

Impacted by 1H23 rebalancing

Market Review

Malaysia: The FBM KLCI (-0.8%) retreated, pressured by the mid-year fund rebalancing whereby the key index sank to close at 3-week low. The lower liners were also traded lower, while the transportation & logistics sector (+0.9%) outperformed the mostly negative sectorial peers.

Global markets: Wall Street extended its lead as the Dow (+0.8%) advanced, driven by the resumption of rally in technology mega-caps whereby Apple Inc's market cap crossed above USD3.0trn mark. The European stockmarkets also marched higher, but Asia stockmarkets ended mixed.

The Day Ahead

The FBM KLCI traded mostly in the red, dragged down by selling pressure in banking heavyweights following the mid-year institutional rebalancing. We reckon a rebound may take shape, taking cue from bargain hunting activities from the previous session pullback, while the calmer market sentiment on Wall Street may also lend strength to the local markets. Still, we remain cautious over the impending releases of manufacturing data to gauge the strength of the economy. Commodities wise, the Brent crude oil advanced to trade above USD75, while the CPO price advanced towards near RM3,800.

Sector focus: Investors may keep watch on technology-related stocks, taking cue from the strong performance delivered by Nasdaq overnight. Focus may also shift towards the commodities-related stocks (both plantation and oil & gas related companies) amid the stronger commodity prices. In the meantime, the weakness in the ringgit against the USD may buoy trading interest within the export-related stocks.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI formed a bearish candle to drift further below its daily EMA9 level as the key index erased all its monthly gains. Technical indicators turned weaker as the MACD Histogram turned negative, while the RSI continues to hover below 50. Resistance is envisaged along 1,400-1,420, while the support is pegged around 1,370.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,407.60	0.84
S&P 500	4,450.38	1.23
NASDAQ	13,787.92	1.45
FBM KLCI	1,376.68	-0.84
FBM Small Cap	14,850.79	-0.10
FBM ACE	5,068.02	-0.22
Construction	162.17	-0.73
Consumer	547.79	0.03
Energy	774.09	-0.88
Financial Services	15,332.87	-0.61
Healthcare	1,654.00	-0.33
Ind Products	156.92	-0.60
Plantation	6,698.65	-0.40
Property	689.76	-0.20
REITs	776.69	0.21
Technology	60.89	0.28
Telco & Media	578.03	-0.72
Transport	907.45	0.87
Utilities	979.67	0.81
Trading Vol (m)	2,650.84	(6.11)
Trading Val (RM m)	2034.37	36.62
Advance/Decline	102%	
FKLI	1,375.50	(0.65)
FCPO (RM)	3,789.00	0.91
Brent oil (USD)	75.41	1.21
Gold (USD)	1,919.35	0.58
USD	4.6665	0.12
GBP	5.8959	(0.01)
EURO	5.0615	0.47
SGD	3.4399	0.26

Trading participant	Institution	Foreign
	372.2	83.9
		-456.2

Source: Bloomberg, Bursa Market Place

Company Brief

Opcom Holdings Bhd and Global Forway have agreed to mutually terminate their collaborative agreement concerning projects in the 5G sector due to being unsuccessful in securing intended contracts. The termination of the collaboration agreement does not contravene any of the agreement's provisions. (The Star)

Pelikan International Corp Bhd (PICB) is disposing of its stake in Pelikan Group GMBH (PGG) whose subsidiaries produce and distribute stationery and office products throughout Europe, Latin America, the Middle East and Asia for EUR136.0m euros or RM695.4m in cash to Holdham SAS. PICB will hold an EGM for shareholders to vote on the disposal and proposed capital repayment. (The Edge)

Yinson Holdings Bhd's offshore business unit, Yinson Production through its 49:51 joint venture with PetroVietnam Technical Services Corporation (PTSC), PTSC Asia Pacific Pte Ltd (PTSC AP), has secured a 12-month extension for the bareboat charter contract for FPSO PTSC Lam Son, with an automatic extension of 6 months. The value of the contract, including the automatic extension period, is estimated at USD27.3m (RM127.9m). (The Edge)

Rimbunan Sawit Bhd has proposed to undertake a capital reduction to cancel RM223.1m of its issued share capital to offset accumulated losses. The credit of RM223.1m arising from the exercise will be used to set-off against the accumulated losses of the company, while the remaining balance, if any, will be credited to the retained earnings. (The Edge)

