

Ticking higher

Market Review

Malaysia: The FBM KLCI (+0.5%) extended its rebound move, driven by gains in two-thirds of the key index components on last Friday. The lower liners, however, edged lower, while the plantation sector (+1.7%) emerged as the biggest winner amongst the sectorial peers on the back of firmer CPO prices.

Global markets: Wall Street was nudged marginally higher as the Dow added 0.01% after initial gains were trimmed by the weakness in technology stocks following another batch of weaker-than-expected corporate earnings. Both the Asia and European stockmarkets ended mostly on a positive note.

The Day Ahead

Expectedly, the local bourse continues to make headway as bargain hunting activities are still prevalent among beaten down sector leaders of late. The near-term outlook remains firm and we see further upsides as the key index continues its recovery trend. The lower liners may capitalise onto the upward move, on the back of rotational play. Meanwhile, on Wall Street, the recent batch of corporate earnings releases have failed to spark the markets and that may see some near-term weakness, in our view. On the brighter note, markets are pricing in the final 25 basis points of interest rate hike this week and that the aggressive rate hiking campaign may likely to be at the tail-end. Commodities wise, the Brent crude oil (above USD80) was powered by signs of tightening supplies, while the CPO steadied above RM4,000.

Sector focus: The agreement by telecommunication players to take up equity stakes in state 5G agency Digital Nasional Berhad (DNB) may speed up the roll-out of 5G and will spur the telecommunication & media sector. The strong recovery in crude oil prices may present trading opportunities within the energy sector. On the downside, the technology sector may mirror the Nasdaq's weakness last Friday.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI advanced to form a short-term flag-formation breakout above EMA60. Technical indicators remained positive as the MACD Histogram formed another positive bar, while the RSI steadied above 50. Next resistances are located along 1,430-1,450, while the support is pegged around 1,370.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,227.69	0.01
S&P 500	4,536.34	0.03
NASDAQ	14,032.81	-0.22
FBM KLCI	1413.52	0.49
FBM Small Cap	15,578.43	-0.08
FBM ACE	5,329.59	-0.95
Construction	169.75	0.32
Consumer	553.36	0.09
Energy	817.72	0.23
Financial Services	15,728.50	0.29
Healthcare	1688.95	-0.41
Ind Products	162.86	-0.35
Plantation	7,087.59	1.65
Property	755.72	0.59
REITs	773.89	0.00
Technology	65.04	-0.67
Telco & Media	578.47	-0.08
Transport	913.10	-0.11
Utilities	1003.31	0.51
Trading Vol (m)	3,294.53	(9.61)
Trading Val (RM m)	2007.48	(2.95)
Advance/Decline	91%	
FKLI	1411.00	0.32
FCPO (RM)	4,035.00	(0.27)
Brent oil (USD)	81.07	1.80
Gold (USD)	1961.94	(0.39)
USD	4.5627	(0.43)
GBP	5.8714	(0.07)
EUR	5.0772	0.33
SGD	3.4328	0.07
Trading participation 5-day trend and value (m)		
Institution	-404.9	
Foreign	647.9	

Source: Bloomberg, Bursa Market Place

Company Brief

Malaysia Airports Holdings Bhd's (MAHB) network of airports recorded over 10.0m passengers in June 2023, the highest since the global shutdown in March 2020. MAHB's network of airports in Malaysia and Turkiye continued to showcase consistent passenger growth by recording a new high of 4.9m (+7.1% MoM) total international passenger movements for June 2023. Meanwhile, total domestic passenger movements were at 5.3m. (The Star)

7-Eleven Malaysia Holdings Bhd announced that it has accepted an offer from BIG Pharmacy Healthcare Sdn Bhd to sell its 75.0% stake in Caring Pharmacy Group Bhd for RM637.5m. BIG Pharmacy is also acquiring the remaining 25.0% stake in Caring from Motivasi Optima Sdn Bhd. BIG Pharmacy had proposed an equity valuation of RM850.0m for the entire 100.0% stake in Caring. (The Edge)

TSH Resources Bhd has proposed to undertake a secondary listing for all its existing shares, which are currently listed on the Main Market of Bursa Malaysia, on the Main Board of the Singapore Exchange (SGX). The shareholder holding its shares listed on Bursa may transfer such shares to SGX and vice versa for trading on the respective stock exchanges, following the proposed secondary listing. (The Edge)

