

Not taking further strides

Market Review

Malaysia: The FBM KLCI (-0.1%) ended relatively unchanged as the recovery were capped by profit taking activities in selected banking heavyweights. The lower liners remained downbeat, while the utilities sector (+0.3%) outperformed the mostly negative sectorial peers as the buying sentiment shifted towards defensive stocks.

Global markets: Wall Street retreated as the Dow (-0.04%) fell, dragged down by weakness in technology giants as investors draw down the odds of potential interest rate cut in 2023. The European stockmarkets, however, closed mostly higher, while Asia stockmarkets finished mixed.

The Day Ahead

The FBM KLCI pared all its intraday gains and slid into the negative territory amidst weaknesses across the regional markets. The local bourse may endure further volatility as Wall Street continues to swing lower while investors monitor the (i) developments in Russia, (ii) the potential interest rate hikes in the upcoming July Fed meeting which may create more economic uncertainties, as well as (iii) the upcoming US 1Q23 GDP. Commodities wise, the Brent crude oil traded above USD73, while the CPO price rallied above RM3,600.

Sector focus: A rally in CPO commodity prices may push the plantation sector higher. Besides, investors may focus on the renewable energy (RE) sector following the government's plan to position Malaysia as Asean's centre of electricity interconnection and integration to facilitate the sharing of RE resources.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI inched lower to close just above its daily EMA9 level after reversing all its intraday gains. Technical indicators were remained mixed as the MACD Histogram extended a positive bar, while the RSI is hovered below 50. Support is monitored along 1,370, while the resistance is pegged along 1,400-1,440.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,714.71	-0.04
S&P 500	4,328.82	-0.45
NASDAQ	13,335.78	-1.16
FBM KLCI	1,389.88	-0.07
FBM Small Cap	14,853.53	-0.61
FBM ACE	5,030.30	-0.25
Construction	16121	-0.62
Consumer	548.78	0.25
Energy	781.11	-0.51
Financial Services	15,421.55	-0.15
Healthcare	1,663.19	-1.67
Ind Products	158.56	-0.20
Plantation	6,718.81	0.01
Property	689.78	0.18
REITs	773.38	-0.04
Technology	60.84	-1.19
Telco & Media	582.90	-0.32
Transport	900.94	-0.76
Utilities	961.78	0.28
Trading Vol (m)	2,563.04	(47.73)
Trading Val (RM m)	1,408.49	(13.59)
Advance/Decline		
FKLI	1,386.00	0.18
FCPO (RM)	3,719.00	(0.05)
Brent oil (USD)	74.18	0.01
Gold (USD)	1,923.26	0.02
USD	4.6755	0.02
GBP	5.9518	0.13
EURO	5.0947	(0.10)
SGD	3.4552	0.06

Trading participant	
Institution	Foreign
251.6	-249.0
-2.6	

Source: Bloomberg, Bursa Market Place

Company Brief

UMW Holdings Bhd's automotive sales jumped 27.5% MoM in May 2023 with the delivery of 32,703 units. The improved sales figure was underpinned by the continued fulfilment of outstanding bookings at UMW Toyota Motor (UMWT) and the group's associate company, Perodua. (The Star)

IJM Construction Sdn Bhd, a wholly owned subsidiary of **IJM Corp Bhd**, has been awarded a RM653.6m contract for the construction of Phase 1 of the Shah Alam International Logistics Hub. The project, commissioned by Global Vision Logistics Sdn Bhd, will establish the country's first green-certified logistics hub, one of the largest in the Asean region. (The Edge)

Sapura Energy Bhd's 1QFY24 net profit climbed 58.9% YoY to RM146.0m, on the back of lower depreciation, higher share of profit from associates and foreign exchange gains arising from the appreciation of the USD against the Ringgit. Revenue for the quarter rose 7.4% YoY to RM951.7m. (The Edge)

