

## All eyes on Jackson Hole meeting

### Market Review

**Malaysia:** The FBM KLCI (+0.07%) extended the rebound for the second day as buying interest was noticed within selected heavyweights such as PCHEM, IHH, and PMETAL. The FBM Small Cap and FBM ACE traded mixed for the session. However, the technology sector ended on a firmer note led by MYEG and INARI.

**Global markets:** Wall Street ended mostly lower with the Dow and S&P 500 declining 0.5% and 0.3%, respectively, but the Nasdaq gained 0.06%; the investors are observing the situation of the rising Treasury yields, Nvidia's results and key speech to be delivered by Jerome Powell this week. Both Asia and European stock markets were higher for the session.

### The Day Ahead

Despite the local stock market ended higher for the earlier session, we believe the upside could be limited today as the market breadth has turned negative with only a handful of sectors charged higher. Meanwhile, we believe Wall Street may shift towards a cautious stance ahead of Nvidia's result. Also, the rising US Treasury yields and Jerome Powell speech during the Jackson Hole meeting are crucial to watch out. Hence, the softer trading activities tone may emerge today, affecting the performance on the lower liners and small caps. Commodities wise, the Brent crude oil continues to hover above USD84/bbl, while the CPO prices violated below RM3,900/MT.

**Sector focus:** Nevertheless, with the still-positive mood on Nasdaq, that may provide some support towards the technology sector. Meanwhile, we expect the building material segment could sustain its upward mode throughout the near term following the built-up optimism on the construction and property sectors following the potential fresh proposal in KL-HSR.

### FBMKLCI Technical Outlook



Bloomberg

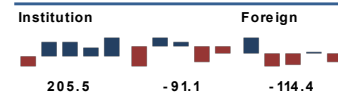
The FBM KLCI extended the rebound for another session. Technical indicators are still mixed, with the MACD Histogram continues to stay in the negative region, while the RSI is hovering above 50. The key index may extend the rebound towards 1,460-1,465 resistance zone. Meanwhile, the support is located around 1,430-1,440.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,288.83	-0.51
S&P 500	4,387.55	-0.28
NASDAQ	13,505.87	0.06
FBM KLCI	145153	0.07
FBM Small Cap	15,677.44	0.01
FBM ACE	5,285.56	-0.10
Construction	175.22	-0.47
Consumer	560.18	-0.06
Energy	81127	-0.40
Financial Services	16,268.23	0.00
Healthcare	1704.01	0.10
Ind Products	170.11	0.62
Plantation	7,030.60	0.15
Property	806.05	-0.65
REITs	773.10	-0.02
Technology	63.59	124
Telco & Media	587.03	0.08
Transport	924.20	0.34
Utilities	1,100.46	-0.10
Trading Vol (m)	3,307.78	(0.18)
Trading Val (RM m)	1929.66	(3.88)
Advance/ Decline	90%	
FKLI	1445.00	(0.14)
FCPO (RM)	3,828.00	(0.98)
Brent oil (USD)	84.46	(0.70)
Gold (USD)	1897.48	0.33
USD	4.6480	0.02
GBP	5.9455	(0.38)
EURO	5.0696	(0.04)
SGD	3.4323	(0.18)

### Trading participation 5-day trend and value (m)



Source: Bloomberg, Bursa Market Place

## Company Brief

The High Court on Tuesday granted **Tenaga Nasional Bhd's** judicial review application to set aside RM3.977bn in tax assessment for the years 2015 to 2017. Judge Datuk Wan Ahmad Farid Wan Salleh agreed with TNB's argument that it is in the business of manufacturing electricity and hence entitled to claim reinvestment allowance on the capital expenditure that it incurred, including for the three assessment years, to expand, modernise and automate its business. It is understood that this is one of the biggest tax disputes decided by the courts. The energy company was also successful in its judicial review application in February last year to set aside a tax assessment of RM1.812bn from IRB for 2018, on similar reinvestment allowance provisions. TNB filed the judicial review application to challenge the RM3.977bn assessment in Dec 2019, and obtained leave in May 2020 to have the merits of its application be heard. (The Edge)

