

## Upbeat trend resume

### Market Review

**Malaysia:** The FBM KLCI (+0.2%) snapped a 3-day losing streak, lifted by gains in selected banking heavyweights yesterday. The lower liners also advanced, while the utilities sector (+2.2%) emerged as the biggest winner amongst the mostly positive sectorial peers.

**Global markets:** Wall Street retreated as the Dow slipped 1.0% after the stronger-than-expected retail sales data implies that interest rates may stay elevated for a longer period. The European stockmarkets closed mostly negative, while Asia stockmarkets ended mixed.

### The Day Ahead

The FBM KLCI took another stride forward as sentiment turned more favourable yesterday. We reckon that the key index may build onto its previous session gains, driven by the (i) stable political environment, (ii) uninterrupted foreign funds inflow over the past 7 consecutive trading sessions and (iii) active EPF members hitting all-time high of 8.5m signals robust employment market. The lower liners are also in a sweet spot with the quarterly reporting season shifted into higher gear. Moving forward, investors will be keeping a close tab on the US FOMC minutes releases that may provide additional clues over the interest rate direction in the world largest economy. Commodities wise, the Brent crude oil slipped towards USD85/bbl, while the CPO prices stabilised above RM3,800/MT.

**Sector focus:** The rebound in crude palm oil prices after China unexpectedly cut key policy rates to spur economic growth is deemed positive for the plantation sector. On the other hand, the weaker crude oil prices may lead to a potential pullback in the energy sector, while profit taking activities may emerge within the technology sector following the softer performance on Nasdaq overnight.

### FBMKLCI Technical Outlook



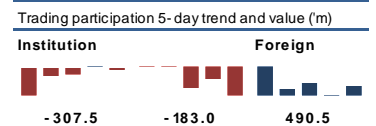
Bloomberg

The FBM KLCI advanced to form a short-term flag-formation breakout as the key index re-tested the 1,460 resistance level. Technical indicators stayed positive as the MACD Histogram extended another positive bar, while the RSI is above 50. The next 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	34,946.39	-1.02
S&P 500	4,437.86	-1.16
NASDAQ	13,631.05	-1.14
FBM KLCI	1,460.28	0.23
FBM Small Cap	16,743.08	0.67
FBM ACE	5,335.22	0.19
Construction	175.61	0.45
Consumer	562.85	-0.21
Energy	835.48	0.16
Financial Services	16,401.15	0.58
Healthcare	1,703.32	0.47
Ind Products	168.02	0.33
Plantation	7,017.47	-0.80
Property	802.22	1.14
REITs	778.20	0.42
Technology	64.96	0.70
Telco & Media	584.09	0.21
Transport	931.49	0.47
Utilities	1,083.85	2.21
Trading Vol (m)	3,871.00	9.59
Trading Val (RM m)	2,123.88	12.42
Advance/Decline	17.0%	
FKLI	1,461.50	(0.20)
FCPO (RM)	3,826.00	0.55
Brent oil (USD)	84.89	(1.53)
Gold (USD)	1,902.00	(0.27)
USD	4.6360	(0.44)
GBP	5.9005	(0.68)
EURO	5.0722	(0.36)
SGD	3.4179	(0.29)



Source: Bloomberg, Bursa Market Place

## Company Brief

**Dialog Group Bhd's** 4QFY23 net profit rose 7.2% YoY to RM126.8m, lifted by higher share of profit from joint ventures and associates and other operating income. Revenue for the quarter gained 2.1% YoY to RM690.0m. An interim dividend of 2.4 sen per share was proposed. (The Star)

**Carlsberg Brewery Malaysia Bhd's** 2QFY23 net profit declined marginally by 0.8% YoY to RM88.2m, primarily due to lower sales. Revenue for the quarter fell 11.8% YoY to RM506.7m. (The Edge)

**Heineken Malaysia Bhd's** 2QFY23 net profit rose 5.1% YoY to RM90.5m, as efficiency gains through cost and value initiatives mitigated lower revenue. Revenue for the quarter fell 11.7% YoY to RM569.2m. An interim dividend of 40.0 sen per share, payable on 10th November 2023 was declared. (The Edge)

Abrdn plc (formerly known as Aberdeen Asset Management plc) has emerged as **Farm Fresh Bhd's** substantial shareholder after the purchase of 93.8m shares or a 5.0% stake. Abrdn is the fifth largest shareholder in the home-based dairy company. (The Edge)

Datuk Wira Justin Lim Hwa Tat, who is under investigation by the Malaysian Anti-Corruption Commission (MACC), has resigned from the board of **SMTrack Bhd** as its non-independent non-executive director, with immediate effect. His resignation was due to other work commitments. (The Edge)

**MST Golf Group Bhd's** 2QFY23 recorded a net profit of RM5.4m on revenue of RM75.9m. There are no comparative year-on-year figures as the group was only listed on 20th July 2023. On a quarter-on-quarter basis, MST Golf's net profit dropped 38.2% QoQ, while revenue decreased 12.0% QoQ. (The Edge)

**Ranhill Utilities Bhd's** 2QFY23 net profit surged 72.2% YoY to RM12.1m, as its environment and energy segments reported higher earnings. Revenue for the quarter grew 29.5% YoY to RM593.7m. A dividend of 3.5 sen per share was proposed. (The Edge)

**Samchem Holdings Bhd's** 2QFY23 net profit sank 70.3% YoY to RM5.4m, due to a decline in sales volume and margins. Revenue for the quarter fell 24.7% YoY to RM276.2m. A second interim dividend of 0.5 sen per share was proposed. (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	1.170	0.0%	On-going
3	MCEMENT	16-Aug	3.370	3.500	3.600	3.800	3.100	3.090	3.370	0.0%	Initiate position

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	0.340	-4.2%	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	1.080	32.5%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.370	9.4%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.170	11.4%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.280	-3.0%	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	1.070	11.5%	On-going
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.070	16.3%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.580	1.4%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.970	9.0%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.725	14.2%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.660	26.7%	On-going
Average Return										10.8%	

Technical Focus Tracker Summary	
Total recommendations	347
Total winners	212
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)	4.9%
Accuracy (2023)	57.9%
FBM KLCI (Since 30/12/2022)	-2.4%
FBM Small Cap (Since 30/12/2022)	5.5%
Malaysia GDP Growth (1Q23)	5.6%

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