

Still on the ascend

Market Review

Malaysia: The FBM KLCI (+0.1%) inched higher to mark its fourth winning streak with more than half of the key index components closed in green yesterday. The lower liners also extended their lead, while the broader market ended mostly positive with the technology sector (+2.1%) leading the pack again.

Global markets: Wall Street extended their gains as the Dow (+0.7%) advanced ahead of the release of CPI data on the expectations that the inflation may have cooled down, while the US Dollar retreated against a basket of currencies. Both the European and Asia stock markets also ended on a positive note.

The Day Ahead

Buying momentum in selected plantation, banking, and healthcare heavyweights pushed the FBM KLCI to close for the fourth straight session. We believe sentiment is turning positive as the regional markets and Wall Street are on a rebound mode ahead of the CPI data. We think the investors may shrug off inflationary concerns and turn their focus to the upcoming Budget 2023 which will be tabled in October. Commodities wise, the crude oil price trended higher, trading around USD94 as supplies concern mount heading into the winter. Meanwhile, the crude palm oil traded above RM3,650.

Sector focus: We believe the technology sector will continue its uptrend move in tandem with Nasdaq. Besides, the energy sector may gain traction following a rebound in crude oil price, while we also expect buying interest to emerge within the packaging, medical-related and property segments in the near term.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI extended gains from past week but continued to stay below the key 1,500 level. Technical indicators, however, remain mixed as the MACD Histogram extended a negative bar, while the RSI hovered above 50. The key index is heading towards resistance at 1,510-1,530, while the support is located along 1,465-1,485.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	32,381.34	0.71
S&P 500	4,110.41	1.06
NASDAQ	12,266.41	1.27
FBM KLCI	1,497.96	0.10
FBM Small Cap	14,485.13	0.59
FBM ACE	4,894.19	0.74
Construction	158.00	0.25
Consumer	572.91	-0.26
Energy	716.46	1.32
Financial Services	16,885.82	0.41
Healthcare	1,577.52	1.45
Ind Products	185.18	-0.23
Plantation	6,977.42	-0.24
Property	655.26	0.12
REITs	787.91	0.18
Technology	64.92	2.12
Telco & Media	592.51	-0.06
Transport	827.73	0.63
Utilities	875.92	-0.17
Trading Vol (m)	2,627.59	11.42
Trading Val (RM m)	1,546.34	4.19
Advance/Decline	13.1%	
FKLI	1,490.50	0.03
FCPO (RM)	3,683.00	0.00
Brent oil (USD)	94.00	0.22
Gold (USD)	1,724.54	0.45
USD	4.5027	-0.02
GBP	5.2646	-0.04
EURO	4.5692	0.09
SGD	3.2276	0.03
Trading participation 5-day trend and value (m)		
Institution	53.6	
Retail	-62.4	
Foreign	8.9	

Source: Bloomberg, Bursa Market Place

Company Brief

Berjaya Corporation Bhd (BCorp) has proposed sub-dividing every 1 existing Singapore Institute of Advanced Medicine Holdings Pte Ltd (SIAMH) share and 1 convertible preference share on a basis to be determined later based on an initial public offering (IPO) price of at least SGD0.20 apiece. SIAMH is its indirect 51.6% owned subsidiary which BCorp proposed to list on SGX's Catalist Board a few months ago. The proposed listing is expected to be completed by 4Q22. (The Star)

Bermaz Auto Bhd's 1QFY23 net profit surged 388.4% YoY to RM50.2m, on the increase in overall sales volume from the Mazda, Peugeot and Kia operations in Malaysia Revenue for the quarter jumped 123.5% YoY to RM716.9m. A first interim dividend of 3.0 sen per share, payable on 4th November 2022. (The Star)

Uzma Bhd's unit Uzma Engineering Sdn Bhd has received a RM17.0m contract from PETRONAS Carigali Sdn Bhd for the provision of a lightweight hydraulic workover unit (HWU). The work is expected to commence in September 2022 and be completed in October 2022. (The Star)

KSL Holdings Bhd's wholly-owned subsidiary KSL Medini Development Sdn Bhd is acquiring 10 tracts of freehold land measuring a total of 53.9-ac in Mukim Jeram Batu in Pontian, Johor, for RM102.9m from Tropicana GP Views Sdn Bhd, a wholly-owned subsidiary of **Tropicana Corp Bhd**. The development project is expected to commence in year 2024 and is envisaged to spread over a period of 8 to 10 years. (The Star)

Malayan Banking Bhd (Maybank) has announced that it will be moving its headquarters to Menara Merdeka 118, the world's second tallest building owned by the bank's largest shareholder Permodalan Nasional Bhd (PNB). Maybank has entered into a 21-year tenancy agreement with PNB, consisting of an initial term of three years and renewals for further six three-year terms. The company will occupy 33 floors of Menara Merdeka 118, and has been offered naming and signage rights over the building. (The Edge)

FGV Holdings Bhd through its subsidiary FGV Dairy Farm Sdn Bhd targets to increase its milk supply to 90,000 litres/m under its flagship dairy brand, Bright Cow, by partnering with home-grown coffee company Gigi Coffee. Currently, Bright Cow is supplying up to 40,000 litres/m of fresh milk to Gigi Coffee, which has 36 outlets nationwide. Bright Cow also supplies to other brands such as Inside Scoop and San Francisco Coffee. (The Edge)

