

Minor setback

Market Review

Malaysia: The FBM KLCI (-0.1%) mirrored the weakness across most of the regional peers as the key index recorded -0.5% WoW. Meanwhile, the broader market ended mostly negative with the energy sector (-0.8%) underperformed, but the technology sector rebounded strongly by 2.03% on Friday.

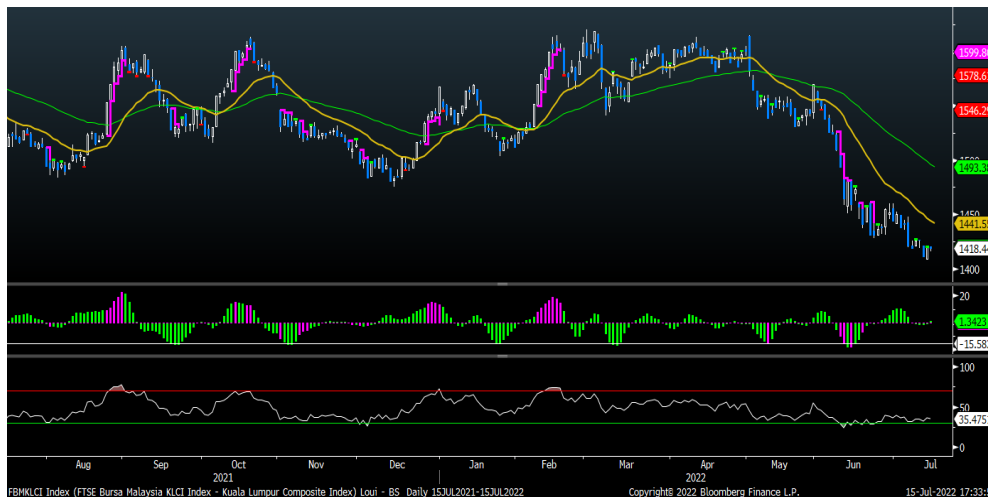
Global markets: US stock markets staged a strong rebound as the Dow (+2.2%) rallied on expectations that the US Federal Reserve may only deliver 75 basis point rate hike in July 2022 against earlier expectations of 100 basis point hike. The European stock markets advanced, but Asia stock markets ended mostly negative.

The Day Ahead

The FBM KLCI ended the week with marginal losses as quick profit taking activities emerged on selected heavyweights. While the local bourse may be poised for a rebound following the strong gains on Wall Street, we believe recession fears will continue to permeate investors' sentiment in the near term. Meanwhile, investors may be watching the European Central Bank's meeting and Malaysia's inflation data later this week. On the commodity markets, the crude oil rebounded, trading above USD101 per barrel mark, while the CPO price hovered around RM3,600.

Sector focus: We expect the technology sector to track the overnight gains in Nasdaq. Meanwhile, selected consumer stocks and REITs may be viewed defensive and outperform during the volatile stock market environment. Traders may trade cautiously within the energy sector as oil price was pressured due to recession fears, albeit the Brent oil has rebounded above the USD100 level.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI booked marginal losses and the key index remained below its daily EMA9 level. Technical indicators remained negative as the MACD Histogram has extended a negative bar, while the RSI hovered below zero. Support is pegged along 1,380-1,400, while the resistance is set around 1,430-1,460.

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

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	31288.26	2.15
S&P 500	3,863.16	1.92
NASDAQ	11,452.42	1.79
FBM KLCI	1,418.44	-0.11
FBM Small Cap	13,488.49	-0.13
FBM ACE	4,559.83	0.15
Construction	151.88	-0.49
Consumer	558.40	0.39
Energy	604.64	-0.82
Financial Services	16,007.69	-0.33
Healthcare	1,653.44	-0.32
Ind Products	166.73	-0.77
Plantation	6,655.73	-0.20
Property	6,112.9	0.08
REITs	793.33	-0.19
Technology	58.73	2.03
Telco & Media	548.91	0.38
Transport	776.19	0.20
Utilities	814.88	-0.02
Trading Vol (m)	2,050.57	2.24
Trading Val (RM m)	1,059.98	-11.79
Advance/Decline	94%	
FKLI	1,417.50	-0.07
FCPO (RM)	3,629.00	0.25
Brent oil (USD)	101.16	-0.16
Gold (USD)	1,708.17	-0.10
USD	4.4493	-0.11
GBP	5.2632	0.01
EURO	4.4686	-0.12
SGD	3.1681	0.09

