

22 July 2024

By Kylie Chan | kyliechan@kenanga.com.my Nigel Ng | nigel@kenanga.com.my

BURSA	19-Jul	Day chg	% chg
KLCI	1,636.6	2.74	0.17%
FTSE EMAS	12,659.3	-17.2	-0.14%
FTSE Smallcap	19,874.6	-66.70	-0.33%
FTSE MESDAQ	5,934.2	-64.9	-1.08%
KLSE Mkt Cap (RM'b)	1,997.5	-2.9	-0.14%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-101.9	46.3%
Local Retail	8.7	22.9%
Foreign	93.1	30.8%

INDICES	19-Jul	Day chg	% chg
Dow Jones	40,287.5	-377.5	-0.93%
S&P 500	5,505.0	-39.6	-0.71%
NASDAQ	17,726.9	-144.3	-0.81%
FTSE-100	8,155.7	-49.2	-0.60%
Nikkei 225	40,063.8	-62.6	-0.16%
SHCOMP	2,982.3	5.2	0.17%
HSI	17,417.7	-360.7	-2.03%
STI	3,447.6	-23.6	-0.68%
KOSPI	2,795.5	-28.9	-1.02%
TWSE	22,869.3	-529.2	-2.26%
JCI	7,294.5	-26.6	-0.36%
SET	1,317.1	-7.6	-0.58%

FOREX	19-Jul	18-Jul	% chg
USD/MYR:	4.6858	4.6695	0.35%
EUR/USD:	1.0882	1.0933	-0.47%
GBP/USD:	1.2914	1.2991	-0.59%
USD/YEN:	157.48	156.40	0.69%
USD/SGD:	1.3453	1.3407	0.34%
USD/HKD:	7.8110	7.8085	0.03%

KEY STATS

KLCI Spot			
Vol (m shares):	4,431.4	5,486.7	-19.23%
Value (RMm):	3,271.7	4,222.6	-22.52%
KLCI Future			
July-24	1,640.0	1,639.0	0.06%
August-24	1,643.0	1,642.0	0.06%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,097.3	1,098.5	-0.11%
SoyOil (USc/lb)	45.7	45.7	-0.11%
Gold (US\$/troy oz)	2,399.1	2,456.4	-2.33%
Nymex crude oil (US\$/bbl)	80.1	82.8	-3.25%
Latex (RM/kg)	6.15	6.18	-0.49%
Tin (US\$/mt)	30,845.0	31,389.0	-1.73%

Research Highlights

NEWS HIGHLIGHTS

- EG Industries secures US\$117m purchase order for 5G photonics related products
- Fima Corp bags RM94m printing contract from Education Ministry
- Masteel plans to raise up to RM32m via placement for working capital
- MCE Holdings bags RM19.6m contract to supply parts for Perodua's first EV
- Ingenieur Gudang reports higher 2Q profit on disposal gain, higher construction revenue

MACRO BITS

- Russia hikes import tariffs for consumer goods from 'unfriendly countries'
- Trump welcomes China to build cars in US in departure from Biden
- GDP grew by 5.8%, surpassing market expectation (See *Economic Viewpoint: Malaysia 2Q24 Advance GDP*)
- Projected 2Q growth of 5.8% will strengthen nation — PM
- Fiscal reform to continue, with Medium Term Revenue Strategy, says MOF
- Govt monitoring to ensure debt service charge-to-revenue ratio does not exceed 15.0%, Parliament told
- Foreign tourist arrivals surged to 9.48m as of May 2024 — Zahid
- South Korea seeks closer economic relations with Terengganu
- Asia investors see a Biden departure boosting 'Trump Trade'
- Long-awaited Chinese policy update presents no major shift
- Fed's Williams says long-term trends still back low neutral rate
- Downshifting US inflation will help reassure the Fed
- ECB policymakers back more rate cuts as inflation heads back to goal
- UK finance minister hints at above-inflation pay rises for public sector workers

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: HPPHB
- Company Update: GENP
- Weekly Technical Review: DJIA, KLCI
- Economics Viewpoint: MY 2Q24 Advance GDP

