

13 June 2022

research@rakutentrade.my



Previous Day Highlights

Malaysian equities continued its downward trajectory on Friday mirroring Wall Street overnight performance. The FBM KLCI index lost 1.04% or 15.76 points to end at 1,493.95 with losers led by GENTING, PBBANK and TENAGA. Market breadth was negative with 254 gainers against 667 losers. Total volume stood at 2.26bn shares valued at RM1.69bn.

Key regional markets ended mostly lower except SHCOMP which gained 1.42% to end at 3,284.83. The Nikkei 225 was down 1.49% to end at 27,824.29. HSI dropped 0.29% to end at 21,806.18. STI lost 0.87% to end at 3,181.73.

Wall Street suffered its biggest weekly loss since January after hot CPI data. The DJIA and S&P500 tumbled 2.73% and 2.91% to end at 31,392.79 and 3,900.86 respectively. Nasdaq slipped 3.52% to end at 11,340.02.

Our Thoughts

Wall Street fell sharply due to May's inflation figure which jumped to a 40 year high of 8.6% igniting fears of more intense rate hikes by the Federal Reserves. Therefore, the DJI Average declined by 860 points while the Nasdaq was down by a massive 414 points as the US 10-year yield inched to almost the 3.2% level. Back home, the FBM KLCI continued with its downtrend and slumped to a YTD low amid the regional weak performances. Though a rebound is expected, we reckon market undertone to remain jittery thus anticipate the index to hover within the 1,480-1,500 range today. Meanwhile, crude oil palm price fell to RM6,600/tonne as exports are seen to weaken over the immediate term while the Brent crude also fell to US\$122/barrel attributed to weaker Chinese demand.



News For The Day

Scientex Packaging cumulative nine-month net profit falls 17% to RM31.79m

Scientex Packaging cumulative net profit for the nine months ended April 30, 2022 fell 17% to RM31.79m from RM38.14m a year earlier despite cumulative revenue rising to RM582.21m from RM468.14m previously. – *The Edge Markets*

Malaysia's April manufacturing sales up 13.2% to RM147.9bn

Malaysia's manufacturing sales grew 13.2% to RM147.9bn compared to the same month in 2021, said the Department of Statistics Malaysia (DoSM). – *The Star*

Malaysia's IPI rises 4.6% in April 2022 driven by manufacturing, electricity

Malaysia's Industrial Production Index (IPI) increased 4.6% in April 2022 as compared to the same month of the previous year, according to the Statistics Department (DOSM). – *The Star*

Hong Seng Consolidated inks MoU with US-based EcoCell Inc to develop regional EV manufacturing hub

Hong Seng has inked a memorandum of understanding (MoU) with US-based EcoCell Inc to develop a regional manufacturing hub in Malaysia for electric vehicle (EV) batteries and energy storage solutions (ESS). – *NST*

Reservoir Link bags well services contract from SEA Hibiscus

Reservoir Link bagged a contract for well services, pumping and speciality chemicals from SEA Hibiscus SB. The scope of work includes the supply of equipment, chemicals, a technical support team, and a laboratory facility to conduct laboratory testing, studies and expert interpretative services as required by SEA Hibiscus concerning identifying opportunities for well production enhancement and rejuvenation. – *NST*

Hua Yang proposes 1-for-4 rights issue with warrants to raise up to RM17.6m

Hua Yang has proposed to undertake a renounceable rights issue of up to 88m new shares coupled with free warrants to raise up to RM17.6m. – *The Edge Markets*



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- 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