

11 July 2023

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BURSA	10-Jul	Day chg	% chg
KLCI	1,383.1	5.39	0.39%
FTSE EMAS	10,198.7	32.2	0.32%
FTSE Smallcap	15,108.3	18.18	0.12%
FTSE MESDAQ	5,158.4	18.6	0.36%
KLSE Mkt Cap (RM'b)	1,600.96	5.4	0.34%

**BURSA DAILY TRADING PARTICIPATION**

Participation	Net (RM'm)	Value (%)
Local Institution	82.0	35.6%
Local Retail	-11.5	32.7%
Foreign	-70.5	31.7%

INDICES	10-Jul	Day chg	% chg
Dow Jones	33,944.4	209.5	0.62%
S&P 500	4,409.5	10.6	0.24%
NASDAQ	13,685.5	24.76	0.18%
FTSE-100	7,273.8	16.9	0.23%
Nikkei 225	32,189.7	-198.7	-0.61%
SHCOMP	3,203.7	7.087	0.22%
HSI	18,479.7	114.0	0.62%
STI	3,149.3	9.9	0.31%
KOSPI	2,520.7	-6.0	-0.24%
TWSE	16,652.8	-11.4	-0.07%
JCI	6,731.0	14.579	0.22%
SET	1,496.9	6.4	0.43%

FOREX	10-Jul	7-Jul	% chg
USD/MYR:	4.6705	4.6665	0.09%
EUR/USD:	1.0959	1.0967	-0.07%
GBP/USD:	1.2788	1.2839	-0.40%
USD/YEN:	142.45	142.21	0.17%
USD/SGD:	1.3488	1.3468	0.15%
USD/HKD:	7.8287	7.8275	0.02%

**KEY STATS**

KLCI Spot			
Vol (m shares):	2,242.0	1,974.6	13.54%
Value (RMm):	1,508.4	1,408.8	7.07%
KLCI Future			
July-23	1,384.5	1,376.5	0.58%
August-23	1,384.0	1,376.0	0.58%
CPO Price (RM/tonne)	3,932.0	3,849.0	2.16%
Soybean (US\$/bu)	1,455.5	1,427.8	1.94%
SoyOil (USc/lb)	62.9	60.3	4.33%
Gold (US\$/troy oz)	1,931.0	1,932.5	-0.08%
Nymex crude oil (US\$/bbl)	73.0	73.9	-1.18%
Latex (RM/kg)	4.94	4.92	0.30%
Tin (US\$/mt)	28,435.00	28,887.0	-1.56%

# Research Highlights

**NEWS HIGHLIGHTS**

- Power supply to Cahya Mata's phosphate plant cut off
- Fajarbaru wins RM7.4m contract in planning phase of RMAF Butterworth Base redevelopment project
- MPay to provide open toll payment system for two highways operated by Prolintas
- Censof bags RM13.4m financial management system development job from SSM
- Ni Hsin inks deal to enable Boustead to distribute electric motorcycle within group

**MACRO BITS**

- Business leaders left in limbo by rate hike impact lag
- Nato's outreach in Asia exposes US' selfishness, will further divide group — reports
- Unemployment rate remained steady at 3.5% in May amid a record participation rate (See Economic Viewpoint: Malaysia Labour Market)
- Foreign inflows into the bond market strengthened in June amid China outflows (See Economic Viewpoint: Malaysia Bond Flows)
- Deputy minister: US companies keen to explore greenfield investments in Malaysia
- Zafrul: Up to BNM to decide whether exporters must convert proceeds into ringgit
- Malaysia a dynamic hub for technology and innovation, says Fahmi
- China's deflation pressure builds as consumer prices falter
- China's factory gate prices fall at fastest pace in 7 years
- Too early to rule out risk of US recession, says Yellen
- Bank of Canada seen hiking rates quarter point to tame stubborn inflation
- UK jobs market cools again, pay growth weakest since April 2021: REC
- UK firms most upbeat in 10 months despite economic headwinds, survey shows

