

## Extended rebound

### Market Review

**Malaysia:** The FBM KLCI (+0.1%) marched higher with half of the key index components closed in green yesterday. The lower liners, however, ended mixed, while the energy sector (+0.6%) outperformed the mixed sectorial peers following the higher crude oil prices.

**Global markets:** Wall Street ended mixed as the Dow (-0.01%) fell, but the S&P 500 (+0.4%) and Nasdaq (+1.0%) rebounded on gains in technology giants such as Amazon, Apple and Microsoft. The European stockmarkets extended their decline, while Asia stockmarkets closed mostly in red.

### The Day Ahead

The FBM KLCI gained for the third consecutive session, spurred by bargain hunting activities in selected banking and telecommunications & media heavyweights. In our view, the market may remain cautiously optimistic while monitoring the development from global central banks, as well as the six-state elections in Malaysia especially after the Kelantan state assembly dissolved yesterday. Commodities wise, the Brent crude oil price fell below the USD75, while the CPO price hovered above RM3,550.

**Sector focus:** The technology sector may resume its uptrend move following Nasdaq's gains overnight. Meanwhile, the construction sector may trade actively ahead of the six-state elections as well as positive results from GAMUDA. On the other hand, the energy sector may see some selling pressure amid pullback in crude oil prices.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI posted marginal gains to hold above its daily EMA20 level. Technical indicators were set to be turn slightly positive as the MACD Histogram extended a positive bar, while the RSI is approaching 50. Resistance is envisaged along 1,400-1,440, while the support is set around 1,370.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,946.71	-0.01
S&P 500	4,381.89	0.37
NASDAQ	13,630.61	0.95
FBM KLCI	1,394.67	0.09
FBM Small Cap	14,947.69	-0.16
FBM ACE	5,110.48	0.44
Construction	159.08	0.19
Consumer	549.12	-0.59
Energy	788.54	0.59
Financial Services	15,525.52	0.34
Healthcare	1,705.13	-0.72
Ind Products	158.89	-0.25
Plantation	6,692.86	-0.47
Property	690.79	0.38
REITs	776.12	-0.62
Technology	617.2	-0.55
Telco & Media	587.58	0.11
Transport	907.64	0.33
Utilities	957.32	-0.15
Trading Vol (m)	2,155.61	(29.50)
Trading Val (RM m)	1593.17	(1157)
Advance/Decline		
FKLI	1,394.50	0.29
FCPO (RM)	3,562.00	0.42
Brent oil (USD)	74.14	(3.86)
Gold (USD)	1,914.01	0.03
USD	4.6553	(0.22)
GBP	5.9527	(0.90)
EURO	5.1217	(1.00)
SGD	3.4713	(0.45)
Trading participant		
Institution	123.6	
Foreign	42.7	
	-166.3	

Source: Bloomberg, Bursa Market Place

## Company Brief

**Gamuda Bhd**'s 3QFY23 net profit rose 0.8% YoY to RM223.4m, driven by stronger overseas construction earnings that replaced concession earnings following the divestment of its toll highway operations. Revenue for the quarter grew 81.6% YoY to RM2.07bn. An interim dividend of 6.0 sen per share was proposed. (The Star)

**Genting Malaysia Bhd** has reported that the purchaser of its 15.5-ac of land in Miami had elected to end its current USD1.23 bn bid. The purchaser had requested an extension of the exclusivity period and sought amendments to the commercial terms of the sale and purchase agreement. However, the purchaser's requests were not granted at this time. (The Edge)

**KPJ Healthcare Bhd** is targeting strong growth for FY23, supported by growing inpatient volumes as well as a higher number of hospital beds, and improvement in bed occupancy rate to 58.0% in 2022, from 43.0% in 2021. KPJ is actively seeking investments to expand by focusing on building more hospitals. Meanwhile, the company has appointed Chin Keat Chyuan as its new president and managing director, effective from 1st September 2023. (The Edge)

**Allianz Malaysia Bhd** is targeting FY23 dividend payout ratio of over 30.0% of its net income. This comes on the back of its record dividend payout of 85.0sen per share for FY22. The dividend that the group could pay to its shareholders will be influenced by several factors, namely Bank Negara Malaysia's approval, required retained surplus to fuel growth and provisions for future shocks. (The Edge)

**Mah Sing Group Bhd** is confident of achieving its 2023 sales target of RM2.20bn property sales, having locked in RM600.6m sales in 1Q23. The property developer remains committed to its strategic focus on the M Series and upcoming launches, including M Nova, M Minori, M Senyum, Meridin East, M Panora and M Sinar. It has also named former Royal Malaysian Navy (RMN) chief Admiral (R) Tan Sri Abu Bakar Abdul Jamal as its chairman effective 1st August 2023. (The Edge)