Reservoir Link Energy Bhd's 51.0%-owned subsidiary Founder Energy Sdn Bhd (FESB) has bagged a RM16.7m contract from Savelite Engineering Sdn Bhd to undertake a turnkey construction and commission of a 25.0-MWac large-scale solar photovoltaic plant in Manjung, Perak. FESB is required to provide a performance bond for the project for 10.0% of the contract sum to Savelite Engineering. (The Edge)

Mah Sing Group Bhd's wholly owned subsidiary Klassik Tropika Development Sdn Bhd is disposing of 13,695-sqm of freehold land in Georgetown, Penang to Morningjoy Sdn Bhd for RM66.3m cash. Separately, the group also announced that its M Panorama (Phase 1A) 137 units of double-storey super link homes in Rawang were 100.0% taken up during the project's weekend launch on 10th and 11th September 2022. (The Edge)

Widad Group Bhd's wholly owned subsidiary Widad Builders Sdn Bhd has secured a contract worth RM40.0m from Langkasuka Land Sdn Bhd for the construction and completion of earthworks for a mixed-development project in Langkasuka, Langkawi. The contract is for a period of 10 months, from 22nd September 2022 to 22nd July 2023. (The Edge)

Aneka Jaringan Holdings Bhd has bagged a RM46.0m contract that entails piling and substructure works for a mixed-development project in Setapak. Its wholly owned subsidiary Aneka Jaringan Sdn Bhd has accepted a letter of acceptance from 59 INC Sdn Bhd to be the contractor of the project. The project is expected to be completed by 2nd November 2023. (The Edge)

Chin Teck Plantations Bhd is to acquire Kelantan-based planter Fauzi-Lim Plantation Sdn Bhd for RM45.0m cash from MWE Holdings Sdn Bhd. The acquisition would provide it with an opportunity to pursue its long-term strategy of expanding its plantation business through brownfield oil palm plantations. (The Edge)

Magni-Tech Industries Bhd's 1QFY23 net profit rose 14.2% YoY to RM24.0m, underpinned by higher sales orders received from both its garment and packaging segments. Revenue for the quarter grew 11.6% YoY to RM340.9m. A single-tier interim dividend of 2.2 sen per share, payable on 12th October 2022 was declared. (The Edge)

Hengyuan Refining Co Bhd has established an unrated medium-term notes (MTN) programme of up to RM5.00bn in nominal value, and accepted RM1.3bn in multi-currency revolving credit facilities. Tranches of the RM5.00bn MTN programme will be issued over a tenure of 30 years via bought deal or private placement. (The Edge)

Boustead Heavy Industries Corp Bhd's (BHIC) 51.0%-owned BHIC Bofors Asia Sdn Bhd (BBA) has secured a RM15.7m worth of contract from the Ministry of Defence to supply Bofors 57mm/L70 guns to the Royal Malaysian Navy, as well as provide maintenance and training for the weapons. A formal contract between the ministry and BBA will be signed soon for the 3-year contract. (The Edge)

Capital A Bhd has announced that its Teleport cargo arm would add 3 Airbus SE A321 freighters to its fleet starting in 1Q23. The freighters would be leased from BBAM Limited Partnership to serve such key markets as China from Malaysia, Thailand, Indonesia and the Philippines. (The Edge)

Astro Malaysia Holdings Bhd is set to further invest in global streaming services on its platform, and provide more local content via Astro Originals. The company is building its online presence and continuing to look for opportunities to strengthen its digital, broadband and commerce businesses. (The Edge)

Perak Corp Bhd has reported that its group chief executive officer, Zainal Iskandar Ismail, has stepped down from his position as executive director to pursue other interests. (The Edge)

Technical Focus Tracker

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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	WELLCAL	24-Aug	1.230	1.290	1.380	1.500	1.180	1.170	1.290	4.9%	Take profit at R1 on 12-Sep
2	TGUAN	29-Aug	2.580	2.840	2.900	2.980	2.520	2.510	2.620	1.6%	On-going
3	SLVEST	1-Sep	0.735	0.815	0.855	0.970	0.675	0.670	0.765	4.1%	On-going
4	ABMB	5-Sep	3.630	3.750	3.820	4.000	3.480	3.470	3.700	1.9%	On-going
5	VIS	7-Sep	0.740	0.780	0.810	0.870	0.695	0.690	0.810	9.5%	On-going
6	DRBHCORP	12-Sep	1.580	1.700	1.750	1.860	1.480	1.470	1.590	0.6%	On-going

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	4.210	29.1%	On-going
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	2.860	0.7%	On-going
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	1.090	13.0%	On-going
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.530	17.3%	On-going
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.905	17.5%	On-going
6	SYSORP	1-Jul	0.410	0.445	0.470	-	0.375	0.340	0.840	104.9%	On-going
7	PWRROT	1-Jul	1.700	1.830	1.920	-	1.630	1.550	2.050	20.6%	On-going
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.360	-6.0%	On-going
9	QL	1-Jul	5.210	5.710	5.920	-	5.230	5.050	5.050	-3.1%	On-going
10	AMBANK	1-Jul	3.720	3.980	4.110	-	3.620	3.450	4.080	9.7%	On-going
Average Return										20.4%	

Technical Focus Tracker Summary	
Total recommendations	258
Total winners	159
Total losers	99
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	95.8%
Accuracy (2022)	63.0%
FBM KLCI (Since 31/12/2021)	-4.4%
FBM Small Cap (Since 31/12/2021)	-8.1%
Malaysia GDP Growth (1H22)	6.9%