

19 May 2023

By Ahmad Ramzani Bin Ramli | ahmadramzani@kenanga.com.my

BURSA	18-May	Day chg	% chg
KLCI	1,428.0	3.7	0.26%
FTSE EMAS	10,481.8	40.3	0.39%
FTSE Smallcap	15,337.7	77.36	0.51%
FTSE MESDAQ	4,989.1	-7.7	-0.15%
KLSE Mkt Cap (RM'b)	1,641.4	5.1	0.31%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	26.6	49.0%
Local Retail	-65.1	28.3%
Foreign	38.5	22.7%

INDICES	18-May	Day chg	% chg
Dow Jones	33,535.9	115.1	0.34%
S&P 500	4,198.1	39.3	0.94%
NASDAQ	12,688.8	188.27	1.51%
FTSE-100	7,742.3	19.1	0.25%
Nikkei 225	30,573.9	480.3	1.60%
SHCOMP	3,297.3	13.088	0.40%
HSI	19,727.3	166.7	0.85%
STI	3,182.6	8.7	0.27%
KOSPI	2,515.4	20.7	0.83%
TWSE	16,101.9	176.6	1.11%
JCI	N.A.	N.A.	N.A.
SET	1,526.7	4.0	0.26%

FOREX	18-May	17-May	% chg
USD/MYR:	4.5380	4.5262	0.26%
EUR/USD:	1.0815	1.0830	-0.14%
GBP/USD:	1.2433	1.2448	-0.12%
USD/YEN:	137.74	136.99	0.55%
USD/SGD:	1.3451	1.3432	0.14%
USD/HKD:	7.8284	7.8284	0.00%

KEY STATS

KLCI Spot			
Vol (m shares):	2,654.3	2,596.0	2.25%
Value (RMm):	1,817.6	1,630.7	11.46%
KLCI Future			
May-23	1,426.5	1,422.0	0.32%
June-23	1,427.0	1,422.5	0.32%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,333.3	1,337.0	-0.28%
SoyOil (USc/lb)	47.4	46.6	1.85%
Gold (US\$/troy oz)	1,959.8	1,984.9	-1.26%
Nymex crude oil (US\$/bbl)	71.9	72.8	-1.33%
Latex (RM/kg)	4.90	4.90	0.00%
Tin (US\$/mt)	25,247.00	25,077.0	0.68%

Research Highlights

NEWS HIGHLIGHTS

- TIME dotCom's 1Q net profit up 26.3% amid higher revenue contributions
- NextGreen develops special plan for Gua Musang
- Redtone's 3QFY2023 net profit jumps 35.0%, but remaining quarter will be challenging
- Pesona Metro bags RM242.2m construction job
- BHIC wins RM140.0m submarine contracts

MACRO BITS

- Six Pacific countries at high risk of debt distress - World Bank
- Anwar vows to deliver targeted subsidies to those who need them
- Targeted diesel subsidy to kick in next year, says minister
- Rafizi: Economy Ministry formulating single window policy for application of digital and technology incentives
- Malaysian vehicle sales down 19.0% in April as SST exemption ends
- No change to policy rate as inflationary trend moderates (See *Economic Viewpoint: Bangko Sentral ng Pilipinas Rate Decision*)
- ADB warns China it risks wasting money on state-led growth
- China's fiscal revenue growth quickens as economy recovers
- Japan April exports rise 2.6% year/year – MOF
- U.S. weekly jobless claims fall more than expected
- 'Soft landing' narrative takes shape in post-pandemic US economy
- BoE's Ramsden says pace of quantitative tightening could rise
- ECB to keep raising rates, though most of tightening is done, De Guindos says
- UK hopes to find resolution with EU on carmaker tariff rules - PM's spokesman

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: AEON, DIALOG, GASMSIA, MAGNUM, MPI, POS, SUPERMX
- On Our Technical Watch: AJIYA, QES
- Rating Summary
- Economic Viewpoint: Bond Market Weekly Outlook, BSP Rate Decision, Ringgit Weekly Outlook

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	MRDIY	1.59	1.9	13.30	MRDIY	1.59	1.9	13.30	AXIATA	2.99	-1.6	1.87
2	TENAGA	9.79	0.4	9.30	IOICORP	4.00	1.0	1.86	PMETAL	4.73	-1.5	3.62
3	PBBANK	3.97	0.3	7.34	IHH	5.95	0.9	4.63	SIMEPLT	4.56	-0.4	4.36
4	INARI	2.20	0.5	5.96	GENM	2.68	0.8	2.72	KLK	22.72	-0.3	1.22
5	CIMB	5.01	0.6	4.83	HLBANK	19.98	0.7	0.21	MAXIS	4.34	-0.2	0.97
6	IHH	5.95	0.9	4.63	PPB	16.34	0.6	0.31	RHBBANK	5.50	-0.2	1.88
7	SIMEPLT	4.56	-0.4	4.36	CIMB	5.01	0.6	4.83	PETDAG	22.56	-0.2	0.05
8	DIALOG	2.20	0.5	4.00	TM	5.05	0.6	2.79	QL	5.66	-0.2	0.93
9	MAYBANK	8.76	0.6	3.69	MAYBANK	8.76	0.6	3.69	HLFG	17.70	0.1	0.15
10	PMETAL	4.73	-1.5	3.62	AMBANK	3.57	0.6	1.11	PETGAS	16.92	0.1	0.13