**Eco World Development Group Bhd**'s 2QFY23 net profit increased 37.3% YoY to RM62.7m, thanks to higher contributions from its Malaysian joint ventures (JVs). Revenue for the quarter, however, contracted 17.0% YoY to RM420.8m. An interim dividend of 2.0 sen per share, payable on 20th July 2023 was declared. (The Edge)

**Aneka Jaringan Holdings Bhd** has secured 2 contracts with a combined value of RM168.0m to undertake substructure works for a service apartment and mall project in Taman Overseas Union, Kuala Lumpur. Its wholly-owned subsidiary Aneka Jaringan Sdn Bhd has accepted 2 letter of awards from Overseas Union Garden Sdn Bhd (OUGSB) on 20th June 2023 and 22th June 2023. (The Edge)

**Tenaga Nasional Bhd** (TNB)'s indirect subsidiary Southern Power Generation Sdn Bhd has received notices of assessment amounting to RM78.5m from the Inland Revenue Board (IRB), which the unit is challenging via an application for a judicial review. (The Edge)

**TT Vision Holdings Bhd** has secured purchase orders worth USD5.72m (about RM26.6m) for its solar inspection and sorting equipment. The latest contract was received from a major customer known as the global leader in solar innovation and is expected to be fulfilled within 6 to 10 months. (The Edge)

**MSM Malaysia Holdings Bhd** and Central Sugars Refinery Sdn Bhd (CSR), have been instructed to provide daily sugar production reports since May 2023 to ensure there is no disruption in the supply of the commodity in the country. (The Edge)

**Destini Bhd** wholly-owned unit Destini Prima Sdn Bhd (DPSB) has bagged a RM25.4m contract from the Ministry of Defence (Mindef). The 3-year contract is for the procurement of scheduled and unscheduled maintenance, testing, technical services as well as supply of spare parts and related components for non-airborne equipment to the Royal Malaysian Air Force. (The Edge)

**Radium Development Bhd's** 80.0%-owned Pavilion Integrity Sdn Bhd (PISB) is committed to working on a fair resolution following the Federal Court decision involving the litigation for Lot 810. PISB is dedicated to respecting the court's decision and promptly addressing the outcome, in which the company expects a compulsory acquisition of Lot 810 by DBKL, with compensation under the Land Acquisition Act 1960. (The Edge)

**Pharmaniaga Bhd** has clarified that its recent proposed private placement is an interim fund-raising exercise and not part of the proposed regularisation plan to be submitted to Bursa Malaysia Securities Bhd. Pending the finalisation and implementation of a proposed regularisation plan, it will continue to source for funds from the capital market as an interim measure to bridge its working capital requirements. (The Edge)

**Bintai Kinden Corp Bhd** has clarified that its 8 contracts with TNB were terminated by the national utility group due to its unit Kejuruteraan Bintai Kinden Sdn Bhd's (KBK) inability to continue to perform its contractual obligations, due to its banking facilities being suspended and/or terminated by the financial institutions. (The Edge)

After diversifying into property development, office furniture maker **AHB Holdings Bhd** has proposed to also diversify into the trading of building materials, machineries and equipment in view of rising costs in the increasingly competitive furniture business. (The Edge)

**Eversendai Corp Bhd** has inked a strategic collaboration agreement (SCA) with Abu Dhabi National Oil Company (Adnoc) to secure more Adnoc projects in coming years. Eversendai subsidiary in the UAE, Eversendai Offshore RMC FZE, had signed the deal with Adnoc. It said through this SCA, Adnoc has mandated steel fabrication works to be performed within UAE fabrication facilities. (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	0.540	-4.4%	On-going
2	KGB	19-Jun	1.530	1.570	1.630	1.700	1.430	1.420	1.480	-3.3%	On-going
3	YTLREIT	21-Jun	0.940	0.975	0.990	1.050	0.905	0.900	0.935	-0.5%	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	04-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.400	-13.0%	On-going
2	EFRAME	04-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.845	-9.6%	On-going
3	HEXTAR	04-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.160	-4.1%	On-going
4	INFOM	04-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.610	5.2%	On-going
5	KPJ	04-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.110	-0.9%	On-going
6	LAYHONG	04-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.285	-8.1%	On-going
7	PANTECH	04-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.730	-9.9%	On-going
8	PENTA	04-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.830	-2.0%	On-going
9	RANHILL	04-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.530	8.2%	On-going
10	T7GLOBAL	04-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.450	8.4%	On-going
11	TIMECOM	04-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.300	6.6%	On-going
12	UNISEM	04-Apr	3.200	3.180	3.300	2.970	2.760	2.700	3.020	-5.6%	On-going
Average Return										-2.1%	

Technical Focus Tracker Summary	
Total recommendations	336
Total winners	205
Total losers	131
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)	3.9%
Accuracy (2023)	56.5%
FBM KLCI (Since 30/12/2022)	-6.7%
FBM Small Cap (Since 30/12/2022)	0.2%
Malaysia GDP Growth (1Q23)	5.6%

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