

24 May 2022

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Previous Day Highlights

Malaysian equities closed lower ahead of corporate earnings and inflation data release. The FBM KLCI was down 0.43% or 6.59 points to end at 1,542.53 with losers led by IOICORP, SIMEPLT and PETGAS. Market breadth was negative with 355 gainers against 545 losers. Total volume stood at 3.38bn shares valued at RM1.88bn.

Key regional indices ended mixed. The Nikkei 225 and SHCOMP added 0.98% and 0.01% to end at 27,001.52 and 3,146.86 respectively. Meanwhile HSI and STI lost 1.19% and 0.83% to close at 20,470.06 and 3,213.65 respectively.

Wall Street rallied supported by big cap technology stocks. The DJIA and S&P 500 surged 1.98% and 1.86% to end at 31,880.24 and 3,973.75. Nasdaq gained 1.59% to end at 11,535.27.

Our Thoughts

Wall Street staged a relief rally due to bargain hunting activities, but many remain unconvinced if this is sustainable. The DJI Average jumped by 618 points while the Nasdaq gained 181 points as the US 10-year yield inched above 2.85%. As for the local bourse, the FBM KLCI again ended lower from late selling activities attributed to a mixed bag of corporate earnings hence the absence of strong buying catalysts. We reckon the index to possibly trend lower as we expect regional markets to remain volatile judging by the weaker DJIA futures. Therefore, we see the index to hover between the 1,535-1,550 range today. Meanwhile, the crude palm oil jumped above the RM6.800/tonne on weaker output expectation while the Brent crude closed above the US\$113/barrel as Germany may go ahead to embargo Russian oil.



News For The Day

Sports Toto's 3Q profit jumps four-fold to RM79.56m, declares two sen dividend

Sports Toto's 3QFY22 net profit surged more than four-fold to RM79.56m from RM18.68m YoY, underpinned by higher contributions from HR Owen plc and STM Lottery SB. The company declared a third interim dividend of two sen per share, to be paid on July 22. – *The Edge Markets*

S P Setia posts net profit of RM67.5m in 1Q

S P Setia posted its 1QFY22 net profit of RM67.5m compared with RM75.23m YoY. Revenue for the quarter stood at RM867.1m against RM1.05bn a year prior. S P Setia noted that domestically, sales were mainly derived from the central region with RM420m. – *NST*

Destini's unit secures MRO contract worth RM531.39m

Destini has secured a contract for the maintenance, repair and overhaul (MRO) of 35 train sets operated by Keretapi Tanah Melayu Bhd (KTMB) worth RM531.39m. The group said its unit received the award of the four-and-a-half-year Level 4 MRO contract from the Ministry of Transport. – *The Edge Markets*

Hextar Global's net profit climbs to RM15.65m in 1Q

Hextar Global recorded a net profit of RM15.65m in the first quarter ended March 31, 2022, a 45.5% increase over RM10.75m in the previous corresponding quarter on the back of higher turnover. The group reported revenue of RM153.63m, which was 33.81% improved over the comparative quarter due to contribution from the newly acquired speciality chemicals segment. – *The Star*

Hock Seng Lee to be delisted from Bursa on May 26 following privatisation offer

Hock Seng Lee will be officially removed from the exchange effective Thursday (May 26), its Bursa Malaysia filing showed on Monday. The removal came after Hong Seng Lee Enterprise SB plan to take the group private at RM1.35 per share. – *The Edge Markets*

Innoprise Plantation's 1Q net profit soars 228% on higher ASPs, sales volume; pays six sen dividend

Innoprise Plantations' 1QFY22 net profit soared 228% to RM29.53m thanks to higher average selling prices (ASPs) of crude palm oil (CPO) and palm kernel (PK). Innoprise Plantations declared a first interim dividend of 6sen/share, payable on June 23, 2022. – *The Edge Markets*



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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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A handwritten signature in black ink, appearing to read 'Kenny Yee Shen Pin'.

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