

23 May 2022

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Previous Day Highlights

Malaysian equities were marginally lower on Friday. The FBM KLCI was down 0.02% or 0.29 points to end at 1,549.12 with losers led by NESTLE, PETGAS and HEIM. Market breadth was positive with 593 gainers against 318 losers. Total volume stood at 2.39bn shares valued at RM1.99bn.

Key regional indices ended in green territories. The Nikkei 225 was up 1.27% to end at 26,739.03. The HSI and SHCOMP surged 2.96% and 1.60% to close at 20,717.24 and 3,146.57 respectively. STI jumped 1.65% to end at 3,243.47.

Wall Street ended mix on Friday. The DJIA and S&P 500 up marginally by 0.03% and 0.01% to end at 31,261.90 and 3,901.36. Nasdaq down 0.30% to end at 11,354.62.



News For The Day

ELK-Desa Resources Q4 net earnings down by 60.9% to RM5.54m

ELK-Desa Resources recorded a lower net profit in its Q4FY22 at RM5.54m, down by 60.9% YoY against RM14.16m in the same period last year. Revenue for the quarter slipped 7.9% YoY to RM35.69m from RM38.75m in Q4 2021, while pre-tax profit also decreased by 57% to RM7.53m from RM17.54m compared to Q4 2021. – *NST*

MHB returns to the black in 1Q with RM2.72m net profit

Malaysia Marine and Heavy Engineering Holdings (MHB) posted RM2.72m net profit for the 1QFY22 from a net loss of RM104.35m a year earlier, on the back of improved earnings from all its divisions. MHB said revenue for the quarter rose to RM417.78m from RM343.57m previously. – *The Edge Markets*

Sime Darby Plantation 1Q net profit grows 28%, expects lower FFB production in FY22

Sime Darby Plantation saw its net profit for the 1QFY22 grow 27.76% year-on-year to RM718m from RM562m, driven by stronger recurring profit before interest and tax (PBIT), which compensated for the lower profits from non-recurring transactions, a result of lower gains from compulsory land acquisition by the government. – *The Edge Markets*

Pharmaniaga's 1Q net profit up 20%, declares 0.8 sen dividend

Pharmaniaga, the country's largest listed pharmaceutical company, saw its net profit grow 19.9% to RM27.73m in the 1QFY22 from RM23.14m a year ago, on higher contribution from its logistics and distribution division as new products were added into the Ministry of Health's (MoH) approved products purchase list, coupled with the Indonesian division returning to the black in the current quarter under review. – *The Edge Markets*

Allianz Malaysia posts higher net profit of RM101.31m in 1Q on higher contribution from insurance segments

Allianz Malaysia posted a higher net profit of RM101.31m or 56.99 sen per share for the 1QFY22, climbing by 60.16% from RM63.26m or 35.74 sen per share in the previous year contributed by profit from both of its insurance segments. – *The Edge Markets*

Our Thoughts

It was another roller-coaster session on Wall Street attributed to recessionary fears, however all 3 major indices closed off their respective lows from late bargain hunting activities. The DJI Average was up 9 points after losing 600 points earlier while the Nasdaq recovered from a 300-point drop to end only 34 points lower. On the home front, the FBM KLCI closed marginally lower due to some last minute selling activities. As market volatility remains high, we reckon the index to be on consolidation mode and expect it to trend within a range of between 1,540-1,555 today. Despite concerns of recession that may hamper demand for crude oil, the Brent crude price stayed elevated at above the US\$112/barrel.



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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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