**Iris Corp Bhd** has written through its wholly owned subsidiary, Iris Information Technology Systems Sdn Bhd (IITS) to the Home Ministry to dispute the "invalid and unlawful" termination of the group's contract for the National Integrated Immigration System (NIISe). Three months earlier, the ministry had extended the NIISe contract by 12 months from Sept 1, 2025 to Aug 31, 2026. The contract worth RM1.16bn was first awarded to IITS in January 2021 for a period of 54 months, from March 1, 2021 to Aug 31, 2025. (The Edge)

**Petronas Chemicals Group Bhd's (PetChem)** net profit slumped 66% to RM628m for 2QFY2023, from RM1.87bn a year ago, in line with lower earnings before interest, tax, depreciation and amortisation and share of profit from joint ventures and associates. Revenue for the quarter rose to RM7.11bn, versus RM6.58bn previously, largely due to higher sales volumes and inclusion of revenue from a recently acquired subsidiary. PetChem declared a first interim dividend of eight sen per share to be paid on Sept 21. (The Edge)

**AEON Co (M) Bhd's** net profit declined 36.15% to RM30.18m for 2QFY2023, from RM47.28m a year earlier, mainly due to lower revenue and higher operating costs. Quarterly revenue slipped 5.7% to RM1.03bn from RM1.1bn last year after its retail business' topline decreased, mainly due to pent-up spending for the festivities in the corresponding quarter in FY2022. (The Edge)

**Supercomnet Technologies Bhd's (Scomnet)** net profit for 2QFY2023 fell 22.36% to RM7.3m, from RM9.4m a year earlier, due to lower revenue from all its segments, higher electricity tariff and recognition of RM790,000 for fair value expense related to share options granted under ESOS. Consequently, its quarterly revenue declined 16.38% to RM33.33m from RM39.86m due to the decrease in demand from all three segments, especially for the industrial segment. (The Edge)

**TMC Life Sciences Bhd's** net profit dropped 43.56% YoY to RM13.25m for 4QFY2023, due to lower deferred tax credits. This is despite quarterly revenue increasing by 19.57% to RM84.65m from RM70.8m, on the back of an increase in capacity at Thompson Hospital Kota Damansara and the recovery of the group's fertility business. TMC Life declared a total dividend of 0.84 sen for FY2023, including a special dividend of 0.42 sen, to be paid on Jan 3, 2024. (The Edge)

**IOI Corp Bhd's** net profit dropped 93.13% to RM37.2m in its 4QFY23, from RM541.8m a year earlier, mainly due to lower contribution from both its plantation as well as resource-based manufacturing segments. The lower net profit was also due to higher net foreign currency translation loss on foreign currency denominated borrowings which tripled to RM175.7m from RM58.3m previously. It declared a second interim dividend to be paid on Sept 22 of 5 sen per share, down from the 8 sen it announced for the same quarter last year. (The Edge)

**Star Media Group Bhd's** net profit more than halved to RM791,000 or 0.11 sen per share in 2QFY2023 compared with RM1.81m or 0.25 sen per share recorded in the previous year's corresponding quarter. The publisher of the nation's largest English-language newspaper said the group's operating cost for the quarter rose 11.3% to RM60.95m from RM54.75m a year ago, increasing at a faster pace than revenue growth. Revenue for 2QFY2023 advanced 7.7% to RM58.02m from RM53.87m. (The Edge)

**Taliworks Corp Bhd** posted a 6.82% increase in net profit for 2QFY2023 to RM11.8m or 0.58 sen per share, from RM11.05m or 0.55 sen per share a year earlier, as flattish revenue was boosted by a one-off gain from disposal of property, higher fair value and foreign exchange gains. Quarterly revenue rose a marginal 3.84% to RM89.03m from RM85.73m previously as improved contributions from the group's water treatment and supply, toll highway, and renewable energy segments were offset by lower revenue from its construction and other segments (investment holding and other non-core segments). The group declared a second interim dividend of 1.65 sen per share – amounting to a payout of about RM33m on its share base of 2.02bn shares – to be paid on Sept 29. (The Edge)

**Matrix Concepts Holdings Bhd's** net profit for 1QFY2024 rose 37.3% to RM64.6m from RM47.04m a year ago, as it benefitted from improved speed of construction activity with labour shortage issues resolved. Revenue grew 44.6% to RM331.43m in 1QFY2024, mainly driven by higher contribution from the group's property development division, which rose by 46.4% to RM321.3m in the current quarter from RM219.4 previously. The company declared a first interim dividend of 2.5 sen per share in respect of FY2024, to be paid on Oct 5, 2023. (The Edge)

