

## Pullback in store

### Market Review

**Malaysia:** The FBM KLCI (-1.1%) retreated as selling pressure were evident in more than two-thirds of the key index components yesterday. The lower liners also turned downbeat, while the energy sector (-1.9%) underperformed the mostly negative sectorial peers following the weaker crude oil prices.

**Global markets:** Wall Street remained downbeat as the Dow (-0.8%) slipped on the back of weaker performances in technology giants as the global bond markets selloff intensified. The European stockmarkets also turned weaker, while Asia stockmarkets ended mixed.

### The Day Ahead

Volatility took precedence with the key index wiping out all the previous 2 sessions of gains yesterday. Sentiment was roiled by the weakness on Wall Street overnight, while foreign funds have turned net selling for the first time in 9 trading sessions. The lower liners were not spared as profit taking activities emerged following the recent winning run. Looking ahead, investors will be keeping an eye on the key economic data; Malaysia's 2Q23 GDP data set to be released today. We believe the market may cheer should the reported number that came above the Bloomberg consensus expectations of 3.6% YoY growth. Commodities wise, the Brent crude oil supported above USD83/bbl, while the CPO prices hovered above RM3,800/MT.

**Sector focus:** We expect the property sector may extend its positive movement with most of the property players turning more optimistic in 1H24 as guided by the Housing Developers' Association Malaysia (REHDA). The strong vehicles announced data may boost the automotive-related stocks. Meanwhile, the energy sector may advance in line with higher crude oil prices.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended lower and formed a bearish candle and the key index slipped below the daily EMA9 level yesterday. Technical indicators turned mixed as the MACD Histogram formed a negative bar, while the RSI is trading 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	34,474.83	-0.84
S&P 500	4,370.36	-0.77
NASDAQ	13,316.93	-1.17
FBM KLCI	1,447.98	-1.06
FBM Small Cap	15,683.68	-0.77
FBM ACE	5,313.54	-1.19
Construction	178.30	0.19
Consumer	561.39	-0.61
Energy	814.87	-1.85
Financial Services	16,293.46	-0.75
Healthcare	1,710.33	0.15
Ind Products	167.67	-0.46
Plantation	6,920.86	-1.61
Property	820.15	1.52
REITs	778.28	0.36
Technology	63.79	-1.10
Telco & Media	581.88	-0.77
Transport	921.04	-0.95
Utilities	1,087.51	-0.10
Trading Vol (m)	3,623.71	19.64
Trading Val (RM m)	256146	15.69
Advance/Decline	60%	
FKLI	1,444.00	(0.24)
FCPO (RM)	3,917.00	(0.15)
Brent oil (USD)	84.12	0.80
Gold (USD)	1,889.43	(0.13)
USD	4,629.93	(0.54)
GBP	5,906.7	(0.24)
EURO	5,058.2	(0.06)
SGD	3,411	(0.27)

Trading participation 5-day trend and value (m)

Institution	Foreign
- 37.6	- 194.4
232.0	

Source: Bloomberg, Bursa Market Place

## Company Brief

**Puncak Niaga Holdings Bhd** is disposing of 3 plots of leasehold land totaling 672,089 sqm in Ijok, Selangor for RM306.1m. The proposed disposal of lands is in line with the company's strategy to monetise its land in Ijok as part of the group's broader strategic thrust of sustainable value creation for the shareholders. Puncak Niaga said the proceeds from the disposal will be utilised for the repayment of bank borrowings and future investments, as well as general working capital. (The Star)

**Bintulu Port Holdings Bhd** has secured an extension from the government to continue operating the Bintulu Port, Sarawak's main port for liquefied natural gas, for 12 months from 1st July 2023 to 30th June 2024. This follows the initial notification in April on the Cabinet's approval for BPSB to continue operating the port for an interim period of 12 months. (The Edge)

**VS Industry Bhd** has announced that NEP Holdings (Malaysia) Bhd and 4 of its officials were found guilty of contempt of court on Thursday for failing to comply with an inspection order in relation to a dispute between the 2 companies. VS Industry, along with its executive chairman Datuk Beh Kim Ling, had initiated the legal action in the High Court in January 2022, seeking an inspection of NEP's accounting records by an auditor approved by the group and Beh. The NEP officials found guilty are its directors Lim Chang Huat, Lim Chee Kon and Chow Chun Pooi @ Chow Chan Leong, and general manager Kong Kian Huat. (The Edge)

**Sunway Real Estate Investment Trust** (Sunway REIT)'s 2QFY23 net property income increased 8.7% YoY to RM116.2m, primarily driven by its hotel, retail, services as well as industrial and other segments. Revenue for the quarter grew 15.2% YoY to RM166.5m. An interim income distribution of 4.62 sen, payable on 15th September 2023 was declared. (The Edge)

**Magnum Bhd's** 2QFY23 net profit jumped 65.3% YoY to RM43.6m, mainly contributed by the group's gaming division. Revenue for the quarter grew 11.4% YoY to RM537.1m. (The Edge)

**Berjaya Assets Bhd's** (BAssets) 4QFY23 net loss narrowed to -RM14.5m, from net loss of -RM30.4m recorded in the previous corresponding quarter, after higher revenue more than offset an impairment of assets and unfavourable fair value adjustment. Revenue for the quarter rose 9.9% YoY to RM57.1m. (The Edge)

**Dayang Enterprise Holdings Bhd's** Pan Malaysia contract with Hibiscus Oil and Gas Malaysia Ltd to provide maintenance, construction and modification services has been extended by another 1 year and 5 months until 31st December 2024. The original contract duration was for a period of 5 years expiring in July 2023, with an option to extend for a 1-year period. (The Edge)

**Perak Corp Bhd** will jointly develop 4 pieces of land in Hulu Bernam Timor in Perak's Muallim district, with ARX-YSC Sdn Bhd, a private limited company engaged in construction, property consultancy services and real estate activities in nearly 4 years after the 2 companies signed a joint venture agreement (JVA). Perak Corp had on 16th August 2023 entered into a supplemental agreement to the JVA entered into on 10th September 2019 with ARX-YSC to vary certain terms of the JV. (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	1.350	-1.5%	On-going
2	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.160	-0.9%	On-going
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

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	0.330	-7.0%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.880	19.7%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	1.060	30.1%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.470	12.7%	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	2.380	1.3%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.150	-1.7%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.040	8.3%	On-going
9	TEOSENG	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	3.580	1.4%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.960	7.9%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.705	11.0%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.710	30.5%	On-going
Average Return										11.4%	

Technical Focus Tracker Summary	
Total recommendations	347
Total winners	213
Total losers	134
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)	5.1%
Accuracy (2023)	59.6%
FBM KLCI (Since 30/12/2022)	-3.2%
FBM Small Cap (Since 30/12/2022)	5.1%
Malaysia GDP Growth (1Q23)	5.6%

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