

16 June 2022

research@rakutentrade.my



## Previous Day Highlights

FBM KLCI ended sharply lower due to weak market sentiment. The benchmark index lost 1.50% or 22.23 points to end at 1,459.05 with losers led by SIMEPLT, PMETAL and PCHEM. Market breadth was negative with 732 losers against 231 gainers while 382 were unchanged. Total volume stood at 2.43bn shares valued at RM1.82bn.

Key regional markets ended mix on Wednesday. The Nikkei 225 lost 1.14% to end at 26,325.16. HSI and SHCOMP gained 1.14% and 0.50% to end at 21,308.21 and 3,305.41 respectively. STI climbed 0.28% to end at 3,117.58.

Wall Street rallied after US Federal Reserve announced that to raise interest rate to market expectations. The DJIA and S&P500 up 1.00% and 1.46% to end at 30,668.53 and 3,789.99 respectively. Nasdaq rose 2.50% to end at 11,099.15.

## Our Thoughts

Wall Street closed sharply higher after more than a week of heavy selling as the Fed announces large rate hike to battle inflation. The DJIA jumped over 300 points while Nasdaq ended 270 points higher after The U.S. Federal Reserve will raise its benchmark interest rate by 0.75% in an effort to fight high inflation. Nonetheless, officials also cut their 2022 GDP growth to just 1.7%, down from 2.8% from March. Back home, investors took profit following a sharp rise on Tuesday. We reckon investor sentiment to remain soft for the moment due to external factors, nevertheless the FBM KLCI remained in oversold position after heavy sell-downs in the past 2 weeks. Hence, we anticipate some bargain hunting activities to emerge with the FBM KLCI to hover within the range of 1,460-1,490 for today.



## News For The Day

### **Natural rubber production slips 20% in April**

Malaysia's natural rubber (NR) production decreased by 20% to 22,498 tonnes in April 2022 compared with 28,106 tonnes in March, said the Department of Statistics Malaysia (DoSM). The department said the NR production eased by 2.2 per cent year-on-year from 23,013 tonnes in April 2021. – *The Star*

### **Bintai Kinden bags subcontract jobs to supply piping materials to O&G related companies**

Bintai Kinden has bagged a series of subcontract projects from Petro Flanges & Fittings SB (PFF). Bintai Kinden said the contracts were awarded to its sub-subsidiary Bintai Energy SB to supply piping materials to established oil and gas (O&G) related companies in Malaysia. – *The Edge Markets*

### **Orgabio expects RM29.97m in proceeds from ACE Market IPO**

Instant beverage premix manufacturer Orgabio Holdings plans to fund its business expansion with a targeted RM29.97m in proceeds from its listing on the ACE Market of Bursa Malaysia. The company is scheduled to make its debut on the market on July 5, 2022. – *The Star*

### **Malaysia eases ban on exports of live premium chicken, says ministry**

Malaysia partly eased a ban on chicken exports, allowing poultry importers to resume bringing live premium chickens. Exports of live coloured birds including kampung and black chicken, as well as all chicken-based products and parent stock day-old chicks are permitted. – *The Edge Markets*

### **Berjaya Food to announce JV with Paris Baguette Singapore**

Berjaya Food, which operates the Starbucks and Kenny Roger's Roasters franchise in Malaysia, is set to announce a joint venture (JV) with international bakery operator Paris Baguette Singapore. The JV signing ceremony is scheduled to be held next Monday (June 20) at Berjaya Times Square Hotel, according to an invite sent out to the media. – *The Edge Markets*



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 [research@rakutentrade.my](mailto:research@rakutentrade.my)

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- 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