

## Market to trade cautiously ahead of FOMC

### Market Review

**Malaysia:** The FBM KLCI (-0.07%) ended marginally lower in line with regional indexes. On the broader market, the Construction sector (-0.87%) fell as investors took profits following the massive rally on Friday, meanwhile the Healthcare sector (+0.72%) gained from buying pressure in selected glove counters.

**Global markets:** Wall Street closed flat as investors traded cautiously ahead of the 2-day Fed meeting, which will ultimately decide the interest rates directions. Both the European and Asian markets ended lower as investors are eyeing key economic data from Japan and China, which will be released at the end of the week.

### The Day Ahead

The FBM KLCI had turned slightly lower after the quadruple witching day last week, we understand that the Wall Street also trended sideways ahead of the FOMC meeting. Given the external events such as the FOMC will only be concluded tomorrow, we expect trading activities may slow down for the session on the local front, while the attention may be shifted towards the domestic catalysts, such as the NETR, NIMP as well as the recent MOUs that were signed over the weekend. Commodities wise, the Brent crude oil has continued its uptrend move above USD94/bbl level, while the CPO prices closed below the RM3,800/MT level.

**Sector focus:** With the FOMC meeting to be concluded by tomorrow, we expect traders to focus on NETR and NIMP blueprints, while we expect the construction sector to rebound amid the potential rally ahead of the budget next month. Besides, we opine that the traders will look out for O&G stocks amid stronger Brent oil prices.

### FBMKLCI Technical Outlook



The FBM KLCI traded flat while maintaining above the 1,450 psychological level. Also, the technical readings on the key index were positive. The MACD Histogram has formed a rounding bottom formation, while the RSI is hovering above 50. The resistance is located around 1,465-1,470 and the support is envisaged around 1,430-1,440.

**Research Team**  
[research@msec.com.my](mailto:research@msec.com.my)  
(603) 2201 2100

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,624.30	0.02
S&P 500	4,453.53	0.07
NASDAQ	13,710.24	0.01
FBM KLCI	1,457.99	-0.07
FBM Small Cap	1,064.47	0.17
FBM ACE	5,189.44	-0.39
Construction	12.56	-0.87
Consumer	558.01	0.45
Energy	892.54	-0.15
Financial Services	1,341.04	0.07
Healthcare	1,694.22	0.72
Ind Products	172.94	-0.88
Plantation	6,977.60	-0.85
Property	849.96	0.28
REITs	772.57	-0.12
Technology	62.93	0.16
Telco & Media	583.90	0.54
Transport & Logist	98.65	-0.01
Utilities	1,136.76	0.47
Trading Vol (m)	3,382.69	(5.80)
Trading Val (RM m)	2,122.9	(50.74)
Gainers/ Losers rat	98%	
FKLI	1,456.50	(0.03)
FCPO (RM)	3,749.00	-
Brent oil (USD)	94.43	0.53
Gold (USD)	1,933.84	(0.02)
USD	4.6892	(0.13)
GBP	5.8168	0.09
EURO	5.0048	(0.23)
SGD	3.4372	(0.03)

Trading participation 5-day trend and value ('m)	
Institution	Foreign
-224.2	377.2
-153.0	

Source: Bloomberg, Bursa Market Place

## Company Brief

**Cypark Resources Bhd** shares were heavily traded in the morning after the renewable energy and solid waste management company announced that Chung Chee Yang was exiting the company as a substantial shareholder, a year after he became the company's single largest shareholder. (The Edge)

**Rapid Synergy Bhd**'s share price fell 12.71% or RM3.06 to a low of RM21.02 following the announcement of the sale of a land in Manjung, Perak for RM22.89m in cash. On Friday (Sept 15), the precision tool-making company announced that it had disposed of 6,653/10,000 undivided share of a parcel of land in Manjung, measuring 303,487 sq ft, to Yokado Sdn Bhd. (The Edge)

**Citaglobal Bhd** has entered into a memorandum of understanding (MOU) with China government-linked Shanghai SUS Environment Co Ltd (SUS), with a RM15bn investment commitment from SUS for joint collaboration and development of waste-to-energy (WTE) projects in Malaysia. This confirmed a report by The Edge weekly in its latest edition that Citaglobal was expected to sign a new MOU for the WTE venture as its management strives to expand the group further. (The Edge)

**ITMAX System Bhd**'s subsidiary has secured a contract entailing the provision of video surveillance services for the Johor Bahru City Council (MBJB) worth RM105.32m for a 15-year period. The group said the contract commenced this month. (The Edge)

Information technology solutions provider **Theta Edge Bhd** is looking to collaborate with Estonian technology firm Cybernetica AS on joint development, implementation, marketing and promotion of digital identity products exclusively in Malaysia and digital identity, cybersecurity, privacy enhancement and interoperability within Malaysia and other Asean countries on a project basis. (The Edge)

Shares in **UEM Sunrise Bhd** rose as much as 13.5 sen or 18.49% in active trade on Monday, pushing the counter to a four-year high of 86.5 sen. The counter has risen more than 231% this year, on sentiment play amid an inflow of positive news for projects in Johor near the Iskandar region, where UEM Sunrise's portfolio is mostly located. (The Edge)

