

Ending the month on an upbeat note

Market Review

Malaysia: The FBM KLCI (+0.6%) marched higher, driven by gains in more than two-thirds of the key index components yesterday. The lower liners, however, ended mixed, while the healthcare sector (+1.5%) continues to lead the mostly positive sectorial peers.

Global markets: Wall Street remained upbeat after a choppy trading session as the Dow (+0.3%) rose on optimism that the recent batch of strong economic data may result in a soft landing in response to the US Federal Reserve aggressive interest rate hikes. The European stockmarkets ended mixed, while Asia stockmarkets finished mostly positive.

The Day Ahead

The FBM KLCI rebounded strongly to end the month on a firm footing, spurred by China's State Council remarks to restore and expand consumption across the automobile, real estate, and services sectors. We expect further gains to come by, supported by the extended buying interest from foreign funds. The lower liners, however, may extend their consolidation phase with any weakness expected to be well supported by quick bargain hunting activities. Moving forward, investors will be keeping a close tab on the manufacturing data from Malaysia, China and the US to provide further leads on the health of the economy. Commodities wise, the Brent crude oil advanced above USD85/bbl, while the CPO slipped below RM3,900/MT.

Sector focus: We favour the technology sector with Nasdaq steadied above 14,000 level. The energy sector may continue to ride onto the firmer crude oil prices on the prospects of tightening supplies. Meanwhile, the pullback in CPO prices may potentially lead to mild profit taking in the plantation sector.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI formed another bullish candle to close at the highest level since end-February 2023. Technical indicators stayed positive as the MACD Histogram continues to point upward, while the RSI hovered in the overbought territory. Should the key index surges above the 1,460 level, 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	35,559.53	0.28
S&P 500	4,588.96	0.15
NASDAQ	14,346.02	0.21
FBM KLCI	1459.43	0.63
FBM Small Cap	15,588.35	0.02
FBM ACE	5,330.13	0.17
Construction	169.26	-1.44
Consumer	562.11	0.54
Energy	830.15	-0.31
Financial Services	16,274.05	0.58
Healthcare	1,758.98	1.61
Ind Products	168.71	0.72
Plantation	7,180.43	0.42
Property	772.68	0.61
REITs	776.80	-0.07
Technology	63.90	-0.03
Telco & Media	587.52	-0.08
Transport	918.85	0.41
Utilities	1,028.88	0.69
Trading Vol (m)	3,294.83	8.62
Trading Val (RM m)	2494.89	29.38
Advance/Decline	138%	
FKLI	1465.50	-
FCPO (RM)	3,857.00	(0.54)
Brent oil (USD)	85.43	1.21
Gold (USD)	1965.09	0.03
USD	4.5070	1.07
GBP	5.7953	0.75
EURO	4.9724	0.52
SGD	3.3893	0.89

Trading participation 5- day trend and value (m)		
Institution	Foreign	
- 713.4	- 223.8	937.2

Source: Bloomberg, Bursa Market Place

Company Brief

Favelle Favco Bhd's subsidiaries, Favelle Favco Cranes Pty Ltd and Favelle Favco Cranes (M) Sdn Bhd, have received purchase orders and letters of intent totalling RM92.0m. Favelle Favco received contracts for the supply of a tower crane and 3 offshore cranes, with deliveries estimated between the end-2023 and early-2025. (The Star)

YTL Hospitality Real Estate Investment Trust's (YTL Hospitality REIT) 4QFY23 net property income (NPI) rose 5.6% YoY to RM59.9m, on improved performance from its hotel segment. Revenue for the quarter improved 10.5% YoY to RM117.6m. A final income distribution of 4.38 sen per unit, payable on 30th August 2023 was declared. (The Edge)

Datuk Seri Dr Jacky Pang Chow Huat, founder and managing director of **Sanichi Technology Bhd**, has emerged as a substantial shareholder of **Apex Equity Holdings Bhd**, with a 9.7% or 19.6m shares in the stockbroking firm. Pang is now Apex Equity's second-largest shareholder, after Fun Sheung Development Ltd with a 15.8% stake. (The Edge)

Advancecon Holdings Bhd has dismissed its group chief operating officer (COO) Yeo An Thai with immediate effect due to misconduct. Yeo, 52, holds a 2.8% stake, comprising 16.1m shares, in Advancecon, according to the group's bourse filing on 31st July 2023. Separately, Advancecon independent non-executive director Lee Elaine, 30, has resigned to pursue personal interest. She also gave up her position in the group's audit, nomination, remuneration and risk committees. (The Edge)

Avillion Bhd external auditor, Messrs Baker Tilly Monteiro Heng PLT has raised concerns about the loss-making property and hospitality group's ability to continue operating as a going concern as the group incurred net losses of RM5.4m at the group level and RM4.8m at the company level in FY23, although the group's hospitality, property, and travel divisions have recovered after the Covid-19 pandemic. Barring any unforeseen circumstances, the group expects to resolve the matter in FY24. (The Edge)

Titijaya Land Bhd has entered into a deal for the reclamation and development of 20.8-ac of land next to the Bayan Lepas WaterFront development site on the Penang island. Its wholly-owned unit City Meridian Development Sdn Bhd has signed the reclamation and development agreement with state-owned Penang Development Corporation (PDC) on 31st July 2023. The estimated reclamation cost for the approved reclamation area is RM72.5. (The Edge)

Green Ocean Corp Bhd is planning to consolidate every 10 of its existing shares held by shareholders at an entitlement date to be determined, into 1 consolidated share. It currently has 2.11 bn shares for an issued share capital of RM143.5m, no treasury shares, and 621.4m outstanding warrants B. The exercise is part of its capital management plan to improve its capital structure. The proposed share consolidation, is expected to be completed by the 4Q23. (The Edge)

Wepay System Sdn Bhd will be raising RM700.0m or equivalent through a foreign direct investment to finance the development of **Theta Edge Bhd**'s fully integrated and multi-functional digital platform project. Theta's immediate focus is to transform mobility into a pleasant experience with a Mobility-as-a-Service (MaaS) digital platform; providing real-time information to enable travellers to monitor, plan, book and pay for multiple mobility services on an open payment system, connecting them with all available transport options via a single platform. (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	PWF	20-Jul	0.760	0.765	0.800	0.850	0.700	0.695	0.740	-2.6%	On-going
2	SDS	26-Jul	0.665	0.705	0.735	0.795	0.620	0.615	0.635	-4.5%	On-going

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	0.350	-1.4%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.870	18.4%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	0.940	15.3%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.240	5.2%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.100	4.8%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.250	-4.3%	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	1.140	18.8%	On-going
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.020	10.9%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.440	-2.5%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.990	11.2%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.685	7.9%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.360	3.8%	On-going
Average Return										6.6%	

Technical Focus Tracker Summary	
Total recommendations	344
Total winners	212
Total losers	132
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)	5.4%
Accuracy (2023)	61.1%
FBM KLCI (Since 30/12/2022)	-2.4%
FBM Small Cap (Since 30/12/2022)	4.4%
Malaysia GDP Growth (1Q23)	5.6%

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