

## Marching time

### Market Review

**Malaysia:** The FBM KLCI (-0.01%) ended flat as bargain hunting activities were seen in selected index heavyweights after the trading break. The lower liners finished mixed, while the property sector (+2.2%) continues to take the top spot amongst the mostly positive sectorial peers, followed by the construction sector.

**Global markets:** Wall Street advanced after a choppy trading session as the Dow climbed 0.1%, driven by bargain hunting in beaten down technology giants. The European stockmarkets ended mostly in green, but Asia stockmarkets closed mostly negative.

### The Day Ahead

Given the outcome of the Malaysia state elections was within expectations, the local bourse did not see further significant selling pressure and ended flat; we expect the overall sentiment will be able to trade higher over the near to mid-term. Also, with the positive performance on Wall Street, we think the investors may look into the technology stocks on the local front. On a brighter note, we have observed buying interest shifting towards the small and mid-cap stocks. Looking ahead, investors may keep a close tab on a slew of China economic data (retail sales, industrial production, and unemployment rate) to gauge the health of the second world largest economy. Commodities wise, the Brent crude oil stabled above USD86/bbl, while the CPO prices defended the RM3,700/MT.

**Sector focus:** We expect the jump in India palm oil imports is expected to bring a positive impact towards the plantation sector. The resumption of group tours to another 78 countries from China may boost the tourism-related industry. Meanwhile, the soft crude oil prices pressured by concern over the China economic recovery and stronger USD may result in some profit taking in the energy sector.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI formed another hammer candle after recouping most of its intraday losses. Technical indicators stayed 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.

**Research Team**  
[research@msec.com.my](mailto:research@msec.com.my)  
(603) 2201 2100

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,307.63	0.07
S&P 500	4,489.72	0.58
NASDAQ	13,788.33	1.05
FBM KLCI	1,457.00	-0.01
FBM Small Cap	16,638.84	0.78
FBM ACE	5,325.32	-0.35
Construction	174.82	1.81
Consumer	564.05	0.25
Energy	834.11	0.31
Financial Services	16,306.87	0.06
Healthcare	1695.30	-0.06
Ind Products	167.46	0.06
Plantation	7,074.02	-0.19
Property	793.17	2.16
REITs	774.98	0.46
Technology	64.51	0.20
Telco & Media	582.84	0.52
Transport	927.09	0.49
Utilities	1,060.40	0.72
Trading Vol (m)	2,940.69	20.12
Trading Val (RM m)	189.29	1.36
Advance/Decline	49%	
FKLI	1,460.00	0.14
FCPO (RM)	3,721.00	0.73
Brent oil (USD)	86.21	(0.69)
Gold (USD)	1,907.10	(0.33)
USD	4.5880	(0.60)
GBP	5.8252	(0.60)
EURO	5.0363	(0.35)
SGD	3.3981	(0.29)

Trading participation 5-day trend and value (m)

Institution	Foreign
- 329.7	487.0

Source: Bloomberg, Bursa Market Place

## Company Brief

**Iris Corp Bhd** announced that the Ministry of Home Affairs has cancelled its contract for the National Integrated Immigration System (NIISe) with immediate effect. Its wholly-owned subsidiary, Iris Information Technology Systems Sdn Bhd (IITS), which was contracted as a developer for the new immigration system has received a notice from the Ministry dated 10th August 2023, terminating the contract. Iris is seeking legal advice from its solicitors and will take necessary action to protect its interests and exercise its legal rights in relation to the contract. (The Star)

**Coraza Integrated Technology Bhd's** wholly-owned subsidiary Coraza Systems Malaysia Sdn Bhd is acquiring a 8,538-sqm parcel of freehold industrial land with offices and factories in Nibong Tebal, Pulau Pinang, from Huhtamaki Foodservice Malaysia Sdn Bhd for RM17.7m. The purchase price of the acquisition will be funded by a combination of internally generated funds and bank borrowings. The construction of a new factory is scheduled to begin in 3Q23 and is estimated to be completed by the 3Q24. (The Star)

**Berjaya Food Bhd's** (BFood) 4QFY23 net profit fell 57.5% YoY to RM17.3m, hit by margin compression arising from inflationary pressures and unfavourable foreign exchange rate against the USD as well as lower sales. Revenue for the quarter declined 6.7% YoY to RM271.8m. A fourth interim dividend of 0.5 sen per share, payable on 26th September 2023 was declared. (The Edge)

**KLCC Stapled Group Bhd's** 2QFY23 net profit rose 9.5% YoY to RM180.8m, on the back of higher revenue and interest income. Revenue for the quarter grew 12.6% YoY to RM394.6m. A dividend of 8.8 sen per stapled security, payable on 27th September 2023 was declared. (The Edge)

**Sunway Bhd** is taking over its partner Iskandar Assets Sdn Bhd's (IASB) 40.0% stake in their joint venture (JV) company being Sunway Iskandar Development Sdn Bhd (SIDSB) that was set up to develop a mixed project known as Sunway City Iskandar Puteri on a plot of land worth RM412.7m. Sunway through its wholly-owned unit Sunway City Sdn Bhd (SunCity) is buying over the stake from IASB, which is a wholly owned unit of Iskandar Investment Bhd for RM770,450. It will also subscribe for 84.2m non-cumulative redeemable preference shares in the JVco for RM84.2m, and redeem 76.3m non-convertible non-cumulative redeemable preference shares (NCRPS) held by IASB in the share capital of SIDSB at a redemption price of RM84.2m. (The Edge)

**Astro Malaysia Holdings Bhd's** unit Measat Broadcast Network Systems Sdn Bhd (MBNS) secured a term loan facility of up to RM400.0m from Sumitomo Mitsui Banking Corp Malaysia Bhd (SMBC). The facility is to refinance the existing term loan facility of RM380.0m obtained from SMBC on 9th August 2018. The facility will also be used to finance costs relating to the production, purchase and licensing of content, programme or channels, purchase of set-top boxes as well as capital and operating expenditure. (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	SCOMNET	2-Aug	1.370	1.480	1.550	1.650	1.290	1.280	1.370	0.0%	On-going
2	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.180	0.9%	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	0.350	-1.4%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.870	18.4%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	1.070	31.3%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.270	6.2%	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	1.130	-3.4%	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	1.030	12.0%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.530	0.0%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.985	10.7%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.710	11.8%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.570	19.8%	On-going
Average Return										9.4%	

Technical Focus Tracker Summary	
Total recommendations	346
Total winners	213
Total losers	132
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)	-2.6%
FBM Small Cap (Since 30/12/2022)	4.8%
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.