

Time to rebound after the break

Market Review

Malaysia: The FBM KLCI (-0.2%) extended its decline prior to the mid-week break as profit taking were noticeable in selected banking heavyweights. The lower liners closed mixed, while the property sector (+1.9%) outperformed the mostly negative sectorial peers.

Global markets: Wall Street marched higher as the Dow (+0.3%) climbed above the 35,000 psychological level as investors cheered on the dwindling risk of recession following the cooling inflationary pressure. The European stockmarkets ended mixed, while Asia stockmarkets closed mostly upbeat.

The Day Ahead

Further pullback took place as investors retreated to the sidelines prior to the mid-week break. After 2-days of pullback, bargain hunting activities may return to the fore as the key index may play catch-up with the positive developments on Wall Street in the recent days. Meanwhile, the lower liners may remain upbeat in view of the improved market sentiment. Meanwhile, the corporate earnings releases in both the US and Hong Kong will remain in focus. Commodities wise, the Brent crude oil hovered below USD80, while the CPO consolidated around RM3,900.

Sector focus: We reckon that Geely's pledge to invest USD10.0bn to develop an automotive manufacturing hub at Tanjung Malim will be a boon for automotive-related players. The positive developments on Nasdaq overnight may transpire into improved trading activities within the technology sector. On the other hand, the energy sector may likely remain slightly downbeat in view that Brent oil prices slipped below USD80.

FBMKLCI Technical Outlook



Bloomberg

Although the FBM KLCI formed a bearish candle, the key index remained sustained above 1,400. Technical indicators stayed positive as the MACD Histogram formed another positive bar, while the RSI hovered above 50. Should the 1,400 remain sustainable, the next resistance will be envisaged along 1,430-1,450, while the support is pegged around 1,370.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,061.21	0.31
S&P 500	4,565.72	0.24
NASDAQ	14,358.02	0.03
FBM KLCI	1403.03	-0.22
FBM Small Cap	15,595.69	-0.12
FBM ACE	5,365.56	0.58
Construction	168.61	-0.40
Consumer	553.18	-0.07
Energy	807.56	-0.61
Financial Services	15,669.76	-0.53
Healthcare	1707.93	-0.49
Ind Products	162.09	0.33
Plantation	6,921.64	0.62
Property	741.84	1.93
REITs	774.28	-0.47
Technology	66.43	-0.60
Telco & Media	579.50	0.00
Transport	905.06	-0.16
Utilities	994.49	-0.54
Trading Vol (m)	3,403.29	(5.48)
Trading Val (RM m)	2002.45	(8.06)
Advance/Decline	91%	
FKLI	1405.00	(0.18)
FCPO (RM)	3,895.00	(0.89)
Brent oil (USD)	79.46	(0.21)
Gold (USD)	1976.64	0.03
USD	4.5398	(0.06)
GBP	5.9135	0.59
EURO	5.0975	0.18
SGD	3.4277	0.26

Trading participation 5-day trend and value (m)	
Institution	Foreign
-437.5	728.5

Source: Bloomberg, Bursa Market Place

Company Brief

Solarvest Holdings Bhd is tying up with 2 Singapore companies to advance energy storage solutions (ESS) development in solar energy systems. The collaboration is part of its strategic initiative to expand its geographical reach into the Singapore and Brunei markets to capitalise on the growing demand for sustainable energy solutions. The MoU will facilitate the comprehensive development of clean energy projects in the C&I sector, including investment management and land sourcing for ESS-integrated solar projects. (The Star)

Genting Bhd has received 4 offers for a trophy waterfront property in Miami, Florida, once envisioned as the site of a multibillion-dollar resort, including a bid exceeding USD1.23bn (RM5.58 bn). The 15.5-acre parcel, the site of the old Miami Herald building, is one of the largest undeveloped stretches of the city's waterfront. (The Edge)

Siab Holdings Bhd is acquiring Taghill Projects Sdn Bhd for RM122.0m to be satisfied via a combination of RM96.0m cash and RM26.0m via issuance of Siab shares at an issue price of 13 sen each. Siab also plans to undertake a rights issue to raise up to RM110.3m, of which RM96.0m will be used to partly fund the cash consideration of the proposed acquisition and the rest for working capital. (The Edge)

Tex Cycle Technology (M) Bhd is disposing of a 3-storey detached industrial building constructed on a piece of leasehold land measuring 4,823-sqm in Jalan Kuchai Lama, Kuala Lumpur for RM29.0m. The group is selling the property via its wholly owned unit Metro Envy Sdn Bhd to Gorgeous Arena Sdn Bhd (GASB). The divestment, which is expected to be completed by 1Q24, will result in a gain of RM7.1m. (The Edge)

Muda Holdings Bhd's 70.0%-owned unit has exercised its put option to sell the remaining 16.9% stake it holds in a Singapore waste paper recovery and processing company, KL Resources Pte Ltd for RM23.1m to realise its investment and generate funds for working capital. The subsidiary, Intrapac (Singapore) Pte Ltd, inked an agreement to dispose of the stake to Tansfield Ltd for SGD6.7m. The disposal, which is expected to be completed in 30 days, will result to a proforma gain of about RM1.9m. (The Edge)

Barakah Offshore Petroleum Bhd's unit, PBJV Group Sdn Bhd, has received a contract extension for pan-Malaysia maintenance, construction and modification services under Package A. The contract which was due to expire in June 2022, has been extended to 31st December 2024. No contract amount was disclosed, though based on previous filings, prior contract values were not fixed and will depend on the actual scope based on work orders to be issued by the client from time to time throughout the duration of the contract. (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	0.740	0.765	0.800	0.850	0.700	0.695	0.740	0.0%	Initiate position

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	ADVCN	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	0.845	15.0%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	0.895	9.8%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.290	6.8%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.080	2.9%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.290	-2.6%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.130	-3.4%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.100	14.6%	On-going
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.010	9.8%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.500	-0.8%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.930	4.5%	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	1.250	-4.6%	On-going
Average Return										4.1%	

Technical Focus Tracker Summary	
Total recommendations	343
Total winners	212
Total losers	130
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)	6.1%
Accuracy (2023)	62.3%
FBM KLCI (Since 30/12/2022)	-6.2%
FBM Small Cap (Since 30/12/2022)	4.5%
Malaysia GDP Growth (1Q23)	5.6%

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