

On the mend with limited upside

Market Review

Malaysia: The FBM KLCI (+0.5%) mirrored the positive developments on Wall Street overnight as the key index trimmed its weekly losses to close -1.7% WoW. The lower liners also rebounded, while the broader market ended mostly higher, led by the telecommunications and media sector (+1.2%).

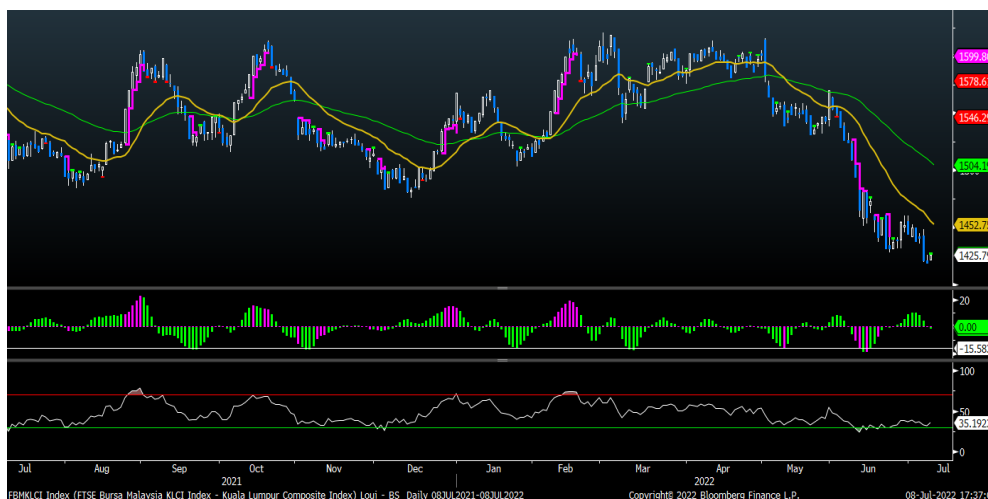
Global markets: US stockmarkets extended their losses as the Dow (-0.2%) fell on concerns over the upcoming reading of inflation data tomorrow which may pile further pressure for the US Federal Reserve to stay hawkish. The European stock markets also retreated, but Asia stock markets ended mixed.

The Day Ahead

The FBM KLCI rebounded on Friday following the back-to-back losing sessions, led by selected banking and industrial products heavyweights; rising regional markets added to the positive sentiment. Nevertheless, we deem the rebound may be short-lived amid rebound in Covid-19 cases in Malaysia, reintroduction of lockdowns in China, as well profit taking activities on Wall Street overnight. On the commodity markets, crude oil price hovered around USD107 per barrel mark, while the CPO price moderated further to RM4,150.

Sector focus: We believe the banking sector may be in focus, supported by interest rate upcycle environment. Meanwhile, traders may look at the healthcare sector for short-term trade amid growing Covid-19 cases. Also, we noticed buying interest has been seen within the construction and building material segment. On the flip side, we may anticipate technology stocks to pullback as Nasdaq reversed its gains yesterday.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI bounced off its 52-week low ahead of the long weekend. Technical indicators, however, turned bearish as the MACD Histogram bar fell below the zero line, while the RSI hovered below 50. Resistance is located at 1,460-1,480, while the support is pegged around 1,400-1,420.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	31,173.84	-0.52
S&P 500	3,854.43	-1.15
NASDAQ	11,372.60	-2.26
FBM KLCI	1,425.79	0.50
FBM Small Cap	13,778.28	0.32
FBM ACE	4,667.81	1.39
Construction	153.98	0.70
Consumer	556.66	0.48
Energy	636.44	0.64
Financial Services	16,077.12	0.50
Healthcare	1628.44	-0.76
Ind Products	172.83	0.60
Plantation	6,634.86	0.70
Property	619.17	-0.01
REITs	794.70	-0.02
Technology	59.95	0.96
Telco & Media	555.58	1.17
Transport	788.24	-0.47
Utilities	816.50	0.41
Trading Vol (m)	1617.59	-16.83
Trading Val (RM m)	118.64	-22.71
Advance/Decline	131%	
FKLI	142150	0.07
FCPO (RM)	4,157.00	0.41
Brent oil (USD)	107.10	0.07
Gold (USD)	1733.96	-0.49
USD	4.4245	0.03
GBP	5.2986	-0.26
EURO	4.4699	0.23
SGD	3.1568	-0.06

