

State elections resulted in status quo

Market Review

Malaysia: The FBM KLCI (-0.1%) was dragged down by the pullback in more than half of the key index components prior to the Malaysia state elections. The lower liners, however, advanced, while the property sector (+0.9%) outperformed the mostly positive sectorial peers.

Global markets: Wall Street finished mixed as the Dow (+0.3%) advanced, but the S&P 500 and Nasdaq shed 0.1% and 0.7% respectively after technology mega cap companies extended their slide. The European stockmarkets finished downbeat, while Asia stockmarkets closed mostly in red.

The Day Ahead

The FBM KLCI was left marginally in red as investors took a cautious stance ahead of the weekend state elections. However, with the state election concluded with a “3-3” status quo outcome, we reckon that the FBM KLCI may stage a relief rebound. The outcome is deemed positive to demonstrate the stability of Pakatan Harapan (PH)-Barisan Nasional (BN) pact government. We expect the lower liners to see improved trading sentiment with investors to re-position ahead of the barrage of corporate earnings releases. Still, gains are expected to remain choppy from the uncertainty surrounding the release of the US FOMC minutes meeting in mid-week. Commodities wise, the Brent crude oil stabled above USD86/bbl, while the CPO prices defended the RM3,700/MT.

Sector focus: The stability in crude oil prices following the optimistic revision forecast by the International Energy Agency (IEA) may continue to give strength to the energy sector. Meanwhile, the RM5.20bn worth of investment commitments secured in the digital economy sector from China and Singapore may boost the technology sector.

FBMKLCI Technical Outlook



Bloomberg

Once again, the FBM KLCI recovered most of its intraday losses to close marginally lower as the key index and formed another hammer candle. Technical indicators were positive as the MACD Histogram extended another positive bar, while the RSI is above 50. The immediate resistances are located along 1,480-1,500, while the support is pegged around 1,420-1,440.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,281.40	0.30
S&P 500	4,464.05	-0.11
NASDAQ	13,644.85	-0.68
FBM KLCI	1,457.16	-0.12
FBM Small Cap	15,517.90	0.51
FBM ACE	5,344.15	1.01
Construction	17,171	0.70
Consumer	562.66	0.14
Energy	83,153	0.47
Financial Services	16,296.98	-0.04
Healthcare	16,96.33	-0.48
Ind Products	167.36	0.22
Plantation	7,087.23	-0.14
Property	776.40	0.86
REITs	77,141	-0.81
Technology	64.38	0.56
Telco & Media	579.80	0.04
Transport	922.58	0.33
Utilities	1,052.79	-0.76
Trading Vol (m)	2,940.69	0.70
Trading Val (RM m)	1863.95	1.96
Advance/Decline	136%	
FKLI	1,457.50	(0.31)
FCPO (RM)	3,717.00	(0.30)
Brent oil (USD)	86.81	0.47
Gold (USD)	1913.76	0.07
USD	4.5880	(0.38)
GBP	5.8252	0.11
EURO	5.0363	0.02
SGD	3.3981	(0.06)

Trading participation 5-day trend and value (m)

Institution	Foreign
- 321.9	465.7

Source: Bloomberg, Bursa Market Place

Company Brief

PPB Group Bhd has proposed to dispose of 51.0% equity interest in PT Pundi Kencana for RM87.5m cash. Mantap Aman Sdn Bhd (MASB), an indirect 100%-owned subsidiary of PPB held via FFM Bhd, has entered into a conditional sale and purchase agreement (CSPA) with PT Sentratama Niaga Indonesia (SNI) and PT Wilmar Nabati Indonesia (WINA) for the proposed disposal. The proposed disposal would provide an opportunity for the PPB Group to realise a gain on the investment in Pundi in cash. On completion of the proposed disposal, PPB would continue to share in the growth of the enlarged Indonesia flour milling business via its 18.8% interest in Wilmar. (The Star)

Pharmaniaga Bhd's 2QFY23 net profit jumped 171.5% YoY to RM2.0m, driven by higher sales in both the non-concession segment and operations in Indonesia. Revenue for the quarter grew 11.5% YoY to RM848.7m. (The Edge)

Top Glove Corp Bhd has been dropped as a constituent for the MSCI Global Standard Indexes which will take place as of the close of 31st August 2023. With the deletion of Top Glove, there are 32 Malaysian securities remaining on the list. (The Edge)

Retail chain 99 Speedmart founder Lee Thiam Wah has ceased to be a substantial shareholder of **Alliance Bank Malaysia Bhd** (ABMB). Lee disposed of his indirect interest of 1.5m shares, held via Global Success Network Sdn Bhd, in ABMB on 10th August 2023. His spouse Ng Lee Tieng has also ceased becoming a substantial shareholder of ABMB, given her interest in Global Success Network. (The Edge)

