

## Upward trend sustained

### Market Review

**Malaysia:** The FBM KLCI (+0.9%) took another step forward, driven by Petronas-related and selected banking heavyweights yesterday. The lower liners however, retreated, while the property sector (+1.6%) outperformed the mostly positive sectorial peers.

**Global markets:** Wall Street ended mixed as the Dow (+0.2%) advanced after the US Federal Reserve delivered another 25 basis points of rate hike and signalled for a potential pause in September 2023, but the S&P 500 fell -0.02%. The European stockmarkets closed mostly negative, while Asia stockmarkets finished mixed.

### The Day Ahead

The key index has performed relatively well to hold above the 1,400 level, backed by some fresh buying from foreign institutional participants. Although there was a bout of positive signs on the local bourse, the lower liners are expected to see a consolidation as market participants may trim their holdings ahead of the upcoming states election. Expectedly, the US Federal Reserve delivered another 25 basis points of rate hike. Going forward, market expectations are skewing towards a potential pause in interest rate hikes, which is deemed to be positive for the equities markets. Still, we are cautious over the extended rally and it may warrant a mild pullback over the near term. Commodities wise, the Brent crude oil took a pullback below USD83/bbl, while the CPO steadied above RM4,000/MT.

**Sector focus:** Strong passenger load factor numbers delivered by Air Asia X may buoy the aviation and tourism-related stocks. On the flipside, we expect mild profit taking activities to emerge within the energy sector that may take cue from the pullback in crude oil prices.

### FBMKLCI Technical Outlook



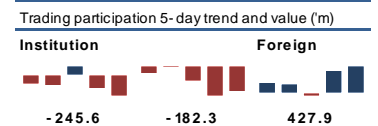
Bloomberg

The FBM KLCI formed another bullish candle as the key index strengthen its positive move above SMA200. Technical indicators remained solid as the MACD Histogram added another positive bar, while the RSI hovered in the overbought territory. Next resistances are located along 1,460-1,480, while the support is pegged around 1,400-1,420.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,520.12	0.23
S&P 500	4,566.75	-0.02
NASDAQ	14,127.28	-0.12
FBM KLCI	1449.29	0.87
FBM Small Cap	15,549.92	-0.29
FBM ACE	5,320.31	-0.03
Construction	17195	0.66
Consumer	558.43	0.31
Energy	834.42	0.51
Financial Services	16,102.88	0.61
Healthcare	1709.18	-0.72
Ind Products	168.23	1.16
Plantation	7,212.17	0.20
Property	77149	1.63
REITs	779.24	0.11
Technology	64.40	-0.60
Telco & Media	583.27	0.74
Transport	908.81	-0.49
Utilities	1,025.50	0.84
Trading Vol (m)	3,724.82	14.09
Trading Val (RM m)	2464.99	6.58
Advance/Decline	17%	
FKLI	1,454.00	0.28
FCPO (RM)	4,050.00	(0.30)
Brent oil (USD)	82.92	(0.86)
Gold (USD)	1,972.07	0.09
USD	4.5633	0.32
GBP	5.8567	(0.29)
EURO	5.039	0.02
SGD	3.4339	0.17



Source: Bloomberg, Bursa Market Place

## Company Brief

**Ekovest Bhd** has signed a tripartite memorandum of understanding (MoU) with China's Shenzhen Maoxiong Co Ltd (MX) and Anxi County People's Government (Anxi) for cross-border socio-economic collaboration. The strategic partnership will promote cooperation in the conceptualisation, planning, prioritising, financing and implementation of property development, infrastructure development and fresh produce, agriculture and aquaculture distribution and processing development in both Malaysia and China. The parties aim to immediately focus on durian processing and explore infrastructure development within China and do not discount the potential expansion of their collaboration beyond China and Malaysia, should this initiative prove successful. (The Star)

**Daythree Digital Bhd** made an impressive debut on the ACE Market of Bursa Malaysia at 65 sen, or more than double its initial public offering (IPO) price of 30 sen a share. Shares of the tech-driven global business services reached an intraday high of 73 sen before easing to 62.5 sen, for a gain of 32.5 sen or 108.3% at market close. (The Edge)

**Pharmaniaga Bhd's** unit, Pharmaniaga LifeScience Sdn Bhd, has signed a memorandum of understanding with CSPC Pharmaceutical Group Ltd (CSPC), which is a subsidiary of CSPC Ouyi Pharmaceutical Co Ltd to enhance the production of CSPC's biopharmaceutical portfolio. The partnership agreement is premised on the research, development, manufacturing and commercialisation of innovative pharmaceutical and biopharmaceutical products, as well as focusing on CSPC's advanced mRNA vaccines, leading towards the commercialisation of these products in Malaysia and other relevant territories. (The Edge)