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
30.0	90.7	-120.7

Source: Bloomberg, Bursa Market Place

Company Brief

VS Industry Bhd's wholly-owned subsidiary, VS Capital Management Sdn Bhd (VSCM) has proposed to issue Islamic Medium Term Notes of up to RM1.00bn in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar. The Sukuk Wakalah Programme will be guaranteed by VS Industry. Proceeds from the issuance will be utilised for working capital requirements, capital expenditure (capex), investments and/or general corporate purposes. (The Star)

Harn Len Corp Bhd has proposed to acquire 3.8-ha. of freehold land in Tebrau, Johor from Sunitrend Sdn Bhd for RM4.5m cash. The land is cultivated with vegetables such that the holding is well maintained. The proposed land acquisition will be funded by internally generated fund. (The Star)

Atrium Real Estate Investment Trust (REIT) has proposed to raise up to RM85.3m via a private placement and a special issuance of units to major unitholder Chan Kam Tuck at an indicative issue price of RM1.40 per unit. The placement involves issuing up to 40.9m new units (representing up to 20.0% of the REIT's total issued units) to third party investors, while the special issuance involves issuing 20.0m new units to Chan. (The Edge)

TH Plantations Bhd's special purpose vehicle THP Suria Mekar Sdn Bhd (TSM) has issued sukuk wakalah amounting to RM300.0m in nominal value under its RM1.08 bn unrated Islamic medium-term notes (IMTN) (sukuk wakalah) programme. (The Edge)

Minetech Resources Bhd has announced that the RM30.4m subcontract it secured from Mutual Premium Sdn Bhd (MPSB) to build a secondary school in Perak has been mutually terminated. The company was informed by MPSB that the project was no longer achievable due to the prevailing unfavourable economic and market conditions. (The Edge)

Westports Holdings Bhd has reported that it has overprovided for deferred tax liabilities by RM17.0m in its financial results for 1QFY22, which has resulted in the reported effective tax rate of 39.0% for the quarter. As such, the amount will be reversed in the financial results for 2QFY22. (The Edge)

MMIS Bhd is buying a piece of industrial land measuring 40,054-sqm with buildings in Pusing, Perak for RM11.5m to expand its production capacity as its current facility is already running at full capacity. (The Edge)

G Capital Bhd's 51.0%-owned subsidiary G Capital Water Solutions Sdn Bhd has secured a Letter of Award (LoA) from Pembinaan Limpah Bersatu Sdn Bhd worth RM7.1m for a non-revenue water (NRW) project in Pulau Langkawi. The project is estimated to be completed within 13 months from July 2022. (The Edge)

FGV Holdings Bhd has reported that the Federal Land Development Authority (Felda) resumed its share buy back in June and July 2022 when Felda acquired a cumulative 1.7m FGV shares on the open market after a more than four-month pause. (The Edge)

AirAsia X Bhd has redesignated Tan Sri Tony Fernandes as acting group chief executive officer (CEO) of the long-haul budget airline with effect from 8th July

2022, in addition to his position as a non-independent non-executive director of the Practice Note 17 company. (The Edge)

Sime Darby Property Bhd and LOGOS SE Asia Pte Ltd's (LOGOS Property) joint venture; SDPLOG has unveiled plans with the commencement of groundwork for its maiden asset E-Metro Logistics Park in Bandar Bukit Raja, Klang, Selangor. The first phase is expected to be completed with identified tenants in June 2023, and overall completion by 3Q26. (The Edge)

Duopharma Biotech Bhd will be partnering US-based foodtech company The Live Green Co in developing and manufacturing plant-based products and ingredients. These will be used to replace the synthetic or animal-based ingredients utilised in some of Duopharma's products. (The Edge)

Industronics Bhd proposed a 2-for-1 rights issue at an indicative price of RM0.08 per share to raise up to RM70.0m mainly to repay advances made by a substantial shareholder, purchase of inventories for its luxury watches trading business and expansion of the group's existing business of electronics and system integration. The group proposed to issue up to 875.1m rights shares and 656.3m warrants, and has secured irrevocable written undertakings from substantial shareholders Luk Tung Lam and executive director Datuk Chu Boon Tiong to collectively subscribe to 225.0m rights shares and 168.8m warrants. (The Edge)