MN Holdings Bhd has bagged an underground utilities contract worth RM13.1m for the East Coast Rail Link (ECRL) project. The company unit Mutu Nusantara Sdn Bhd had received and accepted a letter of award from the main contractor Rentak Segar Sdn Bhd for its appointment as sub-contractor. Under the contract, Mutu Nusantara will be responsible for the engineering, procurement, construction and commissioning (EPCC) of the preliminaries and relocation of power cable works at Section 9 in the ECRL project, covering Selangor. (The Edge)

Datuk Mohd Abdul Karim Abdullah's name is not found on the record of depositors (ROD) of **Sarawak Consolidated Industries Bhd** (SCIB), according to the company's clarification note to Bursa Malaysia. As of 21st June 2023, the company could not locate Abdul Karim's name and his respective shareholdings. Bursa Malaysia's latest update on Abdul Karim's shareholding was dated 8th December 2022, showing the Serba Dinamik Holdings Bhd's managing director and chief executive officer owned 139.7m shares, equivalent to a 24.0% stake, before the dilution of a recent private placement. (The Edge)

M&A Securities Sdn Bhd has completed its reverse takeover (RTO) of **SYF Resources Bhd**, en route to list on the Main Market of Bursa Malaysia. Concurrent with the RTO exercise, SYF has also changed its name to **M&A Equity Holdings Bhd** to better reflect its new core business and future undertakings in the financial services industry. Moving forward, M&A Equity will explore opportunities in asset management and look into setting up a Labuan investment bank as part of its non-organic initiatives to support long-term growth. (The Edge)

Cypark Resources Bhd's 2QFY24 net loss stood at RM298.5m, no thanks to a hefty RM376.0m worth of impairments and provisioning for its waste-to-energy project in Ladang Tanah Merah, Negeri Sembilan. Revenue for the quarter stood at RM312.0m. There were no comparison figures as the group changed their financial year end from October to April. (The Edge)

FGV Holdings Bhd has proposed a bonus issue as part of the plantation group's rectification plan to comply with Bursa Malaysia's public shareholding spread requirement. FGV's public shareholding spread stood at 13.1% as at 22nd May 2023, far short of the minimum requirement of 25.0%. The bonus issue entails the issuance of 364.8m new Islamic redeemable preference shares (FGV RPS-i) on the basis of 1 FGV RPS-i for every 10 existing FGV shares. FGV parent company, Federal Land Development Authority, which holds an 81.9% stake in FGV, intends to dispose of such number of FGV shares as may be required in order for FGV to comply with the public spread, after the completion of the bonus issue. (The Edge)

MYMBN Bhd, en route to be the first bird's nest processor to list on the Ace Market of Bursa Malaysia on 25th July 2023, is banking on bright growth prospects in the edible bird's nest industry by expanding its offerings in the industry's value chain, following its initial public offering next month. The group expects to raise RM20.6m in proceeds from a public issue of 98.0m new shares at an issue price of 21.0 sen each. (The Edge)

KGW Group Bhd is seeking to raise RM16.7m via its IPO of 79.7m new shares at 21.0 sen apiece. The new shares represent some 16.5% of KGW's enlarged share capital. Existing shareholders are also conducting an offer for sale of 43.45 m KGW shares or 9% of the group's enlarged share capital, which is expected to raise gross proceeds of RM9.12 m. (The Edge)

All proceedings in relation to the Securities Commission Malaysia's action on ACE Holdings Bhd over its attempt to take over **Apex Equity Holdings Bhd** have been stayed. The suit's proceedings are by law stayed, pending an order for leave after ACE Holdings applied in March to be placed under judicial management. The High Court has fixed 7th September 2023 for the next case management. (The Edge)

Sanichi Technology Bhd has ceased to be a substantial shareholder in **Fitters Diversified Bhd**, after disposing of its entire 6.7% stake in the company. Sanichi sold the stake comprising 156.9m shares on the open market on 27th June 2023. (The Edge)