Sersol Bhd issued a misconduct notice on its chief executive officer Datuk Justin Lim Hwa Tat, who is under Malaysian Anti-Corruption Commission (MACC) investigation, and demanded that he return to the office within one week. Sersol also instructed Lim, who has been overseas since February 2023 for purpose and reason only known to him, to immediately give a written response to the board. There is no impact on its operations so far, as executive director Tan Fie Jen had been handling day-to-day operation of the company's core business even before the appointment of the CEO. (The Edge)

Bank Pembangunan Malaysia Bhd (BPMB) is pursuing multiple reliefs, including a RM31.0m deposit, from Serba Dinamik Sdn Bhd (SDSB) in an April 2023 lawsuit, claiming that **Serba Dinamik Holdings Bhd**'s indirect wholly-owned subsidiary SDSB had breached trust and the terms of charge and security agreements. BPMB claims that SDSB violated its trust by uplifting and withdrawing a deposit without BPMB's consent, leading to the bank's request for a declaration that the deposit, initially placed in SDSB's account and later withdrawn, is held in trust by SDSB for BPMB.

Serba Dinamik Holdings Bhd in a separate filing reported that its wholly-owned subsidiary Serba Dinamik Group Bhd (SDGB) has reached a settlement with Almurisi Holding Sdn Bhd (AHSB) over a dispute related to the share sale agreement (SSA) in 2017. This concludes after both SDGB and AHSB entered into a consent order at the Court of Appeal on 16th June 2023 for the withdrawal of all proceedings relating to the SSA, all with no order as to costs and with no liberty to file afresh. (The Edge)

Bina Darulaman Bhd (BDB) has clarified that the remand of its non-independent and non-executive director Muhamad Sobri Osman by the Malaysian Anti-Corruption Commission (MACC) is not related to the company. Muhamad Sobri, who is also Menteri Besar Kedah Inc (MBI Kedah) chief executive officer, was remanded on 19th July 2023 to assist a MACC investigation and released on 21st July 2023. It was previously reported that the MACC is investigating MBI Kedah for alleged misappropriation and abuse of power in the mining of rare earths. (The Edge)

Pharmaniaga Bhd has proposed to undertake a second private placement of up to 144.1m new shares, representing 10.0% of its total issued shares, to the Armed Forces Fund Board (LTAT), subject to shareholders' approval. LTAT confirmed that the subscription of the placement will be satisfied in cash at an issue price to be determined later. Based on the indicative issue price of 35.6 sen and assuming 140.5m shares being placed out, the placement is expected to raise gross proceeds of about RM50.0m. Proceeds from the private placement will be used as interim measures to bridge its working capital requirements while it is formulating a plan to regularise its financial condition to address its Practice Note 17 (PN17) status. (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	PWF	20-Jul	0.760	0.765	0.800	0.850	0.700	0.695	0.740	-2.6%	On-going

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	0.350	-1.4%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.850	15.6%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	0.900	10.4%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.000	-2.6%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.070	1.9%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.230	-5.1%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.140	-2.6%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.160	20.8%	On-going
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.040	13.0%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.510	-0.6%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.955	7.3%	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	1.310	0.0%	On-going
Average Return										5.0%	