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	YTLPOWR	4.80	0.0	26.20	SDG	4.50	4.7	12.10	PETGAS	18.20	-1.7	0.08
2	PBBANK	4.24	-0.2	22.50	KLK	21.50	2.9	0.67	SIME	2.64	-1.5	11.10
3	CIMB	7.15	0.0	18.20	AXIATA	2.63	1.5	8.43	QL	6.70	-1.3	4.41
4	YTL	3.58	-0.6	14.70	PMETAL	5.56	1.1	11.40	YTL	3.58	-0.6	14.70
5	SDG	4.50	4.7	12.10	MAXIS	3.63	0.8	2.16	CDB	3.71	-0.5	6.67
6	PMETAL	5.56	1.1	11.40	GENTING	4.83	0.6	9.35	GENM	2.62	-0.4	6.77
7	SIME	2.64	-1.5	11.10	IOICORP	3.85	0.5	4.27	PBBANK	4.24	-0.2	22.50
8	MAYBANK	10.10	0.0	10.60	SUNWAY	4.11	0.5	10.00	IHH	6.33	-0.2	4.29
9	SUNWAY	4.11	0.5	10.00	NESTLE	122.50	0.4	0.04	PETDAG	16.86	-0.1	0.52
10	GENTING	4.83	0.6	9.35	MISC	8.65	0.4	5.05	CIMB	7.15	0.0	18.20

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **EG Industries secures US\$117m purchase order for 5G photonics related products**

EG Industries Bhd said it has secured a confirmed purchase order (PO) valued at US\$117m (RM545.7m) for 5G photonics related products. In a filing with Bursa Malaysia, the electronics manufacturing services (EMS) provider said its wholly owned subsidiary SMT Technologies Sdn Bhd on June 5 secured the PO from an unnamed existing key customer, only referred to in the filing as "Customer C". (*The Edge Markets*)

- **Fima Corp bags RM94m printing contract from Education Ministry**

Fima Corp Bhd has secured a RM93.9m contract from the Ministry of Education to print and supply confidential documents to the ministry. The group, which is involved in manufacturing, plantation, and property management, said the two-year contract was awarded to its wholly owned subsidiary Percetakan Keselamatan Nasional Sdn Bhd (PKN). (*The Edge Markets*)

- **Masteel plans to raise up to RM32m via placement for working capital**

Malaysia Steel Works (KL) Bhd plans to raise up to RM31.7m by placing out 10% of its enlarged share base, primarily to fund its working capital. The company intends to issue up to 90.6m shares to third-party investors who will be identified later. The sum to be raised is based on an indicative issue price of 35 sen per share, a discount of 6.5% (or 2.44 sen) to the stock's five-day volume-weighted average price of 37.44 sen as of July 12. (*The Edge Markets*)

- **MCE Holdings bags RM19.6m contract to supply parts for Perodua's first EV**

Automotive parts manufacturer MCE Holdings Bhd said it has clinched a RM19.6m contract to supply electronic and mechatronic components for Perusahaan Otomobil Kedua Sdn Bhd's (Perodua) first electric vehicle (EV). The components include multimedia display unit, instrument panel cluster, advanced driver assistance system, functional switches and interior lightings, said MCE in a bourse filing. (*The Edge Markets*)

- **Ingenieur Gudang reports higher 2Q profit on disposal gain, higher construction revenue**

Construction company Ingenieur Gudang Bhd reported a net profit of RM6.5m for the second quarter of its financial year 2024 (2QFY2024), driven by gains from asset disposals and higher construction revenue. The group's net profit for 2QFY2024 ended June 30, 2024 was over 27 times higher than the RM234k it made for 2QFY2023, which raised its earnings per share to 0.43 sen from 0.02 sen, its Friday bourse filing showed. (*The Edge Markets*)



Macro Bits

Global

- [Russia hikes import tariffs for consumer goods from 'unfriendly countries'](#) Russia increased imports tariffs for consumer goods, including wine, beer, candies, biscuits and shampoo, produced in countries that support sanctions against Moscow, according to a government order published late on Friday. *(Reuters)*
- [Trump welcomes China to build cars in US in departure from Biden](#) Former President Donald Trump has reiterated an openness for Chinese automakers to build cars in the US as a way to boost the economy, signaling a potentially different approach from a Biden administration that has sought to keep out vehicles with links to the country. *(Bloomberg)*

