

29 May 2023

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BURSA	26-May	Day chg	% chg
KLCI	1,403.0	0.5	0.04%
FTSE EMAS	10,296.4	12.0	0.12%
FTSE Smallcap	14,883.6	-6.17	-0.04%
FTSE MESDAQ	4,980.9	36.7	0.74%
KLSE Mkt Cap (RM'b)	1,620.2	1.9	0.12%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-38.1	52.7%
Local Retail	-4.5	23.4%
Foreign	42.6	23.9%

INDICES	26-May	Day chg	% chg
Dow Jones	33,093.3	328.7	1.00%
S&P 500	4,205.5	54.2	1.30%
NASDAQ	12,975.7	277.6	2.19%
FTSE-100	7,627.2	56.3	0.74%
Nikkei 225	30,916.3	115.2	0.37%
SHCOMP	3,212.5	11.244	0.35%
HSI	#N/A N/A	#VALUE!	#VALUE!
STI	3,207.4	-0.3	-0.01%
KOSPI	2,558.8	4.1	0.16%
TWSE	16,505.1	213.0	1.31%
JCI	6,687.0	-17.23	-0.26%
SET	1,530.8	-4.6	-0.30%

FOREX	26-May	25-May	% chg
USD/MYR:	4.6003	4.6265	-0.57%
EUR/USD:	1.0723	1.0723	0.00%
GBP/USD:	1.2344	1.2357	-0.11%
USD/YEN:	140.60	139.59	0.72%
USD/SGD:	1.3522	1.3532	-0.07%
USD/HKD:	7.8337	7.8322	0.02%

KEY STATS

KLCI Spot			
Vol (m shares):	2,441.9	2,356.2	3.64%
Value (RMm):	2,276.3	1,625.6	40.03%
KLCI Future			
May-23	1,401.5	1,401.0	0.04%
June-23	1,401.0	1,400.5	0.04%
CPO Price (RM/tonne)	3,559.0	3,493.0	1.89%
Soybean (US\$/bu)	1,337.3	1,324.0	1.00%
SoyOil (US\$/lb)	48.9	48.5	0.74%
Gold (US\$/troy oz)	1,944.3	1,943.7	0.03%
Nymex crude oil (US\$/bbl)	72.7	71.8	1.17%
Latex (RM/kg)	4.94	4.93	0.20%
Tin (US\$/mt)	25,214.00	24,803.0	1.66%

Research Highlights

NEWS HIGHLIGHTS

- **MSM Malaysia's 1Q net loss widens on lower margins and high operating costs**
- **Formosa Prosonic 1Q earnings shrinks 54% amid lower sales**
- **Nestcon secures RM190m job to build 40-storey condominium in KL**
- **Censof bags RM3.5m system maintenance contract from IRB**
- **Reneuco bags RM22.9m contract for Sg Rasau Water Supply Scheme Phase 1**

MACRO BITS

- **Exclusive: IMF, others should give USD100.0b climate foreign-exchange guarantee, document says**
- **Cooled to an 11-month low in April as food prices saw its first MoM deflation since May 2021 (See *Economic Viewpoint: Malaysia Consumer Price Index*)**
- **Apec needs to ensure trade policy prioritises green economy, build resilient global health system, says Liew**
- **BNM Governor: Monetary policy is pre-emptive, not premature**
- **BNM: Currency depreciation not limited to Malaysia**
- **China industrial profits tumble 18.0% in April as demand sputters**
- **Japan unveils policy blueprint featuring childcare, no mention of funding**
- **Debt-ceiling deal's road to passage in Congress**
- **Strong US consumer spending, inflation readings put Fed in tough spot**
- **Fed 'pause' on rate hikes in doubt after strong US data**
- **ECB's Makhoul ready for two more rate hikes, open-minded beyond that**
- **Bank of England's Haskel says policy should lean against sticky inflation**

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Results Note: BPLAS, DRBHCIM, IOIPG, KOTRA, MALAKOFF, RHBBANK, UMW**
- **Company Update: AXIATA, HSPLANT, MBMR, INARI, SAMAIDEN, TCHONG**
- **Weekly Technical Review**
- **Economic Viewpoint: MY CPI**

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	INARI	2.47	9.3	32.30	INARI	2.47	9.3	32.30	AXIATA	2.91	-1.7	5.10
2	PBBANK	3.90	0.3	19.40	TM	5.08	1.6	4.45	GENM	2.58	-1.5	7.53
3	MRDIY	1.60	-1.2	15.50	PMETAL	4.74	1.3	3.70	DIALOG	2.07	-1.4	3.05
4	GENTING	4.28	-1.2	9.03	MAXIS	4.27	1.2	0.87	QL	5.55	-1.4	1.27
5	CIMB	4.90	-1.2	7.66	TENAGA	9.69	1.2	3.94	SIMEPLT	4.22	-1.4	3.98
6	GENM	2.58	-1.5	7.53	PETDAG	22.14	0.6	0.11	MRDIY	1.60	-1.2	15.50
7	CELCOMDIGI	4.46	0.0	5.85	PBBANK	3.90	0.3	19.40	CIMB	4.90	-1.2	7.66
8	MAYBANK	8.58	0.2	5.32	PETGAS	16.78	0.2	0.50	GENTING	4.28	-1.2	9.03
9	AXIATA	2.91	-1.7	5.10	MAYBANK	8.58	0.2	5.32	KLK	21.64	-0.6	1.40
10	TM	5.08	1.6	4.45	HLBANK	19.58	0.2	0.39	HLFG	17.64	-0.6	0.08

