



PublicInvest Research Daily

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Thursday, April 14, 2022

INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,597.18	0.05	0.0
DOW	34,564.59	344.23	1.0
S&P 500	4,446.59	49.14	1.1
NASDAQ	13,643.59	272.02	2.0
FTSE-100	7,580.80	4.14	0.1
SHANGHAI	3,186.82	-26.51	-0.8
HANG SENG	21,374.37	55.24	0.3
STI	3,342.22	11.97	0.4
NIKKEI 225	26,843.49	508.51	1.9
JCI	7,262.78	48.00	0.7

MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	3,547.80	2,242.53

BURSA'S MARKET SHARE (%)

Retail	26.6%
Institutional	47.7%
Foreign	25.7%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (April)	1,593.00	-3.50	-0.2
OIL - BRENT (USD/b)	108.78	4.14	4.0
CPO FUTURE (RM/ton)	6,135.00	-42.00	-0.7
RUBBER (RM/kg)	673.50	-3.50	-0.5
GOLD (USD/Ounce)	1,979.00	4.92	0.2

FOREX

	LAST CLOSE	% CHG
MYR/USD	4.23	0.0
MYR/SGD	3.10	0.0
YUAN/MYR	1.50	0.0
YEN/MYR	29.80	0.4
MYR/EURO	4.59	-0.3
MYR/GBP	5.50	0.0

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
VORTEX CONSOLIDA	0.17	189.19
VIZIONE HOLDINGS	0.11	176.16
ATA IMS BHD	0.48	157.95
CSH ALLIANCE BHD	0.14	148.51
TECHNA-X BHD	0.10	135.23

TOP 5 GAINERS	LAST CLOSE	RM (+)
DUTCH LADY MILK	34.46	1.02
AEON CREDIT SERV	15.50	0.60
FRASER & NEAVE	22.46	0.40
MALAYSIAN PAC IN	32.54	0.20
AYER HOLDINGS BH	6.00	0.20

TOP 5 LOSERS	LAST CLOSE	RM (-)
PETRONAS DAGANGA	21.18	-0.34
HEINEKEN MALAYSI	24.00	-0.34
GENTING PLANTATI	9.00	-0.20
PPB GROUP BERHAD	17.16	-0.16
SUBUR TIASA	1.89	-0.15

Gainers – 505 Losers – 394 Unchanged – 463

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HIGHLIGHTS

DRB-Hicom: Inks MOU with Geely to Develop AHTV (DRB MK, Outperform, TP: RM1.95)

DRB-Hicom (DRB) announced that it has entered into a Memorandum of Understanding (MoU) with Zhejiang Geely Holdings Group Co Ltd (Geely) to jointly develop the Automotive HiTech Valley (AHTV) and collaborate to identify vendors and investors for the hub. We are positive over this development as the involvement of Geely, known for its strength in technology and mobility eco-system, is a boost for the AHTV. This can be an impetus for automobile and component manufacturers from China and other parts of the world to invest in production facilities in AHTV. Pending further development from this MoU, we keep our estimates unchanged. We remain positive on DRB's growth prospects and retain our **Outperform** call with an unchanged TP of RM1.95.

Technical: Malakoff Corporation - Possible For Sideways Breakout (5264, Technical Buy)

MALAKOF is potentially staging a breakout from its sideways channel, with anticipation of continuous improvement in both momentum and trend in the near term. Should immediate resistance level of RM0.660 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance levels of RM0.680 and RM0.705. However, failure to hold on to support level of RM0.625 may indicate weakness in the share price and hence, a cut-loss signal.

Technical: REDtone Digital - Possible For Sideways Breakout (0032, Technical Buy)

