

## Selling pressure re-emerged

### Market Review

**Malaysia:** The FBM KLCI (-1.1%) marked its fourth day losing streak as sentiment stayed cautious amid re-ignition of concern over the US Federal Reserve hawkish tone. The lower liners turned lower, while all the 13 major sectors on the broader market were splashed in red with the technology sector (-3.6%) underperformed.

**Global markets:** Wall Street extended its slide as the Dow (-1.9%) sank on after pricing in the prospects of extended rate hikes moving into 2023 and the rising risk of recession. The European stock markets remained downbeat, while Asia stock markets closed mostly lower.

### The Day Ahead

Global uncertainties arising from fears over additional interest rate hikes from the US Fed have sent the FBM KLCI below the 1,500 zone. Global sentiment should remain negative as investors braced for the US Fed Chairman's speech in the Jackson Hole meeting which could signal further aggressive stance in taming the inflation. Nevertheless, we expect buying interest to emerge on stocks with solid results amid the ongoing reporting season on the local bourse. Commodities wise, the crude oil continued to trade around USD96 amid potential of more Iranian barrels entering the market, while the CPO traded above RM4,150.

**Sector focus:** The technology sector may see further decline as Nasdaq led losses on Wall Street overnight. Meanwhile, news regarding potential speed-up of revival of KL-Singapore High Speed Railway (HSR) may benefit the construction sector. Investors may favour utilities, consumer, and REIT amid global uncertainties and transportation & logistics sector on the back of strong results.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI tumbled below the key 1,500 level and its daily EMA60 level. Technical indicators turned negative as the MACD Histogram turned into a negative bar, while the RSI slipped below 50. The support is pegged around 1,460-1,480, while the resistance is located along 1,500-1,530.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,063.61	-1.91
S&P 500	4,137.99	-2.14
NASDAQ	12,381.57	-2.55
FBM KLCI	1,487.37	-1.13
FBM Small Cap	14,338.07	-1.25
FBM ACE	4,855.00	-2.64
Construction	157.25	-0.78
Consumer	574.68	-0.93
Energy	665.40	-0.88
Financial Services	1,615.13	-0.82
Healthcare	1,565.92	-2.48
Ind Products	181.67	-1.13
Plantation	7,171.63	-1.04
Property	647.86	-0.12
REITs	803.86	-0.49
Technology	64.50	-3.59
Telco & Media	586.24	-0.25
Transport	806.64	-0.43
Utilities	864.51	-1.36
Trading Vol (m)	2,187.96	3.74
Trading Val (RM m)	1,561.20	2.00
Advance/Decline	33%	
FKLI	1,481.00	-0.30
FCPO (RM)	4,165.00	0.12
Brent oil (USD)	96.48	-0.25
Gold (USD)	1,736.30	-0.62
USD	4.4862	-0.19
GBP	5.297	0.53
EURO	4.4932	0.38
SGD	3.2151	0.35

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-579.5	28.4	551.1

Source: Bloomberg, Bursa Market Place

## Company Brief

**Supermax Corp Bhd's** 4QFY22 net profit plunged 96.6% YoY to RM33.1m, as the average selling prices (ASPs) and demand continue to come off the highs recorded a year ago at a time when the worldwide Covid-19 pandemic fears were at or near its peak. Revenue for the quarter sank 84.0% YoY to RM 300.2m. A final single-tier dividend of 3.0 sen per share, subject to shareholders' approval at the upcoming annual general meeting to be held later this year was proposed. (The Star)

**MSM Malaysia Holdings Bhd's** 2QFY22 net loss stood at RM34.1m vs. a net profit of RM13.5m recorded in the previous corresponding quarter, due to high input costs mainly raw sugar, freight, natural gas and weakening of Ringgit that offset the higher average selling prices. Revenue for the quarter, however, grew 12.7% YoY to RM624.2m. (The Star)

**Petronas Chemicals Group Bhd** (PetChem)'s 2QFY22 net profit inched up 0.5% YoY to RM1.87bn, on higher product prices. Revenue for the quarter rose 17.4% YoY to RM6.58bn. A single-tier interim dividend of 25.0 sen per share, payable on 21st September 2022 was declared. (The Edge)

**Hextar Global Bhd's** 2QFY22 net profit jumped 105.6% YoY to RM15.3m, following the inclusion of its specialty chemicals business. Revenue for the quarter rose 64.8% YoY to RM162.7m. A first interim dividend of 1.0 sen per share, payable on 27th September 2022 was declared. (The Edge)

**Pos Malaysia Bhd's** 2QFY22 net loss narrowed to RM5.3m, from a net loss of RM121.8m recorded in the previous corresponding quarter that was impacted by an impairment of property, plant and equipment of RM46.7m. Revenue for the quarter slipped 3.1% YoY to RM517.3m. (The Edge)