Palm oil refinery builder **Ecoscience International Bhd** has proposed a private placement to raise RM11.2m, as well as the issuance of free warrants. The private placement comprises the issuance of 34m shares, representing 10% of its current share base, to third-party investors to be identified later. Meanwhile, the free warrant issuance, which involves 187m warrants, is to be undertaken after the private placement on the basis of one warrant for every two existing shares held on an entitlement date to be announced later. (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	1.360	-0.7%	On-going
2	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.180	0.9%	On-going
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

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	0.855	16.3%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	1.000	22.7%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.840	24.7%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.210	15.2%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.350	0.0%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.170	0.0%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.040	8.3%	On-going
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.080	17.4%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.600	2.0%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.980	10.1%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.695	9.4%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.780	35.9%	On-going
Average Return										11.8%	

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)	5.3%
Accuracy (2023)	61.4%
FBM KLCI (Since 30/12/2022)	-2.9%
FBM Small Cap (Since 30/12/2022)	5.0%
Malaysia GDP Growth (1H23)	4.2%

## Disclaimer

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## Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
TAMBUN (5191)	Final	RM0.06	13/4/2023	21/8/2023	RM0.85	RM0.97	5.8	13.5
ULICORP (7133)	Interim	RM0.02	7/8/2023	21/8/2023	RM1.00	RM1.05	1.9	5.0
CTOS (5301)	Interim	RM0.01	27/7/2023	23/8/2023	RM1.38	RM1.37	0.4	-0.7
MYEG (0138)	Final	RM0.01	27/2/2023	23/8/2023	RM0.72	RM0.79	1.5	9.7
FSBM (9377)	Rights Issue	1:1	11/8/2023	24/8/2023	RM0.28	RM0.34	-	19.6
AMERREIT (5307)	Distribution	RM0.02	9/8/2023	24/8/2023	RM1.25	RM1.25	1.4	0.0
MI (5286)	Interim	RM0.02	11/8/2023	24/8/2023	RM1.53	RM1.57	1.3	2.6
SENTRAL (5123)	Distribution	RM0.03	10/8/2023	24/8/2023	RM0.85	RM0.86	3.7	0.6
EUPE (6815)	Interim	RM0.02	27/7/2023	28/8/2023	RM0.85	RM0.88	1.7	3.5
DUFU (7233)	Interim	RM0.02	1/8/2023	29/8/2023	RM1.90	RM1.87	0.8	-1.6
PANTECH (5125)	Final	RM0.02	27/4/2023	29/8/2023	RM0.77	RM0.83	1.8	8.5
AJI (2658)	Regular Cash	RM0.09	27/6/2023	29/8/2023	RM14.90	RM16.36	0.6	9.8
LBS (5789)	Final	RM0.01	18/4/2023	29/8/2023	RM0.42	RM0.54	2.3	28.0
BOILERM (0168)	Final	RM0.02	25/5/2023	29/8/2023	RM0.67	RM0.92	1.9	37.3
MRDY (5296)	Interim	RM0.01	9/8/2023	29/8/2023	RM1.43	RM1.56	0.5	9.1