Notes: # KL Composite Index (FBM KLCI) component stocks

Corporate News

- **MSM Malaysia's 1Q net loss widens on lower margins and high operating costs**

MSM Malaysia Bhd's net loss widened to RM35.9m in the first quarter ended March 31, 2023 (1QFY2023) from RM27.7m in the same quarter last year, as a result of lower margins and higher operating costs. The country's largest refined sugar producer noted that it recorded a negative gross profit margin of 2% compared with negative 1% in the prior year as the group continued to operate on a negative margin for the wholesale segment without any subsidy or price adjustment. The group also faced higher production costs, owing to a weak ringgit and a 65% increase in gas cost, which resulted in higher refining costs, said MSM in a bourse filing on Friday (May 26). (*The Edge Markets*)

- **Formosa Prosonic 1Q earnings shrinks 54% amid lower sales**

Formosa Prosonic Industries Bhd saw its net profit decreased by 53.8% to RM9.7m in its first quarter ended March 31, 2023 (1QFY2023) from RM21.1m in the same quarter a year earlier (1QFY2022) amid lower sales and revenue contributions. The group also saw its earnings per share fell to 3.8 sen from 8.3 sen, according to its Bursa filing. Revenue for 1QFY2023 was RM109.2m, a 56.7% decrease from RM252.1m in 1QFY2022, attributed to lower sales volume. For its quarter-on-quarter (q-o-q), however, its net profit has increased from RM8.1m in the fourth quarter ended Dec 31, 2022 (4QFY2022). (*The Edge Markets*)

- **Nestcon secures RM190m job to build 40-storey condominium in KL**

Nestcon Bhd has been awarded a RM190m construction contract for a condominium project in Kuala Lumpur. This is its fourth contract win this year. In January, Nestcon bagged a RM200m construction contract for a 47-storey mixed commercial development. During the same month, Nestcon was appointed as a contractor to undertake remaining earthworks for the development of the Senai Airport City in Johor. The provision contract sum was RM27.3m. A month later, Nestcon won a RM154m contract to build office suites and serviced apartments in Mont Kiara, KL. (*The Edge Markets*)

- **Censof bags RM3.5m system maintenance contract from IRB**

Censof Holdings Bhd has accepted a contract for system maintenance known as "international data exchange facility" from the Inland Revenue Board of Malaysia (IRB). The contract worth RM3.5m was awarded to its wholly-owned unit Century Software (Malaysia) Sdn Bhd on Thursday (May 25), and is expected to contribute positively to Censof group's earnings and net assets per share for the financial year ending March 31, 2024. The tenure of the project is for a period of three years — from June 1, 2023 to May 2026 — with no option to extend or renew upon its expiry, said the software solutions provider in a filing. (*The Edge Markets*)



- **Reneuco bags RM22.9m contract for Sg Rasau Water Supply Scheme Phase 1**

Reneuco Bhd's wholly owned subsidiary Reneuco RE Sdn Bhd has accepted a letter of award (LOA) from ZBS Optima Trading Sdn Bhd as a subcontractor for the Sg Rasau Water Supply Scheme Phase 1 in Selangor. The value of the contract is RM22.9m and expected to commence in May 2023 until May 2024, said the group in its filing with Bursa Malaysia on Friday (May 26). Reneuco said the contract is to collect, excavate, handle, lay, fix, join, test, flush, sterilise and commission mild steel pumping main and associated works. (*The Edge Markets*)

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Macro Bits

Global

- [Exclusive: IMF, others should give USD100.0b climate foreign-exchange guarantee, document says](#) A top-level meeting in Paris next month will lay out a USD100.0b plan to drive more money into climate and development finance in poorer countries by providing currency guarantees to investors, according to a document seen by Reuters. (Reuters)

Malaysia

- **Cooled to an 11-month low in April as food prices saw its first MoM deflation since May 2021** The headline inflation continued to slow to 3.3% YoY in April (Mar: 3.4%), matching house estimate and market expectations. The moderation in consumer prices was mainly due to a MoM deflation in food (-0.1% MoM; Mar: 0.1%) and restaurant & hotel prices (-0.1% MoM; Mar: 0.3%). On a monthly basis, CPI increased at an unchanged rate of 0.1% MoM as the deflation in food prices was equally offset by a rise in transport costs (0.3% MoM; Mar: -0.2). 2023 headline inflation forecast maintained at 2.9% (2022: 3.3%) due to a potential increase in food inflation in 2H23. (See *Economic Viewpoint: Malaysia Consumer Price Index*)
- [Apec needs to ensure trade policy prioritises green economy, build resilient global health system, says Liew](#) The Asia Pacific Economic Cooperation (Apec) needs to ensure that trade policies among its member countries prioritise green economic policies and build a resilient global health system. (The Edge Markets)
- [BNM Governor: Monetary policy is pre-emptive, not premature](#) Bank Negara Malaysia (BNM) Governor Tan Sri Nor Shamsiah Mohd Yunus wrote a letter to editors on Sunday (May 28), with the title "Monetary policy is pre-emptive, not premature", as seen here below. (The Edge Markets)
- [BNM: Currency depreciation not limited to Malaysia](#) The recent depreciation of the ringgit against the US dollar is not limited to Malaysia alone, according to Bank Negara Malaysia (BNM). (The Edge Markets)