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-29.0	45.7	-16.7

Source: Bloomberg, Bursa Market Place

Company Brief

Artroniq Bhd is acquiring 156,000 ordinary shares representing 60.0% stake in precision tools component trader Fujim Digital Sdn Bhd for RM12.0m. The purchase of the equity from sole shareholder Teoh Boon Thiam will be satisfied with RM6.0m cash and RM6.0m via the issuance of new shares in Artroniq. As per the agreement, the vendor will provide a profit guarantee to Artroniq, which entails a net profit of not less than RM2.1m for the period of 1st May 2022 to 30th April 2023, and RM2.1m for the subsequent same period. (The Star)

LYC Healthcare Bhd's wholly-owned subsidiary LYC Health Manufacturing Group Sdn Bhd (LYCHM) has entered into a share sale agreement (SSA) with Lim Lee Ping, Tan Sook Yong, and Goh Kok Neng to acquire 450,000 ordinary shares or 75.0% equity interest in Nutrogreen Health Industries Sdn Bhd for RM525,000.

Meanwhile, another wholly-owned subsidiary of the group LYC Health Manufacturing (NS) Sdn Bhd (LYCNS) has entered into a business sale agreement with Wong See Kit and Wong Looi Cheng @ Wong Chin See to acquire Kitta Enterprise and specific assets under the Kitta Enterprise partnership for RM1.0m. (The Star)

Favelle Favco Bhd's (FFB) subsidiaries, Favelle Favco Cranes Pty Ltd and Kroll Cranes A/S have received purchase orders with a combined value of RM42.7m. Favelle Favco Cranes will supply a tower crane to G A Caelli Holdings Trust which is expected to be delivered by the end-2022. Meanwhile, Kroll Cranes A/S will supply a tower crane to Daewoo Shipbuilding & Marine Engineering Co., Ltd which is expected to be delivered by mid-2023. (The Star)

CTOS Digital Bhd has proposed to buy a 19.9% stake in RAM Holdings Bhd from Creador's Oscar Matrix Sdn Bhd for RM51.3m cash or RM25.80 per share, raising its shareholding to 39.1% or 3.9m shares. The credit reporting agency also proposed to buy up to 3.1m shares in RAM or 30.9% stake at a price not more than RM28.50 per share or up to RM88.0m over a period of 12 months. (The Edge)

Digi.Com Bhd's 2QFY22 net profit dropped 21.4% YoY to RM220.0m, due to the one-off prosperity tax and the increased net finance costs as a result of non-cash hedge accounting. Revenue for the quarter fell 4.9% YoY to RM1.54bn. A second interim dividend of 2.8 sen per share, payable on 30th September 2022 was declared. (The Edge)

Mah Sing Group Bhd unveiled its M Nova's sales gallery in Taman Wahyu, Kepong on 15th July 2022. The mixed development will be officially launched in 4Q22. The three-tower M Nova is sited on an 8.1-ac parcel in Kepong with an estimated gross development value of RM790.0m. (The Edge)

Al-Salam Real Estate Investment Trust (REIT) and **Al-'Aqar Healthcare REIT's** chief executive officer Wan Azman Ismail, 58, has stepped down as executive director in both the listed entities after completing his contract of service. Neither of the REITS has announced a successor to Wan Azman yet. (The Edge)

MK Land Holdings Bhd is diversifying into renewable energy with the development of a 11.0-megawatt (MW) large-scale solar photovoltaic (PV) plant in Kerian, Perak. The company has appointed **Solarvest Holdings Bhd** as the engineering, procurement, construction, and commissioning (EPCC) solutions provider for the project. (The Edge)

