

## Surpassing 1,400

### Market Review

**Malaysia:** The FBM KLCI (+1.4%) rallied beyond the 1,400 psychological level, driven by gains in more than two-thirds of the key index components. The lower liners were also upbeat. All 13 major sectors advanced, led by the technology sector (+4.3%) that tracks the positive performance on Nasdaq.

**Global markets:** Wall Street ended mixed as the Dow (+0.3%) was buoyed by the strong consumer sentiment data and better-than-expected earnings from JP Morgan, but the S&P 500 (-0.1%) and Nasdaq (-0.2%) retreated on profit taking activities in technology stocks. The European stockmarkets closed mixed, while Asia stockmarkets finished mostly upbeat.

### The Day Ahead

With the key index re-claiming the 1,400 psychological level, we reckon that the recovery trend has turned more solid. We noticed that foreign funds have stepped up to purchase Malaysian equities (net buying of RM468.9m last Friday) and that could sustain the recovery trend, moving forward. Meanwhile, the lower liners may continue to capitalise onto the jubilant market sentiment as the calmer market conditions present an opportunity to nibble onto beaten down stocks. Looking ahead, the barrage of corporate earnings releases in the US will be in focus. Meanwhile, investors will also be keeping a close watch on the impending release of China's 2Q23 GDP data today. Commodities wise, the Brent crude oil retreated below USD80, while the CPO remained above RM3,800.

**Sector focus:** After delivering 4.3% gains last Friday, the technology sector may be ripe for quick profit taking. The energy sector may also stage a mild pullback in tandem with the weakness in crude oil prices. Nevertheless, we continue to favour the plantation sector that is riding on the recovery in CPO prices.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI gapped up to form a bullish candle as the key index closed at the highest level since end-May 2023. Technical indicators were positive as the MACD Histogram formed another positive bar, while the RSI remained above 50. Should the 1,400 remain sustainable, the next resistance will be envisaged along 1,430-1,450, while the support is pegged around 1,370.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,509.03	0.33
S&P 500	4,505.42	-0.10
NASDAQ	14,113.70	-0.18
FBM KLCI	1412.09	1.14
FBM Small Cap	15,571.01	1.38
FBM ACE	5,279.77	1.29
Construction	169.19	0.65
Consumer	555.65	0.84
Energy	823.20	1.48
Financial Services	16,735.22	1.22
Healthcare	1,682.18	0.81
Ind Products	162.82	1.09
Plantation	6,898.12	0.04
Property	721.14	0.55
REITs	776.51	0.23
Technology	65.76	4.28
Telco & Media	581.72	0.76
Transport	909.32	1.10
Utilities	1,000.51	0.54
Trading Vol (m)	4,003.58	36.53
Trading Val (RM m)	2670.05	49.96
Advance/Decline	228%	
FKLI	1415.50	1.36
FCPO (RM)	3,899.00	0.49
Brent oil (USD)	79.87	(183)
Gold (USD)	1,955.21	(0.27)
USD	4.5267	1.23
GBP	5.9362	0.89
EUR	5.0822	0.74
SGD	3.4277	0.86

Trading participation 5-day trend and value (m)

Institution	Foreign
- 308.1	570.8

Source: Bloomberg, Bursa Market Place

## Company Brief

**Hong Seng Consolidated Bhd** has acquired 402.0m shares or 32.6% in **Classita Holdings Bhd** for RM60.3m or 15 sen a share in an off-market deal. The purchase consideration is funded via the group's internally generated funds. The stake buy was an opportunity for the group to invest in the promising prospects of Classita's undergarments manufacturing and property development and construction businesses. (The Star)

**Reservoir Link Energy Bhd** has received a 3-year contract from Hibiscus Oil & Gas Malaysia Ltd for the provision of slickline perforation and specialised services. The contract was awarded to Reservoir Link via its wholly owned subsidiary, Reservoir Link Sdn Bhd, effective 3rd July 2023. The contract value was not disclosed. (The Star)

