.0m under Budget 2023 to implement the People's Income Initiative to help 130,000 hardcore poor is sufficient, says Economy Minister Mohd Rafizi Ramli. *(The Edge Markets)*

### Asia Pacific

- [China's official data likely to show economy strengthening](#) China's economic recovery is strengthening in the aftermath of Covid restrictions and outbreaks, with official data on Wednesday providing clues on how sustainable the rebound is likely to be. *(Bloomberg)*
- [Thailand extends diesel tax cut to ease living costs, says official](#) Thailand's cabinet on Tuesday (March 14) agreed to extend an excise tax cut on diesel for another two months to July 20 to help reduce the costs of living, a government official said on Tuesday. *(The Edge Markets)*
- [Bank Indonesia to hold rates steady at 5.75% through this year: Reuters poll](#) Bank Indonesia will hold its key interest rate at 5.75% on Thursday and for the rest of this year, suggesting its current tightening cycle is almost certainly over despite inflation remaining high, a Reuters poll of economists forecast. *(Reuters)*
- [Philippines posts biggest trade deficit in 5 months](#) The Philippines posted its widest trade deficit in five months for January as exports fell sharply, pointing to a worsening trade balance that could put pressure on the peso in the near term. *(Reuters)*
- [Australia business activity strong in Feb, even as confidence wanes](#) Australian business conditions remained resilient in February with sales and employment strong, even as confidence took a turn for the worse amid high inflation and rising interest rates. *(Reuters)*
- [India's Feb wholesale inflation eases to lowest in over 2 years](#) India's annual wholesale price-based inflation (WPI) eased to the lowest in over two years, dragged down by a fall in overall input costs for manufacturers on the back of favourable commodity prices. *(Reuters)*

### Americas

- [Little relief for US consumers as sticky rents keep inflation elevated](#) U.S. consumer prices increased solidly in February as Americans faced persistently higher costs for rents, posing a dilemma for the Federal Reserve, whose fight against inflation has been complicated by the collapse of two regional banks. *(Reuters)*

### Europe

- [Euro zone ministers back tighter fiscal stance for 2024](#) Euro zone finance ministers on Monday backed a European Commission recommendation to start tightening fiscal policy, gradually phasing out government support against high energy prices to business and households. *(Reuters)*
- [EU converges on principles of new debt rules, no deal yet on details](#) European Union finance ministers are converging on broad principles of a reform of Europe's fiscal rules to make them fit better with post-pandemic economic realities, but crucial details remain to be negotiated, a document showed. *(Reuters)*



**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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