

12 July 2023

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BURSA	11-Jul	Day chg	% chg
KLCI	1,391.5	8.4	0.61%
FTSE EMAS	10,256.6	57.9	0.57%
FTSE Smallcap	15,193.1	84.80	0.56%
FTSE MESDAQ	5,219.5	61.1	1.18%
KLSE Mkt Cap (RM'b)	1,609.7	8.7	0.54%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	60.0	37.6%
Local Retail	-19.2	28.5%
Foreign	-40.9	33.9%

INDICES	11-Jul	Day chg	% chg
Dow Jones	34,261.4	317.0	0.93%
S&P 500	4,439.3	29.7	0.67%
NASDAQ	13,760.7	75.22	0.55%
FTSE-100	7,282.5	8.7	0.12%
Nikkei 225	32,203.6	13.8	0.04%
SHCOMP	3,221.4	17.671	0.55%
HSI	18,659.8	180.1	0.97%
STI	3,163.8	14.5	0.46%
KOSPI	2,562.5	41.8	1.66%
TWSE	16,898.9	246.1	1.48%
JCI	6,796.9	65.886	0.98%
SET	1,497.0	0.1	0.00%

FOREX	11-Jul	10-Jul	% chg
USD/MYR:	4.6590	4.6705	-0.25%
EUR/USD:	1.1006	1.0959	0.43%
GBP/USD:	1.2913	1.2788	0.98%
USD/YEN:	140.38	142.45	-1.45%
USD/SGD:	1.3416	1.3488	-0.53%
USD/HKD:	7.8279	7.8287	-0.01%

KEY STATS

KLCI Spot			
Vol (m shares):	2,831.6	2,242.0	26.30%
Value (RMm):	1,864.6	1,508.4	23.62%
KLCI Future			
July-23	1,392.0	1,384.5	0.54%
August-23	1,392.5	1,384.0	0.61%
CPO Price (RM/tonne)	3,895.0	3,932.0	-0.94%
Soybean (US\$/bu)	1,471.5	1,455.5	1.10%
SoyOil (USc/lb)	62.1	62.9	-1.16%
Gold (US\$/troy oz)	1,937.1	1,931.0	0.32%
Nymex crude oil (US\$/bbl)	74.8	73.0	2.52%
Latex (RM/kg)	4.94	4.94	0.00%
Tin (US\$/mt)	28,316.00	28,435.0	-0.42%

Research Highlights

NEWS HIGHLIGHTS

- **Scientex buys land in Johor for RM299.8m (Comment included in Kenanga Today)**
- **SCIB signs MOU with IRIX to participate in submarine cable system project**
- **Bright Packaging's JV deal with Datai Plantations becomes unconditional**
- **Main Market-bound MST Golf's IPO attracts RM924m interest from institutional investors**
- **Sin-Kung Logistics seeks to expand warehousing and distribution services via ACE Market listing**

MACRO BITS

- **Australia PM Albanese to meet Macron over EU trade obstacles**
- **Payung Rahmah initiative successfully stabilised inflation, says Salahuddin**
- **Zafrul: Miti committed to creating high-value growth ecosystem to support investors**
- **Asean+3 growth momentum to remain intact as risks recede, says AMRO**
- **Rice soars to two-year high in Asia on El Niño drought risks**
- **China signals more economic aid after property debt relief**
- **China's loan growth picks up after rate cut to boost economy**
- **Fed closing in on end of rate hiking cycle, central bank officials say**
- **Brazil's Lula expects Senate to pass tax reform by year-end**
- **Brazilian inflation hits nearly three-year low; rate cuts on the horizon**
- **Food prices squeeze consumers in June, hot weather boosts summer spending: BRC**
- **Bank of England may need to keep rates higher for longer, IMF says**

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Sector Update: Technology**
- **Company Update: SAMAIDEN, VELESTO**

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	CIMB	5.21	0.4	14.80	IOICORP	3.88	2.9	1.23	PMETAL	4.80	-1.4	2.65
2	PBBANK	3.87	0.3	12.00	PETDAG	22.40	2.0	0.27	MRDIY	1.49	-0.7	7.46
3	AXIATA	2.55	0.4	7.46	CELCOMDIGI	4.18	2.0	1.78	AMBANK	3.58	-0.6	4.73
4	MRDIY	1.49	-0.7	7.46	SIME	2.10	1.9	3.07	GENM	2.46	0.0	4.45
5	TENAGA	9.05	0.2	6.68	TM	4.86	1.9	3.27	PPB	15.90	0.0	0.36
6	MAYBANK	8.74	0.8	6.33	DIALOG	2.23	1.4	3.33	QL	5.30	0.0	1.40
7	RHBBANK	5.44	0.4	6.30	PCHEM	6.14	1.3	2.76	WPRTS	3.53	0.0	0.37
8	AMBANK	3.58	-0.6	4.73	SIMEPLT	4.38	1.2	2.60	TENAGA	9.05	0.2	6.68
9	GENM	2.46	0.0	4.45	KLK	22.94	1.1	1.08	NESTLE	131.20	0.2	0.05
10	DIALOG	2.23	1.4	3.33	IHH	5.88	1.0	1.82	HLFG	17.34	0.2	0.17

