



INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,512.93	-2.46	-0.2
DOW	35,084.53	153.60	0.4
S&P 500	4,419.15	18.51	0.4
NASDAQ	14,778.26	15.68	0.1
FTSE-100	7,078.42	61.79	0.9
SHANGHAI	3,411.72	50.13	1.5
HANG SENG	26,315.32	841.44	3.3
STI	3,180.61	38.86	1.2
NIKKEI 225	27,782.42	200.76	0.7
JCI	6,120.73	32.20	0.5

MARKET ACTIVITY

VOL(m)	VAL(RMm)
4,475.98	2,856.53

BURSA'S MARKET SHARE (%)

Retail	39.1%
Institutional	42.5%
Foreign	18.4%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES July	1,513.00	-1.50	-0.1
OIL - BRENT (USD/b)	76.05	1.31	1.8
CPO FUTURE (RM/ton)	4,427.00	119.00	2.8
RUBBER (RM/kg)	492.00	0.00	0.0
GOLD (USD/Ounce)	1,831.20	28.80	1.6

FOREX

	LAST CLOSE	% CHG
MYR/USD	4.24	0.1
MYR/SGD	3.13	0.3
YUAN/MYR	1.52	-0.6
YEN/MYR	25.94	-0.1
MYR/EURO	5.03	0.4
MYR/GBP	5.91	0.4

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
EURO HOLDINGS BH	0.87	166.66
TANCO HLDGS BHD	0.21	165.36
PUC BHD	0.19	152.36
SOLUTION GROUP B	0.89	127.85
KANGER INTERNATI	0.07	93.57

TOP 5 GAINERS	LAST CLOSE	RM (+)
MALAYSIAN PAC IN	42.82	1.20
SAM ENGINEERING	8.32	0.43
VITROX CORP BHD	18.90	0.34
KEIN HING INTL	1.26	0.30
MERCURY INDUS	1.33	0.30

TOP 5 LOSERS	LAST CLOSE	RM (-)
PANASONIC MANUFA	32.04	-0.64
HONG LEONG FINAN	17.16	-0.32
KESM INDUS BHD	12.20	-0.22
PETRONAS DAGANGA	18.28	-0.22
HARTALEGA HLDGS	7.15	-0.19

Gainers – 350 Losers – 636 Unchanged – 398

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HIGHLIGHTS

Technical: BTM Resources – Possible For Sideways Breakout (7188, Technical Buy)

BTM is staging a potential breakout from its sideways channel. Corresponding RSI and MACD indicators remain healthy while trending sideways, with anticipation of continuous improvement in both momentum and trend in the near term. Should immediate resistance level of RM0.240 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance level of RM0.255. However, failure to hold on to support level of RM0.215 may indicate weakness in the share price and hence, a cut-loss signal.