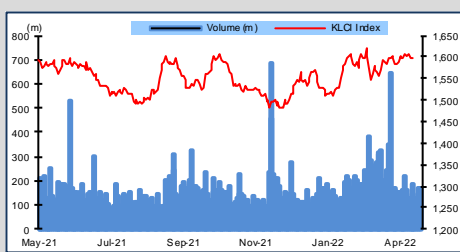
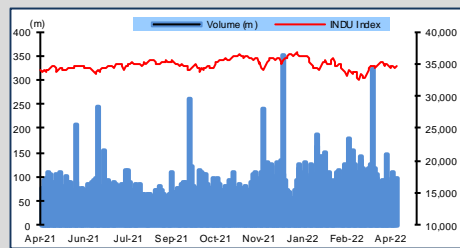
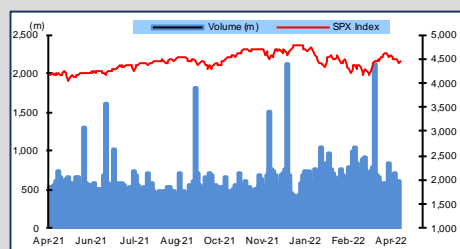
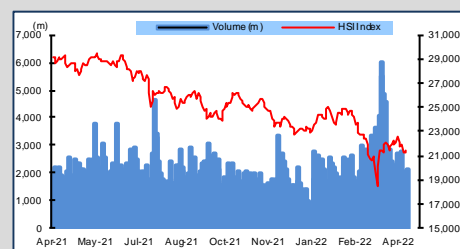
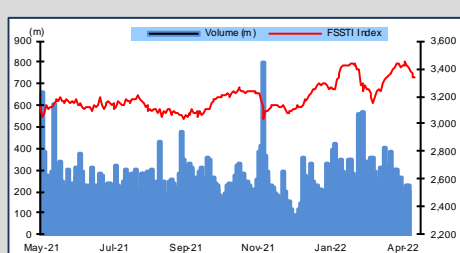
REDTONE is potentially staging a breakout from its sideways channel, with anticipation of continuous improvement in both momentum and trend in the near term. Should immediate resistance level of RM0.460 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance level of RM0.485. However, failure to hold on to support level of RM0.430 may indicate weakness in the share price and hence, a cut-loss signal.

HEADLINES

Economy

§ US: Producer price growth accelerates to record high in March.

After yesterday's report showing a jump in US consumer prices, the Labor Department released a report showing US producer prices also surged in the month of March. The Labor Department said its producer price index for final demand shot up by 1.4% in March after advancing by an upwardly revised 0.9% in Feb. Economists had expected producer prices to jump by 1.1% compared to the 0.8% increase originally reported for the previous month. Energy prices led the way higher, skyrocketing by 5.7% during the month, while food prices also spiked by 2.4%. With the bigger than expected monthly increase, the annual rate of producer price growth accelerated to a record high 11.2% in March from 10.3% in Feb. (RTT)

FBM KLCI

DOW JONES

S&P 500

HANG SENG

STRAITS TIMES


Source: Bloomberg, PublicInvest Research

§ **US: Mortgage interest rates top 5%, buyers look to lock in rates.** The average interest rate on the most popular US home loan rose to more than 5% last week, the highest level since Nov 2018, and homebuyers hurried to make purchases before costs rise further, the latest weekly survey from the Mortgage Bankers Association (MBA) showed. The average contract rate on a 30-year fixed-rate mortgage increased to 5.13% in the week ended April 8 from 4.90% a week earlier. It is up more than 1.5 percentage points since the start of the year as the Fed has begun to tighten financial conditions to cool demand in the economy amid high inflation. (Reuters)

§ **EU: Key market euro zone inflation gauge hits highest since 2012.** A key market gauge of long-term euro zone inflation expectations briefly rose above 2.40%, scaling a 10-year peak with a higher-than-expected inflation reading in Britain adding to signs of persisting price pressures. It is the highest the five-year five-year breakeven forward has risen since 2012, according to data from the ECB, and far above the 2% target of the bank, which meets on Thursday. "It will definitely be testing their resolve and their stance. It's definitely a problem. There's a lot of arguments that they've put forward to diminish the importance of this indicator," said Antoine Bouvet, senior rates strategist at ING. The gauge has risen from around 2.20% before Russia's invasion of Ukraine and around 2% at the start of the year. (Reuters)

§ **UK: Inflation at 30-year high of 7% in March, adding to pressure on govt.** British consumer price inflation leapt to its highest level in three decades last month, intensifying the pressure on embattled Prime Minister Boris Johnson and Finance Minister Rishi Sunak to ease the cost-of-living squeeze. The annual inflation rate climbed to 7% in March from 6.2% in Feb, its highest since March 1992 and by more than expected by most economists in a Reuters poll, official data showed. The MoM rise was the highest for the time of year since the Office for National Statistics' (ONS) records began in 1988. Broad-based price rises, ranging from vehicle fuel to food and furniture, were behind the increase. (Reuters)

§ **China: Will use timely RRR cuts to support economy, state media cites cabinet.** China will use timely cuts in banks' reserve requirement ratio (RRR) and other policy tools to support the economy, state media quoted the cabinet as saying, as headwinds increase amid outbreaks of Covid-19. China will step up financial support for the real economy, especially industries and small firms hit by the Covid-19 pandemic, and will lower financing costs, state media quoted the cabinet, or State Council, as saying after a regular meeting. "In light of changes in the current situation, we will encourage large banks with higher provisions to lower provision ratios in an orderly manner and will use monetary policy tools, including RRR cuts, in a timely way," it was quoted as saying. (Reuters)