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

- Sector Update: Plantation
- Conviction Call: STAR
- Results Note: AEONCR
- Economic Viewpoint: MY Bond Flows, MY Labour Market

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	CIMB	5.19	0.6	11.80	DIALOG	2.20	4.3	5.38	MRDIY	1.50	-1.3	3.66
2	RHBBANK	5.42	0.4	8.17	PMETAL	4.87	1.7	2.22	AXIATA	2.54	-1.2	2.93
3	PBBANK	3.86	0.3	7.38	CELCOMDIGI	4.10	1.2	0.79	TM	4.77	-0.4	2.22
4	DIALOG	2.20	4.3	5.38	SIMEPLT	4.33	1.2	1.47	QL	5.30	-0.4	1.23
5	GENM	2.46	0.0	4.82	MAXIS	3.99	1.0	2.39	WPRTS	3.53	-0.3	0.88
6	MAYBANK	8.67	0.0	4.18	MISC	7.06	1.0	0.62	TENAGA	9.03	-0.2	3.55
7	MRDIY	1.50	-1.3	3.66	KLK	22.70	0.7	1.27	HLBANK	18.82	-0.2	1.40
8	TENAGA	9.03	-0.2	3.55	PCHEM	6.06	0.7	1.43	AMBANK	3.60	0.0	1.40
9	AXIATA	2.54	-1.2	2.93	CIMB	5.19	0.6	11.80	GENM	2.46	0.0	4.82
10	SIME	2.06	0.5	2.57	IOICORP	3.77	0.5	0.86	GENTING	4.09	0.0	1.61

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Power supply to Cahya Mata's phosphate plant cut off**

Electricity supply to Cahya Mata Sarawak Bhd's phosphate production plant housed under the group's subsidiary Cahya Mata Phosphates Industries Sdn Bhd (CMPI) has been cut off. This came after the Court of Appeal dismissed CMPI's bid for a preservation order to bar state utility firm Syarikat SESCO Bhd from terminating power supply to the plant, said Cahya Mata in a bourse filing on Monday (July 10). Cahya Mata sought the preservation order to maintain status quo, pending its appeal against the Kuching High Court's decision in June to dismiss its interim injunction application. "The Court of Appeal did not grant the preservation order, which then led to SESCO terminating the electricity supply to CMPI's plant at 12.30pm this afternoon," the diversified group said. (*The Edge Markets*)

- **Fajarbaru wins RM7.4m contract in planning phase of RMAF Butterworth Base redevelopment project**

Fajarbaru Builder Group Bhd's unit won a RM7.4m contract from Australian Department of Defence in the planning phase of military facilities redevelopment at the Royal Malaysian Air Force (RMAF) Base in Butterworth, Penang. The redevelopment is meant for facilities both leased by the Australian Department of Defence, as well as those belonging to the Malaysian government, according to Fajarbaru's stock exchange filing on Monday (July 10). The scope of the contract includes operational and recreational upgrades to airfield pavements, ground lighting infrastructure, drainage, rugby pitch, futsal court and associated infrastructure. (*The Edge Markets*)

- **MPay to provide open toll payment system for two highways operated by Prolintas**

ManagePay Systems Bhd (MPay) said its wholly-owned unit has been appointed as an open payment system provider at selected toll lanes for the Ampang-Kuala Lumpur Elevated Highway (AKLEH) and Guthrie Corridor Expressway (GCE). ManagePay Services Sdn Bhd's (MPSB) appointment was made by Turnpike Synergy Sdn Bhd, a subsidiary of highway concessionaire Projek Lintasan Kota Holdings Sdn Bhd (Prolintas), which is in turn owned by Permodalan Nasional Bhd. Besides AKLEH and GCE, Prolintas is also the concessionaire for four other highways — Lebuhraya Kemuning Shah Alam (LKSA), Kajang SILK Highway (SILK), the Sungai Besi Ulu Kelang Elevated Expressway (SUKEL) and Damansara Shah Alam Elevated Expressway (DASH). (*The Edge Markets*)