Solarvest Holdings Bhd has set up a new unit, Solarvest (Taiwan) Corp Ltd (STCL), to explore clean energy project opportunities in Taiwan. It had an active pipeline of projects in the republic, supported by 200.0-MWp of clean energy project opportunities. Taiwan presents a promising landscape for Solarvest's expansion, driven by its ambition to achieve 30.0GW of solar energy by 2030, and 20.7GW of wind energy by 2035. (The Edge)

After spending over a year listed on Bursa Malaysia's ACE Market, **Cnergz Bhd** is eyeing a transfer to the Main Market. The transfer will enhance the company's credibility and reputation to better reflect its existing institutional shareholding base as well as accord it greater recognition and appeal among investors. (The Edge)

Singapore-based Deepetro Offshore Brokers Pte Ltd has ceased to be a substantial shareholder of **Handal Energy Bhd** a week after attaining the status. Deepetro disposed of 30.2m shares or a 11.3% stake in Handal on 9th August 2023, slashing its stake to 0.1% or 264,619 shares. (The Edge)

Pertama Digital Bhd is not proceeding with the placement of its shares to Australia-based Macquarie Bank Ltd to raise gross proceeds of up to RM87.8 m. It had in March 2023 inked a subscription agreement for Macquarie Bank to subscribe up to 43.0m new shares of the group, representing 10.0% of Pertama Digital's share base of 433.4m shares at that time. (The Edge)

Media Chinese International Ltd has announced that losses attributable to owners of the company may widen to between USD2.0m (RM9.2m) and USD3.0m for 1QFY24, from USD0.3m reported in the previous corresponding quarter. This is mainly due to the absence of one-off government grants and subsidies of USD1.4m recognised in 1QFY23, and lower turnover from the publishing and printing segment for the quarter under review. (The Edge)

SFP Tech Holdings Bhd's 2QFY23 net profit rose 63.2% YoY to RM10.6m, attributable to increased revenue and reduced administrative expenses due to the absence of non-recurring initial public offering (IPO) costs incurred during the same period last year. Revenue for the quarter gained 74.4% YoY to RM36.4m. An interim dividend of 0.2 sen per share, payable on 18th September 2023 was declared. (The Edge)

Mi Technovation Bhd's 2QFY23 net profit rose 21.8% YoY to RM22.7m, mainly underpinned by favourable foreign currency exchange. Revenue for the quarter, however, dipped 10.2% YoY to RM84.1m. A dividend of 2.0 sen per share, payable on 11th September 2023. (The Edge)

WTK Holdings Bhd has proposed to buy a stake in an oil palm plantation company in Sarawak for RM132.2m to expand its oil palm presence in the state. WTK's unit, BioFarm Venture Sdn Bhd entered into share sale agreement with Ocarina Development Sdn Bhd to acquire a 70.0% stake or 9.8 m shares in Durafarm Sdn Bhd. (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	PWF	20-Jul	0.760	0.765	0.800	0.850	0.700	0.695	0.725	-4.6%	Closed at cut-off on 10-Aug
2	SCOMNET	2-Aug	1.370	1.480	1.550	1.650	1.290	1.280	1.330	-2.9%	On-going
3	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.210	3.4%	On-going

3Q23 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	ADVCON	4-Jul	0.355	0.395	0.425	0.320	0.295	0.280	0.365	2.8%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.885	20.4%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	0.930	14.1%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.180	3.2%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.140	8.6%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.230	-5.1%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.140	-2.6%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.090	13.5%	On-going
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.040	13.0%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.540	0.3%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.975	9.6%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.690	8.7%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.520	16.0%	On-going
Average Return										7.9%	

