

Investors may position for Budget 2024

Market Review

Malaysia: The FBM KLCI (+0.14%) closed higher, rebounding from a softer morning session, after DOSM announced lower MoM core inflation data. The Energy sector (+1.69%) gained momentum, while the Technology sector (-0.19%) dropped marginally amid selling pressure from Wall Street overnight.

Global markets: Wall Street continued its losing streak as investors are still cautious of the potential rate hike in future FOMC meetings and the possibility of the US government shutting down. The European market dropped, while Asian markets were mixed after Bank of Japan kept its interest rates unchanged.

The Day Ahead

The FBM KLCI rebounded from the intraday low and closed above the 1,450 level last Friday. However, Wall Street continues to stay in the negative region for the fourth session with the expectation of slightly hawkish tone from the Fed, coupled with the concern over a government shutdown in the US. We believe the selling pressure may spillover to stocks on the local front. Nevertheless, we opine that the downside risk should be limited as investors may focus on the NETR and NIMP blueprints, as well as the Budget 2024 in the upcoming month. Commodities wise, the Brent crude oil has continued retraced from the recent high and traded below the USD93/bbl level, while the CPO prices extended its pullback formation below the RM3,700/MT level.

Sector focus: Again, we expect the overall local bourse to trade on a negative tone taking cues from Wall Street overnight. Meanwhile, we expect trading activities to revolve around the Property and Construction sectors ahead of the Budget 2024, where traders may position for mega infrastructure projects to be announced. Also, we favour industrial products, renewable energy as well as building materials which are related to NETR and NIMP blueprints.

FBMKLCI Technical Outlook



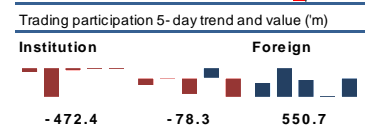
Bloomberg

The FBM KLCI ended higher marginally surpassing the 1,450 psychological level. Also, the technical readings on the key index were negative with the MACD Histogram forming the first negative bar and the RSI dropped below 50. The resistance is located around 1,465-1,470 and the support is envisaged around 1,430-1,440.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,963.84	-0.31
S&P 500	4,320.06	-0.23
NASDAQ	13,211.81	-0.09
FBM KLCI	1,450.23	0.14
FBM Small Cap	16,331.55	0.73
FBM ACE	5,209.06	-0.10
Construction	185.62	0.51
Consumer	557.35	0.05
Energy	906.92	1.69
Financial Services	16,220.63	-0.05
Healthcare	1,704.66	-0.03
Ind Products	174.83	0.24
Plantation	6,927.22	0.03
Property	887.72	1.36
REITs	775.38	-0.05
Technology	63.23	-0.19
Telco & Media	585.73	0.23
Transport & Logist	925.15	0.89
Utilities	1,132.28	0.04
Trading Vol (m)	3,300.60	(3.64)
Trading Val (RM m)	2076.09	(2.60)
Gainers/ Losers rat	127%	
FKLI	1,448.50	0.49
FCPO (RM)	3,681.00	0.08
Brent oil (USD)	93.27	0.48
Gold (USD)	1,925.23	(0.01)
USD	4.6892	0.05
GBP	5.7407	0.48
EURO	4.9887	0.18
SGD	3.4337	(0.10)



Source: Bloomberg, Bursa Market Place

Company Brief

Chin Hin Group Bhd said it will be making a mandatory general offer for the remaining shares in **Ajiya Bhd** at RM1.53 per share, but intends to maintain Ajiya's listing status. This comes after the building material specialist on Friday entered into share sale agreements with How Lian Yeong and Ong Hang Ping for the proposed acquisition of a 2.11% stake or 6.22m shares in Ajiya for RM9.51m or RM1.53 per share. (The Edge)

ITMAX System Bhd, which is primarily involved in the business of supply, installation and provision of public space networked systems, has bagged a RM111.2m contract from the Iskandar Puteri City Council to provide video surveillance and smart traffic light system services in Iskandar Puteri, Johor. ITMAX said its 65%-owned subsidiary Southmax Sdn Bhd has secured a letter of award for the project. (The Edge)

Plantation group **United Malacca Bhd** saw its net profit for the first financial quarter ended July 31, 2023 fall 89% to RM2.68m from RM24.3m a year earlier on lower contribution from its Malaysian operations. Quarterly revenue declined 19% to RM135.95m from RM167.44m, mainly due to lower average crude palm oil and palm kernel prices. (The Edge)

