

Clearer directions in the near future

Market Review

Malaysia: The FBM KLCI (-0.27%) ended lower as investors shifted their focus to smaller market cap counters with FBMSCAP adding +0.70%. On the broader market, the Finance sector (-0.57%) fell, while the Property sector (+0.79%) was the leading sector as traders were picking up stocks after the consolidation phase.

Global markets: Wall Street closed higher as the core PPI report was in line with consensus estimates, indicating that the Fed will likely to maintain the interest rates. Both the European and Asian stock markets ended positively despite the US CPI data were marginally hotter-than-expected.

The Day Ahead

The FBM KLCI closed lower for the session, bucking most of the regional indices. Wall Street ended on a positive note with the August core PPI data came in within expectations. Hence, the traders could be shrugging off the concerns that the Fed will increase the interest rate at least for the near future. Do note that the next FOMC meeting will be taking place on the 19-20th of September. Meanwhile, the listing of Softbank's Arm Holdings has lifted the overall sentiment on the technology sector. Given the removal of recent uncertainty in the markets, we expect buying interest to spillover to stocks on the Bursa Exchange. Commodities wise, the Brent crude oil has soared above the USD93/bbl level, while the CPO prices rebounded to close near the RM3,800/MT level.

Sector focus: With the significant jump on Wall Street, led by the tech sector, we think the buying interest could be seen within the technology sector, locally. Also, we expect a significant trading interest to build up in the O&G sector with the Brent oil soaring above USD93. Besides, we favour the Property and Construction sectors as investors may take a position ahead of the Budget 2024 in October.

FBMKLCI Technical Outlook



Bloomberg

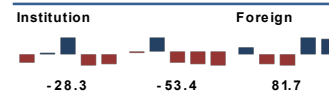
The FBM KLCI ended marginally below the 1,450 psychological level. However, the technical readings on the key index were mixed with the MACD Histogram forming a rounding bottom formation, but the RSI has crossed below 50. The resistance is located around 1,465-1,470, while the support is set around 1,430-1,440.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,907.11	0.96
S&P 500	4,505.10	0.84
NASDAQ	13,926.05	0.81
FBM KLCI	1,449.58	-0.27
FBM Small Cap	6,945.16	0.70
FBM ACE	5,164.56	0.39
Construction	177.87	0.19
Consumer	556.28	-0.01
Energy	88141	0.11
Financial Services	6,237.42	-0.57
Healthcare	1690.18	0.48
Ind Products	172.24	0.04
Plantation	6,965.20	0.52
Property	836.45	0.79
REITs	773.86	0.13
Technology	62.83	0.16
Telco & Media	58142	0.51
Transport & Logist	93.87	0.14
Utilities	1,25.79	0.46
Trading Vol (m)	2,963.89	17.90
Trading Val (RM m)	2,203.79	17.11
Gainers/ Losers rat	166%	
FKLI	145100	0.21
FCPO (RM)	3,79100	0.80
Brent oil (USD)	93.70	1.98
Gold (USD)	1910.79	(0.01)
USD	4.6838	(0.06)
GBP	5.8425	(0.14)
EURO	5.025	(0.04)
SGD	3.4411	(0.09)

Trading participation 5-day trend and value ('m)



Source: Bloomberg, Bursa Market Place

Company Brief

Tenaga Nasional Bhd's indirect 70%-owned subsidiary Southern Power Generation Sdn Bhd has been allowed by the High Court to proceed with its challenge of additional tax assessments from the Inland Revenue Board amounting to RM78.49m via a judicial review. The court also granted the unit an interim stay of all further proceedings, including enforcement of the notices of assessment, until a hearing fixed for Jan 11, 2024. (The Edge)

Pharmaniaga Bhd's appeal for a standalone second private placement of some RM50m has been dismissed by Bursa Malaysia Securities, leading the company to include the private placement in its regularisation plan as a PN17 company. The plan is expected to be submitted by the third quarter this year and finalised by 1Q2024. Its first placement raised RM45.86m in July. (The Edge)

MyEG Services Bhd's concession in providing foreign worker permit renewal services "had not been suspended since February of this year", as it continued to face calls to reimburse employers that had paid upfront for its services. It emphasised that it is company policy to refund its customers upon request, should its services be unsuccessfully rendered. (The Edge)

Sunsuria Bhd has partnered with Australian integrated cancer care provider Icon Group to set up and operate oncology centres in the country. Its wholly owned subsidiary Sunsuria Healthcare Sdn Bhd inked a shareholder's agreement with Icon Asia Holdings Pte Ltd to form a JV company called Icon Sunsuria Sdn Bhd. Icon holds a 70% stake in the JV, while Sunsuria Healthcare owns 30%. (The Edge)

Propel Global Bhd is disposing of its entire 55% equity interest in Propel Chemicals Sdn Bhd to Hextar Kimia Sdn Bhd, which is 49% owned by **Hextar Global Bhd**, for RM16.5m cash. It has entered into a term sheet with Hextar Kimia to set out the key commercial terms and conditions, subject to the signing of a definitive share sale agreement within one month. (The Edge)

