

## Market sentiment remained uncertain

### Market Review

**Malaysia:** The FBM KLCI (-0.3%) remained downbeat with more than half of the key index components closed in red. The lower liner, however, rebounded, while the energy sector (+7.1%) outperformed the mostly negative broader market following the surge in crude oil prices.

**Global markets:** Wall Street edged lower as the Dow (-0.5%) fell on expectations over hawkish tone from Jackson Hole meeting, while new home sales in July 2022 slipped -12.6% MoM to the lowest level since January 2016. The European stock markets also remained downbeat, while Asia stock markets ended mostly lower.

### The Day Ahead

The FBM KLCI extended its downtrend move along with most of the regional bourses as concerns persisted ahead of the Jackson Hole meeting; investors may react negatively if the Fed turned more hawkish going forward. Following another lacklustre session on Wall Street, we believe the local sentiment is likely to remain shaky. However, bargain-hunting may emerge on the broader market especially companies with solid earnings growth. Commodities wise, the crude oil saw a rebound above USD100 after OPEC warned a potential output reduction to correct the recent price drop. Meanwhile, the CPO price hovered above RM4,200.

**Sector focus:** We believe the energy sector should continue to trend higher following the surge in crude oil price above USD100 per barrel mark. Meanwhile, the plantation sector may see some buying interest as the CPO price is showing signs of rebounding. We remained our positive stance in consumer, REIT, and banking sectors.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI declined further from the 1,500 zone, extending losses for the fifth straight session. Technical indicators remained negative as the MACD Histogram extended a negative bar, while the RSI hovered below 50. Support is envisaged at 1,460-1,480, while the resistance is located at 1,500-1,530.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	32,909.59	-0.47
S&P 500	4,428.73	-0.22
NASDAQ	12,381.30	0.00
FBM KLCI	1,482.57	-0.32
FBM Small Cap	14,362.50	0.17
FBM ACE	4,891.80	0.76
Construction	156.80	-0.29
Consumer	574.08	-0.10
Energy	712.88	7.14
Financial Services	16,538.59	-0.46
Healthcare	1,566.09	0.01
Ind Products	180.42	-0.69
Plantation	7,059.85	-1.56
Property	647.53	-0.05
REITs	801.38	-0.31
Technology	64.39	-0.17
Telco & Media	585.19	-0.18
Transport	806.04	-0.07
Utilities	866.38	0.22
Trading Vol (m)	2,026.40	-7.38
Trading Val (RM m)	1,551.49	-0.62
Advance/ Decline	9%	
FKLI	1,482.00	-0.17
FCPO (RM)	4,291.00	1.35
Brent oil (USD)	100.22	3.88
Gold (USD)	1,748.15	0.68
USD	4.4882	-0.04
GBP	5.2854	0.22
EURO	4.4571	0.81
SGD	3.2149	0.01

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
-426.8	25.4	401.4

Source: Bloomberg, Bursa Market Place

## Company Brief

**Boustead Plantations Bhd's** (BPB) 2QFY22 net profit rose 51.3% YoY to RM73.2m, due to an increase in palm products prices. Revenue for the quarter increased 43.7% YoY to RM349.0m. A second interim single-tier dividend of 2.75 sen per share, payable on 27th September 2022 was declared. (The Star)

**Dutch Lady Milk Industries Bhd's** (DLMI) 2QFY22 net profit decreased 21.1% YoY to RM21.5m, impacted by escalating prices of global dairy raw materials and negative foreign exchange results due to weakening Ringgit. Revenue for the quarter, however, rose 19.7% YoY to RM340.1m. (The Star)

**G Capital Bhd's** (GCAP) 70.0%-owned subsidiary, Solarcity Malaysia Sdn Bhd has completed the installation and commenced operation of a 309.3-kWp Solar Photovoltaic electric power generation system (Solar PV System). The solar PV is for the supplemental power purchase agreement (PPA) with Muda Paper Converting Sdn Bhd, a wholly-owned subsidiary of Muda Holdings Bhd inked on 30th May 2022. The plant will be contributing revenue and earnings to GCAP over a span of 25 years from the commercial operation date on 19th August 2022. (The Star)

**Sime Darby Plantation Bhd's** 2QFY22 net profit grew 31.6% YoY to RM812.0m, driven by its upstream and downstream segments and non-recurring activities. Revenue for the quarter rose 25.1% YoY to RM5.59bn. An interim dividend of 10.0 sen per share, payable on 18th November 2022 was declared. (The Edge)

