

Bullish momentum accelerates

Market Review

Malaysia: The FBM KLCI (+0.9%) marched higher, driven by gains in more than two-thirds of the key index components yesterday. The lower liners also turned upbeat on the back of positive market sentiment, while the telecommunications & media sector (-0.5%) was the sole decliner among the sectorial peers.

Global markets: Wall Street notched higher as the Dow (+0.1%) recorded its 12th straight session of advance, driven by technology stocks in anticipation that the enthusiasm in AI frenzy may drive future earnings growth. Both the Asia and European stockmarkets closed mostly upbeat.

The Day Ahead

The recovery trend on the local bourse remained un-interrupted for the fourth straight session after China pledged to step up policy support for the economy following a series of disappointing economic data as of late. The lower liners also advanced as traders continued to capitalise onto the positive market sentiment. Going forward, we expect rotational play to buoy the extended upward momentum, while keeping a close tab onto the upcoming US Federal Reserve Interest Rate decision. Overall, the market participants are pricing in another 25 basis points of rate hike, and the consensus is pointing towards a potential pause in the subsequent meetings ahead. Commodities wise, the Brent crude oil advanced rallied above USD83/bbl, while the CPO steadied above RM4,000/MT.

Sector focus: The technology sector may build onto the previous session rebound move, taking cue from the positive developments on Nasdaq overnight. Meanwhile, we reckon that trading activities may remain buoyant on the plantation and energy sector, owing to the improved commodities prices.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI nudged higher as the key index re-test the SMA200 to close at the highest level since mid-March 2023. Technical indicators remained encouraging as the MACD Histogram added another positive bar, while the RSI climbed into the overbought territory. Next resistances are located along 1,450-1,470, while the support is pegged around 1,400-1,420.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,438.07	0.08
S&P 500	4,567.53	0.28
NASDAQ	14,144.56	0.61
FBM KLCI	1436.79	0.85
FBM Small Cap	15,595.89	0.85
FBM ACE	5,321.67	0.03
Construction	170.83	0.70
Consumer	556.70	0.47
Energy	830.20	0.80
Financial Services	16,004.63	1.15
Healthcare	1,721.64	0.70
Ind Products	166.30	2.10
Plantation	7,198.02	0.88
Property	759.11	1.20
REITs	778.39	0.38
Technology	64.79	0.06
Telco & Media	579.00	-0.49
Transport	913.24	0.11
Utilities	1,016.99	1.22
Trading Vol (m)	3,298.58	2.92
Trading Val (RM m)	2312.80	29.61
Advance/Decline	17%	
FKLI	1,440.50	0.21
FCPO (RM)	4,088.00	0.54
Brent oil (USD)	83.64	1.09
Gold (USD)	1,954.73	0.50
USD	4.5665	0.07
GBP	5.86	0.06
EURO	5.0608	0.43
SGD	3.4309	(0.09)

Trading participation 5-day trend and value ('m)

Institution	Foreign
- 123.8	244.6

Source: Bloomberg, Bursa Market Place

Company Brief

PLS LESB Sdn Bhd, a 49.0% associate company of **PLS Plantations Bhd**, has signed a memorandum of understanding (MoU) with Guangzhou Jiangnan Agricultural Development Co Ltd to collaborate towards the proposed food security initiatives of the Malaysian government. The strategic partnership intends to cover a wide range of agriculture projects, including but not limited to durian farming and other cash crops, aquaculture and animal farming, downstream projects such as crop harvesting and collection, development of factory and processing facilities as well as offtake services. (The Star)

Sentral REIT has signed a conditional sale and purchase agreement with a unit of its major unitholder **Malaysian Resources Corp Bhd** (MRCB) to acquire the 27-storey office building known as Menara CelcomDigi in Petaling Jaya, Selangor for RM450.0m. The acquisition of the building from MRCB's wholly-owned subsidiary Puncak Wangi Sdn Bhd will be satisfied with cash raised through a combination of equity and debt funding exercises. The equity funding exercise will entail a proposed placement of up to 123.7m shares, out of which 34.6m shares would be for MRCB's undertaking to maintain their current percentage unitholding in Sentral. (The Edge)

Former beauty queen Datin Seri Jacqueline Ngu Hia Kee has emerged as a substantial shareholder in **Malaysian Genomics Resource Centre Bhd** (MGRC) following her acquisition of 7.0m shares or a 5.1% stake in the company. Ngu acquired her stake in the genomics and biopharmaceutical specialist on 24th July 2023. (The Edge)

The Body Shop retailer **InNature Bhd** is planning to enter the beauty and retail business in Taiwan. InNature has signed a memorandum of understanding (MOU) with Taiwan-based Top Wisdom Investment Co Ltd on 25th July 2023 for a potential acquisition of an equity interest of Mayfair House Co Ltd from Top Wisdom. Mayfair has been in the Taiwan beauty market for more than 3 decades, with a sizeable network of retail points of sale as well as having a robust presence in online retail channels. (The Edge)

A subsidiary of **Serba Dinamik Holdings Bhd** failed to auction off a plot of project land it was ordered to put on sale by the court to settle a loan from MBSB Bank Bhd that it had defaulted on. The sale was undertaken by the group's wholly-owned Serba Dinamik Group Bhd between 30th March 2023 and July 2023. (The Edge)

Jerasia Capital Bhd has managed to stay its 26th July 2023 delisting from Bursa Malaysia at the eleventh hour after appealing to the local stock exchange's operator. The removal of the company's securities from the local bourse will be deferred pending a decision on the appeal. (The Edge)

Sime Darby Bhd has announced the demise of its independent and non-executive director Datuk Wan Selamah Wan Sulaiman. Wan Selamah, 68, was appointed as the group's independent and non-executive director in January 2016. (The Edge)

BTM Resources Bhd has reported that Yong Hin Siong has resigned as its executive director with effect 25th July 2023. The loss-making logging company cited voluntary resignation as the reason for Yong's departure from the company. (The Edge)

CapitaLand Malaysia Trust's (CLMT) 2QFY23 net property income (NPI) added 51.8% YoY to RM56.8m, boosted by contribution from the newly acquired Queensbay Mall as well as higher rental income. Revenue for the quarter grew 53.3% YoY to RM104.8m. (The Edge)

Technical Focus Tracker

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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
2	SDS	26-Jul	0.655	0.705	0.735	0.795	0.620	0.615	0.655	0.0%	Initiate position

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	0.925	13.5%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.120	1.3%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.110	5.7%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.270	-3.4%	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	3.520	-0.3%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.990	11.2%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.695	9.4%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.360	3.8%	On-going
Average Return										6.7%	

Technical Focus Tracker Summary	
Total recommendations	344
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)	61.1%
FBM KLCI (Since 30/12/2022)	-3.9%
FBM Small Cap (Since 30/12/2022)	4.5%
Malaysia GDP Growth (1Q23)	5.6%

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