

Bucking the weaker regional performances

Market Review

Malaysia: The FBM KLCI (+0.2%) extended its gains after more than half of the key index components closed in green yesterday. The lower liners also marched higher, while the construction sector (+1.3%) outperformed the mostly positive sectorial peers.

Global markets: Wall Street extended its decline as the Dow fell 0.5% after the US Federal Reserve may need to deliver further rate hikes to combat inflation in the release of the FOMC meeting minutes. The European stockmarkets ended mixed, while Asia stockmarkets closed mostly downbeat.

The Day Ahead

The FBM KLCI outperformed the mostly negative regional markets, driven by final hour buying in selected utilities and banking heavyweights. We expect the positive performance in recent days to sustain with foreign funds continued with the net buying mode on local equities. The lower liners may also capitalise on the positive market breadth with rotational play noticeable within the construction and property-related stocks. Meanwhile, the negative developments on Wall Street overnight following the hawkish undertone from the US Federal Reserve may limit the upside potential in our local market. Commodities wise, the Brent crude oil dipped below USD84/bbl, while the CPO prices stabilised above RM3,800/MT.

Sector focus: We continue to favour the plantation sector that is riding onto the stability in CPO prices following the strong exports data reported recently. The property sector may also charge higher after closing at the highest level since January 2020. The technology sector may see a pullback in tandem with the weakness on Nasdaq overnight.

FBMKLCI Technical Outlook



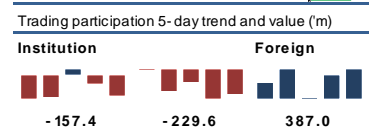
Bloomberg

The FBM KLCI formed a bullish candle as the key index took another step forward to close above the 1,460 level yesterday. Technical indicators remained positive as the MACD Histogram extended another positive bar, while the RSI is trading marginally below the overbought territory. The next resistances are located along 1,480-1,500, while the support is pegged around 1,420-1,440.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,765.74	-0.52
S&P 500	4,404.33	-0.76
NASDAQ	13,474.63	-1.15
FBM KLCI	1,463.51	0.22
FBM Small Cap	15,805.87	0.40
FBM ACE	5,377.74	0.80
Construction	177.96	1.34
Consumer	564.86	0.36
Energy	830.27	-0.62
Financial Services	15,415.94	0.09
Healthcare	1,707.74	0.26
Ind Products	168.44	0.25
Plantation	7,034.46	0.24
Property	807.88	0.71
REITs	775.49	-0.35
Technology	64.50	-0.71
Telco & Media	586.38	0.39
Transport	929.85	-0.18
Utilities	1,088.64	0.44
Trading Vol (m)	3,623.71	(6.39)
Trading Val (RM m)	22,140.1	4.24
Advance/Decline	109%	
FKLI	1,461.00	(0.20)
FCPO (RM)	3,878.00	0.83
Brent oil (USD)	83.45	(1.70)
Gold (USD)	1,891.81	(0.54)
USD	4,629.3	0.14
GBP	5,906.7	(0.11)
EURO	5,058.2	0.28
SGD	3,411	0.20



Source: Bloomberg, Bursa Market Place

Company Brief

Malaysia Airports Holdings Bhd's (MAHB) wholly-owned subsidiary, Malaysia Airports (Sepang) Sdn Bhd (MA Sepang), has terminated **Pestech Technology Sdn Bhd's** (Pestech) contract to supply, design and build an automated people mover (APM) or aerotrains at the Kuala Lumpur International Airport (KLIA). The termination was due to Pestech's non-performance, compromising significant project milestones and risking delays in delivering the project within the required deadline. (The Star)

S P Setia Bhd's 2QFY23 net profit declined 46.2% YoY to RM43.1m as increased finance costs and foreign exchange losses offset the group's higher gross profit. Revenue for the quarter fell 7.6% YoY to RM942.7m. (The Edge)

Malaysia Marine and Heavy Engineering Holdings Bhd's (MHB) 2QFY23 net loss stood at RM388.7m vs. a net profit of RM22.0m recorded in the previous corresponding quarter, dragged by the group's additional cost provisions for ongoing projects. Revenue for the quarter, however, jumped 164.6% YoY to RM1.06bn. (The Edge)

Sam Engineering & Equipment Bhd's 1QFY24 net profit fell 12.7% YoY to RM20.5m, as lower gross profit was further impacted by impairment losses as well as higher operating and finance costs. Revenue for the quarter decreased 13.0% YoY to RM307.9m. (The Edge)

SEG International Bhd's (SEGI) 2QFY23 net profit tumbled 80.0% YoY to RM2.4m, as higher expenses and finance costs further impacted lower gross profit. Revenue for the quarter fell 11.1% YoY to RM47.5m. (The Edge)

AwanBiru Technology Bhd (Awantec) has announced that Bursa Securities has rejected the company's application for a further extension of time to submit its regularisation plan to the relevant authorities. The rejection was because the company has not demonstrated to the satisfaction of Bursa Securities any material development towards the finalisation and submission of the regularisation plan. (The Edge)

Eversendai Corp Bhd had secured RM188.0m worth of projects in Saudi Arabia and India for structural steel works. The company, however, did not reveal the parties that awarded these jobs to it. (The Edge)

Velesto Energy Bhd's units were awarded a USD6.1m (RM28.3m) contract for the group's jack-up rig Velesto Naga 2 from Jadestone Energy (Malaysia) Pte Ltd, and another on-demand job to provide a hydraulic workover unit (HWU) for ExxonMobil Exploration and Production Malaysia Inc. (The Edge)

Seacera Group Bhd will no longer be a Practice Note 17 (PN17) company from 17th August 2023. The uplifting of the PN17 status came after the bourse regulator, in a letter on 16th August 2023, granted the group a waiver from having to submit a regularisation plan. (The Edge)

PWF Corp Bhd has proposed a bonus issue of up to 74.5m shares on the basis of 1 bonus share for 3 three existing shares. The entitlement date for the bonus issue will be determined later. (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	3.450	2.4%	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	0.335	-5.6%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.890	21.1%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	1.040	27.6%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.450	12.0%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.220	16.2%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.360	0.4%	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	1.050	9.4%	On-going
9	TEOSEN	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.080	17.4%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.590	1.7%	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	0.715	12.6%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.700	29.8%	On-going
Average Return										11.5%	

Technical Focus Tracker Summary	
Total recommendations	347
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)	5.2%
Accuracy (2023)	59.6%
FBM KLCI (Since 30/12/2022)	-2.1%
FBM Small Cap (Since 30/12/2022)	5.9%
Malaysia GDP Growth (1Q23)	5.6%

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