The cut-off date for the proposed disposal of a 33% stake in **Boustead Plantations Bhd** (BPlant) by the Armed Forces Fund Board (LTAT) has been extended for the second time. Kuala Lumpur Kepong Bhd (KLK), which is acquiring the 33% stake from LTAT and Boustead Holdings Bhd, said the three parties have agreed for the cut-off date for the strategic collaboration agreement to be extended for another two weeks to Oct 6. The previous extension, ended on Friday. (The Edge)

CTOS Digital Bhd's wholly-owned subsidiaries, CTOS Data Systems Sdn Bhd, CTOS Basis Sdn Bhd and CTOS IDS Sdn Bhd, have entered into recurrent related party transactions (RRPTs) of a revenue or trading nature for an aggregated value of RM4.06m. CTOS Digital said the RRPTs were entered into with CIBI Holdings Pte Ltd, Credisense Ltd, Creador Sdn Bhd and CIBI Information Inc. According to the group, the aggregate value transacted for the RRPTs from Jan 1 to Aug 31 has exceeded the Main Market Listing Requirements percentage ratio of 1%. (The Edge)

LFE Corp Bhd has entered into a conditional share agreement with Patrick Heng Jin Wei to buy 100,000 shares representing the remaining 40% equity of LFE Development Sdn Bhd (LDSB) for RM3.5m cash. LFE, which currently owns a 60% stake in LDSB, said that the purchase consideration was arrived at on a willing-buyer willing-seller basis between the parties, and LDSB will be a wholly-owned subsidiary under LFE after the exercise. (The Edge)

Tanco Holdings Bhd's group managing director Datuk Seri Andrew Tan Jun Suan has raised his indirect shareholding in the group to 785.06m shares or a 39.59% stake after acquiring five million shares on Friday. Tan bought the stake in the open market via TJN Capital Sdn Bhd on Friday at 56 sen per share, according to the group's bourse filing. This values the purchase at RM2.8m. (The Edge)

Compugates Holdings Bhd said its 70%-owned unit, Compugates Development and Mining Sdn Bhd (CDMSB), will apply for leave to appeal against the Court of Appeal order requiring CDMSB to refund RM3m from the initial deposit paid by its joint-venture (JV) partner for a proposed mixed development project. The JV partner, Main Uptown Sdn Bhd, had appealed to the Court of Appeal against the decision made earlier by High Court relating to the proposed project, and the Appeals Court had on Aug 28 allowed the appeal in part. (The Edge)

Symphony Life Bhd has proposed a renounceable rights issue of warrants for the basis of one warrant for every two existing shares, to raise up to RM35.8m. The actual amount depends on the final issue price of the warrants, but the company plans to utilise this for its bank borrowing repayments amounting to RM34.97m in a maximum scenario, according to its filing on Friday (Sept 22). As at end-June, Symphony Life had non-current borrowings of RM124.04m and current borrowings of RM45.57m. Cash balance stood at RM107.63m. (The Edge)

Petroliam Nasional Bhd's (Petronas) wholly-owned subsidiary Petronas CCS Ventures Sdn Bhd has signed a term sheet with Mitsui OSK Lines Ltd (MOL) and MISC Bhd for the potential incorporation of a joint-venture entity to invest in developing and monetising liquefied carbon dioxide (LCO2) carriers for carbon capture and storage (CCS) projects in Malaysia. (The Edge)

MNRB Holdings Bhd announced a single-tier final dividend of 4.45 sen for the financial year ended March 31, 2023 (FY2023). It noted in a statement on Friday that the dividend amount rose significantly by 78%, versus the previous financial year, underpinned by a commendable performance across its reinsurance and takaful subsidiaries. (The Edge)

Sedania Innovator Bhd's major shareholder Sedania Corp Sdn Bhd (SCSB) has been ordered by the High Court to compensate RM14.52m to two individuals claiming to own a 49% stake in Sedania's consumer healthcare products business. The company involved is Offspring Inc Sdn Bhd. Sedania acquired 51% of Offspring for RM15.12m cash from its 31.31% shareholder SCSB, which is owned by the listed company's managing director Datuk Noor Azrin Mohd Noor and his wife Datin Noraida Saludin, in November 2020.