Malaysia

- **GDP grew by 5.8%, surpassing market expectation** The Department of Statistics (DOSM), in its fourth quarterly advance GDP release, estimated 2Q24 GDP growth to expand by 5.8% (1Q24: 4.2%), bringing 1H24 average growth to 5.0%. Despite the stronger-than-expected 2Q24 advance GDP estimate by DOSM, we maintain our growth forecast for 2024 at 4.5% - 5.0% (2023: 3.6%) with an upside bias towards hitting the upper-end target. *(See Economic Viewpoint: Malaysia 2Q24 Advance GDP)*
- **Projected 2Q growth of 5.8% will strengthen nation — PM** Malaysia's economic growth, projected at 5.8% in the second quarter of 2024 (2Q2024), will enable the country to rise as a strong nation, said Prime Minister Datuk Seri Anwar Ibrahim. *(The Edge Markets)*
- **Fiscal reform to continue, with Medium Term Revenue Strategy, says MOF** The government will continue fiscal reform initiatives, including drawing up the Medium Term Revenue Strategy (MTRS), said the Ministry of Finance (MOF). *(The Edge Markets)*
- **Govt monitoring to ensure debt service charge-to-revenue ratio does not exceed 15.0%, Parliament told** The government constantly monitors debt service charge (DSC) expenditures and revenue collection performance to ensure the DSC-to-revenue ratio does not exceed 15.0%, said the Ministry of Finance (MOF). *(The Edge Markets)*
- **Foreign tourist arrivals surged to 9.48m as of May 2024 — Zahid** International tourist arrivals in Malaysia have increased significantly this year, with 9.48m visitors as of May compared to 7.48m tourists in the same period last year, said Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi. *(The Edge Markets)*
- **South Korea seeks closer economic relations with Terengganu** South Korea is looking forward to greater cooperation with Terengganu in the carbon capture, utilisation and storage (CCUS), hydrogen industry, and supply chain space. *(The Malaysian Reserve)*

Asia Pacific

- **Asia investors see a Biden departure boosting 'Trump Trade'** Investors in Asia are shrugging off Democrat hopes that a fresh candidate could help them regain the US presidency — instead seeing only the 'Trump Trade' benefiting should Joe Biden withdraw. *(Bloomberg)*
- **Long-awaited Chinese policy update presents no major shift** China released a policy document on Sunday, outlining known ambitions, from developing advanced industries to improving the business environment, with analysts spotting no sign of imminent structural shifts in the world's second biggest economy. *(Reuters)*

Americas

- **Fed's Williams says long-term trends still back low neutral rate** Federal Reserve Bank of New York President John Williams said the longer-term trends that led to declines in neutral levels for interest rates before the pandemic still prevail. *(Bloomberg)*
- **Downshifting US inflation will help reassure the Fed** The runway toward a Federal Reserve interest-rate cut will come more into focus in the coming week amid fresh signs inflation is abating and economic activity is simmering down. *(Bloomberg)*

Europe

- **ECB policymakers back more rate cuts as inflation heads back to goal** Two European Central Bank policymakers on Friday backed further interest rate cuts, expressing greater confidence that inflation was heading to the ECB's goal next year. *(Reuters)*
- **UK finance minister hints at above-inflation pay rises for public sector workers** Britain's new finance minister Rachel Reeves said she will consider giving inflation-busting pay increases for almost 2.0m government employees later this month to avoid crippling public sector strikes. *(Reuters)*

22 July 2024

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
PMB TECHNOLOGY BHD	2.250	19.30	11.04	0.38	2.180