Rapid Synergy Bhd is disposing of a property in Ipoh for RM25.0m to fund its working capital and repay bank borrowings. The property, which is located at Giant Hypermarket Bercham, has a net book value of RM23.1m. The group expects to incur a gain of about RM2.3m from the disposal. The sale to Intra Megamas Sdn Bhd is conditional upon the approval of the Perak state authority. (The Edge)

Fitters Diversified Bhd has won a fire protection services construction contract worth RM21.5m in Kapar, Klang. The group's wholly owned unit, Fitters Engineering Services Sdn Bhd, was awarded the contract by Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd. The project is expected to be completed by 13th May 2024. (The Edge)

VSTECS Bhd, through its wholly owned subsidiary VSTECS ASTAR Sdn Bhd, has signed an agreement with Qualcomm Technologies Inc to distribute Qualcomm's Windows on Snapdragon laptops and tablets in Malaysia. Qualcomm will leverage onto VSTECS network of 4,600 channel partners across the country to provide vast accessibility, and drive the successful distribution and marketing of the products. (The Edge)

Bank Islam Malaysia Bhd has reported that there is currently no plan to enter into mergers and acquisitions with any entities. The bank will continue to focus on investing into its existing operations. (The Edge)

Media Prima Bhd announced the appointment of Nini Yusof as the new chief executive officer of Media Prima Television Networks and Primeworks Studios, effective 1st August 2023. As the new CEO, Nini will oversee the operations of TV3, TV9, 8TV, ntv7, Tonton and Primeworks Studios, and report to group managing director Rafiq Razali. (The Edge)

The Supreme Court of Algeria has dismissed an appeal filed by **Malakoff Corp Bhd**'s associate Almiyah Attilemcania SPA, in relation to an alleged breach of foreign exchange regulations and the imposed penalty. This is regarding a sea water desalination plant in Tlemcen, Algeria. Malakoff is seeking legal advice from its solicitors in Algeria on the implications of the court's dismissal. (The Edge)

DGB Asia Bhd plans to raise up to RM5.9m through a private placement, after undertaking a consolidation of every 10 shares into 1 share. The placement shares are intended to be offered to independent third party investors who will be identified later. DGB Asia is looking at raising gross proceeds of up to 35.1% of its issued shares, or 66.0m shares. (The Edge)

Radium Development Bhd has officially launched Desa East Residence in Sungai Besi, Kuala Lumpur. The residential development carries an approximate gross development value of RM1.00bn. (The Edge)

SkyWorld Development Bhd is poised to deliver vacant possession of its fully sold The Valley Residences @ SkySierra at Setiawangsa, Kuala Lumpur, in July 2023. The Valley Residences, which sits on a 4.7-ac leasehold parcel, is the first phase of the larger 13.6-ac SkySierra mixed development in Setiawangsa. With a gross development value of RM761.0m, The Valley Residences offers a total of 1,309 apartment units across three towers that have 43, 48 and 54 storeys each. (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	KRONO	12-Jun	0.565	0.595	0.630	0.655	0.520	0.515	0.545	-3.5%	On-going
2	KGB	19-Jun	1.530	1.570	1.630	1.700	1.430	1.420	1.480	-3.3%	On-going
3	YTLREIT	21-Jun	0.940	0.975	0.990	1.050	0.905	0.900	0.935	-0.5%	On-going
4	MSC	26-Jun	2.050	2.170	2.330	2.500	1.900	1.890	2.020	-1.5%	On-going

2Q23 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	DANCO	4-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.405	-12.0%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.850	-9.1%	On-going
3	HEXTAR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.130	-6.6%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.840	20.3%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.100	-1.8%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.285	-8.1%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.735	-9.3%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.740	-3.9%	On-going
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.535	9.2%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.445	7.2%	On-going
11	TIMECOM	4-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.250	5.6%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	3.060	-4.4%	On-going
Average Return										-1.1%	

Technical Focus Tracker Summary	
Total recommendations	337
Total winners	205
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)	3.8%
Accuracy (2023)	55.3%
FBM KLCI (Since 30/12/2022)	-7.1%
FBM Small Cap (Since 30/12/2022)	-0.5%
Malaysia GDP Growth (1Q23)	5.6%

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