



## PublicInvest Research Daily

KDN PP17686/03/2013(032117)

Tuesday, September 14, 2021

### INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,570.13	-5.84	-0.4
DOW	34,869.63	261.91	0.8
S&P 500	4,468.73	10.15	0.2
NASDAQ	15,105.58	-9.91	-0.1
FTSE-100	7,068.43	39.23	0.6
SHANGHAI	3,715.37	12.26	0.3
HANG SENG	25,813.81	-392.10	-1.5
STI	3,074.31	-24.49	-0.8
NIKKEI 225	30,447.37	65.53	0.2
JCI	6,088.16	-6.72	-0.1

### MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	4,014.94	2,403.09

### BURSA'S MARKET SHARE (%)

Retail	38.3%
Institutional	43.6%
Foreign	18.1%

### KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Sept)	1,559.00	-8.00	-0.5
OIL - BRENT (USD/b)	73.51	0.59	0.8
CPO FUTURE (RM/ton)	4,318.00	40.00	0.9
RUBBER (RM/kg)	494.00	5.00	1.0
GOLD (USD/Ounce)	1,793.82	6.24	0.3

### FOREX

	LAST CLOSE	% CHG
MYR/USD	4.15	0.4
MYR/SGD	3.09	0.1
YUAN/MYR	1.55	-0.2
YEN/MYR	26.53	-0.2
MYR/EURO	4.89	0.0
MYR/GBP	5.73	0.0

### TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
KNM GROUP BHD	0.28	229.82
AVILLION BHD	0.16	105.30
PASUKHAS GROUP	0.12	98.96
PUC BHD	0.15	90.76
KANGER INTERNATI	0.06	86.01
TOP 5 GAINERS	LAST CLOSE	RM (+)
GENETEC TECH BHD	33.06	1.16
WIDETECH MALAYSI	5.45	0.51
BSL CORP BHD	1.92	0.44
QUALITY CONCRETE	1.68	0.33
PMB TECHNOLOGY	7.22	0.23
TOP 5 LOSERS	LAST CLOSE	RM (-)
SUNGEI BAGAN RUB	3.49	-0.42
VITROX CORP BHD	18.90	-0.34
HEINEKEN MALAYSI	23.00	-0.32
FORMOSA PROSONIC	4.26	-0.29
CARLSBERG BREWER	22.74	-0.24

Gainers – 362 Losers – 669 Unchanged – 445

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## HIGHLIGHTS

### Bermaz Auto: Weak Start to FY22 (BAUTO MK, Outperform, TP: RM1.78)

Bermaz Auto (BAuto) reported net profit of RM10.3m in 1QFY22 (+11.1% YoY, -84.6% QoQ). The results were below both our and consensus expectations, accounting for 7.8% and 7.3% of full year estimates respectively. The Group's business was impacted by full lockdown under Phase 1 of the National Recovery Plan (NRP) where the auto industry has been effectively shut down for two months since 1 Jun. Nevertheless, we expect better performance in coming quarters following a gradual reopening of economic sectors as the country transitions through the various phases of the NRP. As such, we leave our estimates unchanged. We remain positive of its growth prospects going into FY23 driven by the introduction of new models under Kia and Peugeot marques. We retain our **Outperform** call with unchanged TP of RM1.78. During the quarter, BAuto declared a first interim dividend of 0.50sen, translating to a payout ratio of 56.3% (1QFY20: 0.50sen at 63% payout ratio).

### Technical: Eksons Corporation - Possible For Sideways Breakout (9016, Technical Buy)

EKSONS is staging a potential breakout from its sideways channel, with anticipation of continuous improvement in both momentum and trend in the near term. Should immediate resistance level of RM0.880 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance level of RM0.925. However, failure to hold on to support level of RM0.800 may indicate weakness in the share price and hence, a cut-loss signal.