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **TIME dotCom's 1Q net profit up 26.3% amid higher revenue contributions**

TIME dotCom Bhd (TdC)'s net profit went up 26.3% to RM114.5m in the first quarter ended March 31, 2023 (1QFY2023), from RM90.7m in the same quarter a year earlier (1QFY2022), amid higher revenue contributions. The telecommunications company saw its earnings per share rise to 6.23 sen, from 4.97 sen. The improved net profit was also due to higher share of profits from associates, foreign exchange net gains, lower donation, as well as lower property, plant and equipment written offs. Quarterly revenue increased 6.3% to RM368.4m versus RM346.5m, due to higher contributions from its data and data centre segments. (*The Edge Markets*)

- **NextGreen develops special plan for Gua Musang**

NextGreen Global Bhd, a pulp and paper manufacturer, is developing a special area plan in Gua Musang, together with Perbadanan Menteri Besar Kelantan (PMBK). The plan includes the development of a collection and processing centre of oil palm biomass on 1,260 hectares. It is expected to be completed in phases over 10 to 15 years. Nextgreen said the company and PMBK would work towards transforming Bandar Datuk Bentara Gua Musang into an integrated economic centre that can provide affordable housing for 4,000 families and medium-cost housing for 4,340 families, as well as generating 5,000 job opportunities. (*New Straits Times*)

- **Redtone's 3QFY2023 net profit jumps 35.0%, but remaining quarter will be challenging**

Redtone Digital Bhd saw its net profit jump 35.0% year-on-year (y-o-y) in the third quarter ended March 31, 2023 (3QFY2023) to RM13.7m from RM10.1m in the corresponding quarter (3QFY2022), due to fair value gain on investments, as well as the presence of investment related expenses in the corresponding quarter. For the nine-month period ended March 31, 2023 (9MFY2023), the telecommunications and digital infrastructure services provider saw its net profit shoot up 68.3% y-o-y to RM49.0m from the same period a year ago (9MFY2022), due to the same reasons. (*The Edge Markets*)

- **Pesona Metro bags RM242.2m construction job**

Pesona Metro Holdings Bhd has accepted a RM242.2m contract from KL Wellness City (H) Sdn Bhd for the construction of the main building and external works for a mixed development project in Petaling, Kuala Lumpur. It said the project is for a duration of 27 months from June 1, 2023, to Sept 30, 2025. It said the project is expected to contribute positively to the earnings and enhance the net assets of the group during the duration of the project. (*The Star*)

- **BHIC wins RM140.0m submarine contracts**

Boustead Heavy Industries Corp Bhd (BHIC) has secured two contracts worth a total of RM140mil from the Defence Ministry. BHIC said its wholly owned subsidiary, BHIC Submarine Engineering Services Sdn Bhd (BSES) was awarded a contract for the interim in-service support for the Royal Malaysian Navy Prime Minister's Class Submarines at a contract value of RM99.8m. The contract is for a period of eleven months from March 15, 2023 until Feb 14, 2024. (*The Star*)



19 May 2023

Macro Bits

Global

- [Six Pacific countries at high risk of debt distress - World Bank](#) Six Pacific countries are at a high risk of debt distress in part due to government spending to respond to the COVID-19 crisis, the World Bank said in a report on Thursday. *(Reuters)*

Malaysia

- [Anwar vows to deliver targeted subsidies to those who need them](#) The unity government will continue to look for methods to ensure subsidies are provided fairly to targeted groups. Prime Minister Datuk Seri Anwar Ibrahim said the B40 group will continue to be given attention in the provision of subsidies. *(The Edge Markets)*
- [Targeted diesel subsidy to kick in next year, says minister](#) The implementation of targeted subsidies for diesel is expected to begin next year, said Domestic Trade and Cost of Living (KPDN) Minister Datuk Seri Salahuddin Ayub. *(The Edge Markets)*
- [Rafizi: Economy Ministry formulating single window policy for application of digital and technology incentives](#) The Economy Ministry is currently consolidating all incentives into a single window approach for technology and digital business owners and startups, including small and medium enterprises (SMEs). *(The Edge Markets)*
- [Malaysian vehicle sales down 19.0% in April as SST exemption ends](#) Auto sales fell 19.13% year-on-year in April to 46,583 units against 57,606 units a year ago, after five consecutive months of growth, according to the Malaysian Automotive Association (MAA). *(The Edge Markets)*