Technical Focus Tracker Summary	
Total recommendations	343
Total winners	212
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)	5.9%
Accuracy (2023)	62.3%
FBM KLCI (Since 30/12/2022)	-5.5%
FBM Small Cap (Since 30/12/2022)	4.4%
Malaysia GDP Growth (1Q23)	5.6%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
DPS (7198)	Stock Split	1:5	10/7/2023	24/7/2023	RM0.09	RM0.09	-	-5.6
UMCCA (2593)	Interim	RM0.07	28/6/2023	26/7/2023	RM5.20	RM5.25	1.3	1.0
TECGUAN (7439)	Final	RM0.05	29/5/2023	26/7/2023	RM1.63	RM1.68	3.0	3.1
ASB (1481)	Regular Cash	RM0.00	7/4/2023	27/7/2023	RM0.14	RM0.17	0.6	25.9
LSTEEL (9881)	Interim	RM0.02	31/5/2023	27/7/2023	RM0.45	RM0.43	3.5	-4.4
METROD (6149)	Regular Cash	RM0.06	2/3/2023	27/7/2023	RM1.29	RM1.30	4.6	0.8
OVERSEA (0153)	Rights Issue	1:1	6/7/2023	27/7/2023	RM0.13	RM0.10	-	-24.0
HWGB (9601)	Stock Split	1:4	14/7/2023	28/7/2023	RM0.08	RM0.09	-	6.3
DKLS (7528)	Final	RM0.03	27/2/2023	28/7/2023	RM2.20	RM2.16	1.4	-1.8
KRONO (0176)	Bonus	1:5	17/7/2023	31/7/2023	RM0.59	RM0.58	-	-2.5
KRONO (0176)	Bonus-Options	1:5	17/7/2023	31/7/2023	RM0.59	RM0.58	-	-2.5
MARCO (3514)	Interim	RM0.02	12/7/2023	31/7/2023	RM0.19	RM0.23	8.9	21.6
PGF (8117)	Final	RM0.01	28/4/2023	31/7/2023	RM1.47	RM1.36	0.7	-7.5
KHJB (0210)	Final	RM0.01	13/4/2023	1/8/2023	RM0.22	RM0.20	3.1	-11.4
PTRANS (0186)	Interim	RM0.01	22/5/2023	2/8/2023	RM1.08	RM1.09	0.7	0.9
YINSON (7293)	Final	RM0.01	23/3/2023	2/8/2023	RM2.42	RM2.55	0.4	5.4
SEG (9792)	Interim	RM0.01	20/7/2023	2/8/2023	RM0.66	RM0.69	1.9	4.5
BETA (0263)	Interim	RM0.01	20/7/2023	2/8/2023	RM0.48	RM0.48	2.1	1.1
GAMUDA (5398)	Interim	RM0.06	22/6/2023	3/8/2023	RM4.25	RM4.49	1.3	5.6
KFIMA (6491)	Interim & Special Cash	RM0.12	19/5/2023	3/8/2023	RM2.11	RM2.10	5.7	-0.5
RVIEW (2542)	Interim & Special Cash	RM0.20	21/7/2023	3/8/2023	RM3.46	RM3.46	5.8	0.0
ACO (0218)	Interim	RM0.00	21/7/2023	4/8/2023	RM0.23	RM0.23	0.9	0.0
ZHULIAN (5131)	Interim	RM0.03	12/7/2023	8/8/2023	RM1.85	RM1.88	1.6	1.6
SNS (0259)	Interim	RM0.00	27/6/2023	10/8/2023	RM0.25	RM0.24	1.0	-2.0
ANCOMMY (4758)	Interim	RM0.01	14/7/2023	10/8/2023	RM1.00	RM1.03	1.0	3.0
KMLOONG (5027)	Final	RM0.05	29/3/2023	10/8/2023	RM1.76	RM1.83	2.7	4.0
CRESNDO (6718)	Final	RM0.02	30/3/2023	10/8/2023	RM1.18	RM1.30	1.5	10.2
FAVCO (7229)	Final	RM0.04	21/2/2023	15/8/2023	RM1.77	RM1.79	2.2	1.1
SUPERLN (7235)	Interim	RM0.01	30/6/2023	18/8/2023	RM0.65	RM0.67	1.1	3.1
PANTECH (5125)	Final	RM0.02	27/4/2023	29/8/2023	RM0.77	RM0.76	2.0	-1.3
A.JI (2658)	Regular Cash	RM0.09	27/6/2023	29/8/2023	RM14.90	RM16.56	0.5	11.1
LBS (5789)	Final	RM0.01	18/4/2023	29/8/2023	RM0.42	RM0.49	2.6	16.0
PANSAR (8419)	Interim	RM0.00	14/7/2023	29/8/2023	RM0.57	RM0.59	0.6	3.5
DOMINAN (7169)	Final	RM0.01	31/5/2023	7/9/2023	RM0.77	RM0.74	1.4	-3.9
PANAMY (3719)	Final	RM1.07	30/5/2023	7/9/2023	RM21.90	RM19.98	5.4	-8.8
MAHSING (8583)	Final	RM0.03	27/4/2023	8/9/2023	RM0.61	RM0.67	4.5	9.8
AYS (5021)	Final	RM0.01	20/6/2023	20/9/2023	RM0.37	RM0.40	2.5	8.1

Denotes >5% Dividend Yield

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