

23 June 2022

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## Previous Day Highlights

FBM KLCI tumbled on Wednesday in line with regional markets performance. The benchmark index declined 1.84% or 26.78 points to end at 1,431.10 with losers led by SIMEPLT, PCHEM and KLK. Market breadth was negative with 640 losers against 255 gainers. Total volume stood at 2.73bn shares valued at RM1.90bn.

Key regional markets were broadly lower. The Nikkei 225 lost 0.37% to end at 26,149.55. Both the HSI and SHCOMP slid 2.56% and 1.20% to end at 21,008.34 and 3,267.20 respectively. Meanwhile, STI was down 0.78% to end at 3,093.31.

Wall Street ended lower post US Federal Reserve's Chairman speech to bring down inflation. The DJIA lost 0.15% to end at 30,483.13. The S&P 500 and Nasdaq Composite dipped 0.13% and 0.15% to end at 3,759.89 and 11,053.08 respectively.



## News For The Day

### **Mestron secures RM17.5m worth of jobs from telecom infrastructure companies**

Mestron has secured a total of RM17.5m worth of orders from telecommunication infrastructure companies since the start of the year, in line with the accelerated implementation of the National Digital Network (JENDELA). It said these works were awarded by various companies, including Smartgen Technology SB, Hydro Vista SB and OCK Setia Engineering SB. – *The Edge Markets*

### **Axiata completes 66% stake buy in Link Net for RM2.63bn**

Axiata and PT XL Axiata Tbk (XL Axiata) has completed the acquisition of 66.03% of PT Link Net Tbk (Link Net) for 8.72tn Indonesian rupiah, or approximately RM2.63bn. – *The Edge Markets*

### **Bioalpha forms JV with Suzhou MedicalsysteMS to supply supplements in China market**

Bioalpha has formed a joint venture (JV) with Shanghai-listed Suzhou MedicalsysteMS Technology Co Ltd to supply health supplement products in the China market. Bioalpha said Suzhou MedicalsysteMS has agreed to invest 6m renminbi (about RM3.9m) into the JV for working capital. – *The Edge Markets*

### **Reservoir Link Energy to transfer listing on June 27**

Reservoir Link Energy will transfer its listing status to the Main Market from the ACE Market effective Monday (June 27) according to Bursa Securities. The stock exchange said the company would be categorised under the 'Energy' sector, and that the stock short names and stock numbers for the company's securities would remain unchanged. – *The Edge Markets*

### **Lotte Chemical unit signs agreements for Indonesian petrochemical facility**

Lotte Chemical's unit, Pt Lotte Chemical Indonesia (LCI), has entered into related party transactions involving the company's integrated petrochemical facility in Indonesia. – *The Star*

### **Omesti's unit wins RM25.3m contract from TNB**

Omesti's indirect 51% owned subsidiary, Formis Network Services SB (FNS) has secured a RM25.31m contract from TNB. Omesti said FNS had on June 21 received and accepted a letter of award from TNB for the leasing of personal computers for a duration of three years. – *The Star*

## Our Thoughts

It was a choppy session on Wall Street as all 3 major indices closed lower following some attempts of an uptrend. Market undertone was cautious as inflationary concerns remains a major headwind. The DJI Average lost 47 points while the Nasdaq declined by 16 points as the 10-year yield edged lower to 3.16%. On the home front, the FBM KLCI weakened even further as selling on plantation stocks gathered momentum in view of the declining crude palm oil prices. For today, we reckon the local bourse to possibly stage a mild rebound as the index is currently hovering close to its support level and expect it to trend within the 1,425-1,445. Meanwhile, weak demand and lower soya bean price saw the crude palm price dipped to below the RM5,000/tonne to RM4,700/tonne level whilst the Brent crude was lower at below US\$112/barrel attributed to higher inventory level.



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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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