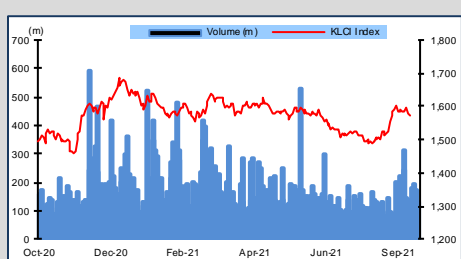
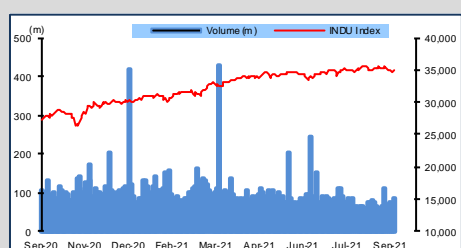
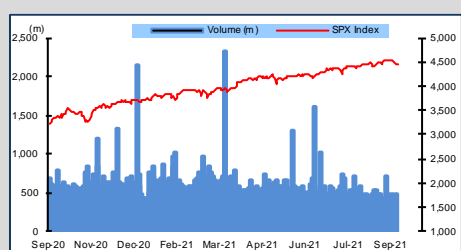
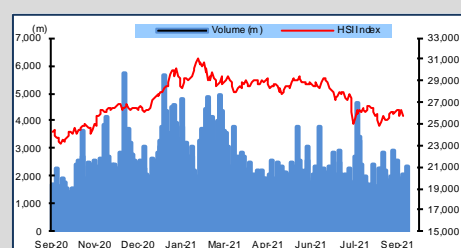
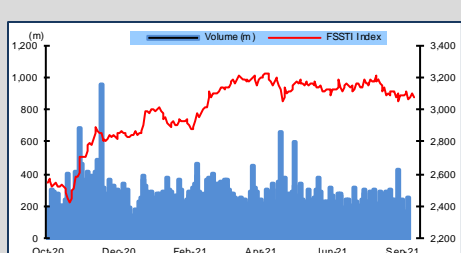
### Technical: Pinehill Pacific - Possible For Sideways Breakout (1902, Technical Buy)

PINEPAC is staging a potential breakout from its sideways channel, with anticipation of continuous improvement in both momentum and trend in the near term. Should immediate resistance level of RM0.530 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance level of RM0.570. However, failure to hold on to support level of RM0.470 may indicate weakness in the share price and hence, a cut-loss signal.

## HEADLINES

### Economy

§ **US: Aug budget deficit falls as revenues recover.** The US government posted a USD171bn budget deficit for August, 15% lower than the USD200bn gap a year ago, as recovery-driven tax receipts grew faster than outlays for COVID-19 pandemic relief programs, the Treasury Department said. The Aug deficit was USD2bn less than forecast. The August budget results would not alter the department's estimates for when Treasury's extraordinary financing measures to avoid breaching the USD28.4trn debt limit would be exhausted. Receipts in Aug rose 20% from the year-earlier period to USD268bn while outlays in the month were up 4% to USD439bn. (RTT)

**FBM KLCI**

**DOW JONES**

**S&P 500**

**HANG SENG**

**STRAITS TIMES**


Source: Bloomberg, PublicInvest Research

§ **US: Consumers' inflation expectations highest in 8 years, NY Fed says.** US consumers' expectations for how much inflation will change over the next year and the coming three years rose last month to the highest levels since 2013, according to a survey released by the New York Federal Reserve. Year-ahead inflation expectations increased for the 10th straight month to a median of 5.2% in Aug. (Reuters)

§ **EU: Key gauge of euro zone inflation expectations at highest since mid-2015.** A key market gauge of eurozone inflation expectations rose to its highest level since mid-2015, a further sign that investor perceptions over the direction of future inflation are shifting. Eurozone bond yields were broadly steady, although relief over a slowdown in the pace of European Central Bank purchases appeared to be in the past. (Reuters)

§ **EU: German recovery will gain momentum in third quarter - economy ministry.** The German economy will pick up steam in the 3Q, but business activity will cool again in the final three months of the year, the economy ministry said. Europe's largest economy grew by 1.6% on the quarter from April to June, a weaker rebound than in many other European countries, as supply shortages for semiconductors and other intermediate goods held back the recovery from the pandemic. (Reuters)

§ **EU: Germany wholesale price inflation strongest since 1974.** Germany wholesale prices grew at the fastest pace since 1974 in August amid sharp increases in raw material and intermediate product prices, Destatis reported. Wholesale prices increased 12.3% on a yearly basis, following July's 11.3% in July. This was the strongest growth since October 1974, when prices were up 13.2% in the wake of the first oil crisis. On a monthly basis, wholesale price inflation slowed to 0.5% in August from 1.1% in July. (RTT)

