

Attempting to find a footing

Market Review

Malaysia: The FBM KLCI (+0.1%) chalked in minor gains to snap a 3-day losing streak ahead of the mid-week Hari Raya Haji break, driven by gains in two-thirds of the key index components. The lower liners also marched higher, while the utilities sector (+1.0%) outperformed the mixed sectorial peers.

Global markets: Wall Street advanced as the Dow (+0.8%) rose after the sturdy final reading of 1Q23 GDP data (+4.1% YoY) and solid jobless claims data implies that the economy may be able to withstand another 2 interest rate hikes in 2H23. The European stockmarkets ended mostly upbeat, but Asia stockmarkets closed mixed.

The Day Ahead

The FBM KLCI closed marginally higher, snapping its three-session losing streak amidst improved sentiment across the regional markets. We believe the local bourse is poised for further rebound, but gains may be capped as investors cautiously monitor the upcoming personal consumer expenditures price index in the US to gauge the aggressiveness of next interest rate hike by the US Fed. Commodities wise, the Brent crude oil rebounded, trading above USD74, while the CPO price jumped above RM3,750.

Sector focus: Investors may look into the plantation sector following a surge in CPO commodities prices. Besides, the safe havens such as telecommunications and banking may continue to dominate the winner board. Meanwhile, the travelling related stocks may see a brighter outlook following the reopening of international borders in China from January 2023.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI booked marginal gains after paring earlier gains as the key index continued to stay below its daily EMA9 level. Technical indicators remained mixed as the MACD Histogram extended a positive bar, while the RSI is hovered below 50. Resistance is envisaged along 1,400-1,440, while the support is pegged around 1,370.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,122.42	0.80
S&P 500	4,396.44	0.45
NASDAQ	13,591.33	0.00
FBM KLCI	1388.37	0.12
FBM Small Cap	14,864.97	0.02
FBM ACE	5,079.17	0.88
Construction	163.37	0.13
Consumer	547.64	0.00
Energy	780.94	-0.05
Financial Services	16,427.47	0.27
Healthcare	1,659.52	-0.40
Ind Products	157.87	-0.25
Plantation	6,725.85	-0.33
Property	691.16	0.00
REITs	775.05	0.09
Technology	60.72	-0.07
Telco & Media	582.22	0.41
Transport	899.62	-0.04
Utilities	971.77	0.95
Trading Vol (m)	2,823.34	8.81
Trading Val (RM m)	1,489.04	(160)
Advance/Decline		
FKLI	1,388.00	0.22
FCPO (RM)	3,755.00	2.18
Brent oil (USD)	74.34	0.42
Gold (USD)	1,908.20	0.01
USD	4.6722	(0.13)
GBP	5.8953	0.63
EURO	5.0855	0.60
SGD	3.4488	0.21

Trading participant	
Institution	Foreign
247.5	26.4
	-274.0

Source: Bloomberg, Bursa Market Place

Company Brief

Gagasan Nadi Cergas Bhd's wholly owned subsidiary, Nadi Cergas Sdn Bhd, has secured a sub-contract worth RM75.7m from Paramount Property Construction Sdn Bhd, a wholly owned subsidiary of **Paramount Corp Bhd**. The sub-contract was for the superstructure works for Atera (Phase 1), a development project consisting of a 47-floor block of 756 units affordable serviced apartment, 4 units business lot and 6 floors podium car park at Seksyen 51A, Petaling Jaya. (The Star)

AmanahRaya Real Estate Investment Trust (AmanahRaya REIT) is planning to dispose of Holiday Villa Beach Resort & Hotel Spa in Langkawi, Kedah for RM145.0m, cash, to trim its borrowings, The trust is expected to record a gain of RM45.0m. Pacific Trustees Sdn Bhd, on behalf of AmanahRaya REIT, entered into a sale and purchase agreement with Plenitude Gateway Sdn Bhd, a wholly owned unit of **Plenitude Bhd**, to sell the four-star beach resort hotel building with 238 rooms. (The Edge)

Hextar Technologies Solutions Bhd (HexTech), which has been in search of an IT business for months, is now selling land to entities that are partly owned by its controlling shareholder Datuk Eddie Ong. Concurrently, HexTech also proposes a 30-for-1 bonus issue that will enlarge its share capital to 3.99bn shares. The proposed land sale enables HexTech to raise RM78.3m cash. HexTech plans to utilise most of the proceeds for expansion of technology businesses (RM68.0m) and also for working capital (RM8.7m) within the next 2 years. Meanwhile, one of the land buyers, **SWS Capital Bhd**, in which Ong also holds a 13.1% stake has announced that it will diversify into the property development business and will change its name to Hextar Homes Bhd. (The Edge)

Sime Darby Bhd has reached a decision with its partner Ramsay Health Care Ltd to explore the possibility of a sale of their 50:50 joint venture Ramsay Sime Darby Health Care Sdn Bhd. Nonetheless, there is no assurance that the sale process will materialise. (The Edge)

Sarawak Consolidated Industries Bhd (SCIB) has announced more boardroom changes on 28th June 2023 with Abang Abdillah Izzarim Abang Abdul Rahman Zohari now as its new executive chairman. The group's independent non-executive chairman Shamsul Anuar Ahamad Ibrahim, meanwhile, has been redesignated as an independent and non-executive director, while executive director Ku Chong Hong was made managing director. (The Edge)