Asia Pacific

- [No change to policy rate as inflationary trend moderates](#) Bangko Sentral ng Pilipinas (BSP) kept the overnight reverse repurchase facility at 6.25% at its third Monetary Board meeting this year, in line with expectations. Policy rate may stay at 6.25% for 2023, with easing policy expected in 2024 as inflation cools down. *(See Economic Viewpoint: Bangko Sentral ng Pilipinas Rate Decision)*
- [ADB warns China it risks wasting money on state-led growth](#) China needs to level the playing field between private and state owned firms, the Asian Development Bank's chief economist said on Thursday, adding that the world's second-largest economy risks "wasting a tonne of money" with a state-led growth model. *(Reuters)*
- [China's fiscal revenue growth quickens as economy recovers](#) China's fiscal revenue rose 11.9% in the first four months of 2023 from the same period a year earlier, accelerating sharply from a 0.5% rise in January-March, official data showed, as the economy stages a gradual but uneven post-COVID recovery. *(Reuters)*
- [Japan April exports rise 2.6% year/year – MOF](#) Japan's exports rose 2.6% in April from a year earlier, Ministry of Finance data showed on Thursday. The rise compares with a 3.0% increase expected by economists in a Reuters poll. It followed a 4.3% rise in March. *(Reuters)*

Americas

- [U.S. weekly jobless claims fall more than expected](#) The number of Americans filing new claims for jobless benefits fell more than expected last week, with filings in Massachusetts decreasing sharply, suggesting the labor market remains tight. *(Reuters)*
- ['Soft landing' narrative takes shape in post-pandemic US economy](#) The pummeling taken by bank bond portfolios during more than a year of rising interest rates fueled worries this spring after the collapse of Silicon Valley Bank that a spiraling financial crisis might soon develop and crash the U.S. economy. *(Reuters)*

Europe

- [BoE's Ramsden says pace of quantitative tightening could rise](#) Bank of England Deputy Governor Dave Ramsden said on Thursday that the rate at which the central bank reduces its holdings of government bonds was more likely to increase than decrease, as it unwinds its quantitative easing programme. *(Reuters)*
- [ECB to keep raising rates, though most of tightening is done, De Guindos says](#) The European Central Bank will have to keep raising interest further to bring inflation back to its mid-term goal of 2.0% though most of the tightening has already been done, ECB's Vice President Luis de Guindos said on Thursday. *(Reuters)*
- [UK hopes to find resolution with EU on carmaker tariff rules - PM's spokesman](#) Britain's government hopes to reach a resolution with the European Union on issues around rules of origin regulations that car manufacturers have concerns about, Prime Minister Rishi Sunak's spokesman said on Wednesday. *(Reuters)*



19 May 2023

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
KOBAY TECHNOLOGY BHD	2.180	20.71	13.94	7.08	2.170
HAP SENG CONSOLIDATED	4.300	22.17	16.08	2.53	4.190
SKP RESOURCES BHD	1.100	22.42	14.77	1.00	1.100
SAM ENGINEERING & EQUIPMENT	4.080	25.55	18.59	2.57	4.060
AXIS REAL ESTATE INVESTMENT	1.800	25.94	18.58	7.56	1.790
KELINGTON GROUP BHD	1.340	28.09	20.02	6.23	1.330
THREE-A RESOURCES BHD	0.800	28.66	24.14	11.08	0.800

*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
RAPID SYNERGY BHD	18.980	85.52	92.11	99.22	19.100
HUME CEMENT INDUSTRIES BHD	1.330	80.79	85.22	92.61	1.410
HARTALEGA HOLDINGS BHD	2.680	76.57	81.44	95.19	2.710
AIRASIA X BHD	1.800	75.94	82.49	95.51	1.800
ORIENTAL INTEREST BHD	1.050	75.13	79.93	80.21	1.050
HARRISONS HOLDINGS MALAYSIA	10.000	74.01	72.82	54.96	10.100
KUMPULAN PERANGSANG SELANGOR	0.800	70.31	73.04	85.31	0.805
ABF MALAYSIA BOND INDEX FUND	1.200	70.27	75.99	92.72	1.200

*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
COMPUTER FORMS MALAYSIA BHD-WA	0.040	14.56	15.67	4.20	0.035	22/12/2025
NASDAQ 100 STOCK INDEX-H6	0.030	16.89	10.46	0.95	0.030	19/6/2023
HANG SENG INDEX-KX	0.005	27.92	22.12	7.67	0.005	30/5/2023
MI TECHNOVATION BHD-C12	0.070	29.46	27.03	32.69	0.060	28/8/2023

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D	EXPIRY DATE
BINASAT COMMUNICATIONS BHD-WA	0.085	84.13	90.84	99.05	0.090	17/1/2026
CENTRAL GLOBAL BHD-WA	0.430	82.95	86.80	94.99	0.430	26/7/2025
YTL CORP BHD-C54	0.110	79.57	79.95	80.67	0.115	21/8/2023
HARTALEGA HOLDINGS BHD-F	0.140	78.96	86.98	97.59	0.140	31/5/2023
YTL CORP BHD-C55	0.130	78.61	81.10	83.95	0.135	25/9/2023
HARTALEGA HOLDINGS BHD-E	0.160	77.90	83.28	96.39	0.160	2/6/2023
HARTALEGA HOLDINGS BHD-C	0.180	77.37	82.80	96.44	0.180	27/6/2023

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.***

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