§ **Japan: Producer prices unchanged on month in August.** Producer prices in Japan were flat on month in August, the Bank of Japan said, shy of expectations for an increase of 0.2% and down from 1.1% in July. On a yearly basis, producer prices gained 5.5%, beneath forecasts for a gain of 5.6%, which would have been unchanged from the previous month. Export prices were down 0.2% on month and up 10.9% on year, the bank said, while import prices rose 1.8% on month and surged 29.2% on year. (RTT)

§ **Japan: Large companies' business sentiment turns positive.** Confidence among Japanese larger companies turned positive in the third quarter, survey data from the Ministry of Finance showed. The Business Survey Index, or BSI, of larger companies climbed to +3.3 in the September quarter from -4.7 in the June quarter. The confidence index for the fourth quarter is forecast to rise to 6.8. The confidence index of manufacturers came in at 7.0 versus -1.4 a quarter ago. Likewise, sentiment among non-manufacturers improved to 1.5 from -6.2 in the 3Q. (RTT)

§ **India: Inflation slows in August.** India's inflation slowed in Aug, defying expectations for stability, preliminary data from the statistics ministry showed. The consumer price index rose 5.30% YoY following a 5.59% climb in July. Economists had forecast 5.60% inflation. In the same month of 2020, inflation was 6.69%. The consumer food price index rose 3.11% annually after a 3.96% increase in the previous month. Compared to the previous month, the CPI rose 0.25%, while the CFPI decreased 0.12%. (RTT)

§ **South Korea: Export prices jump 18.6% on year.** Export prices in South Korea were up 18.6% on year in August, the Bank of Korea said, following the 17.4% increase in July. Export prices for manufacturing products advanced 18.6% on year and export prices for agricultural, forestry and marine products gained 9.6%. (RTT)

## Markets

- § **Sunway: Sunway-Hoi Hup consortium wins Singapore's Flynn Park bid with RM1.15bn offer.** Sunway Property and Hoi Hup intended to redevelop the site into modern private residential condominiums. It is sited on an elevated 1.94-hectare freehold plot of land and is located 350 metres from the Pasir Panjang MRT station on the Circle Line. Sunway Property's landbank to date stands at 1,351.24 ha with a potential gross development value of RM54.4bn. (Business Times)
- § **Signature International: To sell land it bought for expansion in Bandar Baru Enstek for RM54.6m.** Signature International plans to sell three contiguous plots of vacant freehold land in Bandar Baru Enstek, Negeri Sembilan for RM54.6m, cash. Of the proceeds, it plans to use RM34.1m to repay its bank borrowings and another RM18.9m to purchase raw materials for its existing and new projects. It also expects to realise an estimated disposal gain of RM13.6m from the sale. (The Edge)
- § **Scientex: In RM345m takeover of subsidiary Daibochi.** Scientex has proposed to launch a takeover of its subsidiary Daibochi's remaining shares and warrants that it does not already own, at an offer price of RM2.70 per share and 32 sen per warrant, for a total of RM345.3m. (StarBiz)
- § **Guan Chong: In talks to sell stake to Singapore-listed Olam International.** Guan Chong has attracted the interest of Singapore-listed food and agri-business player Olam International Ltd. According to sources, Olam is looking to acquire a stake in Guan Chong to tap into its expanding cocoa grinding capacity globally. (The Edge)
- § **OM Holdings: JV commences drilling in Bryah Basin.** OM Holdings Ltd's joint venture with Bryah Resources Ltd has commenced drilling for manganese in the Bryah Basin, 150km north of the central Western Australian town of Meekatharra. The 2,000m drilling programme is planned to test some of the potentially concealed manganese targets identified by a geophysical survey in the vicinity of the Brumby Creek Prospect. (StarBiz)
- § **UMW: Aug automotive sales leap 352% from July following resumption of operations.** UMW Holdings posted a 351.9% leap in automotive sales to 9,512 units in August, from 2,105 units in July, after operations resumed following the easing of the Full Movement Control Order (FMCO) restrictions. UMW delivered 2,524 units in Aug, 74% higher than the 1,450 units registered in July. (The Edge)
- § **Pecca: Closes FY21 with a more than twofold jump in net profit, despite a weak 4Q.** Pecca Group closed its financial year ended June 30, 2021 (FY21) with a more than twofold increase in net profit to RM19.23m, though its fourth quarter's (4QFY21) earnings fell to just RM26,000 from RM8.05m in 3QFY21. (The Edge)
- § **Carimin: Posts RM2.1m profit in 2Q.** Carimin posted a net profit of RM2.1m for the three-month ended June 30 compared with a loss of RM4.4m made a year ago. Revenue, however, dropped by a third to RM40.7m from RM60.9m previously. The disruptions caused by the lockdown due to the pandemic at the project sites resulted in deferment of our onshore/offshore activities. (StarBiz)