Malaysian Genomics Resource Centre Bhd (MGRC) has proposed to raise RM9.9m via a private placement of up to 10.0% of its issued shares at an issue price to be determined later. The funds will be used for the group's future investments as well as for the purchase of equipment including IT hardware, biological safety cabinet and extraction automation. (The Edge)

Technical Focus Tracker

Technical Focus Tracker											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Long Term Target (RM)	Support (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	PAVREIT	20-Jun	1.310	1.380	1.410	1.440	1.250	1.240	1.310	0.0%	On-going
2	DPHARMA	6-Jul	1.170	1.280	1.350	1.480	1.120	1.110	1.120	-4.3%	On-going
3	KAWAN	12-Jul	1.720	1.770	1.820	1.930	1.640	1.630	1.720	0.0%	Initiate position

3Q22 Stock Picks											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Long Term Target (RM)	Support (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	UWC	1-Jul	3.260	3.890	4.180	-	3.230	2.850	3.280	0.6%	On-going
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	2.660	-6.3%	On-going
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	0.900	-6.7%	On-going
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.010	0.0%	On-going
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.820	6.5%	On-going
6	SYSCORP	1-Jul	0.410	0.445	0.470	-	0.375	0.340	0.400	-2.4%	On-going
7	PWROOT	1-Jul	1.700	1.830	1.920	-	1.630	1.550	1.850	8.8%	On-going
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.400	-4.4%	On-going
9	QL	1-Jul	5.210	5.710	5.920	-	5.230	5.050	5.260	1.0%	On-going
10	AMBANK	1-Jul	3.720	3.980	4.110	-	3.620	3.450	3.880	4.3%	On-going
Average Return										0.1%	