§ **South Korea: Jobless rate steady in March.** South Korea's unemployment rate remained stable in March, after easing in the previous two months, data from Statistics Korea showed. The jobless rate was a seasonally adjusted 2.7% in March, same as seen in Feb. In the same month last year, the unemployment rate was 3.8%. On an unadjusted basis, the unemployment rate declined to 3.0% in March from 3.4% in the previous month. The number of unemployed decreased to 873,000 in March from 954,000 in the preceding month. Compared to a year ago, the figure decreased by 342,000 persons. The number of employed persons increased by 831,000 YoY to 27.754m in March. (RTT)

Markets

- § **Hibiscus (Outperform, TP: RM1.31): Explores Singapore SPAC listing, sources say.** Hibiscus Petroleum is considering listing a special purpose acquisition company in Singapore that could raise as much as SGD200m (RM620.38m), according to people familiar with the matter. The blank-check company, which could raise SGD150m to SGD200m, will look for acquisition targets in the renewable energy sector, the people said. (The Edge)
- § **Capital A (Neutral, TP: RM0.69): AirAsia Malaysia to reinstate flights to India.** AirAsia Malaysia said that the budget airline is preparing to reinstate flights from the country to India starting from May to cater to an expected increase in travel demand in line with Covid-19 vaccination-driven reopening of international borders. (The Edge)
- § **Seacera: Gets winding up notice of demand for RM34.64m.** Seacera Group said it has received a winding up statutory notice demanding a sum of RM34.64m in connection with a share sale agreement (SSA). The notice was issued by solicitors acting for Ismail Othman, who signed the SSA with the group's subsidiary, Seacera Properties SB, in 2016. Ismail is claiming the sum, which is inclusive of interests as of April 11, from Seacera as the group was the guarantor under the SSA. (The Edge)
- § **MNC Wireless: Kick starts lifestyle e-commerce ops.** MNC Wireless has inked a Memorandum of Understanding (MoU) with Hot TV Entertainment SB to kick-start its lifestyle e-commerce platform. MNC said it would be investing RM5.5m for the development of the platform in the next 18 months and allocating RM2.8m as its working capital. This capital was raised from MNC's 30% private placement, which was completed early this year. (BTimes)
- § **Serba Dinamik: SC compounds top execs RM3m each for submitting false revenue that KPMG flagged.** Serba Dinamik Holdings and four top executives have been compounded RM3m each by the Securities Commission Malaysia (SC) for submitting a false statement involving a revenue of RM6.01bn for its financial period ended Dec 31, 2020 (FY20), which was previously red-flagged by the company's external auditor, KPMG. (The Edge)
- § **Parkson: Auditor flags material uncertainty over its ability to continue as going concern.** Parkson Holdings said its external auditor has reported a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern. This is in respect of the retailer's audited financial statements for the 18-month period ended Dec 31, 2021 (FY21), Parkson said in a filing with Bursa Malaysia. (The Edge)
- § **T7 Global: Secures RM6m manpower contract from Hess.** T7 Global has bagged a RM6m contract from Hess Exploration and Production Malaysia BV for the provision of technical and non-technical manpower for the latter's North Malay Basin integrated gas development project. (The Edge)

MARKET UPDATE

§ The FBM KLCI might open higher today after US government debt extended a rally on Wednesday as traders pared back their bets on an aggressive series of interest rate rises from the Federal Reserve this year. The two-year Treasury yield, which is highly sensitive to monetary policy expectations, sank as much as 0.14 percentage points to 2.27%, its lowest level this month. Yields fall when prices rise. It later reversed some of the move to trade at 2.35%, down 0.06 percentage points for the day. The US benchmark S&P 500 index added 1.1%, while the tech-heavy Nasdaq Composite rose 2%. Kicking off bank earnings season, JPMorgan Chase on Wednesday reported a 42% year-on-year drop in net income for the first quarter, after a slowdown in dealmaking, a rise in reserves to protect against a US recession, and a USD524mn loss suffered amid market turbulence following Russia's invasion of Ukraine. In Europe, the regional Stoxx 600 share index closed the session flat. Germany's Dax fell 0.3% and France's Cac 40 added 0.1%. London's FTSE 100 added 0.1%.

Back home, Bursa Malaysia pared some of its early gains to end the day marginally higher on bargain hunting in selected heavyweights led by Hong Leong Bank Bhd, Telekom Malaysia Bhd (TM) and Hong Leong Financial Group Bhd (HLFG). At 5pm, the benchmark FBM KLCI rose 0.05 of-a-point to end at 1,597.18, compared with Tuesday's close of 1,597.13. In the region, Hong Kong's Hang Seng index added 0.3% and China's CSI 300 fell 1%. Japan's Topix rose 1.4% and South Korea's Kospi gained 1.9%.