**Maxis Bhd** has decided to execute the 5G access agreement with Digital Nasional Bhd (DNB). Maxis' wholly-owned unit Maxis Broadband Sdn Bhd intends to execute the access agreement for Maxis to gain access to the 5G products and services provided on a wholesale basis by DNB. The group will seek its shareholders' approval for the execution of the agreement at an extraordinary general meeting to be convened in 3Q23. (The Edge)

**Iris Corporation Bhd** has proposed a capital reduction to set off its accumulated losses. The tech group said the exercise entails the cancellation of up to RM450.0m of its issued share capital, which totalled RM610.7m as of 30th June 2023. The corresponding credit arising from the cancellation will be used to set off against the group's accumulated losses of RM444.3m, while any remaining balance will be credited to retained earnings. Upon completion of the capital reduction, the group will undertake a share consolidation which entails the consolidation of every 4 existing shares into 1 consolidated share. (The Edge)

Financial consulting firm Rinani Group Bhd has become a substantial shareholder of **Malaysian Genomics Resource Centre Bhd** (MGRC) after acquiring 4.6m shares in the genomics and biopharmaceutical specialist. This brings its total shareholding to 7.6m shares, equivalent to a 5.9% stake. (The Edge)

**PDZ Holdings Bhd** executive director Ho Jien Shiung has reemerged as a substantial shareholder of **Fitters Diversified Bhd**. Ho acquired 125.7m shares or a 5.4% stake in Fitters Diversified, raising his shareholding to 242.2m shares or a 10.4% stake. Previously, Ho ceased to be a substantial shareholder of Fitters Diversified back in April 2023 after he disposed of 40.0m shares, thus reducing his stake to 4.5% or 106.1m shares. (The Edge)

**Adventa Bhd** plans to raise up to RM45.8m through a rights issue for business expansion, working capital and to repay bank borrowings. As at 4th July 2023, the total borrowings of Adventa Group were RM9.5m. Adventa intends to utilise the proceeds of up to RM30.0m from the rights issue to fund the group's construction of a manufacturing facility in Indonesia to manufacture disposable medical devices and also purchase the plant and machinery. (The Edge)

**Malakoff Corp Bhd** has achieved financial close in relation to RP Hydro (Kelantan) Sdn Bhd's RM975.0m in nominal value Asean Green SRI Sukuk Wakalah issuance. The Asean Green SRI Sukuk Wakalah will be used to part-finance a project with an aggregate installed capacity of 84MW to be developed along Sungai Galas in the district of Kuala Krai, Kelantan. The project will be financed through a combination of Asean Green SRI Sukuk Wakalah and shareholders' equity contribution based on a finance-to-equity ratio of up to 80:20. (The Edge)

**AEON Credit Service (M) Bhd** has reported that the group and Tokyo-listed AEON Financial Service Co Ltd (AFS) have entered into a shareholders' agreement to undertake the digital Islamic banking business through ACS Digital Bhd, which is preparing to be licensed as a digital Islamic bank with an investment of RM175.0m each. Subsequent to ACS Digital commencing its business, AEON Credit and AFS may raise additional share capital of up to RM200.0m, raising the total share capital to up to RM550.0m. Meanwhile, AEON Credit also proposed a bonus issue of 255.3m new shares on the basis of 1 bonus share for every 1 share held. (The Edge)

**PLS Plantations Bhd** is forming a joint venture with Grofresh Management Sdn Bhd that aims to become one of the largest banana planters in Malaysia. They will form PLS Agrofresh Sdn Bhd, in which PLS Plantations will hold a 60.0% stake and Agrofresh 40.0%. PLS Agrofresh is set to pioneer the development of an initial 500-ac banana plantation, which is set to increase to 2,500-ac in phases over 3 years. (The Edge)

**Ocean Vantage Holdings Bhd's** (OVH) unit has bagged a contract from Sarawak Shell Bhd (SSB) and Sabah Shell Petroleum Co Ltd to provide a jack-up drilling unit for the 2024-2026 campaign. The contract value was not disclosed. The contract is for the drilling of 11 firm wells, with the option to extend the contract. (The Edge)