## MARKET UPDATE

§ The FBM KLCI might open softer today after US equities wavered on Monday, rallying back from earlier losses to break a five-day losing streak. The S&P 500 finished the day 0.2% higher. The technology-heavy Nasdaq Composite failed to regain positive territory, closing 0.1% lower. Last week was the worst for the S&P since June, although it remains close to the all-time high reached earlier this month, as investors fretted about the US Federal Reserve cutting its USD120bn a month of bond purchases designed to boost lending and spending during the pandemic. Comments in recent days from Fed officials, however, have suggested that potential tapering by the central bank meant policymakers thought the US economy was through the worst of the coronavirus crisis. Alongside energy, financials was among the top-performing sectors in the S&P 500 index on Monday, up by 1.1%. This helped the region-wide Stoxx Europe 600 benchmark close up 0.3%, ending five sessions of back-to-back falls. London's FTSE 100, which has a heavy leaning towards oil and gas groups, advanced 0.6%, as did Frankfurt's Xetra Dax.

Back home, the FBM KLCI finished 0.37% lower, weighed down by selling in selected heavyweights led by Top Glove Corp Bhd. At 5pm, the benchmark FBM KLCI fell 5.84 points to 1,570.13 from Friday's close of 1,575.97. Elsewhere, Japan's Nikkei 225 added 0.2%, while Hong Kong's Hang Seng Index fell 1.5%.

**TECHNICAL OUTLOOK**

FBM KLCI: 1570.13 (-5.84; -0.37%)

Resistance: 1580, 1600, 1620

Support: 1551, 1515, 1485

**FBM KLCI Daily Chart**

Succumbing to persistent selling pressure, the local benchmark slipped another 5.84 points to end at 1570.13 yesterday. Market breadth turned negative as decliners outpaced gainers 669 and 362. At this juncture, the FBM KLCI is anticipated to trend sideways around 1580 horizon. Notably, the FBM KLCI runs the risk of trending lower should the index not be lifted above 1580 horizon in the near term. Support levels for the index are at 1551, 1515 and 1485, while the resistance levels are at 1580, 1600 and 1620.

## ECONOMIC MONITOR (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
16-Sep-21	US Initial Jobless Claims	11-Sep	323k	310k
15-Sep-21	China Retail Sales YoY	Aug	7.0%	8.5%
15-Sep-21	China Industrial Production YoY	Aug	5.8%	6.4%
17-Sep-21	Euro-Zone CPI YoY	Aug	3.0%	2.2%
21-Sep-21	US Housing Starts	Aug	1545k	1534K

## 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>
Top Glove	4QFY21	17-Sep-21
Dayang Enterprise	2QFY21	20-Sep-21
AirAsia X	6QFY21	27-Sep-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)

13-Sep-2021

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Dataprep Holdings	4,800,000	4,560,000	0.95
D'Nonce Technology	13,340,000	10,670,000	0.80
AMMB Holdings	1,000,000	3,240,000	3.24
SEG International	8,394,600	5,290,000	0.63
Ecofirst Consolidated	3,000,000	1,140,000	0.38
HCK Capital Group	1,200,000	2,220,000	1.85
UMS-Neiken Group	1,000,000	1,220,000	1.22
Green Packet	42,750,000	7,490,000	0.18



