

14 June 2022

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Previous Day Highlights

Malaysian equities closed sharply lower tracking regional markets performance. The FBM KLCI index lost 1.95% or 29.12 points to end at 1,464.83 with losers led by IHH, CIMB and PCHEM. Market breadth was negative with 138 gainers against 1084 losers. Total volume stood at 3.27bn shares valued at RM2.26bn.

Key regional markets ended broadly lower on Monday. The Nikkei 225 skidded 3.01% to end at 26,987.44. HSI and SHCOMP lost 3.39% and 0.89% to end at 21,067.58 and 3,255.55. STI dropped 1.31% to end at 3,140.19.

Wall Street continued to tumble due to heightening fears that the expected aggressive interest rate hikes by the Federal Reserve could push the economy into a recession. The DJIA and S&P500 fall 2.79% and 3.88% to end at 30,516.74 and 3,749.63 respectively. Nasdaq slipped 4.68% to end at 10,809.23.

Our Thoughts

Sell-down on Wall Street intensified on fears of more aggressive rate hike by the Federal Reserves this week. As a result, all 3 major indices closed near to their 52-week lows. The DJI Average lost 876 points while the Nasdaq declined by 531 points as the US 10-year yield edged past the 3.36%. On the home front, the FBM KLCI dipped to its 52-week low following a decline of almost 110 points since end-May this year. In view of the drastic sell-down on Wall Street, we reckon trading on the local bourse to remain cautious today. Therefore, we expect the index to possibly test the 1,450 level before bargain hunting activities to emerge. As such, we believe the index to trend within the 1,450-1,470 range today. Meanwhile, the crude palm oil closed lower at RM6,150/tonne due to weaker demand.



News For The Day

Coastal Contract wins contracts worth RM252m

Coastal Contracts has secured a new charter contract and secured an extension for an existing contract for a total value of RM252m. The integrated marine oil and gas services and solutions provider, in a Bursa filing, said its subsidiaries, Pleasant Engineering SB and Elite Point Pte Ltd recently secured a new charter contract and extension of existing charter contract for one unit vessel and one unit liftboat respectively. – *The Star*

Nestcon unit accepts RM118.05m construction contract from Nescaya Etika

Nestcon Bhd's wholly-owned subsidiary Nestcon Builders SB has accepted a letter of award (LOA) from Nescaya Etika SB (NESB) to be the principal contractor to undertake the construction and completion of the main building and infrastructure works for the Phase 1 development project undertaken by NESB for RM118.05m. – *The Edge Markets*

InNature sells entire stake in Ola Belezato for RM2.04m

Innature is disposing of its entire shareholding in wholly-owned subsidiary Ola Beleza SB to Natura Cosmetics Asia Pacific Pte Ltd (Natura AP) for RM2.04m. InNature, a regional retailer of cosmetics and personal care products carrying The Body Shop and Natura brands, said it had entered into a share purchase agreement with Natura AP for the disposal. – *The Star*

Pharmaniaga to expand presence overseas

Pharmaniaga is looking to expand its market presence to the United Kingdom (UK), Turkey as well as the Middle East and North Africa (MENA) in the next two to three years, while also strengthening its presence in Indonesia. – *The Star*

BAuto's 4Q net profit up 18%, declares 4.5 sen dividend

BAuto which posted a 17.7% jump in net profit to RM78.7m in the 4Q has declared a 4.5 sen dividend. The board has approved and declared a fourth interim dividend of 2.00 sen single-tier dividend per share and a special dividend of 2.50 sen single-tier dividend per share in respect of the FY22 to be payable on Aug 4, 2022. – *The Star*



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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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