

New initiatives to spur local stockmarket

Market Review

Malaysia: The FBM KLCI (-0.1%) edged mildly lower after recouping most of its intraday losses following several measures introduced by the Malaysian government to boost vibrancy of the local stockmarket. The lower liners closed mixed, while the plantation sector (+1.6%) rallied on the higher CPO prices.

Global markets: Wall Street was closed in conjunction with the Juneteenth public holiday, while futures market points towards a negative opening. The European turned ended lower, while Asia stockmarkets closed mostly in red as China looks to cut key lending rates in bid to shore up the slowing economic recovery.

The Day Ahead

The FBM KLCI edged marginally lower along with the softer regional markets' movements amid cautious sentiment prior to the US Fed Chair's upcoming semi-annual testimony. Whilst the government's decision to cut stamp duty for shares traded on Bursa Malaysia may stimulate trading activities, sentiment may remain tepid without fresh catalysts on the global front and ahead of the 6 states elections. Meanwhile, investors may stay mixed in view of the upcoming China's interest rate decision. Commodities wise, the Brent crude oil price remained solid above USD76, while the CPO price hovered above RM3,750.

Sector focus: The energy sector may stage a rebound given the solid crude oil price. Besides, we remain optimistic on the consumer and travelling related sectors amid the recovery theme since January. Meanwhile, the technology sector could continue its uptrend move in near future amidst brighter outlook on the global front.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI booked marginal losses after erasing most of its intraday losses. Technical indicators remained mixed as the MACD Histogram extended a positive bar, while the RSI hover below 50. Support is located around 1,370, while the resistance is pegged along 1,400-1,440.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,299.12	-0.32
S&P 500	4,409.59	-0.37
NASDAQ	13,689.57	-0.68
FBM KLCI	1,387.33	-0.09
FBM Small Cap	15,027.12	-0.33
FBM ACE	5,128.43	0.05
Construction	161.44	-0.09
Consumer	552.32	-0.55
Energy	789.03	-0.61
Financial Services	15,273.22	0.66
Healthcare	1,739.72	-1.70
Ind Products	159.33	-0.91
Plantation	6,754.71	1.60
Property	685.31	0.06
REITs	775.15	-0.54
Technology	62.76	0.06
Telco & Media	597.39	-0.35
Transport	910.85	-0.41
Utilities	981.04	-0.20
Trading Vol (m)	2,578.15	(27.12)
Trading Val (RM m)	1,470.88	(54.75)
Advance/ Decline		
FKLI	1,385.00	-
FCPO (RM)	3,757.00	(0.05)
Brent oil (USD)	76.09	0.08
Gold (USD)	1,950.48	0.08
USD	4.6308	0.03
GBP	5.9297	(0.12)
EURO	5.0524	(0.06)
SGD	3.4519	(0.01)
Trading participant		
Institution	120.0	
Retail	101.8	
Foreign	-221.8	

Source: Bloomberg, Bursa Market Place

Company Brief

Astro Malaysia Holdings Bhd's 1QFY24 net profit tumbled 84.1% YoY to RM15.9m, due to higher net financing costs from the unfavourable unrealised forex loss arising from the unhedged lease of transponder. Revenue for the quarter fell 7.4% YoY to RM891.1m. A first interim single-tier dividend of 0.25 sen per share, payable on 18th July 2023 was declared. (The Star)

Scientex Packaging (Ayer Keroh) Bhd's 3QFY23 saw its net profit fell 1.6% YoY to RM10.1m, due to a decline in revenue and rising energy costs. Revenue for the quarter fell 14.4% YoY to RM177.4m. A single-tier interim dividend of 2.5 sen per share, payable on 17th July 2023 was declared. (The Edge)

Konsortium Transnasional Bhd has proposed to rebrand as Epicon Bhd, as part of plans to align its corporate identity with the substantial financial contribution from its construction business and its anticipated growth in the future. The proposed change of name, if approved by shareholders, will be effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia. (The Edge)

Rubberwood furniture maker Sand Nisko Capital Bhd has officially changed its name to **Mpire Global Bhd**. The notice of registration of its new name was received from the Companies Commission of Malaysia on 19th June 2023. (The Edge)

Signature International Bhd is selling its aluminium and façade businesses for RM17.5m amid increasing challenges in the construction market such as cost overrun and a spike in project material costs. Proceeds raised from the divestment will be utilised for working capital and repayment of bank borrowings. The group, meanwhile, also entered into a settlement agreement for Signature Façade Treatment Sdn Bhd to repay advances amounting to RM34.5m over 12 monthly payments. The divestments, which do not require shareholders' approval, are expected to be completed by 3Q23. (The Edge)

MyNews Holding Bhd's 2QFY23 net loss narrowed to -RM6.3m, from a net loss of -RM10.3m recorded in the previous corresponding quarter, as revenue rose on contributions from new outlets. Revenue for the quarter climbed 23.5% YoY to RM174.2m. (The Edge)

Mah Sing Group Bhd announced that it has signed a sale and purchase agreement with Petaling Garden Sdn Bhd, a subsidiary of **S P Setia Bhd**, on 19th June 2023 for the acquisition of a 500-ac freehold land in Semenyih for RM392.0m. The land has an estimated gross development value of RM3.30bn and will be planned as an integrated township to be named Glengowrie Estate, the group's largest township in the Klang Valley. (The Edge)

