

## Rebound in the technology sector to be seen

### Market Review

**Malaysia:** The FBM KLCI (-0.79%) ended in the negative territory as more than 80% of the index heavyweights traded lower, while the small cap and lower liners traded mixed. Nevertheless, some of the leading sectors include Energy (+1.54%) and Transportation & Logistics (+0.34%); the former was lifted by PERDANA's results.

**Global markets:** Wall Street closed in the positive territory prior to the Nvidia's results. Also, the US 10Y Treasury yield has declined significantly, dropped more than 11 basis points to 4.21% (from 4.35%). Post market, Nvidia gained surged above USD500 amid the earnings beat. The European markets were higher, while Asia stock markets were mixed.

### The Day Ahead

The FBM KLCI ended lower for the session as profit taking activities emerged without any fresh catalysts in the market. In view of the strong overnight performance on Wall Street, coupled with a surge in Nvidia's share price post-market following the good set of results, where the earnings came in at \$6.74bn vs. the estimate of \$5.20bn, we believe the buying interest may spillover to stocks on the local front. However, traders may shift their attention towards Jerome Powell's speech during the Jackson Hole Symposium as the statement that he will deliver may change the mood of the market. Commodities wise, the Brent crude oil traded mildly below USD83/bbl, while the CPO prices stayed above RM3,800/MT.

**Sector focus:** With Nasdaq rising for the past 3 sessions, coupled with the strong set of results from Nvidia, we expect the buying interest may return to the technology sector. Meanwhile, the expectation of stronger earnings within the O&G stocks could sustain the movements within the Energy sector. Also, we are still optimistic on the overall conditions within the building material segment.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI snapped after a two-day rebound and formed a bear flag breakout. Technical indicators are still weak, as the MACD Histogram continues to stay in the negative region, extending the bar negatively, while the RSI has crossed below 50. The key index resistance zone is located around 1,450-1,460. Meanwhile, the support is located around 1,430-1,435.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,472.98	0.54
S&P 500	4,436.01	1.10
NASDAQ	13,721.03	1.59
FBM KLCI	1,440.11	-0.79
FBM Small Cap	15,707.22	0.19
FBM ACE	5,285.14	-0.01
Construction	174.21	-0.58
Consumer	558.46	-0.31
Energy	823.78	1.54
Financial Services	16,192.99	-0.52
Healthcare	169,174	-0.72
Ind Products	168.35	-1.03
Plantation	6,963.08	-0.96
Property	807.12	0.13
REITs	772.94	-0.02
Technology	63.49	-0.16
Telco & Media	583.01	-0.68
Transport	927.38	0.34
Utilities	1,093.99	-0.59
Trading Vol (m)	3,229.13	(2.38)
Trading Val (RM m)	1967.32	1.95
Advance/Decline	90%	
FKLI	1,441.00	0.17
FCPO (RM)	3,884.00	1.41
Brent oil (USD)	83.21	(0.98)
Gold (USD)	1,915.48	0.10
USD	4.6592	(0.24)
GBP	5.8901	0.94
EURO	5.0359	0.67
SGD	3.4317	0.02

Trading participation 5-day trend and value (m)

Institution	Foreign
385.7	-343.5

Source: Bloomberg, Bursa Market Place

## Company Brief

Trading in **Boustead Plantations Bhd's** shares and company's structured warrants will be suspended on Thursday pending an announcement. Separately, the group announced the appointment of Datuk Muhar Hussain as its independent and non-executive director. (The Edge)

**Sime Darby Plantation Bhd** said it expects its financial year ending Dec 31, 2023 (FY2023) to remain challenging, as its net profit for 2QFY2023 fell by 53% to RM380m from RM812m a year ago. The plantation group said earnings were impacted by the lower average realised crude palm oil (CPO) and palm kernel (PK) prices. Nonetheless, the group declared a dividend of 3.25 sen, albeit lower than the 10 sen paid out last year. (The Edge)

**Genting Plantations Bhd** posted a net profit of RM70.97m in 2QFY2023, down 68.24% from RM223.43m a year ago, owing to notably weaker palm product prices. Average selling price (ASP) of crude palm oil fell 27% to RM3,584 per tonne in 2QFY2023, compared to RM4,907 per tonne, while palm kernel's ASP dropped 44% to RM1,945 per tonne from RM3,484 per tonne. The board of directors declared an interim single-tier dividend of 8 sen per share, 47% lower compared to the 15 sen dividend paid a year ago, payable Sept 25, 2023. (The Edge)

**Hap Seng Plantations Holdings Bhd** posted a net profit of RM9.42m for 2QFY2023, its lowest quarterly earnings since a net loss in 1QFY2020. YoY, net profit dropped 86% from RM66.9m, which the company said was due to lower average selling prices of all palm products, higher production cost and losses from adjustments to fair value of biological assets. Hap Seng Plantations also said revenue declined by 31% to RM168.8m for 2QFY2023, from RM246.86m a year ago. The group declared a first interim dividend of 1.5 sen per share – as opposed to 5 sen for the corresponding quarter last year – to be paid on Sept 21. (The Edge)

Smart city integrated system and solutions provider **ITMAX System Bhd** reported a 72.21% jump in its net profit to RM15.12m for 2QFY2023, from RM8.78m in the corresponding quarter a year ago, as revenue climbed 55.25% on increased contribution from all revenue services other than trading. The group, which is looking to continue its growth by expanding its service offerings and expanding into other geographical territories and segments, announced it is acquiring a 70% stake in Aim-Force Software Sdn Bhd (AFSSB) for RM7.18m. AFSSB is involved in information and communications technology solutions and services, mainly in smart parking solutions, enforcement solutions and enterprise mobility software and technologies. (The Edge)

