

Sentiment turning favourable

Market Review

Malaysia: The FBM KLCI (+0.8%) advanced following the robust trade data and is in line with the mostly positive sentiment across regional markets. The lower liners also turned marched higher, while the energy (-1.7%) and construction (-0.1%) sectors underperformed the positive sectorial peers.

Global markets: Wall Street extended its lead as the Dow (+0.6%) was powered by expectations that the US Federal Reserve may likely to pause the interest rate upcycle. The European stockmarkets also advanced, while Asia stockmarkets closed mostly upbeat.

The Day Ahead

The FBM KLCI rallied along with the regional markets amidst the inflow of foreign funds as bargain hunting activities emerged within the banking heavyweights. We believe the investors may look out for the US CPI data as well as the FOMC meeting later this week. With the consensus expecting a declining CPI, the Fed may keep the interest rate unchanged at 5.00-5.25% for now, there should be upside potential to the stock markets. However, the upside on the FBM KLCI could be capped by the sentiment of the upcoming 6 states election. Commodities wise, the Brent crude oil price tumbled towards USD72 per barrel, while the CPO price hovered just below RM3,350.

Sector focus: The energy sector may see some selling pressure following the sharp decline in crude oil price. Besides, the weakness in CPO price may lead to subdued trading in the plantation sector. Investors may shift their focus to technology stocks given the brighter outlook on Nasdaq.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI extended its gains to close above its daily EMA9 level. Technical indicators turned fairly positive as the MACD Histogram turned into a positive bar, while the RSI climbed above the oversold 30 level. Resistance is pegged along 1,400-1,440, while the support is set around 1,370.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,066.33	0.56
S&P 500	4,338.93	0.93
NASDAQ	13,461.92	1.53
FBM KLCI	1,386.77	0.78
FBM Small Cap	15,037.32	0.40
FBM ACE	5,076.63	0.51
Construction	161.33	-0.11
Consumer	552.19	0.89
Energy	777.87	-1.70
Financial Services	15,219.42	0.52
Healthcare	18,156.65	0.77
Ind Products	159.81	1.20
Plantation	6,757.64	1.06
Property	692.73	0.60
REITs	780.36	0.06
Technology	60.58	0.53
Telco & Media	599.36	0.12
Transport	912.52	0.19
Utilities	983.20	0.63
Trading Vol (m)	3,006.23	(10.12)
Trading Val (RM m)	1717.28	15.50
Advance/ Decline		
FKLI	1,386.50	0.11
FCPO (RM)	3,349.00	(0.09)
Brent oil (USD)	71.84	(3.94)
Gold (USD)	1,957.84	0.12
USD	4.6198	(0.13)
GBP	5.8198	(0.57)
EURO	4.9831	0.21
SGD	3.4426	0.11

Trading participant		
Institution	Retail	Foreign
326.6	104.9	-377.5

Source: Bloomberg, Bursa Market Place

Company Brief

Kerjaya Prospek Group Bhd has accepted a letter of award worth RM404.4m from **Ecofirst Consolidated Bhd** for construction works for a proposed residential development project at Lot 5 & PT62, Seksyen 92, Kuala Lumpur. The project entails the construction of two blocks of apartment for the proposed development of a 39-storey service apartment, basement and podium, which consists of an eight-storey car park and commercial unit. Construction works for the project are expected to commence on 1st August 2023 for a duration of 36 months. (The Star)

Axiata Group Bhd has announced that it will book a RM376.6m write-off of related receivable assets, after an arbitration tribunal dismissed its claims over taxes imposed by the Nepalese government on Axiata's Nepal-based telecommunications operator Ncell Pte Ltd. The arbitration is in relation to a capital gains tax that the telco was ordered to pay to the Nepalese government following Axiata UK's 2016 acquisition of the entire stake in Reynolds Holdings Ltd, which holds an indirect 80.0% shareholding in Ncell, for USD1.37bn (RM5.91bn at the time). (The Edge)

Kim Teck Cheong Consolidated Bhd (KTC) is set to be transferred from the ACE Market to the Main Market of Bursa Malaysia on 15th June 2023. Bursa Malaysia has approved the transfer of KTC's entire issued share capital to the Main Market under the Consumer Products and Services sector. (The Edge)

Mestron Holdings Bhd is seeking a transfer from the ACE Market to the Main Market of Bursa Malaysia. The group shared in a filing that it had met the requirements for the proposed transfer. The proposals are expected to be completed in 4Q23. (The Edge)