Reservoir Link Energy Bhd's 51.0%-owned unit, Founder Energy Sdn Bhd, has secured 3 solar contracts worth RM18.1m since May 2023. Under the first contract, Reservoir Link will supply and deliver fixed tilt solar mounting structures for a large-scale solar project, while the second contract involves the supply of labour and materials including plants and machineries. Meanwhile, under the third contract, the group has been appointed as a subcontractor for the engineering, procurement, construction and commissioning of a solar project. The three projects are located in Selangor and Perak and will have a combined output of 67.4-MWac. (The Edge)

Carlsberg Brewery Malaysia Bhd announced the non-renewal of its distribution agreement with Japan's Asahi Group Holdings Ltd. Both parties have mutually agreed not to renew the said agreement and the exclusive distribution of the Asahi brand or trademark in Malaysia that will expire on 31st December 2023. (The Edge)

MGB Bhd's wholly-owned subsidiary MGB Construction & Engineering Sdn Bhd has accepted a letter of award from Arqhitectnia on behalf of Seloka Sinaran Sdn Bhd for a proposed development project in Sepang valued at RM156.8m. The project is to be carried out in 3 parcels, with the first expected to commence on 1st September 2023 and completed on 30th November 2024, whilst the second and third parcels have yet to be provided a timeline. With the addition of this contract, MGB's current outstanding order book stands at approximately RM1.85bn. (The Edge)

GIIB Holdings Bhd has announced that the Malaysian Anti-Corruption Commission's (MACC) investigation involving the group concerned an invoice for the sum of RM24,000 issued by its 51.0%-owned subsidiary GIIB Healthcare Products Sdn Bhd over the sale of gloves. The gloves were sold to A2 Gloves Sdn Bhd and the amount invoiced was collected by GIIB on behalf of GIIB Healthcare. On the RM24,000 transaction, the group has obtained legal opinion and concluded that the transaction was legal and did not breach any laws. The group is currently requesting its external auditors to review the position of GIIB Healthcare's liability as at the balance sheet date in question. (The Edge)

LKL International Bhd has signed distribution agreements with both Germany-based manufacturer SECA GmbH & Co KG (SECA) as well as local company Meditop Corp (Malaysia) Sdn Bhd to distribute their medical devices. The agreement with SECA was inked via its wholly owned LKL Advance Metaltech Sdn Bhd, while the deal with Meditop was entered into via LKL's wholly owned Medic Gen Sdn Bhd. (The Edge)

Ocean Corp Bhd has proposed to diversify its business to include the distribution and trading of food and beverage (F&B) as well as foodservice. The proposed diversification, which needs shareholders' approval at a general meeting to be convened, will contribute more than 25.0% of the group's net profit, based on the latest audited loss after tax of RM20.8m and audited net assets of RM117.7m as at 30th June 2022. The F&B segment will also reduce its reliance on the glove and palm oil business. (The Edge)

Boustead Holdings Bhd has redesignated its non-independent non-executive chairman Datuk Ahmad Nazim Rahman as executive chairman, with immediate effect. Ahmad Nazim, 47, is also the chief executive of Lembaga Tabung Angkatan Tentera (LTAT), which controls over 97.0% of Boustead and is in the process of privatising the company. (The Edge)

Pertama Digital Bhd has appointed former chairman of **Malaysian Resources Corp Bhd** (MRCB) Datuk Ahmad Nazri Abdullah as its non-executive chairman. This follows the redesignation of former chief justice Tun Zaki Azmi from non-executive chairman to director of the group. (The Edge)

NetX Holdings Bhd has appointed former police Criminal Investigation Department director Datuk Seri Wan Ahmad Najmuddin Mohd as its chairman. Wan Najmuddin, 65, who has served in the police force for more than 40 years, will take the role as an independent and non-executive director of NetX. (The Edge)

Destini Bhd has announced that former Dewan Rakyat speaker Tan Sri Azhar Azizan Harun has been redesignated from independent director to independent non-executive chairman. Azhar, 61, replaces Abdul Rahman Mohd Rejab who resigned due to personal commitments on 16th June 2023. Destini also announced that independent non-executive director Dr Nurwahida Mohd Yaakub has resigned from her role due to personal commitments. She is replaced by Datuk Bahudin Mansour. (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	KRONO	12-Jun	0.565	0.595	0.630	0.655	0.520	0.515	0.575	1.8%	On-going
2	KGB	19-Jun	1.530	1.570	1.630	1.700	1.430	1.420	1.490	-2.6%	On-going

2Q23 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	DANCO	4-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.410	-10.9%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.870	-7.0%	On-going
3	HEXTAR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.130	-6.6%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.560	2.0%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.130	0.9%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.290	-6.5%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.740	-8.6%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.920	-0.2%	On-going
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.545	11.2%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.475	14.5%	On-going
11	TIMECOM	4-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.350	7.6%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	3.080	-3.8%	On-going
Average Return										-0.6%	

Technical Focus Tracker Summary	
Total recommendations	335
Total winners	206
Total losers	129
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)	4.6%
Accuracy (2023)	60.0%
FBM KLCI (Since 30/12/2022)	-7.2%
FBM Small Cap (Since 30/12/2022)	0.7%
Malaysia GDP Growth (1Q23)	5.6%

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