The controlling shareholder of **Hextar Technologies Solutions Bhd** (formerly known as Complete Logistics Services Bhd), Datuk Eddie Ong Choo Meng, has bought over the company's entire stake of 14.9% in **Classic Scenic Bhd**. Ong purchased the stake, comprising 36.0m Classic Scenic shares, via direct business transactions on 14th July 2022. Ong is now the largest shareholder of Classic Scenic with a total stake of 77.3m shares or 32.1%, while Hextar Technologies has ceased to be the substantial shareholder. (The Edge)

Pharmaniaga Bhd's wholly-owned subsidiary Pharmaniaga LifeScience Sdn Bhd is collaborating with China-based Suzhou Ronnsi Pharma Co Ltd through a Memorandum of Collaboration (MoC) to commercialise a halal ovine-based (sheep and goat) anti-coagulant blood clot thinner. (The Edge)

Tiles manufacturer **YB Ventures Bhd** has appointed former Kuala Lumpur police chief Datuk Seri Tajudin Md Isa as the group's independent non-executive chairman, effective 15th July 2022. (The Edge)

Malaysian Genomics Resource Centre Bhd (MGRC) has appointed Datuk Seri Dr Chen Chaw Min as its independent non-executive chairman, effective immediately, following the resignation of Tan Sri Ahmad Mohd Don on 12th July 2022. (The Edge)

Pasukhas Group Bhd has reported that Messrs Crowe Malaysia PLT (Crowe) has voluntarily resigned as the auditor of the company due to a disagreement on the audit fees. Pasukhas received a notice in writing from Crowe on 14th July 2022. (The Edge)

Nextgreen Global Bhd is forming a joint venture company to develop 20 palm oil waste collection and processing centres throughout Malaysia. The group has inked a Memorandum of Agreement with Greentech Malaysia Alliances Sdn Bhd, Koperasi Sahabat Amanah Ikhtiar Malaysia Bhd and Koperasi Perkhidmatan Setia Bhd to form the joint venture through a special purpose company known as GTC Biomass Bhd. Nextgreen will own 65.0% stake in the joint venture firm. (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	PANTECH	13-Jul	0.595	0.645	0.700	0.765	0.565	0.560	0.560	-5.9%	Cut loss on 15-Jul
2	INARI	18-Jul	2.520	2.670	2.870	3.230	2.360	2.350	2.520	0.0%	initiate position

3Q22 Stock Picks											
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	UWC	1-Jul	3.260	3.890	4.180	-	3.230	2.850	3.250	-0.3%	On-going
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	2.630	-7.4%	On-going
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	0.880	-8.8%	On-going
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.090	2.7%	On-going
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.825	7.1%	On-going
6	SYSCORP	1-Jul	0.410	0.445	0.470	-	0.375	0.340	0.390	-4.9%	On-going
7	PWROOT	1-Jul	1.700	1.830	1.920	-	1.630	1.550	1.770	4.1%	On-going
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.180	-13.1%	On-going
9	QL	1-Jul	5.210	5.710	5.920	-	5.230	5.050	5.350	2.7%	On-going
10	AMBANK	1-Jul	3.720	3.980	4.110	-	3.620	3.450	3.850	3.5%	On-going
Average Return										-1.4%	

Disclaimer: This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.