Trading in shares of **Boustead Holdings Bhd** (BHB) will be suspended from Bursa Malaysia Securities on 20th June 2023, after its major shareholder Lembaga Tabung Angkatan Tentera's (LTAT) took control of 97.6% stake in the group. LTAT announced the successful takeover bid after its offer for BHB closed on 12th June 2023. As such, LTAT will procure BHB to take the requisite steps to withdraw its listing status. (The Edge)

Sancy Bhd's associate Sancy Global Solutions Sdn Bhd will implement and manage an automation system for storing patient information at Aichi Healthcare Group, a private medical institution in Bangladesh. The contract value, however, was not disclosed. By digitalising the storage of information related to hospital services, Sancy's solution will enable Aichi to enhance the organisation and accessibility of patient records and services. (The Edge)

Pharmaniaga Bhd's independent and non-executive directors, Datuk Lim Thean Shiang and Dr Mary Jane Cardosa, have retired from the board after withdrawing their offer for re-election. Both directors previously joined Pharmaniaga's board in July 2022. Their withdrawn re-election at the annual general meeting were two of 12 resolutions that were originally to be deliberated by shareholders at the AGM. Also passed was the resolution to reappoint Messrs PricewaterhouseCoopers PLT as the group's auditors. (The Edge)

Barakah Offshore Petroleum Bhd wholly-owned subsidiary, PBJV Group Sdn Bhd, has secured a 3-year licence from Petroliam Nasional Bhd (Petronas). This comes 2 months after the national oil corporation lifted the suspension against PBJV for the licence imposed in 2019. Petronas granted the licence to PBJV with full reinstatement of SWEC (standardised work and equipment categories) code in respect of all its 27 approved licence categories. (The Edge)

TPC Plus Bhd wholly owned subsidiary Teck Ping Chan Agriculture Sdn Bhd (TPCA) had entered into a sale and purchase agreement (SPA) with Mun Wah Estate Sdn Bhd. The acquisition is for the purchase of 4 pieces of freehold agricultural land measuring 40.0-ac in Rembau, Negeri Sembilan for RM5.2m. The land is suitable to be used as a poultry farm and is relatively close to TPCA's office in Alor Gajah, Melaka. (The Edge)

KYM Holdings Bhd's 1QFY24 net profit jumped 153.4% YoY to RM11.3m, mainly due to a one-off gain of RM15.3m from the disposal of a piece of land and building. Revenue for the quarter, however, fell 23.2% YoY to RM22.9m. (The Edge)

Bermaz Auto Bhd's 4QFY23 net profit grew 27.8% YoY to RM100.6m, mainly due to the final rush to register the balance unfulfilled back orders made prior to 30th June 2022 for the sales tax exemption incentives. Revenue for the quarter rose 19.5% YoY to RM1.07bn. A fourth interim dividend of 3.5 sen and a special dividend of 7.5 sen per share, payable on 4th August 2023 were declared. (The Edge)

Edeltec Holdings Bhd's group chief executive officer cum executive director Chin Yong Keong has denied the claims made by his former employer **Mi Technovation Bhd**, who accused him of breaching his employment contract and making false or misleading statements in Edeltec's prospectus regarding his tenure with Mi Technovation. Chin had instructed his lawyers to take appropriate action against Mi Technovation for its allegations, which he said had defamed him. (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	OPTIMAX	17-May	0.735	0.770	0.795	0.845	0.710	0.705	0.730	-0.7%	Closed at cut-off on 12-Jun
2	CARIMIN	31-May	0.660	0.740	0.765	0.820	0.635	0.630	0.670	1.5%	On-going
3	SFPTECH	6-Jun	2.520	2.630	2.750	2.940	2.350	2.340	2.680	6.3%	On-going
4	KRONO	12-Jun	0.565	0.595	0.630	0.655	0.520	0.515	0.560	-0.9%	On-going

2Q23 Stock Picks											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Support 1 (RM)	Support 2 (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	DANCO	4-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.405	-12.0%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.885	-5.3%	On-going
3	HEXTAR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.170	-3.3%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.620	5.9%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.130	0.9%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.275	-11.3%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.740	-8.6%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.770	-3.2%	On-going
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.555	13.3%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.415	0.0%	On-going
11	TIMECOM	4-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.190	4.4%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	2.990	-6.6%	On-going
Average Return										-2.2%	

Technical Focus Tracker Summary	
Total recommendations	334
Total winners	205
Total losers	129
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	13.3%
Accuracy (2022)	62.9%
Portfolio performance (2023)	3.2%
Accuracy (2023)	59.1%
FBM KLCI (Since 30/12/2022)	-7.3%
FBM Small Cap (Since 30/12/2022)	0.8%
Malaysia GDP Growth (1Q23)	5.6%

Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.