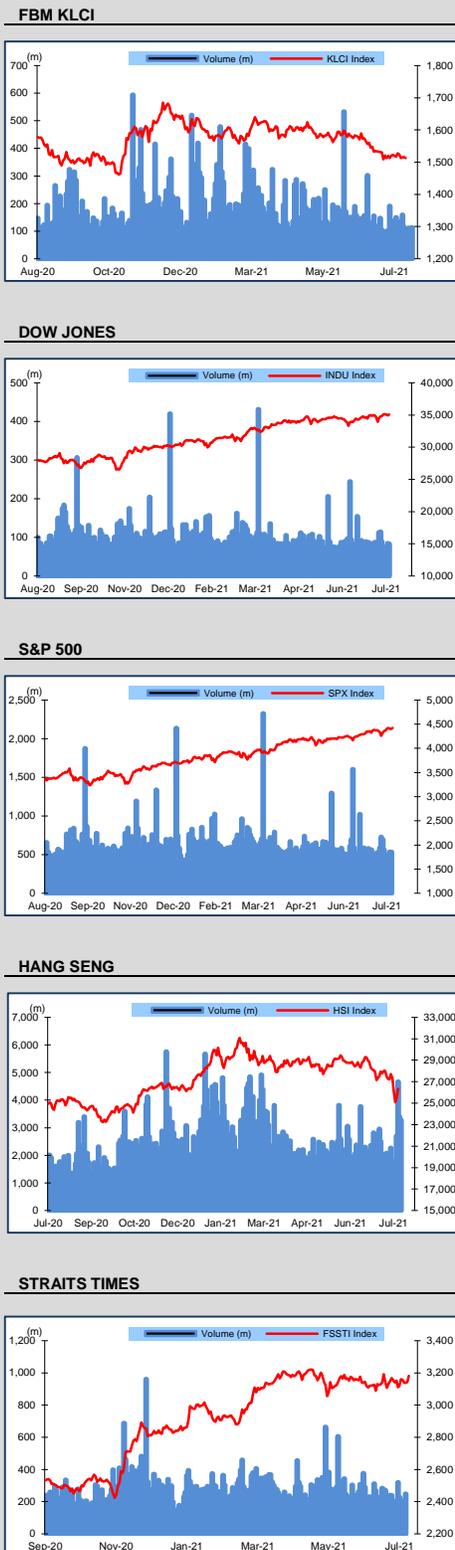
HEADLINES

Economy

§ **US: Fiscal stimulus, vaccinations lift economy above pre-pandemic level.** The US economy grew solidly in the 2Q, pulling the level of GDP above its pre-pandemic peak, as massive government aid and vaccinations against COVID-19 fueled spending on goods and services. The pace of GDP growth reported by the Commerce Department, however, slower than economists had expected. That was because businesses ran down inventories further to meet the robust demand. Supply constraints are making it harder for business to replenish stocks. GDP increased at a 6.5% annualized rate last quarter, the government said in its advance estimate of 2Q GDP. The economy grew at a 6.3% rate in the 1Q, revised down from the previously reported 6.4% pace. (Reuters)

§ **US: Pending home sales decline in June as prices climb.** Contracts to purchase previously owned US homes declined in June in step with a spike in home prices after rebounding strongly in the prior month. The Pending Home Sales Index, based on contracts signed last month, fell 1.9% to 112.8. Economists polled had forecast pending home sales would increase 0.3%. Pending home sales for May were revised to show an increase of 8.3% instead of the 8.0% gain previously reported. Pending home contracts are seen as a forward-looking indicator of the health of the housing market because they become sales one to two months later. House prices have soared in the past year, with the median price for both new and existing homes now topping USD360,000. (Reuters)

§ **US: Weekly jobless claims pull back less than expected.** After reporting an unexpected increase in first-time claims for US unemployment benefits in the previous week, the Labor Department released a report showing a modest pullback in initial jobless claims in the week ended July 24th. The report said initial jobless claims dipped to 400,000, a decrease of 24,000 from the previous week's revised level of 424,000. Economists had expected jobless claims to drop to 380,000 from the 419,000 originally reported for the previous week. Meanwhile, the Labor Department said the less volatile four-week moving average crept up to 394,500, an increase of 8,000 from the previous week's revised average of 386,500. (RTT)



Source: Bloomberg, PublicInvest Research

§ **EU: Economic confidence hits record high.** Eurozone economic confidence hit a record high in July driven by rising sentiment in the industrial and service sectors, survey results from the European Commission showed. The economic confidence index rose to 119.0 from 117.9 in June. This was the highest since records began in 1985 and also well above economists' forecast of 118.5. However, compared to the previous months, the latest improvement was much weaker, suggesting that the indicator is approaching its peak. The improvement in the overall economic confidence was largely driven by industrial and services confidence. (RTT)

§ **EU: German inflation hits 13-yr high, union demands "strong wage increases".** Germany's annual consumer price inflation accelerated by more than expected to hit a 13-year high in July, leading services sector trade union Verdi to immediately demand "strong wage increases". Consumer prices rose by 3.1% in July compared with 2.1% in June. A poll had pointed to a reading of 2.9%. July's reading was the highest since Aug 2008, when the harmonised inflation rate hit 3.3%, an official at the Statistics Office said. The rise pushed the inflation rate further above the European Central Bank's 2% target and fuelled a debate about whether the increase in the cost of living will persist. (Reuters)