Technical Focus Tracker Summary	
Total recommendations	242
Total winners	144
Total losers	97
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	-1.8%
Accuracy (2022)	54.4%
FBM KLCI (Since 31/12/2021)	-9.5%
FBM Small Cap (Since 31/12/2021)	-14.4%
Malaysia GDP Growth (1Q22)	5.0%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
CANONE (5105)	Final	RM0.04	27/4/2022	18/7/2022	RM3.15	RM3.44	1.2	9.2
ALLIANZ (1163)	Interim	RM0.16	21/6/2022	18/7/2022	RM12.70	RM12.86	1.2	1.3
CHOOBEE (5797)	Final & Special Cash	RM0.08	28/4/2022	19/7/2022	RM2.14	RM1.94	3.9	-9.3
HARISON (5008)	Final	RM0.30	11/4/2022	21/7/2022	RM4.88	RM5.80	5.2	18.9
FIMACOR (3107)	2nd Interim & Special Cash	RM0.10	24/5/2022	21/7/2022	RM2.09	RM2.08	4.8	-0.5
CGB (8052)	Bonus-Options	1:2	6/7/2022	21/7/2022	RM0.94	RM1.00	-	6.4
SAM (9822)	Regular Cash	RM0.04	24/5/2022	21/7/2022	RM4.48	RM2.80	1.3	-37.5
MYCRON (5087)	Interim	RM0.03	29/6/2022	21/7/2022	RM0.44	RM0.46	6.6	4.6
TOPVISN (03013)	Interim	RM0.01	12/7/2022	26/7/2022	RM0.75	RM0.75	1.1	0.0
UMCCA (2593)	2nd Interim & Special Cash	RM0.10	28/6/2022	26/7/2022	RM5.49	RM5.35	1.9	-2.6
ASB (1481)	Regular Cash	RM0.00	11/4/2022	27/7/2022	RM0.10	RM0.10	1.6	0.0
TECGUAN (7439)	Final	RM0.03	30/5/2022	27/7/2022	RM1.57	RM1.20	2.5	-23.6
KESM (9334)	Interim	RM0.02	14/7/2022	28/7/2022	RM6.11	RM6.11	0.2	0.0
DKLS (7528)	Final	RM0.03	24/2/2022	28/7/2022	RM1.75	RM2.12	1.4	21.1
METROD (6149)	Regular Cash	RM0.06	28/2/2022	28/7/2022	RM1.30	RM1.35	4.4	3.8
COMPLET (5136)	Interim	RM0.40	13/7/2022	28/7/2022	RM3.51	RM3.85	10.4	9.7
EVERGRN (5101)	Final	RM0.02	15/6/2022	29/7/2022	RM0.51	RM0.45	3.3	-11.8
PTRANS (0186)	2nd Interim	RM0.01	23/5/2022	3/8/2022	RM0.74	RM0.83	0.9	12.2
YINSON (7293)	Final	RM0.02	29/3/2022	3/8/2022	RM1.95	RM1.83	1.1	-6.2
KFIMA (6491)	Interim & Special Cash	RM0.15	30/5/2022	4/8/2022	RM2.39	RM2.31	6.5	-3.3
PRESTAR (9873)	Final	RM0.02	23/2/2022	5/8/2022	RM0.68	RM0.48	4.2	-29.6
ZHULIAN (5131)	2nd Interim	RM0.03	13/7/2022	9/8/2022	RM1.95	RM1.96	1.5	0.5
GFM (0039)	Interim	RM0.00	20/6/2022	11/8/2022	RM0.18	RM0.19	0.9	2.8
KMLOONG (5027)	Final	RM0.05	29/3/2022	11/8/2022	RM1.96	RM1.62	3.1	-17.3
CRESNDO (6718)	Final	RM0.02	30/3/2022	11/8/2022	RM1.20	RM1.12	1.8	-6.7
PANTECH (5125)	Final	RM0.02	27/4/2022	29/8/2022	RM0.75	RM0.56	2.7	-24.8
LBS (5789)	Final	RM0.01	15/4/2022	29/8/2022	RM0.47	RM0.42	2.4	-11.9
DIGI (6947)	2nd Interim	RM0.03	15/7/2022	30/8/2022	RM3.42	RM3.42	0.8	0.0
FAVCO (7229)	Final	RM0.08	25/2/2022	5/9/2022	RM1.96	RM1.68	4.8	-14.5
EWEIN (7249)	Final	RM0.01	25/2/2022	7/9/2022	RM0.27	RM0.31	1.6	13.0
PA (7225)	Interim	RM0.01	20/6/2022	8/9/2022	RM0.27	RM0.26	1.9	-1.9
DOMINAN (7169)	Final & Special Cash	RM0.02	5/7/2022	8/9/2022	RM0.93	RM0.93	2.2	0.0
PANAMY (3719)	Final	RM0.68	31/5/2022	8/9/2022	RM28.02	RM26.08	2.6	-6.9
MAHSING (8583)	Regular Cash	RM0.03	28/4/2022	15/9/2022	RM0.68	RM0.58	4.6	-14.7

Denotes >5% Dividend Yield