

10 August 2022

research@rakutentrade.my



Previous Day Highlights

FBM KLCI ended flattish amid a sell-down across the region. The benchmark index added 0.11% or 1.65 points to close at 1,497.68 with gainers led by PETGAS, TM and TENAGA. Market breadth was mixed with 373 gainers against 395 losers while 466 were unchanged. Total volume stood at 2.52bn shares valued at RM1.26bn.

Key regional markets closed mostly lower yesterday. Nikkei 225 and HSI lost 0.88% and 0.21% to close at 27,999.96 and 20,003.44 respectively. SHCOMP gained 0.32% to 3,247.43 while STI was closed for a public holiday.

Wall Street closed broadly lower ahead of US inflation data today. The DJIA slipped 0.18% to end at 32,774.41. Meanwhile S&P500 and Nasdaq lost 0.42% and 1.19% to close at 4,122.47 and 12,493.93 respectively.

Our Thoughts

Wall Street closed broadly lower as sentiment remained jittery ahead of the crucial US inflation data later today. The DJI Average declined by 58 points while the Nasdaq lost 150 points as the US 10-year yield inched higher at 2.78%. As for the local bourse, the FBM KLCI returned to consolidation mode as market undertone became cautious. For today we reckon the index to trend within a tight range of between 1,490-1,500 and reckon there to be some selling pressure on technology stocks in view of the slump in US tech stocks overnight. Meanwhile, as chances are high for the Federal Reserve to hike rate by another 75bps, we believe Bank Negara may also look to readjust the OPR by another 25bps at least.



News For The Day

Hartalega 1Q net profit slumps to RM88m from RM2.26bn a year earlier

Hartalega Holdings's 1QFY3/23 net profit slumped to RM88.28m from RM2.26bn YoY as the rubber glove manufacturer's revenue dropped significantly at a time when glove average selling price (ASP) and sales volume declined after rising to a record high during the crucial period of the Covid-19 outbreak, which began in early 2020. Covid-19-driven demand for gloves is, however, now seen normalising as global vaccination progress leads to anticipation that the Covid-19 outbreak can be curbed. – *The Edge Markets*

KLCC REIT's net profit rises to RM165.18m in 2Q

KLCC REIT's 2QFY22 net profit rose to RM165.18m from RM144.01m YoY, backed by a significant improvement in the retail and hotel segments. The group declared a dividend of 8.0 sen per stapled security, bringing the total to 16 sen for the first half of 2022. – *The Star*

Lagenda Properties to acquire 422-acre land in Perak for RM92m cash

Lagenda Properties announced it is acquiring a 422-acre land in Perak for RM92.4m cash. The projected gross development value (GDV) for the subject lands is expected to be around RM920m over its development period and is expected to increase the revenue derived from Lagenda's property development business and contribute positively to the future earnings and profitability of the group. – *The Edge Markets*

Nestcon enters MOU to develop solar PV facilities for local safety glass firm

Nestcon on Tuesday said it had entered into an MOU with Nam Heng Safety Glass SB to develop solar photovoltaic (PV) facilities at properties owned by Nam Heng Glass including its related corporations in Malaysia. Under the MOU, both parties will also explore opportunities for the Nam Heng Glass group to supply safety glass for potential projects to be undertaken by the Nestcon group. – *The Edge Markets*

Manufacturing sales value surges 23.4% to RM153.5bn in June

Malaysia's Manufacturing sales value in June 2022 expanded 23.4% to RM153.5bn as compared to RM124.4bn YoY, according to the Statistics Department (DOSM). On a MoM growth, the sales value expanded by 8.1% from RM142bn in May 2022 while in seasonally adjusted terms, the sales value increased by 6.9%. – *The Star*



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All buy calls are based on the research team's judgement. Investing is risky and trading is at your own risk. We advise investors to:

- read and understand the contents of the disclosure document or any relevant agreement or contract before investing;
- understand the risks involved in relation to the product or service;
- compare and consider the fees, charges and costs involved; and
- make your own risk assessment and seek professional advice, where necessary.

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Published:



Kenny Yee Shen Pin
Head of Research