TECHNICAL OUTLOOK

FBM KLCI: 1597.18 (+0.05; +0.00%)

Resistance: 1600, 1622, 1652

Support: 1580, 1551, 1515

FBM KLCI Daily Chart



The local benchmark inched up 0.05 points to end at 1597.18 yesterday. Market breadth turned positive as gainers outpaced decliners 505 and 394. At this juncture, the FBM KLCI is anticipated to trend sideways around the 1600 horizon. Support levels for the index are at 1580, 1551 and 1515, while the resistance levels are at 1600, 1622 and 1652.

ECONOMIC MONITOR (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
14-Apr-22	US Initial Jobless Claims	9-Apr	170K	166K
18-Apr-22	Malaysia Exports YoY	Mar	--	16.8%
18-Apr-22	Malaysia Imports YoY	Mar	--	18.4%
18-Apr-22	China Industrial Production YoY	Mar	4.0%	4.3%
19-Apr-22	US Housing Starts	Mar	1745K	1769K
20-Apr-22	US Existing Home Sales	Mar	5.77m	6.02m
21-Apr-22	Euro-Zone CPI YoY	Mar F	--	3.0%
21-Apr-22	Euro-Zone Consumer Confidence	Apr A	--	-18.7

CORPORATE MONITOR

RESULTS

<u>Company</u>	<u>Financial Quarter</u>	<u>Date</u>
IOI Corp	3QFY22	20 May

COMPANY VISITS / BRIEFING

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

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

13-Apr-2022

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Artroniq	1,714,800	1,630,000	0.95
Mieco Chipboard	11,500,000	8,050,000	0.70
Jade Marvel Group	3,721,000	2,700,000	0.73
Bonia Corp	1,417,500	2,910,000	2.05
MISC	1,964,100	15,500,000	7.89
Harn Len Corp	2,000,000	2,000,000	1.00
TWL Holdings	80,000,000	5,200,000	0.07
Bina Darulaman	3,000,000	1,350,000	0.45
Farm Fresh	3,000,000	6,000,000	2.00
KNM Group	10,000,000	1,900,000	0.19

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>
Senheng New Retail	Interim dividend of 1.3 sen per share	0.013	28-Feb	11-Apr	12-Apr	29-Apr
CE Technology	Interim dividend of 0.1 sen per share	0.001	28-Mar	11-Apr	12-Apr	26-Apr
APM Automotive Holdings	Final dividend of 7 sen per share	0.070	25-Feb	12-Apr	13-Apr	11-May
UMW Holdings	Final dividend of 5.8 sen per share	0.058	25-Feb	12-Apr	13-Apr	29-Apr
SCGM	3rd Interim dividend of 1.4 sen per share	0.014	29-Mar	12-Apr	13-Apr	28-Apr
Yinson Holdings	Bonus issue of shares of up to 1,112,453,173 new ordinary shares	--	30-Mar	12-Apr	--	--
Cepatwasawan Group	Special Cash dividend of 3 sen per share	0.030	28-Mar	13-Apr	14-Apr	29-Apr
DPI Holdings	2nd Interim dividend of 0.15 sen per share	0.002	30-Mar	13-Apr	14-Apr	25-Apr
Poh Huat Resources Holdings	Final dividend of 2 sen per share	0.020	30-Dec	14-Apr	15-Apr	10-May
Duopharma Biotech	2nd Interim dividend of 1.8 sen per share	0.018	15-Feb	14-Apr	15-Apr	13-May
Luxchem Corp	Interim dividend of 1 sen per share	0.010	17-Feb	14-Apr	15-Apr	13-May
Wong Engineering Corp	Final dividend of 1 sen per share	0.010	23-Feb	14-Apr	15-Apr	6-May
Latitude Tree Holdings	Interim dividend of 1 sen per share	0.010	24-Feb	14-Apr	15-Apr	13-May
Bermaz Auto	3rd Interim dividend of 2.25 sen per share	0.023	10-Mar	14-Apr	15-Apr	5-May
Carlsberg Brewery Malaysia	Final dividend of 46 sen per share	0.460	16-Mar	14-Apr	15-Apr	12-May
VS Industry	2nd Interim dividend of 0.4 sen per share	0.004	25-Mar	14-Apr	15-Apr	29-Apr
Astro Malaysia Holdings	4th Interim dividend of 1.5 sen per share	0.015	31-Mar	14-Apr	15-Apr	29-Apr
Heng Huat Resources Group	Bonus dividend of [n/a] sen per share	--	13-Jan	14-Apr	15-Apr	--
Ancom	Interim dividend by way of distribution of up to 18,356,515 ordinary shares	--	22-Mar	14-Apr	15-Apr	--
MHC Plantations	Regular Cash dividend of 2 sen per share	0.020	30-Mar	15-Apr	18-Apr	10-May
MHC Plantations	Special Cash dividend of 4 sen per share	0.040	30-Mar	15-Apr	18-Apr	10-May

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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