Offspring has been ordered along with SCSB to pay the RM14.52m in damages. Both are also required to bear the cost of arbitration at the Asian International Arbitration Centre amounting to RM416,358 and legal-related costs of RM365,937. Sedania estimated that the financial impact on its 51%-owned Offspring could be totalling RM17.46m. However, Sedania said SCSB will continue to indemnify the company from any potential claims relating to the above. (The Edge)

The High Court on Friday dismissed an application by Enersafe Resources Sdn Bhd to intervene and set aside the ex-parte restraining orders imposed by **Sapura Energy Bhd** (SEB), and its 22 wholly-owned subsidiaries, on its creditors. Judge Atan Mustaffa Yussof Ahmad ruled that although Enersafe Resources, a creditor of SEB's wholly-owned Sapura Pinewell Sdn Bhd, had already started an arbitration process against Sapura Pinewell, this does not automatically elevate the company to the status of a creditor or even a contingent creditor. (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	1.290	-5.8%	Closed at cut off period
2	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.180	0.9%	Closed at cut off period
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

Market Chat Tracker

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	0.310	-12.7%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.920	25.2%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	1.100	35.0%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.700	20.1%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.250	19.0%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.460	4.7%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.110	-5.1%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	0.995	3.6%	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	3.400	-3.7%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	1.070	20.2%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.795	25.2%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	2.110	61.1%	On-going
Average Return										16.2%	