Technical Focus Tracker Summary	
Total recommendations	346
Total winners	213
Total losers	133
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)	5.0%
Accuracy (2023)	60.7%
FBM KLCI (Since 30/12/2022)	-2.4%
FBM Small Cap (Since 30/12/2022)	3.5%
Malaysia GDP Growth (1Q23)	5.6%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
BURSA (1818)	Interim	RM0.15	31/7/2023	14/8/2023	RM6.71	RM6.90	2.2	2.8
TWRREIT (5111)	Distribution	RM0.00	31/7/2023	14/8/2023	RM0.42	RM0.40	0.7	-4.8
CHINTEK (1929)	Interim & Special Cash	RM0.10	28/7/2023	14/8/2023	RM7.90	RM7.88	1.3	-0.3
FAVCO (7229)	Final	RM0.04	21/2/2023	15/8/2023	RM1.77	RM1.85	2.2	4.5
ATRIUM (5130)	Distribution	RM0.02	3/8/2023	17/8/2023	RM1.40	RM1.40	1.3	0.0
SUPERLN (7235)	Interim	RM0.01	30/6/2023	18/8/2023	RM0.65	RM0.62	1.2	-4.6
CLMT (5180)	Pro Rata	RM0.01	7/8/2023	18/8/2023	RM0.53	RM0.54	2.2	0.9
TAMBUN (5191)	Final	RM0.06	13/4/2023	21/8/2023	RM0.85	RM0.93	6.0	9.4
ULICORP (7133)	Interim	RM0.02	7/8/2023	21/8/2023	RM1.00	RM1.05	1.9	5.0
CTOS (5301)	Interim	RM0.01	27/7/2023	23/8/2023	RM1.38	RM1.40	0.4	1.4
MYEG (0138)	Final	RM0.01	27/2/2023	23/8/2023	RM0.72	RM0.78	1.5	7.6
FSBM (9377)	Rights Issue	1:1	11/8/2023	24/8/2023	RM0.28	RM0.28	-	0.0
AMERREIT (5307)	Distribution	RM0.02	9/8/2023	24/8/2023	RM1.25	RM1.25	1.4	0.0
MI (5286)	Interim	RM0.02	11/8/2023	24/8/2023	RM1.53	RM1.53	1.3	0.0
SENTRAL (5123)	Distribution	RM0.03	10/8/2023	24/8/2023	RM0.85	RM0.85	3.8	0.0
EUPE (6815)	Interim	RM0.02	27/7/2023	28/8/2023	RM0.85	RM0.85	1.8	0.0
DUFU (7233)	Interim	RM0.02	1/8/2023	29/8/2023	RM1.90	RM1.89	0.8	-0.5
PANTECH (5125)	Final	RM0.02	27/4/2023	29/8/2023	RM0.77	RM0.84	1.8	9.8
AJi (2658)	Regular Cash	RM0.09	27/6/2023	29/8/2023	RM14.90	RM16.40	0.6	10.1
LBS (5789)	Final	RM0.01	18/4/2023	29/8/2023	RM0.42	RM0.49	2.6	17.2
BOILERM (0168)	Final	RM0.02	25/5/2023	29/8/2023	RM0.67	RM0.81	2.2	20.1
MRDIY (5296)	Interim	RM0.01	9/8/2023	29/8/2023	RM1.43	RM1.54	0.5	7.7
CEKD (0238)	Interim	RM0.01	9/8/2023	29/8/2023	RM0.47	RM0.47	1.6	1.1
PANSAR (8419)	Interim	RM0.00	14/7/2023	29/8/2023	RM0.57	RM0.58	0.6	1.8
MAXIS (6012)	Interim	RM0.04	9/8/2023	29/8/2023	RM3.98	RM3.93	1.0	-1.3
SFPTECH (0251)	Interim	RM0.00	11/8/2023	1/9/2023	RM1.11	RM1.11	0.2	0.0
NESTLE (4707)	Interim	RM0.70	27/7/2023	5/9/2023	RM132.00	RM132.00	0.5	0.0
DOMINAN (7169)	Final	RM0.01	31/5/2023	7/9/2023	RM0.77	RM0.74	1.4	-3.9
PANAMY (3719)	Final	RM1.07	30/5/2023	7/9/2023	RM21.90	RM20.16	5.3	-7.9
SLP (7248)	Interim	RM0.01	4/8/2023	7/9/2023	RM0.87	RM0.85	1.5	-2.3
MAHSING (8583)	Final	RM0.03	27/4/2023	8/9/2023	RM0.61	RM0.69	4.3	13.1
QL (7084)	Final	RM0.04	26/7/2023	8/9/2023	RM5.35	RM5.45	0.6	1.9
AYS (5021)	Final	RM0.01	20/6/2023	20/9/2023	RM0.37	RM0.40	2.5	6.8
UNITRAD (0247)	Final	RM0.00	26/7/2023	20/9/2023	RM0.29	RM0.30	1.0	1.7
FFB (5306)	Final	RM0.01	28/7/2023	27/9/2023	RM1.15	RM1.19	0.8	3.5
PANTECH (5125)	Interim	RM0.02	26/7/2023	27/9/2023	RM0.79	RM0.84	1.8	7.0
SKPRES (7155)	Final	RM0.05	27/7/2023	29/9/2023	RM0.97	RM0.96	4.7	-0.5
SDRED (2224)	Regular Cash	RM0.03	30/5/2023	2/10/2023	RM0.42	RM0.51	4.9	21.4
BLDPLNT (5069)	Final	RM0.03	26/7/2023	2/10/2023	RM10.54	RM11.00	0.3	4.4
SAB (5134)	Final	RM0.05	26/5/2023	3/10/2023	RM3.52	RM3.40	1.5	-3.4
ASIAFLE (7129)	Final	RM0.04	29/5/2023	3/10/2023	RM1.71	RM1.87	1.9	9.4
L&G (3174)	Final	RM0.01	31/5/2023	4/10/2023	RM0.11	RM0.11	5.5	4.8
TIENWAH (7374)	Interim	RM0.03	10/8/2023	9/10/2023	RM0.82	RM0.86	3.3	4.3
SHL (6017)	Final	RM0.12	6/7/2023	10/10/2023	RM2.00	RM2.09	5.7	4.5
LAYHONG (9385)	Final	RM0.00	26/6/2023	18/10/2023	RM0.29	RM0.30	1.0	3.5

Denotes >5% Dividend Yield

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