*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
SUNWAY CONSTRUCTION GROUP BH	5.080	87.88	91.34	97.53	5.150
BERJAYA CORP BHD	0.390	87.47	91.40	98.78	0.400
WCT HOLDINGS BHD	1.280	81.87	84.86	92.92	1.290
EKOVEST BHD	0.570	80.52	87.44	98.84	0.580
BURSA MALAYSIA BHD	9.820	79.73	78.73	65.24	10.100
SEAL INCORPORATED BERHAD	0.755	77.13	78.78	74.68	0.800
HUME CEMENT INDUSTRIES BHD	3.850	76.63	81.57	76.99	3.970
SMRT HOLDINGS BHD	1.260	76.47	81.24	87.13	1.290
HUBLINE BHD	0.100	76.44	80.62	90.42	0.105
PERDANA PETROLEUM BHD	0.495	76.29	82.36	91.81	0.510
PHARMANIAGA BERHAD	0.470	76.16	80.62	87.34	0.470
TALIWORKS CORP BHD	0.845	75.56	82.97	96.03	0.860
TROPICANA CORP BHD	1.680	75.54	77.99	68.53	1.800
IGB REAL ESTATE INVESTMENT T	1.930	75.52	77.83	77.67	1.950
KERJAYA PROSPEK GROUP BHD	2.180	75.17	79.44	87.23	2.220
TEO SENG CAPITAL BHD	1.980	74.64	83.14	97.75	2.000
MALAYAN UNITED INDUSTRIES BH	0.100	73.64	77.45	88.60	0.105
KUMPULAN FIMA BHD	2.270	71.63	81.42	99.42	2.280
PGF CAPITAL BHD	2.320	71.55	77.60	95.91	2.360
KIMLUN CORP BHD	1.620	70.28	75.29	79.22	1.670
AWC BERHAD	1.290	70.04	73.45	60.44	1.350

*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
CAPITAL A BHD-WA	0.250	28.71	18.27	1.34	0.255	29/12/2028
HANG SENG INDEX-XF	0.010	29.60	29.96	24.58	0.010	30/7/2024

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D	EXPIRY DATE
MMAG HOLDINGS BHD-WC	0.265	92.36	97.15	99.97	0.295	31/12/2099
GAMUDA BHD-M	0.205	90.37	91.54	96.17	0.220	28/2/2025
GAMUDA BHD-K	0.300	88.36	90.18	95.67	0.340	31/12/2024
SUNWAY CONSTRUCTION GROUP BHD-C17	0.220	87.23	88.23	94.39	0.225	31/12/2024
BURSA MALAYSIA BHD-C83	0.200	86.04	83.89	72.36	0.230	31/12/2024
EKOVEST BHD-C56	0.120	85.46	94.13	99.96	0.125	24/1/2025
SP SETIA BHD GROUP-C82	0.110	82.53	88.31	95.59	0.110	29/11/2024
FAJARBARU BUILDER GROUP BHD-WC	0.225	81.30	85.36	93.66	0.250	14/10/2026
ITMAX SYSTEM BHD-CI	0.225	78.82	82.29	89.05	0.255	24/1/2025
RHB BANK BHD-C53	0.060	77.48	81.74	87.44	0.065	30/10/2024
ECO WORLD DEVELOPMENT GROUP BHD-WB	0.580	76.71	83.27	98.80	0.595	12/4/2029
CWG HOLDINGS BHD-WA	0.090	74.84	81.25	92.86	0.110	2/3/2027
EKOVEST BHD-C52	0.080	74.64	81.82	92.36	0.085	13/1/2025
SP SETIA BHD GROUP-C84	0.130	74.64	81.88	93.41	0.135	24/1/2025
IJM CORP BHD-C86	0.260	74.55	73.20	66.15	0.300	28/2/2025
INARI AMERTRON BHD-R	0.085	73.33	65.23	23.91	0.100	31/12/2024
HIAP TECK VENTURE BHD-CD	0.060	73.25	63.82	39.34	0.070	5/5/2025
RAMSSOL GROUP BHD-WA	0.345	72.75	76.75	76.82	0.360	2/3/2028
SIME DARBY PROPERTY BHD-C30	0.310	72.39	75.72	89.97	0.315	20/1/2025
SIME DARBY PROPERTY BHD-C32	0.145	71.93	78.79	93.39	0.150	28/2/2025
EG INDUSTRIES BHD-WD	0.745	70.40	67.03	43.08	0.880	31/12/2028
EG INDUSTRIES BHD-WD	0.745	70.40	67.03	43.08	0.880	31/12/2028

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