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)	4.8%
Accuracy (2023)	61.4%
FBM KLCI (Since 30/12/2022)	-3.0%
FBM Small Cap (Since 30/12/2022)	9.4%
Malaysia GDP Growth (1H23)	4.2%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
MAGNI (7087)	Interim	RM0.028	11/9/2023	25/9/2023	RM1.91	RM2.01	1.4	5.2
SWIFT (5303)	Interim	RM0.008	18/8/2023	25/9/2023	RM0.49	RM0.55	1.5	12.2
AXJ-REITSETF (0837EA)	Income	RM0.006	8/9/2023	25/9/2023	RM0.75	RM0.75	0.8	-0.1
AXIATA (6888)	Regular Cash	RM0.050	29/8/2023	26/9/2023	RM2.58	RM2.47	2.0	-4.3
RHBANK (1066)	Interim	RM0.150	13/9/2023	27/9/2023	RM5.65	RM5.67	2.6	0.4
PANTECH (5125)	Interim	RM0.015	26/7/2023	27/9/2023	RM0.79	RM0.89	1.7	12.7
MALAKOF (5264)	Interim	RM0.015	28/8/2023	27/9/2023	RM0.64	RM0.61	2.5	-5.5
FM (7210)	Interim	RM0.020	23/8/2023	27/9/2023	RM0.57	RM0.62	3.2	9.7
TENAGA (5347)	Interim	RM0.180	12/9/2023	27/9/2023	RM9.84	RM10.16	1.8	3.3
REDTONE (0032)	Interim	RM0.025	24/8/2023	27/9/2023	RM0.68	RM0.71	3.5	4.4
SIMEPROP (5288)	Interim	RM0.010	28/8/2023	27/9/2023	RM0.69	RM0.75	1.3	8.0
L&PBHD (0268)	Interim	RM0.005	14/8/2023	27/9/2023	RM0.48	RM0.46	1.1	-4.2
FFB (5306)	Final	RM0.010	28/7/2023	27/9/2023	RM1.15	RM1.20	0.8	4.3
IHH (5225)	Interim	RM0.035	29/8/2023	27/9/2023	RM6.00	RM5.96	0.6	-0.7
RGB (0037)	Special Cash	RM0.006	24/8/2023	27/9/2023	RM0.38	RM0.32	1.9	-16.0
NATGATE (0270)	Interim	RM0.003	29/8/2023	27/9/2023	RM1.57	RM1.35	0.2	-14.0
SPTOTO (1562)	Interim	RM0.025	23/8/2023	29/9/2023	RM1.52	RM1.57	1.6	3.3
SKPRES (7155)	Final	RM0.045	27/7/2023	29/9/2023	RM0.97	RM1.01	4.5	4.7
SAMCHEM (5147)	Interim	RM0.005	12/9/2023	29/9/2023	RM0.51	RM0.52	1.0	2.0
DOMINAN (7169)	Interim	RM0.010	28/8/2023	29/9/2023	RM0.76	RM0.78	1.3	2.0
DOLPHIN (5265)	Stock Split	1:10	15/9/2023	29/9/2023	RM0.03	RM0.03	-	0.0
LBALUM (9326)	Final	RM0.025	28/6/2023	2/10/2023	RM0.46	RM0.52	4.8	14.3
KOTRA (0002)	Interim	RM0.155	23/8/2023	2/10/2023	RM5.45	RM5.56	2.8	2.0
SDRED (2224)	Regular Cash	RM0.025	30/5/2023	2/10/2023	RM0.42	RM0.60	4.2	42.9
MFCB (3069)	Interim	RM0.040	18/9/2023	2/10/2023	RM3.33	RM3.32	1.2	-0.3
BLDPLNT (5069)	Final	RM0.030	26/7/2023	2/10/2023	RM10.54	RM11.00	0.3	4.4
ASIAFL (7129)	Final	RM0.035	29/5/2023	3/10/2023	RM1.71	RM1.95	1.8	14.0
SAB (5134)	Final	RM0.050	26/5/2023	3/10/2023	RM3.52	RM3.40	1.5	-3.4
L&G (3174)	Final	RM0.006	31/5/2023	4/10/2023	RM0.11	RM0.14	4.4	28.6
DOLPHIN (5265)	Rights Issue	RM1.333	19/9/2023	4/10/2023	RM0.03	RM0.03	-	0.0
ECOWLD (8206)	Interim	RM0.020	21/9/2023	6/10/2023	RM1.10	RM1.10	1.8	0.0
TIENWAH (7374)	Interim	RM0.028	10/8/2023	9/10/2023	RM0.82	RM0.84	3.3	2.4
SHL (6017)	Final	RM0.120	6/7/2023	10/10/2023	RM2.00	RM2.21	5.4	10.5
MNRB (6459)	Final	RM0.045	21/9/2023	10/10/2023	RM1.10	RM1.19	3.7	8.2
GASMSIA (5209)	Interim	RM0.057	21/8/2023	12/10/2023	RM3.02	RM3.01	1.9	-0.3
KSENG (3476)	Interim	RM0.050	28/8/2023	12/10/2023	RM4.47	RM4.26	1.2	-4.7
APOLLO (6432)	Interim	RM0.200	23/6/2023	17/10/2023	RM4.25	RM5.36	3.7	26.1
MYEG (0138)	Interim	RM0.003	21/8/2023	17/10/2023	RM0.79	RM0.82	0.3	3.9
LAYHONG (9385)	Final	RM0.003	26/6/2023	18/10/2023	RM0.29	RM0.28	1.1	-3.5
BAUTO (5248)	Interim	RM0.050	12/9/2023	19/10/2023	RM2.18	RM2.41	2.1	10.6
HEIM (3255)	Interim	RM0.400	15/8/2023	19/10/2023	RM25.82	RM23.96	1.7	-7.2
DSS (0269)	Interim	RM0.008	29/8/2023	19/10/2023	RM0.41	RM0.44	1.7	7.3
KAREX (5247)	Interim	RM0.005	28/8/2023	20/10/2023	RM0.63	RM0.60	0.8	-4.0
CHINWEL (5007)	Interim	RM0.007	29/8/2023	23/10/2023	RM1.43	RM1.36	0.5	-4.9
PTRANS (0186)	Interim	RM0.008	16/8/2023	26/10/2023	RM1.21	RM1.27	0.6	5.0
GUOCO (1503)	Final	RM0.020	18/8/2023	30/10/2023	RM0.69	RM0.74	2.7	7.2
PA (7225)	Interim	RM0.005	25/8/2023	30/10/2023	RM0.25	RM0.25	2.0	-2.0
SIMEPLT (5285)	Interim	RM0.033	23/8/2023	1/11/2023	RM4.32	RM4.35	0.7	0.7
MCEMENT (3794)	Interim	RM0.060	24/8/2023	1/11/2023	RM3.85	RM3.70	1.6	-3.9
YTLPOWR (6742)	Interim	RM0.035	24/8/2023	9/11/2023	RM1.75	RM2.11	1.7	20.6
YTL (4677)	Interim	RM0.040	24/8/2023	9/11/2023	RM1.36	RM1.52	2.6	11.8
PLENITU (5075)	Final	RM0.030	20/9/2023	9/11/2023	RM1.14	RM1.14	2.6	0.0
KEINHIN (7199)	Final	RM0.020	27/6/2023	14/11/2023	RM1.42	RM1.36	1.5	-4.2
HPPHB (0228)	Final	RM0.008	21/7/2023	15/11/2023	RM0.32	RM0.44	1.7	37.5
OKA (7140)	Final	RM0.011	29/5/2023	16/11/2023	RM0.76	RM0.69	1.6	-9.3
BESHOM (7668)	Final	RM0.020	23/6/2023	21/11/2023	RM1.07	RM1.01	2.0	-5.6
TMCLIFE (0101)	Final & Special Cash	RM0.008	22/8/2023	5/12/2023	RM0.63	RM0.60	1.4	-4.0
GLOMAC (5020)	Final	RM0.013	21/6/2023	13/12/2023	RM0.31	RM0.38	3.3	21.0
PTARAS (9598)	Final	RM0.030	21/9/2023	28/12/2023	RM1.56	RM1.56	1.9	0.0

Denotes >5% Dividend Yield

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