**Alliance Bank Malaysia Bhd** (ABMB) expects net interest margin (NIM) compression in FY24 as competition for deposits remains stiff. The bank recorded a NIM of 2.6% for FY23, against a backdrop of four consecutive hikes of 100 basis points (bps) to the overnight policy rate (OPR) by Bank Negara Malaysia last year. (The Edge)

**AirAsia X Bhd** recorded a passenger load factor of 76.0% (+47.0% YoY) for 2Q23, while seat capacity surged by over 26.0x, hitting 818,422 seats flown. The group attributed the hike in seat capacity to additional aircraft being brought into service and flight network further enhanced compared to the preceding quarter. (The Edge)

**VS Industry Bhd** has filed an oppression lawsuit against NEP Holdings (M) Bhd and 3 of its directors, alleging the directors had conducted or exercised their powers as directors of NEP in a manner that was "oppressive" or "unfairly prejudicial" to VS Industry or its interests as a member of NEP. The directors named are Lim Chang Huat, Lim Chee Kon and Chow Chun Pooi @ Chow Chan Leong. (The Edge)

**Solarvest Holdings Bhd** has secured a contract with a US-based company in Malaysia to install a 3.6MWp solar photovoltaic system at its manufacturing facility in Batu Kawan, Penang. Solarvest will provide engineering, procurement, construction and commission (EPCC) services to Dexcom Malaysia Sdn Bhd to install rooftop solar PV at Dexcom's main building facilities and carpark. The installation will allow Dexcom to offset 3,190 tonnes of carbon dioxide. (The Edge)

**IGB Real Estate Investment Trust's** (IGB REIT) 2QFY23 net property income (NPI) fell -2.8% YoY to RM102.8m, due to higher utility expenses and higher reversal for impairment of trade receivables in the same period last year. Revenue for the quarter, however, increased 5.8% YoY to RM141.5m. A distribution of 2.37 sen per unit, payable on 29th August 2023 was declared. (The Edge)

**IGB Commercial Real Estate Investment Trust's** (IGB Commercial REIT) 2QFY23 net property income increased 3.4% YoY to RM31.1m, as it recorded higher revenue on higher occupancy rate. Revenue for the quarter grew 9.5% YoY to RM53.0m. A distribution of 1.74 sen per unit, payable on 29th August 2023 was declared. (The Edge)

**Axis Real Estate Investment Trust's** (Axis REIT) 2QFY23 net property income (NPI) fell -7.6% YoY to RM58.4m, due to lower property income, higher expenses and lower gains on financial liabilities. Revenue for the quarter declined 5.6% YoY to RM68.5m. A second interim income distribution of 2.05 sen per unit, payable on 30th August 2023 was declared. (The Edge)

**Sasbadi Holdings Bhd's** 3QFY23 net profit jumped 122.9% YoY to RM4.6m, mainly driven by its print publishing division. Revenue for the quarter rose 51.8% YoY to RM29.4m. (The Edge)

**JAKS Resources Bhd** has teamed up with a Germany-based renewable energy company to participate in a solar photovoltaic project with an installed capacity of 63.3MW in Tuscany, Italy. Its wholly-owned subsidiary, JAKS Power Sdn Bhd has signed a memorandum of understanding with Zero Carbon Energy Europe GmbH (ZC Energy). Under the MOU, JAKS Power has 3 months to conduct its due diligence exercise, after which it may sign a definitive project investment agreement with ZC Energy. (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
2	SDS	26-Jul	0.665	0.705	0.735	0.795	0.620	0.615	0.650	-2.3%	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	ADVCN	4-Jul	0.355	0.395	0.425	0.320	0.295	0.280	0.350	-1.4%	On-going
2	CARIMN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.875	19.0%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	0.935	14.7%	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	2.260	-3.8%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.120	-4.3%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.170	21.9%	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	3.500	-0.8%	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	0.725	14.2%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.380	5.3%	On-going
Average Return										7.4%	

Technical Focus Tracker Summary	
Total recommendations	344
Total winners	212
Total losers	132
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)	5.6%
Accuracy (2023)	61.1%
FBM KLCI (Since 30/12/2022)	-3.1%
FBM Small Cap (Since 30/12/2022)	4.2%
Malaysia GDP Growth (1Q23)	5.6%

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