**Amway (M) Holdings Bhd** issued a profit warning for the financial year ending Dec 31, 2023 (FY2023) as inflation took a toll on consumers' purchasing power and spending appetite. The group's net profit more than doubled to RM76.9m in FY2022 on annual revenue of RM1.514bn. Earnings per share soared to 46.8 sen from 22.3 sen in FY2021. For 2QFY2023, it posted a net profit of RM17.74m, an 18.5% increase from RM14.98m a year before, due to price hikes and lower operating expenses. However, its quarterly revenue was marginally lower at RM343.69m, against RM354.62m a year ago. (The Edge)

**Sunway Construction Group Bhd (SunCon)** notched a net profit of RM33m for 2QFY2023, slightly higher than the RM32.3m it made in the corresponding quarter last year, as revenue rose on improved contributions from all its business segments. Revenue climbed 8.28% to RM604.1m from RM557.89m. The group declared a first interim dividend of three sen per share for FY2023, payable on Sept 27. (The Edge)

**Allianz Malaysia Bhd's** net profit increased 11.06% to RM166.67m for 2QFY2023, compared with RM150.08m a year earlier, owing mainly to its life insurance segment. Quarterly revenue increased by 7.57% to RM1.16bn, from RM1.08bn a year ago. Its life insurance segment recorded RM98.7m in quarterly profit before tax, 14.4% higher than RM86.3m for 2QFY2022, driven by better net insurance and investment results. (The Edge)

**Apex Healthcare Bhd** posted a more than 14-fold rise in net profit to RM329.48m for 2QFY2023 from RM23.49m a year ago. Revenue rose marginally by 2.76% to RM215.03m from RM209.25m last year, driven by the sales of pharmaceuticals, consumer healthcare products and medical devices to both private and public sector customers. Revenue was also driven by strong overseas demand for its Xepa product, especially in Singapore. The group declared an interim dividend of 2.5 sen per share, payable on Sept 19.

**TSH Resources Bhd's** net profit tumbled 81.58% to RM10.56m or 0.77 sen per share for 2QFY2023, from RM57.34m or 4.15 sen per share a year earlier. The decline in profit was due to lower revenue, which fell by 39.55% from RM424.41m to RM256.57m as average prices of crude palm oil and palm kernel dropped. This was also impacted by lower profit contributions from an associate company, which declined by 73% to RM1.82m from RM6.79m in 2QFY2022. Share of profit of joint ventures also shrank 83% to RM1.57m from RM10.9m. (The Edge)

**Pos Malaysia Bhd** continued to bleed in 2QFY2023, with its net loss widening to RM27m from RM5.25m a year ago. Loss per share swelled to 3.45 sen from 0.67 sen. This is Pos Malaysia's 20th consecutive quarterly net loss. Revenue fell 10.06% to RM465.2m from RM517.26m in 2QFY2022. (The Edge)

**MBM Resources Bhd's** second quarter net profit fell 29.88% to RM51.93m, from RM74.06m a year before, amid lower contribution from its motor trading, auto parts manufacturing and share of results of associates. Revenue sank 3.13% to RM539.57m from RM557.02m in 2QFY2022. Despite the weaker quarterly results, the group declared a first interim dividend of 6 sen per share and a special dividend of 20 sen per share, both payable on Sept 22.

**Hibiscus Petroleum Bhd's** annual revenue surpassed the RM2bn mark for the first time in the FYE6/23, as it incorporated the full-year contribution from the assets of Peninsula Hibiscus Group (formerly Repsol Exploración's upstream assets), which it acquired in January last year for US\$212.5m. Net profit for the year came in at RM400.52m, down 38% from RM652.94m in FY2022, mainly because the previous year had incorporated a negative goodwill or bargain purchase gain of RM317.32m. Excluding the negative goodwill, full-year earnings grew 19.3% from FY2022, with earnings before interest, taxes, depreciation and amortisation rising to RM1.27bn from RM1.08bn, as group revenue climbed 38% to RM2.34bn from RM1.7bn. The group declared a third interim dividend of 0.5 sen per share, translating into total dividend of 2 sen for FY2023, comparable to its payout for FY2022. Separately, the group proposed to consolidate every five existing Hibiscus Petroleum shares into two shares to reduce volatility in its share price. (The Edge)

**Sports Toto Bhd's** net profit for 4QFY2023 increased 34.33% to RM62.35m from RM46.41m a year ago, driven by better performance by its luxury car dealer HR Owen plc. Quarterly revenue grew 10.68% to RM1.62bn from RM1.46bn a year earlier. Earnings per share improved to 4.63 sen from 3.46 sen, the numbers forecast operator's (NFO) bourse filing on Wednesday showed. Sports Toto has declared a fourth interim dividend of 2.5 sen, bringing the total payout to 9 sen for FY2023 – versus 8.7 sen in FY2022 – to be paid on Oct 20. (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	1.330	-2.9%	On-going
2	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.170	0.0%	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	0.330	-7.0%	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	1.020	25.2%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.980	29.2%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.220	16.2%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.330	-0.9%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.160	-0.9%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.030	7.3%	On-going
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.110	20.7%	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	0.690	8.7%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.760	34.4%	On-going
Average Return										12.4%	

Technical Focus Tracker Summary	
Total recommendations	347
Total winners	213
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)	5.0%
Accuracy (2023)	59.6%
FBM KLCI (Since 30/12/2022)	-3.7%
FBM Small Cap (Since 30/12/2022)	5.2%
Malaysia GDP Growth (1H23)	4.2%

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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
AMEREIT (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
CENTRAL (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
MRDIY (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
FFB (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
SDRED (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
TJENWAH (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

# Market Pulse

Thursday, 24 Aug, 2023