## 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>
Scicom MSC	4th Interim dividend of 1.5 sen per share	0.015	27-Aug	13-Sep	14-Sep	29-Sep
My EG Services	Bonus Issue of up to 4,149,122,710 new shares	--	23-Aug	13-Sep	14-Sep	15-Sep
Luxchem Corp	Interim dividend of 0.8 sen per share	0.008	11-Aug	13-Sep	14-Sep	30-Sep
Yenher Holdings	2nd Interim dividend of 1.5 sen per share	0.015	23-Aug	13-Sep	14-Sep	6-Oct
AmanahRaya REIT	Distribution dividend of 2.8129 sen per share	0.028	23-Aug	13-Sep	14-Sep	13-Oct
Able Global	2nd Interim dividend of 1.5 sen per share	0.015	25-Aug	13-Sep	14-Sep	30-Sep
Lingkaran Trans Kota Holdings	Interim dividend of 10 sen per share	0.100	25-Aug	13-Sep	14-Sep	24-Sep
Oriental Food Industries Holdings	1st Interim dividend of 0.1 sen per share	0.001	26-Aug	13-Sep	14-Sep	6-Oct
Atlan Holdings	1st Interim dividend of 5 sen per share	0.050	26-Aug	13-Sep	14-Sep	24-Sep
TOPVISION Eye Specialist	Interim dividend of 0.5 sen per share	0.005	26-Aug	13-Sep	14-Sep	6-Oct
IOI Properties Group	Interim dividend of 2 sen per share	0.020	26-Aug	13-Sep	14-Sep	24-Sep
Public Bank	1st Interim dividend of 7.5 sen per share	0.075	27-Aug	13-Sep	14-Sep	23-Sep
OSK Holdings	Interim dividend of 1 sen per share	0.010	27-Aug	13-Sep	14-Sep	30-Sep
Telekom Malaysia	Interim dividend of 7 sen per share	0.070	27-Aug	13-Sep	14-Sep	30-Sep
Elsoft Research	Interim dividend of 0.5 sen per share	0.005	20-Aug	14-Sep	15-Sep	8-Oct
Nestle Malaysia	Interim dividend of 70 sen per share	0.700	24-Aug	14-Sep	15-Sep	7-Oct
Deleum	1st Interim dividend of 1 sen per share	0.010	24-Aug	14-Sep	15-Sep	30-Sep
Innoprise Plantations	2nd Interim dividend of 4 sen per share	0.040	26-Aug	14-Sep	15-Sep	30-Sep
Innoprise Plantations	Special Cash dividend of 4 sen per share	0.040	26-Aug	14-Sep	15-Sep	30-Sep
Ann Joo Resources	1st Interim dividend of 6 sen per share	0.060	26-Aug	14-Sep	15-Sep	14-Oct
SDS Group	1st Interim dividend of 0.25 sen per share	0.003	27-Aug	14-Sep	15-Sep	30-Sep
Redplanet	Interim dividend of 0.82 sen per share	0.008	27-Aug	14-Sep	15-Sep	30-Sep
Axiata Group	Interim dividend of 4 sen per share	0.040	30-Aug	14-Sep	15-Sep	24-Sep
Power Root	Interim dividend of 0.5 sen per share	0.005	30-Aug	14-Sep	15-Sep	12-Oct
Sunway REIT	Distribution dividend of 1.63 sen per share	0.016	30-Aug	14-Sep	15-Sep	29-Sep
Excel Force MSC	1st Interim dividend of 0.5 sen per share	0.005	30-Aug	14-Sep	15-Sep	30-Sep
Mah Sing Group	Regular Cash dividend of 1.66 sen per share	0.017	28-Apr	15-Sep	17-Sep	29-Sep
Datasonic Group	Interim dividend of 0.1 sen per share	0.001	1-Sep	15-Sep	17-Sep	29-Sep
Teladan Setia Group	Bonus issue of up to 241,589,400 free warrants	--	12-Jul	15-Sep	17-Sep	24-Sep
Boilermech Holding	Final dividend of 1.75 sen per share	0.018	25-May	17-Sep	20-Sep	6-Oct
Malakoff Corp	Interim dividend of 3.1 sen per share	0.031	20-Aug	17-Sep	20-Sep	20-Oct
Kerjaya Prospek Group	Interim dividend of 1.5 sen per share	0.015	26-Aug	17-Sep	20-Sep	8-Oct
Bintulu Port Holdings	2nd Interim dividend of 3 sen per share	0.030	26-Aug	17-Sep	20-Sep	7-Oct

TE- Tax Exempt



## RATING CLASSIFICATION

### STOCKS

<b>OUTPERFORM</b>	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
<b>NEUTRAL</b>	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
<b>UNDERPERFORM</b>	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
<b>TRADING BUY</b>	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.
<b>TRADING SELL</b>	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
<b>NOT RATED</b>	The stock is not within regular research coverage.

### SECTOR

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

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