

Quick profit taking sapped gains

Market Review

Malaysia: The FBM KLCI (-0.1%) continues to edge lower after reversing all its intraday gains, dragged by MISC (-4.8%) following its disappointing quarterly results. The lower liners closed mildly higher, but the broader market ended mostly in red with the transportation & logistics sector (-1.0%) underperformed.

Global markets: Wall Street nudged marginally higher as the Dow (+0.1%) rose on a mixed bag of economic data whereby better jobless claims and manufacturing data offset the softer existing home sales data. The European stock markets also turned upbeat, but the Asia stock markets ended mostly negative.

The Day Ahead

The FBM KLCI extended losses amid weaker sentiment across the regional markets as investors continued to digest recent gains. Given the US markets are still finding its direction, we believe the local bourse may take a breather amid softer inflow of foreign funds and the FBM KLCI might be resisted along its SMA200 zone. Investors will be focusing on the ongoing reporting season to position themselves in the stock markets. Commodities wise, the crude oil price surged above USD96 per barrel mark, while the CPO traded above RM4,000.

Sector focus: We opine that the positive momentum in the energy sector should sustain as the crude oil price is showing an uptick move and selected O&G stocks like DAYANG and GASMSIA have release decent results. Besides, sectors such as banking, consumer, and REIT should stay attractive throughout the earnings season.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI registered marginal losses but remained well supported above its EMA120 level. Technical indicators remained positive as the MACD Histogram extended a positive bar, while the RSI hovered above 50. Resistance is set along 1,530-1,560, while the support is pegged at 1,500, followed by 1,480.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,999.04	0.06
S&P 500	4,283.74	0.23
NASDAQ	12,965.34	0.21
FBM KLCI	1516.62	-0.10
FBM Small Cap	14,490.58	0.03
FBM ACE	4,972.15	0.46
Construction	159.49	-0.03
Consumer	582.34	-0.02
Energy	667.53	1.20
Financial Services	16,819.34	0.18
Healthcare	1616.63	0.79
Ind Products	183.03	-0.29
Plantation	7,288.95	-0.08
Property	645.68	-0.46
REITs	804.66	-0.22
Technology	66.42	-0.27
Telco & Media	592.89	-0.89
Transport	807.99	-0.98
Utilities	87.100	-0.21
Trading Vol (m)	2,513.50	-7.71
Trading Val (RM m)	195123	2.30
Advance/ Decline	76%	
FKLI	1519.00	0.00
FCPO (RM)	4,041.00	-0.05
Brent oil (USD)	96.59	3.14
Gold (USD)	1,758.61	-0.18
USD	4.4735	-0.14
GBP	5.3904	0.32
EURO	4.5498	-0.01
SGD	3.2364	-0.04

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
- 886.8	110.2	776.6

Source: Bloomberg, Bursa Market Place

Company Brief

Yinson Holdings Bhd's unit Yinson GreenTech (YGT), through its wholly-owned subsidiary Yinson Green Technologies (M) Sdn Bhd, has signed a memorandum of understanding (MoU) with Cyberview Sdn Bhd to develop a smart mobility ecosystem in Cyberjaya. Both parties aim to collaborate to implement smart mobility technologies such as electrification of vehicles, autonomous vehicles, mobility-as-a-service and intelligent transport systems in Cyberjaya. (The Star)

Gas Malaysia Bhd's 2QFY22 net profit grew 72.2% YoY to RM107.3m, in line with the higher average natural gas selling price, in tandem with the global market price, mitigated by the lower volume of natural gas sold. Revenue for the quarter rose 29.2% YoY to RM1.77bn. (The Star)

Dialog Group Bhd's 4QFY22 net profit fell 14.7% YoY to RM118.3m, dragged by higher project costs and losses in some of the projects. Revenue for the quarter, however, climbed 29.4% YoY to RM675.7m. A final cash dividend of 2.10 sen per share, subject to the approval of the shareholders at the forthcoming annual general meeting was announced. (The Star)