**Mega First Corp Bhd**, which is involved in the renewable energy, resources, and packaging sectors, has teamed up with Lao Green Power Corp Co Ltd and Enemax Trading Ltd to jointly explore new business investment opportunities in Laos. It said the joint venture will pave the way for the company to explore new business opportunities in Laos. (The Edge)

**Dayang Enterprise Holdings Bhd**'s pan-Malaysia contract from PTTEP Sarawak Oil Ltd and PTTEP Sabah Oil Ltd to provide maintenance, construction and modification has been extended until Dec 31, 2024. The original contract duration was from 2018 to mid-July 2023, the integrated oil and gas service provider said. (The Edge)

**Sunview Group Bhd** has entered into an agreement with UOB Malaysia to provide installation and management services of solar power systems for local businesses and consumers. Through its wholly-owned unit Fabulous Sunview Sdn Bhd, Sunview will provide services in the development, planning, procurement, as well as construction. (The Edge)

**MyEG Services Bhd** said it has partnered with Chinese state-owned Guangxi Beitou IT Innovation Technology Investment Group Co Ltd to offer an international digital identity credential service on the Zetrix blockchain. (The Edge)

**Solarvest Holdings Bhd** has appointed its group chief strategy officer Liew Chee Ing as an executive director, effective Monday. The renewable energy engineering, procurement, construction, and commissioning player said Liew is spearheading the development of the group's long-term strategies in his capacity as group chief strategy officer. (The Edge)

Lembaga Tabung Angkatan Tentara's (LTAT) move to offload a 33% stake in **Boustead Plantations Bhd** (BPlant) to **Kuala Lumpur Kepong Bhd** (KLK) was necessary to avoid **Boustead Holdings Bhd** from going bankrupt, said Defence Minister Datuk Seri Mohamad Hasan. The stake disposal for RM1.15bn is to address Boustead's cash flow issues and debt settlement of RM800m. (The Edge)

**Malaysia Building Society Bhd** (MBSB) has proposed to undertake a members' scheme of arrangement which entails the disposal of its non-financial subsidiaries and non-performing conventional loans. In a filing, MBSB said five of its companies in the property development business will be transferred to a corporate share trustee, while disposal of the loans – carrying a book value of RM279m – shall be settled in cash and on a deferred basis.

MBSB is in the midst of acquiring Malaysian Industrial Development Finance (MIDF) from Permodalan Nasional Bhd (PNB) via a RM1.01bn share deal, which will see the birth of a merged entity with over RM60bn in assets. The deal, which will see PNB owning 12.78% of MBSB, was expected to be completed in 3Q2023. Shares of MBSB settled unchanged at 73 sen, giving a market capitalisation of RM5.24bn. (The Edge)

**Pensonic Holdings Bhd** chairman Datuk Seri Chew Weng Khak @ Chew Weng Kiak has disposed of a 10.34% stake in the electrical home appliances maker for RM10.27m. A check with Bloomberg shows that the 13m shares were sold to Sphere Corp Sdn Bhd at 79 sen per share, or RM10.27m. It is worth noting that in less than a month, Pensonic's share price has risen 58.24% – from 45.5 sen on Aug 23 to 72 sen on Monday. At 72 sen, Pensonic is valued at RM93.36m. (The Edge)

**Ewein Bhd** is buying a 3.93-hectare vacant piece of freehold land in Seberang Perai Tengah, Penang for RM39.77m. Ewein said the purchase consideration was agreed on a willing-buyer willing-seller basis and is to be funded via a combination of internal funds as well as bank borrowings. Shares in Ewein ended two sen or 1.43% lower at RM1.38, giving the group a market capitalisation of RM416.19m. (The Edge)

**Priceworth International Bhd** has proposed a private placement to raise up to RM15.52m for working capital and to fund its timber reforestation activities. From total proceeds of RM15.52m, the bulk or RM10.46m has been earmarked for working capital and another RM5m will be used for timber reforestation. In terms of financial performance, the group posted a cumulative net loss of RM9.76m in the first half of this year ended June 30, 2023 (1H FY2023), against a cumulative net profit of RM17.96m in 1H FY2022. Revenue fell 82.7% to RM14.28m in 1H FY2023, from RM82.65m previously, on weaker timber demand including in its key market Japan. Shares in Priceworth International fell 2.5 sen or 15.15% to 14 sen, giving the group a market capitalisation of RM209m. (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	1.290	-5.8%	Closed at cut off period
2	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.180	0.9%	Closed at cut off period
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

## Market Chat Tracker

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	0.325	-8.5%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.910	23.8%	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	3.740	21.4%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.240	18.1%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.470	5.1%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.100	-6.0%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.020	6.3%	On-going
9	TEOSEN	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.050	14.1%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.450	-2.3%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	1.020	14.6%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.720	13.4%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	2.160	64.9%	On-going
Average Return										14.8%	

Technical Focus Tracker Summary	
Total recommendations	347
Total winners	214
Total losers	133
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)	4.8%
Accuracy (2023)	61.4%
FBM KLCI (Since 30/12/2022)	-2.5%
FBM Small Cap (Since 30/12/2022)	7.6%
Malaysia GDP Growth (1H23)	4.2%

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