CEKD (0238)	Interim	RM0.01	9/8/2023	29/8/2023	RM0.47	RM0.46	1.6	-1.1
PANSAR (8419)	Interim	RM0.00	14/7/2023	29/8/2023	RM0.57	RM0.58	0.6	2.7
MAXIS (6012)	Interim	RM0.04	9/8/2023	29/8/2023	RM3.98	RM3.93	1.0	-1.3
CRG (03016)	Interim	RM0.01	18/8/2023	30/8/2023	RM0.19	RM0.19	2.6	0.0
SUNREIT (5176)	Distribution	RM0.05	17/8/2023	30/8/2023	RM1.50	RM1.50	3.1	0.0
KLCC (5235SS)	Interim	RM0.09	14/8/2023	30/8/2023	RM6.77	RM6.76	1.3	-0.1
MAGNUM (3859)	Interim	RM0.02	17/8/2023	1/9/2023	RM1.15	RM1.16	1.7	0.9
SFPTECH (0251)	Interim	RM0.00	11/8/2023	1/9/2023	RM1.11	RM1.03	0.2	-7.2
TIMECOM (5031)	Special Cash	RM0.16	18/8/2023	4/9/2023	RM5.43	RM5.43	3.0	0.0
CARIMIN (5257)	Interim	RM0.02	18/8/2023	5/9/2023	RM0.87	RM0.87	2.3	0.0
NESTLE (4707)	Interim	RM0.70	27/7/2023	5/9/2023	RM132.00	RM132.00	0.5	0.0
CDB (6947)	Interim	RM0.03	18/8/2023	5/9/2023	RM4.38	RM4.38	0.7	0.0
LYSAGHT (9199)	Interim	RM0.03	17/8/2023	7/9/2023	RM1.99	RM2.04	1.5	2.5
DOMINAN (7169)	Final	RM0.01	31/5/2023	7/9/2023	RM0.77	RM0.75	1.3	-2.6
PANAMY (3719)	Final	RM1.07	30/5/2023	7/9/2023	RM21.90	RM20.70	5.2	-5.5
KERJAYA (7161)	Interim	RM0.02	18/8/2023	7/9/2023	RM1.20	RM1.20	1.7	0.0
SLP (7248)	Interim	RM0.01	4/8/2023	7/9/2023	RM0.87	RM0.84	1.5	-3.4
MAHSING (8583)	Final	RM0.03	27/4/2023	8/9/2023	RM0.61	RM0.76	4.0	23.8
QL (7084)	Final	RM0.04	26/7/2023	8/9/2023	RM5.35	RM5.43	0.6	1.5
BJFOOD (5196)	Interim	RM0.01	14/8/2023	11/9/2023	RM0.67	RM0.67	0.7	0.0
ELSOFT (0090)	Interim	RM0.01	18/8/2023	14/9/2023	RM0.55	RM0.55	1.8	0.0
KGB (0151)	Interim	RM0.02	18/8/2023	15/9/2023	RM1.46	RM1.46	1.0	0.0
CARLSBG (2836)	Interim	RM0.22	15/8/2023	15/9/2023	RM20.68	RM20.66	1.1	-0.1
AYS (5021)	Final	RM0.01	20/6/2023	20/9/2023	RM0.37	RM0.41	2.4	10.8
UNITRAD (0247)	Final	RM0.00	26/7/2023	20/9/2023	RM0.29	RM0.29	1.0	0.0
SWIFT (5303)	Interim	RM0.01	18/8/2023	25/9/2023	RM0.49	RM0.49	1.6	0.0
L&PBHD (0268)	Interim	RM0.01	14/8/2023	27/9/2023	RM0.48	RM0.45	1.1	-5.3
FB (5306)	Final	RM0.01	28/7/2023	27/9/2023	RM1.15	RM1.22	0.8	6.1
PANTECH (5125)	Interim	RM0.02	26/7/2023	27/9/2023	RM0.79	RM0.83	1.8	5.7
SKPRES (7155)	Final	RM0.05	27/7/2023	29/9/2023	RM0.97	RM0.95	4.8	-2.1
SDRDL (2224)	Regular Cash	RM0.03	30/5/2023	2/10/2023	RM0.42	RM0.54	4.6	28.6
BLDPLNT (5069)	Final	RM0.03	26/7/2023	2/10/2023	RM10.54	RM11.00	0.3	4.4
SAB (5134)	Final	RM0.05	26/5/2023	3/10/2023	RM3.52	RM3.49	1.4	-0.9
ASIAFLE (7129)	Final	RM0.04	29/5/2023	3/10/2023	RM1.71	RM1.91	1.8	11.7
L&G (3174)	Final	RM0.01	31/5/2023	4/10/2023	RM0.11	RM0.14	4.4	28.6
TENWAH (7374)	Interim	RM0.03	10/8/2023	9/10/2023	RM0.82	RM0.84	3.3	2.4
SHL (6017)	Final	RM0.12	6/7/2023	10/10/2023	RM2.00	RM2.10	5.7	5.0
LAYHONG (9385)	Final	RM0.00	26/6/2023	18/10/2023	RM0.29	RM0.30	1.0	5.3
HEIM (3255)	Interim	RM0.40	15/8/2023	19/10/2023	RM25.82	RM26.38	1.5	2.2
PTRANS (0186)	Interim	RM0.01	16/8/2023	26/10/2023	RM1.21	RM1.22	0.6	0.8
GUOCO (1503)	Final	RM0.02	18/8/2023	30/10/2023	RM0.69	RM0.69	2.9	0.0

Denotes >5% Dividend Yield