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Scientex buys land in Johor for RM299.8m**

Scientex Bhd, via effectively 70%-owned Scientex Lestari Sdn Bhd, has entered into a conditional sales and purchase agreement with Seriemas Development Sdn Bhd for the proposed acquisition of six parcels of freehold land measuring a total of 551 acres in Mukim Senai in Kulai, Johor, for RM299.8m. It intends to develop on the land a mixed property project with about 7,000 affordable houses. (*New Straits Times*)

Comment: At RM12.50 per sq ft (psf), we believe SCIENTEX is getting a good deal here, considering an average asking price of about RM20 psf for large land tracts in the same area based on our quick search on the Internet. We believe the discounted valuation could be due to: (i) the land potentially being more undulating than usual, and hence may require additional cut and fill works; and (ii) a potentially lower land efficiency (i.e. sellable land as a percentage of total land area) owing to land use restrictions. Coupled with its recently announced acquisition of 960 acres of land in Mukim Tebrau, Johor, for RM547.7m, its net gearing will rise to 0.48x from 0.22x as at end-Apr 2023 that is still manageable. We are positive on the latest move by SCIENTEX but we see it as part and parcel of ensuring the sustainability of its property development earnings over the long term, and hence we maintain our forecasts, TP and **UNDERPERFORM** call given its rich valuations. (Analyst: Teh Kian Yeong)

- **SCIB signs MOU with IRIX to participate in submarine cable system project**

Sarawak Consolidated Industries Bhd (SCIB) has signed a Memorandum of Understanding (MOU) with IRIX Sdn Bhd that will pave the way for SCIB to acquire a 30% stake in IRIX SEA H2X Sdn Bhd, pending satisfactory due diligence. SCIB announced on Tuesday (July 11) that through its MOU with IRIX, the company would participate in the SEA-H2X project by investing in IRIX SEA H2X, which is part of the consortium responsible for constructing and operating the Southeast Asia Hainan-Hong Kong express cable system. (*The Edge Markets*)

- **Bright Packaging's JV deal with Datai Plantations becomes unconditional**

Bright Packaging Bhd announced its joint venture deal with Datai Plantations Sdn Bhd (DPSB) to diversify into oil palm plantations has become unconditional, thereby fulfilling its obligation to invest in DPSB. In a filing Tuesday (July 11), upon fulfilling the conditions precedent set in the joint venture agreement, it discharged its obligation to invest in DPSB under clause 4.1 of the agreement. The joint venture will facilitate Bright Packaging's expansion into oil palm plantations, together with facilities and the provision of services ancillary to such plantation on parcels of land located in Sarikei, Sarawak. (*The Edge Markets*)



- **Main Market-bound MST Golf's IPO attracts RM924m interest from institutional investors**

Golf equipment retail chain operator MST Golf Group Bhd's initial public offering (IPO) to raise RM184.7m from the sale of new and existing shares at 81 sen apiece has attracted an "overwhelming demand" of RM924m orders from institutional investors. In a statement, Malaysian Issuing House Sdn Bhd, on behalf of MST Golf, said total demand for the group's 228m IPO shares — comprising 160m public issue shares and 68m shares offered for sale by existing shareholders — represents a subscription rate of 5.3 times, it said. (*The Edge Markets*)

- **Sin-Kung Logistics seeks to expand warehousing and distribution services via ACE Market listing**

Sin-Kung Logistics Bhd targets an initial public offering (IPO) and listing on the ACE Market of Bursa Malaysia to fund its warehousing and distribution services' expansion. The company proposed a public issue of 200m new shares and an offer for sale of 103.5m existing shares, bringing it to an enlarged number of shares of 1.2b after the IPO. Its date of listing and IPO price have yet to be announced, according to its prospectus exposure on Bursa Malaysia on Monday (July 10). (*The Edge Markets*)

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Macro Bits

Global

- [Australia PM Albanese to meet Macron over EU trade obstacles](#) Australia's Prime Minister Anthony Albanese said it was important for exporters to gain access to European markets under any EU free trade deal, and he would raise obstacles to an agreement in talks with French President Emmanuel Macron on Tuesday (July 11). (*The Edge Malaysia*)

Malaysia

- [Payung Rahmah initiative successfully stabilised inflation, says Salahuddin](#) The Payung Rahmah initiative carried out by the Ministry of Domestic Trade and Cost of Living has purportedly proven to be successful in stabilising inflation at a low level. (*The Edge Markets*)
- [Zafrul: Miti committed to creating high-value growth ecosystem to support investors](#) The Ministry of Investment, Trade and Industry (Miti) is committed to supporting current investors and potential investors by creating a high-value growth ecosystem. (*The Edge Markets*)

