

20 June 2022

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## Previous Day Highlights

FBM KLCI ended lower amid the heavy regional sell-down. The benchmark index lost 1.09% or 16.03 points to end at 1,456.74 with losers led by NESTLE, PETDAG and KLK. Market breadth was negative with 726 losers against 267 gainers. Total volume stood at 3.06bn shares valued at RM3.02bn.

Key regional markets ended broadly higher yesterday. HSI, SHCOMP and STI rose 1.10% 0.96% and 0.02% to end at 21,075.00, 3,316.79 and 3,098.09 respectively. The Nikkei 225 fell 1.77% to end at 25,963.00.

Wall Street closed mixed with DJIA and S&P 500 wrapped up their worst weeks since 2020. The DJIA lost 0.13% to 29,888.78. The S&P 500 added 0.22% to 3,674.84. The Nasdaq Composite gained 1.43% to 10,798.35.

## Our Thoughts

Wall Street closed mixed on concerns that the US economy may be faced with a slowdown after several economic data fell short of expectations. The DJI Average ended 38 points lower while the Nasdaq gained 152 points following a volatile session as the US 10-year yield closed lower at 3.23%. On the home front, the FBM KLCI ended at a 2-year low as foreign funds selling continued. Though we reckon the local bourse to remain in cautious mode, some bargain hunting activities will emerge in view of the reasonable valuations the index is hovering at the moment. Therefore, we believe the index to see some upside today and anticipate it to trend between the 1,450-1,470 range. Meanwhile, the crude palm oil skidded to below RM6,000/tonne and end at RM5,685/tonne on expectations of improving supply.



## News For The Day

### **Axiata and Digi need more time to complete proposed merger, extend longstop date to Dec 31, 2022**

Axiata Group and Digi.com need more time to fulfil conditions that have been set out in the conditional share purchase agreement (SPA) signed on June 21, 2021 to merge their local mobile service operations. Both companies have agreed to extend the current longstop date to Dec 31 this year. – *The Edge Markets*

### **Malaysia's May exports rise 30.5%, above forecast**

Malaysia's exports in May rose 30.5% YoY to RM120.5bn from RM92.3bn previously, according to the Statistics Department. According to 13 economists surveyed in a Reuters poll, May's exports were expected to rise 28.9%. In a statement, the department said imports in May grew 37.3% from a year earlier to an all-time high of RM107.9bn, in line with the surge in intermediate goods by 34.1%. – *The Star*

### **RM48.1bn net foreign investment into Malaysia in 2021, the highest since 2016**

Foreign investment into Malaysia recorded net inflows of RM48.1bn in 2021 compared to RM13.3bn in the previous year, while investment abroad registered RM19.7bn versus RM10.2bn in 2020. As at the end of 2021, foreign direct investment (FDI) position registered a higher value of RM788.8bn, said the Department of Statistics Malaysia (DOSM) which published the Statistics of FDI in Malaysia and Malaysia's direct investment abroad (DIA) for 2021. – *The Star*

### **Carlsberg allocates largest capex in 30 years**

Carlsberg Brewery Malaysia has earmarked a capital expenditure (capex) of RM110m to upgrade its brewery in Shah Alam, its largest investment in 30 years. – *The Edge Markets*

### **LKL International plans RM58.3m rights issue**

LKL International has proposed to undertake a renounceable rights issue with free warrants to raise up to RM58.3m to fund its diversification into the pharmacy business. The company is also planning a share consolidation exercise by consolidating every 10 existing shares into one share. The rights issue with warrants entails the issuance of three rights shares and two warrants for every one consolidated share. Based on an illustrative price of 20sen per rights share — a discount of approximately 30.92% to the theoretical ex-all price of 28.95sen – *The Edge Markets*



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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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