MISC Bhd's 2QFY22 net loss stood at RM19.1m vs. a net profit of RM538.8m recorded in the previous corresponding quarter, amid higher impairment losses on non-current assets and finance costs, as well as its share of losses from joint ventures. Revenue for the quarter, however, grew 36.5% YoY to RM3.21bn. A second tax-exempt dividend of 7.0 sen per share, payable on 14th September 2022 was declared. (The Edge)

S P Setia Bhd's 2QFY22 net profit rose 7.0% YoY to RM80.1m, mainly due to higher volume of project development phases. Revenue for the quarter, however, fell 5.6% YoY to RM1.02bn. (The Edge)

Mega First Corp Bhd's 2QFY22 net profit rose 15.5% YoY to RM100.8m, driven by stronger contributions from its renewable energy and packaging segments and higher share of profits from joint ventures and associates. Revenue for the quarter added 59.7% YoY to RM331.9m. (The Edge)

Dayang Enterprise Holdings Bhd's 2QFY22 net profit stood at RM42.0m vs. a net loss of RM21.9m registered in the previous corresponding quarter, following a reversal of impairment loss on trade receivables and lower depreciation charges. Revenue for the quarter improved 65.0% YoY to RM263.4m. (The Edge)

Sunway Real Estate Investment Trust's 2QFY22 net profit widened 122.3% YoY to RM74.5m, contributed mainly by the sharp improvement in the retail segment. Revenue for the quarter increased 39.8% YoY to RM144.5m. (The Edge)

Magnum Bhd's 2QFY22 net profit surged 12.9x YoY to RM26.4m, as it recorded better sales under its gaming division. Revenue for the quarter rose 47.7% YoY to RM482.1m. (The Edge)

Kobay Technology Bhd's 4QFY22 net profit rose 40.3% YoY to RM11.9m, supported by a better performance by its property development and property letting segments, and boosted by contributions from its newly acquired pharmaceuticals business. Revenue for the jumped 103.2% YoY to RM95.2m. (The Edge)

AME Elite Consortium Bhd and Majestic Builders will jointly develop a RM1.00bn gross development value integrated industrial park in Seberang Perai Tengah, Penang. To undertake the development, AME Elite's wholly owned subsidiary, Northern Industrial Park Sdn Bhd, and Majestic Builders have established Suling Hill Development Sdn Bhd as their special-purpose vehicle. (The Edge)

Lambo Group Bhd has reported that it was unaware of any wrongdoing related to its indirect wholly owned subsidiary Fujian Accsoft Technology Development, after China's finance ministry imposed a penalty on the subsidiary's auditor last month. (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	HARBOUR	25-Jul	1.070	1.150	1.240	1.430	1.010	1.000	1.110	3.7%	On-going
2	MTAG	3-Aug	0.500	0.520	0.540	0.560	0.445	0.440	0.495	-1.0%	On-going
3	KERJAYA	10-Aug	1.150	1.240	1.290	1.370	1.080	1.070	1.200	4.3%	On-going
4	CFM	15-Aug	1.070	1.160	1.200	1.400	0.970	0.965	1.020	-4.7%	On-going
5	RAMSSOL	17-Aug	0.485	0.505	0.535	0.600	0.435	0.430	0.445	-8.2%	On-going

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	3.890	19.3%	On-going
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	2.950	3.9%	On-going
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	0.990	2.6%	On-going
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.250	8.0%	On-going
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.850	10.4%	On-going
6	SYSCORP	1-Jul	0.410	0.445	0.470	-	0.375	0.340	0.435	6.1%	On-going
7	PWROOT	1-Jul	1.700	1.830	1.920	-	1.630	1.550	1.790	5.3%	On-going
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.520	0.4%	On-going
9	QL	1-Jul	5.210	5.710	5.920	-	5.230	5.050	5.100	-2.1%	On-going
10	AMBANK	1-Jul	3.720	3.980	4.110	-	3.620	3.450	4.070	9.4%	On-going
Average Return										6.3%	

Technical Focus Tracker Summary	
Total recommendations	251
Total winners	150
Total losers	101
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	45.0%
Accuracy (2022)	56.1%
FBM KLCI (Since 31/12/2021)	-3.2%
FBM Small Cap (Since 31/12/2021)	-8.1%
Malaysia GDP Growth (1H22)	6.9%