§ **EU: German unemployment falls in sign of continuing recovery.** German unemployment fell in July as companies hired more staff in light of a recovery in Europe's largest economy, official figures showed. The Labour Office said the number of people out of work fell by 91,000 in seasonally adjusted terms to 2.598m. A poll had forecast a fall of 28,000. The seasonally adjusted jobless rate fell to 5.7%. Unemployment and underemployment have continued to fall sharply since the start of the summer break. Companies are increasingly looking to hire new staff. The release of the jobless figures followed the publication of a survey showing German business morale fell unexpectedly in July on continuing supply chain worries and amid rising coronavirus infections. (Reuters)

§ **UK: Mortgage lending booms but consumers stay wary about debt.** British mortgage lending showed a record surge in June as home-buyers rushed to qualify for a tax break before it was scaled back, but other data added to signs that a rise in COVID-19 cases in recent weeks slowed the broader economic recovery from lockdown. Mortgage borrowing leapt by a net GBP17.9bn (USD25.0bn) from May, the biggest monthly increase in Bank of England records which date back to 1993. (Reuters)

§ **South Korea: Industrial output rises 2.2% in June.** Industrial production in South Korea was up a seasonally adjusted 2.2% on month in June, Statistics Korea said. That beat expectations for an increase of 1% following the downwardly revised 1% contraction in May (originally -0.7%). On a yearly basis, industrial production jumped 11.9% again exceeding expectations for 9.3% following the downwardly revised 14.9% gain in the previous month (originally 15.6%). For the 2Q of 2021, industrial production fell 1% on quarter and gained 13% on year. (RTT)

§ **Australia: Export prices spike 13.2% on quarter in 2Q.** Export prices in Australia were up 13.2% on quarter in the 2Q of 2021, the Australian Bureau of Statistics said, accelerating from 11.2% in the previous three months. On a yearly basis, export prices surged 26.0%. (RTT)

Markets

- § **CTOS Digital: Acquires 4.63% in RAM for RM10m.** CTOS Digital made its first post-listing acquisition by buying a 4.63% stake in credit rating agency RAM Holdings from CIMB Bank for RM10.05m, to extend product offering to its existing customers. CTOS had entered into a share purchase agreement with CIMB Bank. The acquisition of a strategic minority stake in RAM will allow both companies to leverage each company's expertise in credit assessment, data and analytics to further extend their product offering and value proposition to their existing customer base. (The Edge)
- § **MAG: Proposes one warrant for four shares to raise RM84.9m.** MAG Holdings has proposed a bonus issue on the basis of one warrant for every four shares held which will enable it to raise RM84.90m when the warrants are converted. This would involve the issuance of up to 471.67 million warrants. The proceeds would be used for working capital. (StarBiz)
- § **Nextgreen Global: Plans private placement to raise up RM21.09m for tissue paper mill JV.** Nextgreen Global has proposed to undertake a private placement of 5.32% of its total issued shares to raise up to RM21.09m for its tissue paper mill JV. Nextgreen announced that it had entered into a JV agreement with Dengkil Paper Mill to set up a tissue paper mill in Pahang. The estimated cost for the venture was RM25.5m. (The Edge)
- § **T7 Global: Bayan gas MOPU hits construction milestone in China.** T7 Global's Bayan mobile offshore gas production unit (MOPU) has reached its second construction milestone, with the keel laying at a shipyard in Qingdao, China. It is set to be installed offshore Sarawak for Petronas Carigali SB's Bayan Gas Redevelopment Project Phase 2 to boost gas production in the Bayan field upon completion in 2022. (The Edge)
- § **LYC Healthcare: Suspends its confinement centre in Bukit Jalil after 7 Covid-19 cases found.** LYC Healthcare has temporarily suspended its confinement centre in Bukit Jalil, Kuala Lumpur for 14 days from July 29, following the discovery of seven Covid-19 infections there. The temporary stoppage is not expected to have a significant impact on its revenue and earnings for FY22, and that its other confinement centres at other locations are unaffected and operating as normal. (The Edge)
- § **Frontken: 2Q earnings climb to RM24.74m on strong semiconductor demand.** Frontken's net profit rose 21.69% YoY to RM24.74m in 2QFY21, due to an increase in contributions from its Taiwan, Malaysia and Singapore subsidiaries. Revenue was up 23.97% YoY to RM108.63m from RM87.62m as volume in the semiconductor space picked up on higher demand and strong orders from a customer of its Taiwan subsidiary. (StarBiz)
- § **Genetec: Returns to black in 1Q on higher sales volume and improved operational efficiency.** Genetec has returned to the black with a net profit of RM8.18m in 1QFY21, from a net loss of RM2.09m a year ago, underpinned by higher sales volume and improved operational efficiency. The group has achieved a strong order book primarily from the Electric Vehicle (EV) sector, which has significantly contributed positively to its current quarter performance. (The Edge)

