

20 May 2022

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Previous Day Highlights

Malaysian equities were lower on profit taking. The FBM KLCI lost 0.35% or 5.50 points to end at 1,549.41 with losers led by PMETAL, PBBANK and TOPGLOV. Market breadth was negative with 272 gainers and 692 losers. Total volume stood at 2.69bn shares valued at RM2.23bn.

Key regional indices ended lower mirroring Wall Street performance except SHCOMP that was up 0.36% to close at 3,096.96. The Nikkei 225 lost 1.89% to end at 26,402.84. HSI tumbled 2.54% to close at 20,120.68. STI declined 0.95% to end at 3,194.66.

Wall Street extended losses on Thursday. The DJIA lost 0.75% to end at 31,253.13. The S&P 500 and Nasdaq down 0.58% and 0.26% to end at 3,900.79 and 11,388.50 respectively.



News For The Day

Dayang Enterprise returns to profitability in 1Q

Sarawak-based oil and gas service provider Dayang Enterprise swung back to profitability in the 1QFY22, with a net profit of RM13.76m compared with a net loss of RM27.54m a year ago. This resulted in an earnings per share of 1.19 sen for 1QFY22, compared with a loss per share of 2.55 sen for 1QFY21. – *The Edge Markets*

Kobay Technology's Q3 net earnings doubled to RM15.1m driven by demand in semiconductor, E&E industries

Engineering solutions provider Kobay Technology posted a net profit of RM15.1m for the Q3FY22 compared to RM7.1m posted in the same quarter last year. Revenue rose 184.1% YoY to RM100.1m in Q3 FY22 from the RM35.2m reported last year. – *NST*

Tomei 1Q net profit rises 14.63% due to better profit margin

Tomei's net profit for the 1QFY22 grew 14.63% to RM15.77m from RM13.76m a year prior because of a better profit margin. Earnings per share were bumped up to 11.38 sen from 9.93 sen. – *The Edge Markets*

Hup Seng 1Q net profit falls 31% as raw material costs spike

High raw material costs ate into biscuit maker Hup Seng's earnings, despite an increase in product selling prices. The company's net profit shrank by nearly one-third to RM6.77m in the 1QFY22 against RM9.87m a year ago due to a spike in input costs. – *The Edge Markets*

Magnum's 1Q net profit more than doubles, declares one sen dividend

Magnum's net profit jumped 122% to RM16.66m for the 1QFY22 from RM7.52m a year ago, mainly due to higher contribution from its gaming division. Earnings per share for 1QFY22 increased to 1.16 sen, from 0.52 sen for 1QFY21. – *The Edge Markets*

PetGas' net profit falls, revenue rises in Q1

PetGas registered a net profit of RM438m in the Q1 ended March 31, 2022, down 18.9% yoy against RM540m in Q1 2021. Gross profit for the quarter came in at RM612m, down from RM712m in Q1 2021 due to lower margins recorded by the utilities segment. – *The Edge Markets*

Our Thoughts

Inflationary concerns saw traders dumped equities as Wall Street closed lower. The DJI Average declined by 237 points while the Nasdaq lost 30 points as the US 10-year yield ended lower at around the 2.84% level. As for the local bourse, the FBM KLCI closed lower amid the weaknesses across the region. As uncertainties continue to dictate sentiments, we reckon the index to remain stuck within its consolidation mode of between 1,540-1,555 today. Meanwhile, the crude palm oil also ended lower at RM6,650 tracking the softer soya prices.



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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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