Axbena Sdn Bhd has decided to drop the RM27.7m lawsuit against Johnson Medical International Sdn Bhd, an indirect subsidiary of **Bintai Kinden Corp Bhd**, after the parties involved reached an amicable settlement resulting in the resolution of the dispute. Axbena filed a notice of discontinuance in respect of the suit with no legal cost, and without liberty to file afresh. (The Edge)

HeiTech Padu Bhd has bagged a RM40.93m contract from the Ministry of Education (MOE) for the rental of eco-friendly laptops that meet green requirements on a lease-to-own model for the use of school teachers and educational institutions located in Zone 7: Kelantan and Terengganu. (The Edge)

Signature International Bhd has disposed of 28m shares of property developer **Tanco Holdings Bhd**, equivalent to a 1.42% stake, for a total of RM15.53m or an average price of 55 sen per share between Aug 1 and Sept 12 this year. The disposal is to realise funds and the proceeds will be used for working capital and repayment of bank borrowings. At 53.5 sen apiece, shares of Tanco had risen 59.7% this year, and 72.58% in the last 12 months. (The Edge)

Ecofirst Consolidated Bhd announced Datuk Teoh Seng Kian as its executive director and said he has ceased to be its alternate director, effective Sept 14. He is brother to Datuk Dr Teoh Seng Foo, who is the president and executive director of the company; and is also the brother of Teoh Seng Aun, who is the director of Ecofirst's major subsidiaries, as well as a substantial shareholder. Seng Kian, 63, was appointed as alternate director to Seng Foo on Dec 1, 2009. (The Edge)

XOX Bhd has entered into a fresh memorandum of understanding with the Ipoh City Council for a proposed technology collaboration. The term of the new MOU is one year and will replace and extend the MOU that was previously entered between MBI and the company on May 24, 2022. (The Edge)

Separately, **Theta Edge Bhd** said its wholly-owned subsidiary Theta Technologies Sdn Bhd has also accepted an LoA from MOE under the same programme, but this time for Zone 1: Selangor. The total value of its contract is RM47.4m. Both contracts are for a period of 63 months commencing from Sept 15, 2023. (The Edge)

AWC Bhd announced it is buying the remaining 49% stake it does not own in automated waste collection system provider Stream Group Sdn Bhd, for RM110m. It is also taking over the remaining 51% stake that Stream Group does not own in Premium Patents Sdn Bhd, which holds the intellectual property rights of assets required for Stream Group's current business, for RM1. (The Edge)

ACE Market-bound **Mercury Securities Bhd** reported a net profit of RM3.73m in 3QFY2023, driven by margin income from its stockbroking and corporate finance segment. For the nine-month period ended July, cumulative net profit stood at RM8.81m. Mercury Securities is scheduled to be listed on the ACE Market of Bursa Securities on Sept 19. Mercury Securities aims to raise RM39.27m via the issuance of 157.09m shares, at an issue price of 25 sen per share from its initial public offering exercise.

The stockbroking firm said RM26.86m of the proceeds will be allocated to develop Mercury Securities' margin financing facility services, while RM2.88m will be used to enhance the group's digitalisation programme and marketing activities for its stockbroking business and operations. The group will also allocate RM4.63m for working capital, while the remaining RM4.90m will be used to cover estimated listing expenses. (The Edge)

OSK Property – the property arm of **OSK Holdings Bhd** – has announced its partnership with **RHB Banking Group** on Wednesday (Sept 13) to enable its customers to check their home financing eligibility, apply for home loan and track the progress of their applications via the RHB MyHome App – a home loan application and tracking system available for iOS and Android mobile devices.

According to the developer's press release on Wednesday, the RHB MyHome App is supported by a range of services in which it offers customers with convenient, fast and simple home financing approval. It said that customers can snap photos of their supporting documents and submit the required documents to RHB by uploading them online via the mobile app, and that the mortgage application status will be updated in real-time. (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	1.290	-5.8%	Closed at cut off period
2	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.180	0.9%	Closed at cut off period
3	MCEMENT	16-Aug	3.370	3.500	3.600	3.800	3.100	3.090	3.500	3.9%	Take profit at R1 on 17-Aug

Market Chat Tracker

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	0.300	-15.5%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.920	25.2%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	0.995	22.1%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.770	22.4%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.210	15.2%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.570	9.4%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.110	-5.1%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.010	5.2%	On-going
9	TEOSEN	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	3.430	-2.8%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.980	10.1%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.680	7.1%	On-going
13	YTLPWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	2.080	58.8%	On-going
Average Return										12.6%	

Technical Focus Tracker Summary	
Total recommendations	347
Total winners	214
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)	4.8%
Accuracy (2023)	61.4%
FBM KLCI (Since 30/12/2022)	-3.1%
FBM Small Cap (Since 30/12/2022)	6.8%
Malaysia GDP Growth (1H23)	4.2%

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