**Boustead Heavy Industries Corp Bhd's** (BHIC) 51.0%-owned joint venture contract to provide EC725 helicopter maintenance and supply services to the Royal Malaysian Air Force has been extended by 1 year, valued at RM115.3m. The extension is from 1st April 2023 till 31st March 2024 with a revised total ceiling contract value of RM706.5m. (The Edge)

**Pharmaniaga Bhd's** new 7-year concession agreement with the Ministry of Health (MOH) until mid-2030 will maintain the same scope and responsibilities as the previous agreement, which was awarded over 2 decades ago, for the provision of medical supplies and medicines. (The Edge)

**Kerjaya Prospek Property Bhd** has appointed Joanne Lee as its new chief executive officer. The 53-year-old Lee has over 3 decades of professional experience across several industries, namely property development, construction, manufacturing, food and beverage, hospitality, retail, gaming and leisure, and healthcare and agriculture. (The Edge)

**Puncak Niaga Holdings Bhd** has won a RM47.2m sub-contract to build a water treatment plant and upgrade a water distribution system in Gua Musang, Kelantan. Puncak Niaga's wholly-owned subsidiary, Puncak Niaga Construction Sdn Bhd, was awarded the job by Pembinaan Era Dinamik Sdn Bhd. The scope of work includes the construction of a raw water intake station, sedimentation tank, filtration plant, treated water pumping station and administration building. (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	ECA	5-Jul	0.935	0.955	1.000	1.130	0.825	0.820	0.955	2.1%	Take profit at R1 on 14-Jul
2	VOLCANO	12-Jul	0.970	0.990	1.020	1.080	0.860	0.855	0.990	2.1%	Take profit at R1 on 13-Jul

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	ADVCN	4-Jul	0.355	0.395	0.425	0.320	0.295	0.280	0.330	-7.0%	On-going
2	CARIMN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.820	11.6%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	0.865	6.1%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.330	8.1%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.070	1.9%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.290	-2.6%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.160	-0.9%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.100	14.6%	On-going
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	0.975	6.0%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.520	-0.3%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.945	6.2%	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	1.250	-4.6%	On-going
Average Return									4.1%		