Asia Pacific

- [China industrial profits tumble 18.0% in April as demand sputters](#) Profits at China's industrial firms slumped in the first four months of 2023, official data showed on Saturday, as companies continued to struggle with margin pressures and soft demand amid a faltering economic recovery. (Reuters)
- [Japan unveils policy blueprint featuring childcare, no mention of funding](#) Japan on Friday announced its mid-term economic policy framework, featuring Prime Minister Fumio Kishida's "new capitalism" priorities, such as efforts to stem a declining birthrate with increases in childcare spending. (Reuters)

Americas

- [Debt-ceiling deal's road to passage in Congress](#) Democratic President Joe Biden and top congressional Republican Kevin McCarthy struck a deal on Saturday to suspend the federal government's USD31.4t limit on U.S. government borrowing, in order to avert a catastrophic default as soon as June 5. (Reuters)
- [Strong US consumer spending, inflation readings put Fed in tough spot](#) U.S. consumer spending increased more than expected in April, boosting the economy's growth prospects for the second quarter, and inflation picked up, which could prompt the Federal Reserve to raise interest rates again next month. (Reuters)
- [Fed 'pause' on rate hikes in doubt after strong US data](#) Federal Reserve policymakers got a dose of unexpectedly strong U.S. economic data on Friday that bolstered the case for further monetary policy tightening to bring down persistently high inflation. (Reuters)

Europe

- [ECB's Makhoul ready for two more rate hikes, open-minded beyond that](#) Another two rate hikes from the European Central Bank are still on the cards but moves further out remain open to debate as inflation is still stubborn, Irish central bank chief Gabriel Makhoul said. (Reuters)
- [Bank of England's Haskel says policy should lean against sticky inflation](#) The Bank of England needs to push back against the risk that high inflation proves unexpectedly sticky, and may need to raise interest rates further, Monetary Policy Committee (MPC) member Jonathan Haskel said on Thursday. (Reuters)



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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
HAP SENG CONSOLIDATED	4.120	21.04	16.53	9.29	4.010
BERJAYA FOOD BHD	0.620	22.64	22.50	38.23	0.590
DAGANG NEXCHANGE BHD	0.395	22.78	19.47	5.41	0.390
PMB TECHNOLOGY BHD	3.780	23.00	15.01	2.71	3.700
KOBAY TECHNOLOGY BHD	2.000	23.89	24.32	52.89	1.900
PLS PLANTATIONS BHD	0.790	24.58	19.49	3.13	0.790
AJIYA BHD	1.430	25.08	15.94	1.67	1.400
BERJAYA CORP BHD	0.280	25.84	23.29	29.32	0.240
CHIN WELL HOLDINGS BHD	1.440	26.03	17.28	0.69	1.430
CYPARK RESOURCES BHD	0.615	26.69	18.34	2.49	0.610
SKP RESOURCES BHD	1.010	26.72	25.76	42.77	0.965
FORMOSA PROSONIC INDS BHD	2.400	27.61	26.61	27.12	2.300
BONIA CORP BHD	1.950	29.24	26.95	32.94	1.910

*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	20.500	84.21	85.24	81.90	20.500
AIRASIA X BHD	2.090	82.69	88.58	96.30	2.100
ELK-DESA RESOURCES	1.230	81.43	89.81	99.74	1.230
RCE CAPITAL BHD	2.040	78.35	82.76	92.27	2.050
HEXTAR GLOBAL BHD	0.765	74.46	81.58	92.44	0.780
ORIENTAL INTEREST BHD	1.090	71.10	70.60	54.06	1.150

*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
NASDAQ 100 STOCK INDEX-H6	0.010	13.99	7.45	0.22	0.010	19/6/2023
CLASSIC SCENIC BHD-WA	0.090	26.55	22.52	3.12	0.090	8/8/2026
HANG SENG INDEX-LZ	0.150	29.71	24.98	10.31	0.130	30/6/2023

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D	EXPIRY DATE
YTL CORP BHD-C55	0.210	84.66	86.45	89.15	0.210	25/9/2023
YTL CORP BHD-C54	0.180	84.32	85.23	87.61	0.185	21/8/2023
YTL CORP BHD-C56	0.320	82.93	85.44	89.69	0.320	31/7/2023
CENTRAL GLOBAL BHD-WA	0.585	82.35	84.15	90.07	0.625	26/7/2025
ECOFIRST CONSOLIDATED BHD-WD	0.135	71.39	77.22	93.71	0.135	22/7/2026

Source: Bloomberg

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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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