- **Censof bags RM13.4m financial management system development job from SSM**

Censof Holdings Bhd has secured a RM13.4m contract from the Companies Commission of Malaysia (SSM) to develop a financial management system. In a bourse filing on Monday (July 10), the financial management software solutions provider said the contract also pertains to the supply, implementation, warranty, support, maintenance, and licences of the financial management system. The letter of award was accepted by Censof's wholly owned subsidiary Century Software (M) Sdn Bhd. The contract is to span six years — from July 19, 2023, to July 18, 2029 — with no option to extend or renew upon its expiry. Censof said the contract is expected to contribute positively to the group's earnings and net assets per share for the financial years ending March 31, 2024 (FY2024) onwards. (*The Edge Malaysia*)



- **Ni Hsin inks deal to enable Boustead to distribute electric motorcycle within group**

Ni Hsin Group Bhd has joined hands with recently-delisted Boustead Holdings Bhd for the promotion and marketing of the group's electric motorcycle, Ebixon EV, within Boustead's workforce. In a bourse filing on Monday (July 10), the stainless steel cookware maker said the group's wholly owned subsidiary Ni Hsin EV Tech Sdn Bhd (NH EV Tech) inked a three-year corporate agent agreement to appoint Boustead's wholly owned unit Boustead Technology Sdn Bhd as a corporate agent to promote, market, sell and distribute the Ebixon EV exclusively within Boustead's internal workforce. "The rationale of the [agreement] is for NH EV Tech to leverage on Boustead to promote and market the products (Ebixon EV and related products)," Ni Hsin said. (*The Edge Markets*)

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## Macro Bits

### Global

- [Business leaders left in limbo by rate hike impact lag](#) An unusually long lag in the time interest rate hikes are taking to feed through to the economy has left corporate leaders guessing whether to prepare for a hard or soft landing. *(Reuters)*
- [Nato's outreach in Asia exposes US' selfishness, will further divide group — reports](#) Rifts within the Nato alliance over the potential expansion of the bloc's presence in Asia Pacific ahead of the Nato summit next week have been exposed by strong opposition from French President Emmanuel Macron, said Global Times. *(The Edge Markets)*

### Malaysia

- **Unemployment rate remained steady at 3.5% in May amid a record participation rate** The unemployment rate remained at 3.5% for the fourth straight month in May (Apr: 3.5%). Unemployment rate forecast remains at 3.5% (2022: 3.8%) and is expected to decline to 3.4% in 2024. *(See Economic Viewpoint: Malaysia Labour Market)*
- **Foreign inflows into the bond market strengthened in June amid China outflows** Foreign investors remained net buyers of Malaysia's debt securities for the sixth consecutive month in June (RM5.2b; May: RM3.0b), rising to a three-month high. Foreign inflows into the bond market to strengthen further should the Fed continue to keep rates unchanged. *(See Economic Viewpoint: Malaysia Bond Flows)*
- [Deputy minister: US companies keen to explore greenfield investments in Malaysia](#) Companies from the US have shown significant interest in exploring greenfield entries into Malaysia, said Deputy Finance Minister II Steven Sim Chee Keong. *(The Edge Markets)*
- [Zafrul: Up to BNM to decide whether exporters must convert proceeds into ringgit](#) Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said it is Bank Negara Malaysia's (BNM) call whether exporting companies should be compelled to convert their export proceeds back into ringgit. *(The Edge Markets)*
- [Malaysia a dynamic hub for technology and innovation, says Fahmi](#) Malaysia has emerged as a dynamic hub for technology and innovation, boasting a vibrant start-up ecosystem and an inspiring entrepreneurial spirit, said Communications and Digital Minister Fahmi Fadzil. *(The Edge Markets)*