MARKET UPDATE

§ The FBM KLCI might open flat today due to political headwinds and persistent rise in the number of Covid-19 infections expected to continue to bog down the stock market. Overnight, stocks on Wall Street rose on Thursday despite weaker than expected US growth data that cemented expectations that the Federal Reserve would maintain its pandemic-era stimulus that has supported financial markets for a year and a half. The moves followed data showing US gross domestic product grew at an annualised rate of 6.5% in the second quarter, missing the 8.5% rise expected by economists polled by Reuters. The S&P 500, the blue-chip US share index, closed 0.4% higher after hitting a high on Monday. The tech-heavy Nasdaq Composite index climbed 0.1%, rebounding slightly after notching its worst day in two and a half months earlier in the week. The region-wide Stoxx Europe 600 benchmark closed up 0.5% to a new record, while London's FTSE 100 gained 0.9% and Frankfurt's Xetra Dax ended the session 0.5% higher.

Back home, the FBM KLCI erased earlier gains and sank into the red on concerns about the latest political developments in the country. The benchmark index closed 2.46 points or 0.16% lower at 1,512.93 after moving between 1,511.51 and 1,520.04 throughout the day. Most regional bourses closed higher after the US Federal Reserve (Fed) signalled that it was in no rush to taper monetary policy support. Japan's Nikkei 225 finished 0.73% higher at 27,782.42, while South Korea's KOSPI rose 0.18% to 3,242.65. In China, shares rebounded after Beijing calmed investor nerves over mounting regulatory risks. The Shanghai Composite index closed 1.49% higher at 3,411.72, while Hong Kong's Hang Seng Index added 3.3% to 26,315.32.

TECHNICAL OUTLOOK

FBM KLCI: 1512.93 (-2.46; -0.16%)

Resistance: 1515, 1551, 1580

Support: 1485, 1455, 1430

FBM KLCI Daily Chart



The local benchmark slipped 2.46 points to end at 1512.93 yesterday amid persistent selling pressure. Market breadth remained negative as decliners outpaced gainers 636 and 350. At this juncture, the FBM KLCI is anticipated to extend its sideways trajectory around the 1515 horizon in the near term. Notably, the index runs the risks of trending lower towards subsequent support level of 1485 should it be dragged below 1500 horizon amid potential intensified selling pressure. Support levels for the index are at 1485, 1455 and 1430, while the resistance levels are at 1515, 1551 and 1580.

ECONOMIC MONITOR (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
30-Jul-21	Euro-Zone Unemployment Rate	Jun	7.9%	7.9%
30-Jul-21	Euro-Zone CPI YoY	Jul	0.7%	0.9%
31-Jul-21	China Non-manufacturing PMI	Jul	53.3	53.5
31-Jul-21	China Manufacturing PMI	Jul	50.8	50.9
02-Aug-21	US ISM Manufacturing	Jul	60.8	60.6
02-Aug-21	Euro-Zone Markit PMI Manufacturing	Jul	62.6	62.6
02-Aug-21	US Markit PMI Manufacturing	Jul	63.1	63.1
03-Aug-21	Euro-Zone PPI YoY	Jun	--	9.6%
04-Aug-21	Euro-Zone Markit PMI Services	Jul	60.4	60.4
05-Aug-21	US Initial Jobless Claims	31-Jul	--	400K
06-Aug-21	Malaysia Foreign Reserves	30-Jul	--	USD111.1bn
06-Aug-21	China BoP Current Account Balance	2Q	--	USD69.4bn
06-Aug-21	US Unemployment Rate	Jul	5.6%	5.9%