Gagasan Nadi Cergas Bhd's has accepted a sub-contract work of a development project in Petaling Jaya, Selangor, from a unit of **Paramount Corp Bhd**, worth RM75.7m. Nadi Cergas Sdn Bhd accepted the letter of award from Paramount Property Construction Sdn Bhd for the superstructure works for phase one of The Atera. (The Edge)

Berjaya Air Sdn Bhd, the aviation arm of **Berjaya Land Bhd** (BLand), which is controlled by tycoon Tan Sri Vincent Tan, has ordered two ATR 72-600 turboprops from European turboprop manufacturer ATR. It did not disclose financial terms of the orders. This is part of its strategic plan to grow the airline's fleet and network, as it capitalises on demand for more regional connections in the post-Covid-19 environment. (The Edge)

MAG Holdings Bhd is investing SGD6.1m, or RM22.0m, to acquire a 50.0% stake in Lim Shrimp Aquapolis Pte Ltd, and is entering into a joint venture with PT Gerbang NTB Emas for shrimp farming and processing on the island of Sumbawa in Indonesia. MAG Holdings has signed a term sheet with Lim Shrimp Organization Ltd in relation to the purchase of the equity stake. (The Edge)

Destini Bhd has secured a letter of award from the Ministry of Defence for a contract worth RM18.8m to supply 70MM rockets. The contract is for a period of 2 years from 27th June 2023 to 26th June 2025, and its unit Destini Prima Sdn Bhd is required to provide a performance bond of RM468,733.01. (The Edge)

Can-One Bhd announced that former chief justice Tun Arifin Zakaria has been appointed as senior independent non-executive director and chairman of the group. He replaces Datuk Seri Subahan Kamal, who is vacating the position, in line with the Malaysian Code on Corporate Governance 2021, on the 9-year term limit applicable to independent directors. (The Edge)

Ge-Shen Corp Bhd is buying 2 parcels of industrial land in Sungai Petani, Kedah, to expand its manufacturing facility. Its wholly owned subsidiary Mercu Cahaya Sdn Bhd has entered into a sale and purchase agreement with Ommedical Sdn Bhd to purchase 2 pieces of land in Kedah for RM12.5m. (The Edge)

Catcha Digital Bhd wholly owned subsidiary iMedia Asia Sdn Bhd saw its pre-tax profit grew 28.0% YoY to RM3.9m in 1QFY23, with its portfolio of digital marketing platforms and services reaching over 13.1m Malaysians as of end-May 2023. (The Edge)

Kim Loong Resources Bhd's 1QFY24 net profit fell 19.7% YoY to RM31.5m, mainly due to sharp declines in average selling prices of fresh fruit bunches and palm oil. Revenue for the quarter dropped 35.9% YoY to RM326.7m. (The Edge)

Hiap Teck Venture Bhd's 3QFY23 net profit dropped 55.4% YoY to RM15.0m, as the steel producer recognised a lower profit margin from its downstream operating subsidiaries due to lower prices. Revenue for the quarter declined 18.4% YoY to RM373.0m. (The Edge)

Top Builders Capital Bhd has published its delayed financial results for 2QFY23 on 28th June 2023. The suspension of its shares, since 8th November 2022, will continue as Top Builders has another outstanding report to submit; which is their financial results for 3QFY23. (The Edge)

Asian Pac Holdings Bhd held a topping-up ceremony for its latest high-rise residential project called Mahogany Residences in Kota Damansara, Selangor. Mahogany Residences comprises 275 condominium units and 6 two-storey cabanas. The project is slated for completion before mid-2025. It is now 60.0% sold and the 6 cabanas have been booked. (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	0.530	-6.2%	On-going
2	KGB	19-Jun	1.530	1.570	1.630	1.700	1.430	1.420	1.510	-1.3%	On-going
3	YTLREIT	21-Jun	0.940	0.975	0.990	1.050	0.905	0.900	0.940	0.0%	On-going
4	MSC	26-Jun	2.050	2.170	2.330	2.500	1.900	1.890	2.000	-2.4%	On-going
5	JTIASA	28-Jun	0.685	0.710	0.740	0.800	0.645	0.640	0.680	-0.7%	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	04-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.405	-12.0%	On-going
2	EFRAME	04-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.860	-8.0%	On-going
3	HEXTAR	04-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.160	-4.1%	On-going
4	INFOM	04-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.870	22.2%	On-going
5	KPJ	04-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.150	2.7%	On-going
6	LAYHONG	04-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.285	-8.1%	On-going
7	PANTECH	04-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.745	-8.0%	On-going
8	PENTA	04-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.890	-0.8%	On-going
9	RANHILL	04-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.530	8.2%	On-going
10	T7GLOBAL	04-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.445	7.2%	On-going
11	TIMECOM	04-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.240	5.4%	On-going
12	UNISEM	04-Apr	3.200	3.180	3.300	2.970	2.760	2.700	3.050	-4.7%	On-going
Average Return										0.0%	

Technical Focus Tracker Summary	
Total recommendations	338
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)	3.6%
Accuracy (2023)	54.2%
FBM KLCI (Since 30/12/2022)	-7.2%
FBM Small Cap (Since 30/12/2022)	-0.4%
Malaysia GDP Growth (1Q23)	5.6%

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