Technical Focus Tracker Summary	
Total recommendations	342
Total winners	212
Total losers	130
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)	6.2%
Accuracy (2023)	63.5%
FBM KLCI (Since 30/12/2022)	-5.6%
FBM Small Cap (Since 30/12/2022)	4.3%
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 (%)
SAM (9822)	Interim	RM0.03	24/5/2023	17/7/2023	RM3.99	RM4.90	0.5	22.8
CANONE (5105)	Final	RM0.04	23/2/2023	17/7/2023	RM3.10	RM2.80	1.4	-9.7
GOPENG (2135)	Final	RM0.01	11/4/2023	17/7/2023	RM0.36	RM0.36	2.8	0.0
HARISON (5008)	Final	RM0.50	10/4/2023	18/7/2023	RM9.09	RM9.48	5.3	4.3
PWF (7134)	Stock Dividend	1:100	5/7/2023	18/7/2023	RM0.74	RM0.72	-	-3.4
CHOOBEE (5797)	Final	RM0.03	26/4/2023	18/7/2023	RM0.94	RM0.96	2.6	2.1
BAUTO (5248)	Interim & Special Cash	RM0.11	12/6/2023	20/7/2023	RM2.23	RM2.27	4.8	1.8
SLIC (03008)	Interim	RM0.02	12/7/2023	20/7/2023	RM0.69	RM0.69	2.2	0.0
FIMACOR (3107)	Interim	RM0.08	19/5/2023	20/7/2023	RM1.95	RM1.95	3.8	0.0
UTAMA (03043)	Interim	RM0.00	12/7/2023	21/7/2023	RM0.27	RM0.27	0.6	0.0
DPS (7198)	Stock Split	1:5	10/7/2023	24/7/2023	RM0.09	RM0.08	-	-11.1
UMCCA (2593)	Interim	RM0.07	28/6/2023	26/7/2023	RM5.20	RM5.26	1.3	1.2
TEGUAN (7439)	Final	RM0.05	29/5/2023	26/7/2023	RM1.63	RM1.76	2.8	8.0
ASB (1481)	Regular Cash	RM0.00	7/4/2023	27/7/2023	RM0.14	RM0.16	0.6	14.8
LSTEEL (9881)	Interim	RM0.02	31/5/2023	27/7/2023	RM0.45	RM0.43	3.5	-5.6
METROD (6149)	Regular Cash	RM0.06	2/3/2023	27/7/2023	RM1.29	RM1.30	4.6	0.8
OVERSEA (0153)	Rights Issue	1:1	6/7/2023	27/7/2023	RM0.13	RM0.11	-	-12.0
HWGB (9601)	Stock Split	1:4	14/7/2023	28/7/2023	RM0.08	RM0.08	-	0.0
DKLS (7528)	Final	RM0.03	27/2/2023	28/7/2023	RM2.20	RM2.16	1.4	-1.8
MARCO (3514)	Interim	RM0.02	12/7/2023	31/7/2023	RM0.19	RM0.22	9.3	16.2
PGF (8117)	Final	RM0.01	28/4/2023	31/7/2023	RM1.47	RM1.24	0.8	-15.6
KHJB (0210)	Final	RM0.01	13/4/2023	1/8/2023	RM0.22	RM0.20	3.0	-9.1
PTRANS (0186)	Interim	RM0.01	22/5/2023	2/8/2023	RM1.08	RM1.11	0.7	2.8
YINSON (7293)	Final	RM0.01	23/3/2023	2/8/2023	RM2.42	RM2.54	0.4	5.0
KFIMA (6491)	Interim & Special Cash	RM0.12	19/5/2023	3/8/2023	RM2.11	RM2.06	5.8	-2.4
ZHULIAN (5131)	Interim	RM0.03	12/7/2023	8/8/2023	RM1.85	RM1.87	1.6	1.1
SNS (0259)	Interim	RM0.00	27/6/2023	10/8/2023	RM0.25	RM0.24	1.1	-4.1
ANCOMNY (4758)	Interim	RM0.01	14/7/2023	10/8/2023	RM1.00	RM1.00	1.0	0.0
KMLOONG (5027)	Final	RM0.05	29/3/2023	10/8/2023	RM1.76	RM1.80	2.8	2.3
CRESNDO (6718)	Final	RM0.02	30/3/2023	10/8/2023	RM1.18	RM1.22	1.6	3.4
FAVCO (7229)	Final	RM0.04	21/2/2023	15/8/2023	RM1.77	RM1.83	2.2	3.4
SUPERLN (7235)	Interim	RM0.01	30/6/2023	18/8/2023	RM0.65	RM0.65	1.2	0.0
PANTECH (5125)	Final	RM0.02	27/4/2023	29/8/2023	RM0.77	RM0.75	2.0	-2.0
AJI (2658)	Regular Cash	RM0.09	27/6/2023	29/8/2023	RM14.90	RM16.00	0.6	7.4
LBS (5789)	Final	RM0.01	18/4/2023	29/8/2023	RM0.42	RM0.47	2.7	11.2
PANSAR (8419)	Interim	RM0.00	14/7/2023	29/8/2023	RM0.57	RM0.57	0.6	0.0
DOMINAN (7169)	Final	RM0.01	31/5/2023	7/9/2023	RM0.77	RM0.75	1.3	-2.6
PANAMY (3719)	Final	RM1.07	30/5/2023	7/9/2023	RM21.90	RM20.00	5.4	-8.7
MAHSING (8583)	Final	RM0.03	27/4/2023	8/9/2023	RM0.61	RM0.64	4.7	4.1
AYS (5021)	Final	RM0.01	20/6/2023	20/9/2023	RM0.37	RM0.40	2.5	6.8

Denotes >5% Dividend Yield

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