CORPORATE MONITOR
COMPANY VISITS / BRIEFING

<u>Company</u>	<u>Date</u>	<u>Time</u>
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RESULTS

<u>Company</u>	<u>Financial Quarter</u>	<u>Date</u>
Mi Technovation	2QFY21	03-Aug-21
IOI Corp	4QFY21	24-Aug-21

IPO LISTING

<u>Company</u>	<u>Listing Sought</u>	<u>Issue Price (RM/Share)</u>	<u>No. Of Shares</u>		<u>Closing Application Date</u>		<u>Listing Date</u>
			<u>Public Issue</u>	<u>Offer For Sale</u>	<u>Retail</u>	<u>Institutional</u>	
IGB Commercial REIT	Main Market	1.00	-	378,000,053	20 Aug 2021	20 Aug 2021	20 Sep 2021

OFF-MARKET TRANSACTIONS (>1,000,000)

29-Jul-2021

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Mag Holdings	50,000,000	9,750,000	0.20
Berjaya Corp	3,160,800	1,260,000	0.40
YGL Convergence	11,614,000	2,730,000	0.24
Hong Seng Consolidated	1,927,500	3,280,000	1.70
Ireka Corp	51,000,000	34,840,000	0.68
Pertama Digital	4,000,000	2,480,000	0.62
7-Eleven Malaysia Holdings	2,000,000	3,000,000	1.50
Euro Holdings	17,700,000	12,570,000	0.71

CORPORATE MONITOR

ENTITLEMENTS

<u>Company</u>	<u>Particulars</u>	<u>Gross DPS (RM)</u>	<u>Announcement Date</u>	<u>Ex-Date</u>	<u>Lodgement Date</u>	<u>Payment Date</u>
Pan Malaysia Corp	Interim dividend of 0.5 sen per share	0.005	9-Jul	26-Jul	27-Jul	12-Aug
Ta Ann Holdings	1st Interim dividend of 10 sen per share	0.100	9-Jul	26-Jul	27-Jul	16-Aug
Naim Holdings	Interim dividend of 7.9 sen per share	0.079	9-Jul	26-Jul	27-Jul	6-Aug
Advance Synergy	Final dividend of 0.15 sen per share	0.002	28-Apr	27-Jul	28-Jul	18-Aug
Symphony Life	Interim dividend of 2 sen per share	0.020	28-Jun	27-Jul	28-Jul	25-Aug
Hil Industries	Final dividend of 1.5 sen per share	0.015	20-May	27-Jul	28-Jul	18-Aug
Perak Transit	Bonus issue of 158,683,393 free warrants	--	3-Jun	28-Jul	29-Jul	11-Aug
Gopeng	Bonus issue of up to 134,496,726 new shares	--	15-Jul	29-Jul	30-Jul	2-Aug
Thong Guan Industries	Interim dividend of 1 sen per share	0.010	27-May	29-Jul	30-Jul	18-Aug
DKLS Industries	Final dividend of 2 sen per share	0.020	23-Mar	29-Jul	30-Jul	20-Aug

TE- Tax Exempt

RATING CLASSIFICATION

STOCKS

OUTPERFORM	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
NEUTRAL	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
UNDERPERFORM	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
TRADING BUY	The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.
TRADING SELL	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
NOT RATED	The stock is not within regular research coverage.

SECTOR

OVERWEIGHT	The sector is expected to outperform a relevant benchmark over the next 12 months.
NEUTRAL	The sector is expected to perform in line with a relevant benchmark over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform a relevant benchmark over the next 12 months.

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