Technical Focus Tracker Summary	
Total recommendations	240
Total winners	141
Total losers	97
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	-5.3%
Accuracy (2022)	50.9%
FBM KLCI (Since 31/12/2021)	-9.0%
FBM Small Cap (Since 31/12/2021)	-12.6%
Malaysia GDP Growth (1Q22)	5.0%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
POHUAT (7088)	1st Interim	RM0.02	28/6/2022	12/7/2022	RM1.37	RM1.35	1.5	-1.5
ALCOM (2674)	Final	RM0.03	21/2/2022	12/7/2022	RM1.04	RM0.81	3.1	-22.1
GOPENG (2135)	Final	RM0.02	5/4/2022	12/7/2022	RM0.49	RM0.44	3.4	-10.3
UNIMECH (7091)	Final	RM0.03	28/2/2022	13/7/2022	RM1.39	RM1.44	2.1	3.6
DKSH (5908)	Final	RM0.11	15/4/2022	13/7/2022	RM4.70	RM4.29	2.6	-8.7
HEVEA (5095)	Final	RM0.01	28/3/2022	14/7/2022	RM0.49	RM0.44	2.3	-10.3
BAUTO (5248)	4th Interim & Special Cash	RM0.05	13/6/2022	14/7/2022	RM1.78	RM1.71	2.6	-3.9
PLABS (0171)	Interim	RM0.01	20/6/2022	14/7/2022	RM0.20	RM0.20	3.1	-2.5
SCGM (7247)	4th Interim	RM0.01	29/6/2022	14/7/2022	RM2.29	RM2.28	0.6	-0.4
JAYCORP (7152)	Interim	RM0.02	16/6/2022	14/7/2022	RM0.68	RM0.70	2.9	3.7
SCGBHD (0225)	Final	RM0.00	24/2/2022	14/7/2022	RM0.38	RM0.33	0.6	-12.0
PBA (5041)	Final	RM0.01	28/4/2022	14/7/2022	RM0.82	RM0.79	1.3	-4.3
LEONFB (5232)	Final	RM0.02	7/4/2022	14/7/2022	RM0.81	RM0.59	3.4	-27.8
BIPOIT (5032)	Interim	RM0.05	27/5/2022	14/7/2022	RM5.25	RM5.40	0.9	2.9
CAMRES (7128)	Interim	RM0.01	31/5/2022	15/7/2022	RM0.35	RM0.28	3.6	-20.3
SOP (5126)	Bonus	1:2	7/3/2022	15/7/2022	RM5.97	RM3.97	-	-33.5
CANONE (5105)	Final	RM0.04	27/4/2022	18/7/2022	RM3.15	RM3.44	1.2	9.2
ALLIANZ (1163)	Interim	RM0.16	21/6/2022	18/7/2022	RM12.70	RM12.82	1.2	0.9
CHOOBEE (5797)	Final & Special Cash	RM0.08	28/4/2022	19/7/2022	RM2.14	RM1.92	3.9	-10.3
HARISON (5008)	Final	RM0.30	11/4/2022	21/7/2022	RM4.88	RM5.80	5.2	18.9
FIMACOR (3107)	2nd Interim & Special Cash	RM0.10	24/5/2022	21/7/2022	RM2.08	RM2.09	4.8	0.5
CGB (8052)	Bonus-Options	1:2	6/7/2022	21/7/2022	RM0.94	RM0.94	-	0.0
SAM (9822)	Regular Cash	RM0.04	24/5/2022	21/7/2022	RM4.48	RM2.98	1.2	-33.5
MYCRON (5087)	Interim	RM0.03	29/6/2022	21/7/2022	RM0.44	RM0.45	6.7	3.4
UMCCA (2593)	2nd Interim & Special Cash	RM0.10	28/6/2022	26/7/2022	RM5.49	RM5.41	1.8	-1.5
ASB (1481)	Regular Cash	RM0.00	11/4/2022	27/7/2022	RM0.10	RM0.10	1.5	5.3
TECGUAN (7439)	Final	RM0.03	30/5/2022	27/7/2022	RM1.57	RM1.19	2.5	-24.2
DKLS (7528)	Final	RM0.03	24/2/2022	28/7/2022	RM1.75	RM2.14	1.4	22.3
METROD (6149)	Regular Cash	RM0.06	28/2/2022	28/7/2022	RM1.30	RM1.35	4.4	3.8
EVERGRN (5101)	Final	RM0.02	15/6/2022	29/7/2022	RM0.51	RM0.47	3.2	-8.8
PTRANS (0186)	2nd Interim	RM0.01	23/5/2022	3/8/2022	RM0.74	RM0.82	0.9	11.6
YINSON (7293)	Final	RM0.02	29/3/2022	3/8/2022	RM1.95	RM1.90	1.1	-2.6
KFIMA (6491)	Interim & Special Cash	RM0.15	30/5/2022	4/8/2022	RM2.39	RM2.30	6.5	-3.8
PRESTAR (9873)	Final	RM0.02	23/2/2022	5/8/2022	RM0.68	RM0.50	4.0	-26.7
GFM (0039)	Interim	RM0.00	20/6/2022	11/8/2022	RM0.18	RM0.19	0.9	2.8
KMLOONG (5027)	Final	RM0.05	29/3/2022	11/8/2022	RM1.96	RM1.59	3.1	-18.9
CRESNDO (6718)	Final	RM0.02	30/3/2022	11/8/2022	RM1.20	RM1.06	1.9	-11.7
PANTECH (5125)	Final	RM0.02	27/4/2022	29/8/2022	RM0.75	RM0.58	2.6	-22.1
LBS (5789)	Final	RM0.01	15/4/2022	29/8/2022	RM0.47	RM0.43	2.4	-9.8
FAVCO (7229)	Final	RM0.08	25/2/2022	5/9/2022	RM1.96	RM1.71	4.7	-12.9
EWEIN (7249)	Final	RM0.01	25/2/2022	7/9/2022	RM0.27	RM0.30	1.7	11.1
PA (7225)	Interim	RM0.01	20/6/2022	8/9/2022	RM0.27	RM0.27	1.9	0.0
DOMINAN (7169)	Final & Special Cash	RM0.02	5/7/2022	8/9/2022	RM0.93	RM0.91	2.2	-1.6
PANAMY (3719)	Final	RM0.68	31/5/2022	8/9/2022	RM28.02	RM26.56	2.6	-5.2
MAHSING (8583)	Regular Cash	RM0.03	28/4/2022	15/9/2022	RM0.68	RM0.59	4.5	-13.2

Denotes >5% Dividend Yield