**Malakoff Corp Bhd's** 2QFY22 net profit rose marginally by 1.2% YoY to RM119.2m, on higher contribution from Tanjung Bin Power Sdn Bhd (TBP) and lower net finance costs. Revenue for the quarter climbed 46.3% YoY to RM2.32bn. An interim dividend of 2.8 sen per share, payable on 27th October 2022 was declared. (The Edge)

**UOA Development Bhd's** 2QFY22 net profit slipped 16.6% YoY to RM45.3m, mainly due to lower sales from existing projects. Revenue for the quarter fell 44.0% YoY to RM121.1m. (The Edge)

**AEON Co (M) Bhd's** 2QFY22 net profit surged 332.2% YoY to RM47.3m, boosted by higher revenue contribution from its retail business segment. Revenue for the quarter grew 25.3% YoY to RM1.10bn. (The Edge)

**Star Media Group Bhd's** 2QFY22 net profit stood at RM1.8m vs. a net loss of RM37.9m recorded in the previous corresponding quarter, following the absence of impairment charges, coupled with higher revenue. Revenue for the quarter rose 13.9% YoY to RM53.2m. (The Edge)

**Rubberex Corp (M) Bhd's** 2QFY22 net profit tumbled 96.8% YoY to RM2.1m, dragged down by a persistent easing of glove average selling price and weaker capacity utilisation amidst the continuing oversupply in the market. Revenue for the quarter slumped 73.7% YoY to RM46.4m. (The Edge)

**IOI Corp Bhd's** 4QFY22 net profit grew 50.8% YoY to RM541.8m, thanks to higher contributions from its plantation and resource-based manufacturing segments. Revenue for the quarter added 8.0% YoY to RM3.74bn. A second interim dividend of 8.0 sen per share, payable on 23rd September 2022 was declared. (The Edge)

**D&O Green Technologies Bhd's** 2QFY22 net profit decreased 42.7% YoY to RM15.3m, dragged down by foreign exchange (forex) losses. Revenue for the quarter, however, rose 16.0% YoY to RM242.1m. (The Edge)

**Sports Toto Bhd's** 4QFY22 net profit climbed 52.3% YoY to RM46.4m, as the group continued to see business recovery with higher sales from its number forecast operator (NFO) business STM Lottery Sdn Bhd, and its luxury car dealer HR Owen plc. Revenue for the quarter grew 29.7% YoY to RM1.46bn. A fourth interim dividend of 4.7 sen per share, payable on 21st October 2022 was declared. (The Edge)

**Malaysia Marine and Heavy Engineering Holdings Bhd** (MHB) has signed a strategic agreement with marine consulting and service provider Bureau Veritas Solutions Marine & Offshore to support industry-wide efforts to progress shipping's decarbonisation. The partnership was signed via MHB's wholly-owned unit, Malaysia Marine and Heavy Engineering Sdn Bhd. (The Edge)

**Peklat Group Bhd** is partnering Proton Holdings Bhd to promote the adoption of the solar photovoltaic system within Proton's ecosystem and among its employees, as part of the national automaker's energy sustainability initiatives. A Memorandum of Understanding was inked on between Solaroo Systems Sdn Bhd and Proton Global Services Sdn Bhd, a wholly-owned subsidiary of Proton Edar Sdn Bhd on 23rd August 2022. (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	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
2	KERJAYA	10-Aug	1.150	1.240	1.290	1.370	1.080	1.070	1.160	0.9%	On-going
3	CFM	15-Aug	1.070	1.160	1.200	1.400	0.970	0.965	1.070	0.0%	On-going
4	RAMSSOL	17-Aug	0.485	0.505	0.535	0.600	0.435	0.430	0.430	-11.3%	Cut loss on 22-Aug
5	DELEUM	22-Aug	0.620	0.635	0.675	0.760	0.560	0.555	0.640	3.2%	On-going
6	WELLCAL	24-Aug	1.250	1.290	1.380	1.500	1.180	1.170	1.250	0.0%	Initiate position

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	3.920	20.2%	On-going
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	2.940	3.5%	On-going
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	1.050	8.8%	On-going
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.450	14.6%	On-going
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.855	11.0%	On-going
6	SYSCORP	1-Jul	0.410	0.445	0.470	-	0.375	0.340	0.455	11.0%	On-going
7	PWROOT	1-Jul	1.700	1.830	1.920	-	1.630	1.550	1.770	4.1%	On-going
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.390	-4.8%	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	3.990	7.3%	On-going
Average Return										7.4%	

Technical Focus Tracker Summary	
Total recommendations	253
Total winners	152
Total losers	99
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	59.1%
Accuracy (2022)	57.4%
FBM KLCI (Since 31/12/2021)	-5.4%
FBM Small Cap (Since 31/12/2021)	-8.9%
Malaysia GDP Growth (1H22)	6.9%