**Berjaya Assets Bhd's** 4QFY22 net loss narrowed to RM30.4m, from a net loss of RM83.9m recorded in the previous corresponding quarter, on lower impairment in fair value of investment properties and higher revenue by the gaming and hotel, property investment and recreation business segments. Revenue for the quarter increased 60.1% YoY to RM61.2m. (The Edge)

**Kerjaya Prospek Group Bhd's** 2QFY22 net profit grew 78.4% YoY to RM28.5m, amid improved progress of construction work activities. Revenue for the quarter gained 45.8% YoY to RM276.9m. (The Edge)

**Panasonic Manufacturing Malaysia Bhd's** 1QFY23 net profit fell 35.9% YoY to RM11.5m, hit by lower sales, as well as rising material and production costs. Revenue for the quarter slipped 3.9% YoY to RM243.7m. (The Edge)

**TSH Resources Bhd's** 2QFY22 net profit rose 44.4% YoY to RM57.3m, as its palm product segment benefited from higher average selling prices of crude palm oil and palm kernel. Revenue for the quarter grew 38.1% YoY to RM424.4m. (The Edge)

**IOI Properties Group Bhd's** 4QFY22 net profit jumped 147.1% YoY to RM292.5m, following the recognition of RM60.2m property development costs written down, attributable to the development projects in IOI Palm International Parkhouse in Xiang'An, China, and fair value gain on investment properties of RM147.3m, mainly attributable to the retail malls in Malaysia. Revenue for the quarter rose 8.7% YoY to RM715.9m. (The Edge)

**LBS Bina Group Bhd's** 2QFY22 net profit jumped 115.8% YoY to RM35.1m, on the back of strong sales from the property development segment. Revenue for the quarter rose 54.3% YoY to RM410.4m. (The Edge)

**Kawan Food Bhd's** 2QFY22 net profit rose 72.6% YoY to RM10.8m, on higher sales from local and export markets. Revenue for the quarter grew 46.0% YoY to RM80.4m. (The Edge)

**SCGM Bhd** plans to distribute RM2.21 per share to its shareholders from the proceeds of the disposal of its 100.0% equity interest in Lee Soon Seng Plastic Industries Sdn Bhd to Japan's Mitsui & Co Ltd and FP Corporation for approximately RM544.4m cash. The capital reduction and repayment exercise and special dividend are expected to be completed by 4Q22. (The Edge)

The High Court has dismissed **Iris Corp Bhd's** lawsuit against its former chairmen Tan Sri Razali Ismail and Datuk Nik Azman Mohd Zain and former group managing director and chief executive officer Datuk Tan Say Jim, in relation to losses incurred pertaining to the subscription of Border Control Solutions Ltd (BCS) shares. The suit, filed in 2019, had also named as defendants, six former board members, namely Tunku Datuk Seri Shahabuddin Tunku Besar Burhanuddin, Datuk Hamdan Mohd Hassan, Datuk Eow Kwan Hoong, Chan Feoi Chun, Syed Abdullah Syed Abd Kadir and Datuk Noor Ehsanuddin Mohd Harun Narrashid. (The Edge)

**Malayan United Industries Bhd** (MUI) is disposing of a 6.8-ac freehold land in the United Kingdom, which includes a 62-room four-star hotel, for £15.1m (RM82.5m). Proceeds from the sale will be mainly used for the repayment of bank borrowings and related financing costs amounting to RM37.8m, as well as payment to Jonadith UK Ltd as its entitlement as a partner of Belsfield LLP for RM26.7m. The remainder would be used for future business expansion (RM10.9m), working capital requirements (RM4.4m), and estimated expenses for the exercise (RM2.7m). (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
2	MTAG	3-Aug	0.500	0.520	0.540	0.560	0.445	0.440	0.540	8.0%	Take profit at R2 on 22-Aug
3	KERJAYA	10-Aug	1.150	1.240	1.290	1.370	1.080	1.070	1.150	0.0%	On-going
4	CFM	15-Aug	1.070	1.160	1.200	1.400	0.970	0.965	1.060	-0.9%	On-going
5	RAMSSOL	17-Aug	0.485	0.505	0.535	0.600	0.435	0.430	0.430	-11.3%	Cut loss on 22-Aug
6	DELEUM	22-Aug	0.620	0.635	0.675	0.760	0.560	0.555	0.610	-1.6%	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	3.860	18.4%	On-going
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	2.860	0.7%	On-going
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	1.000	3.6%	On-going
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.410	13.3%	On-going
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.855	11.0%	On-going
6	SYSOCORP	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	1.750	2.9%	On-going
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.430	-3.2%	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	4.010	7.8%	On-going
Average Return										5.9%	

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Technical Focus Tracker Summary	
Total recommendations	252
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)	52.5%
Accuracy (2022)	55.2%
FBM KLCI (Since 31/12/2021)	-5.1%
FBM Small Cap (Since 31/12/2021)	-9.0%
Malaysia GDP Growth (1H22)	6.9%