### Asia Pacific

- [China's deflation pressure builds as consumer prices falter](#) China's producer prices fell at their fastest pace in over seven years in June, while consumer prices teetered on the edge of deflation, adding to the case for policymakers to use more stimulus to revive sluggish demand. *(Reuters)*
- [China's factory gate prices fall at fastest pace in 7 years](#) China's factory-gate prices fell at the fastest pace in seven-and-a-half years in June, while consumer inflation was at its slowest since 2021, adding to the case for policymakers to use more stimulus to revive sluggish demand. *(Reuters)*

### Americas

- [Too early to rule out risk of US recession, says Yellen](#) US Treasury Secretary Janet Yellen wouldn't rule out the threat of a US recession, saying it's "appropriate and normal" for growth to moderate, and that inflation remains too high. *(The Edge Markets)*
- [Bank of Canada seen hiking rates quarter point to tame stubborn inflation](#) The Bank of Canada (BoC) is heading toward a second consecutive quarter-point interest rate hike on Wednesday after a month of economic data revealed resilient growth, a stubbornly tight labor market and sticky underlying inflation, analysts said. *(Reuters)*

### Europe

- [UK jobs market cools again, pay growth weakest since April 2021: REC](#) Pay pressures in Britain's labour market cooled further in June, according to a survey of recruiters published on Monday that could help ease some of the Bank of England's (BoE) concerns about inflation pressure. *(Reuters)*
- [UK firms most upbeat in 10 months despite economic headwinds, survey shows](#) British companies were the most upbeat about their trading prospects in 10 months in June and their hiring plans increased again but rising interest rates could prompt consumers to rein in spending, according to a survey published on Sunday. *(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
DUTCH LADY MILK INDS BHD	20.480	3.80	1.34	0.01	20.340
FARM FRESH BHD	1.060	12.52	7.30	0.29	0.990
THONG GUAN INDUSTRIES BHD	2.030	21.71	15.89	4.64	2.030
SPRITZER BHD	1.470	27.68	24.58	41.93	1.450
DKSH HOLDINGS MALAYSIA BHD	4.770	29.62	20.31	7.64	4.740
GUAN CHONG BHD	2.170	29.92	23.62	5.69	2.160

\*Only for stocks with market cap &gt;RM300m

Source: Bloomberg

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D
EWEIN BHD	1.150	78.66	78.16	64.40	1.240
NAIM HOLDINGS BERHAD	0.845	73.67	72.35	50.92	0.945
GLOBETRONICS TECHNOLOGY BHD	1.400	73.04	77.10	88.46	1.430
HUME CEMENT INDUSTRIES BHD	1.720	71.78	70.56	59.42	1.770

\*Only for stocks with market cap &gt;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
ASTRO MALAYSIA HOLDINGS BHD-C46	0.025	27.43	23.05	37.22	0.015	28/11/2023
ASTRO MALAYSIA HOLDINGS BHD-C45	0.010	28.07	21.44	7.18	0.005	10/11/2023
HANG SENG INDEX-OO	0.005	29.81	25.09	9.56	0.005	28/7/2023

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D	EXPIRY DATE
WCE HOLDINGS BHD-WF	0.410	91.97	96.39	99.94	0.415	18/11/2029
LOTUS KFM BHD-WB	0.105	79.66	85.17	97.37	0.115	25/11/2024
UEM SUNRISE BHD-C82	0.105	77.41	81.19	88.96	0.105	29/9/2023
UEM SUNRISE BHD-C83	0.115	77.13	81.70	88.66	0.115	28/11/2023
SAMAIDEN GROUP BHD-WA	0.290	75.92	78.90	75.36	0.315	21/6/2026
CAB CAKARAN CORP BHD-WB	0.220	75.74	76.42	88.01	0.225	31/5/2028
SOLARVEST HOLDINGS BHD-WA	0.310	72.94	78.31	80.77	0.320	27/2/2026
UEM SUNRISE BHD-C84	0.110	71.49	79.79	91.72	0.110	28/12/2023
MESTRON HOLDINGS BHD-WA	0.145	70.73	75.82	97.06	0.150	17/8/2026

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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