Asia Pacific

- [Asean+3 growth momentum to remain intact as risks recede, says AMRO](#) The Asean+3 Macroeconomic Research Office (AMRO) said growth momentum for Asean+3 region remains intact as downside risks have receded, according to its July quarterly update of the 2023 Asean+3 Regional Economic Outlook (AREO). (*The Edge Markets*)
- [Rice soars to two-year high in Asia on El Niño drought risks](#) Rice prices in Asia have surged to the highest level in more than two years, as importers build up stockpiles on fears that the onset of El Niño will parch plantations and damage crops. (*The Edge Markets*)
- [China signals more economic aid after property debt relief](#) China signalled that more economic support measures are imminent after authorities took a small step towards supporting the ailing property market by extending loan relief for developers. (*The Edge Markets*)
- [China's loan growth picks up after rate cut to boost economy](#) China's new loans accelerated in June after a central bank interest rate cut in the middle of the month aimed at boosting credit demand. (*The Edge Markets*)

Americas

- [Fed closing in on end of rate hiking cycle, central bank officials say](#) The Federal Reserve will likely need to raise interest rates further to bring down inflation that is still too high, but the end to its current monetary policy tightening cycle is getting close, several U.S. central bank officials said on Monday. (*Reuters*)
- [Brazil's Lula expects Senate to pass tax reform by year-end](#) Brazilian President Luiz Inacio Lula da Silva said on Tuesday he expects the Senate to pass by the end of the year a proposed tax reform restructuring the country's complex consumption taxes, which gained approval from the lower house last week. (*Reuters*)
- [Brazilian inflation hits nearly three-year low; rate cuts on the horizon](#) Brazil's annual inflation in June fell to its lowest level since September 2020, data from statistics agency IBGE showed on Tuesday, renewing bets that an interest rate cut is around the corner as consumer prices continue to trend down. (*Reuters*)

Europe

- [Food prices squeeze consumers in June, hot weather boosts summer spending: BRC](#) Unusually hot weather boosted sales of sun screen and barbecue food in Britain last month, a British Retail Consortium survey showed on Tuesday, but consumers spent less on big-ticket items as high food prices continued to squeeze their budgets. (*Reuters*)
- [Bank of England may need to keep rates higher for longer, IMF says](#) The Bank of England may have to keep interest rates high for an extended period if inflation pressures persist, and it was right to raise them by half a percentage point last month, the International Monetary Fund's directors said on Tuesday. (*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	20.340	3.62	1.25	0.01	20.220
FARM FRESH BHD	1.070	15.61	12.31	19.83	0.990
THONG GUAN INDUSTRIES BHD	2.010	20.06	14.21	3.56	2.000
DKSH HOLDINGS MALAYSIA BHD	4.620	23.90	14.12	1.86	4.610
GUAN CHONG BHD	2.110	26.70	19.64	3.19	2.100
SPRITZER BHD	1.470	27.68	24.58	41.93	1.450

*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
EWEIN BHD	1.200	81.11	81.70	80.49	1.240
SARAWAK CONSOLIDATED INDUSTR	0.485	80.86	79.42	81.23	0.490
GLOBETRONICS TECHNOLOGY BHD	1.440	76.14	80.84	92.95	1.440
NAIM HOLDINGS BERHAD	0.860	74.61	73.62	57.11	0.945
MSM MALAYSIA HOLDINGS BHD	1.160	74.26	78.88	91.46	1.170
EG INDUSTRIES BHD	1.470	73.38	79.46	85.97	1.490
UCHI TECHNOLOGIES BHD	3.610	71.60	74.34	84.37	3.640
LBS BINA GROUP BHD	0.450	70.17	75.15	89.95	0.455

*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
FARM FRESH BHD-CT	0.005	19.05	14.31	2.22	0.005	30/11/2023
ASTRO MALAYSIA HOLDINGS BHD-C46	0.020	25.35	20.12	23.90	0.015	28/11/2023
ASTRO MALAYSIA HOLDINGS BHD-C45	0.010	28.07	21.44	7.18	0.005	10/11/2023
MALAYSIA SMELTING CORP BHD-CI	0.020	29.01	32.91	40.82	0.005	30/8/2023
DRB-HICOM BHD-U	0.085	29.49	35.07	36.49	0.070	31/10/2023
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	0.470	94.28	97.65	99.97	0.485	18/11/2029
LOTUS KFM BHD-WB	0.130	84.30	89.36	98.59	0.140	25/11/2024
UEM SUNRISE BHD-C83	0.125	79.04	83.64	90.95	0.130	28/11/2023
SAMAIDEN GROUP BHD-WA	0.305	78.53	81.87	83.61	0.315	21/6/2026
UEM SUNRISE BHD-C82	0.105	77.41	81.19	88.96	0.120	29/9/2023
MALAYSIA BUILDING SOCIETY BHD-C54	0.100	74.39	82.98	98.18	0.100	25/9/2023
CAB CAKARAN CORP BHD-WB	0.215	72.73	71.63	73.22	0.225	31/5/2028

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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Published by:

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