The validity period of the existing gas supply agreement between Petroliam Nasional Bhd (Petronas) and **Petronas Chemicals Group Bhd** (PCG) for the supply of ethane and propane as feedstock for plant operations at Petronas Chemicals Olefins Sdn Bhd (PCOSB) has been extended from 1st July 2023, on the same terms and conditions for a minimum of 6 months. The agreement between Petronas and PCOSB was entered into for a duration of 21 years from 1st July 2002 to 30th June 2023. (The Edge)

MK Land Holdings Bhd has reported that it has valid and reasonable grounds to stay the enforcement of an RM18.4m arbitration award that favours Crest Builders Sdn Bhd (CBSB), and to set it aside. CBSB, a unit of **Crest Builder Holdings Bhd**, had filed an application with the High Court to register the arbitration award. The group previously announced that an arbitration tribunal had awarded CBSB the RM18.4m in relation to the latter's counterclaim against Saujana Triangle Sdn Bhd, a subsidiary of MK Land, after rejecting Saujana's claim of RM94.7m against CBSB, following a payment dispute between the parties. (The Edge)

Sunway Real Estate Investment Trust (Sunway REIT) deputy chief executive officer Clement Chen Kok Peng will assume the role of CEO effective 1st July 2023, which is part of the trust's leadership succession planning. In September 2022, Sunway REIT announced that Chen, 40, has been named as the incoming successor to incumbent CEO Datuk Jeffrey Ng Tiong Lip, who had expressed his intention to retire on 30th June 2023. (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	0.525	-7.1%	Closed at cut-off on 30-Jun
2	KGB	19-Jun	1.530	1.570	1.630	1.700	1.430	1.420	1.490	-2.6%	On-going
3	YTLREIT	21-Jun	0.940	0.975	0.990	1.050	0.905	0.900	0.950	1.1%	On-going
4	MSC	26-Jun	2.050	2.170	2.330	2.500	1.900	1.890	1.960	-4.4%	On-going
5	JTIASA	28-Jun	0.685	0.710	0.740	0.800	0.645	0.640	0.690	0.7%	On-going
6	CAPITALA	3-Jul	0.810	0.855	0.880	1.000	0.750	0.745	0.810	0.0%	Initiate position

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	0.395	-14.1%	Closed on 30-Jun
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.850	-9.1%	Closed on 30-Jun
3	HEXTAR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.160	-4.1%	Closed on 30-Jun
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.850	20.9%	Closed on 30-Jun
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.120	0.0%	Closed on 30-Jun
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.285	-8.1%	Closed on 30-Jun
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.740	-8.6%	Closed on 30-Jun
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.920	-0.2%	Closed on 30-Jun
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.525	7.1%	Closed on 30-Jun
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.445	7.2%	Closed on 30-Jun
11	TIMECOM	4-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.200	4.6%	Closed on 30-Jun
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	2.990	-6.6%	Closed on 30-Jun
Average Return										-0.9%	

Technical Focus Tracker Summary	
Total recommendations	339
Total winners	207
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)	3.5%
Accuracy (2023)	57.1%
FBM KLCI (Since 30/12/2022)	-7.9%
FBM Small Cap (Since 30/12/2022)	-0.5%
Malaysia GDP Growth (1Q23)	5.6%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
YSPSAH	Dividend	RM0.10	25/04/2023	26/06/2023	RM2.35	RM2.51	4.0	6.8
YOCB	Dividend	RM0.04	25/05/2023	27/06/2023	RM1.35	RM1.38	2.5	2.2
MGB	Dividend	RM0.00	27/04/2023	27/06/2023	RM0.72	RM0.73	0.3	1.4
PARAMON	Dividend	RM0.04	27/04/2023	27/06/2023	RM0.76	RM0.81	4.3	5.9
PECCA	Dividend	RM0.01	13/06/2023	27/06/2023	RM1.00	RM1.01	0.7	1.0
CATCHA	Rights Issue	1:1	14/06/2023	27/06/2023	RM0.24	RM0.25	-	4.3
ONEGLOVE	Rights Issue	1:2	14/06/2023	27/06/2023	RM0.26	RM0.25	-	-5.8
IJM	Dividend	RM0.04	29/05/2023	28/06/2023	RM1.53	RM1.65	2.4	7.8
IJM	Dividend	RM0.02	29/05/2023	28/06/2023	RM1.53	RM1.65	1.2	7.8
SPTOTO	Dividend	RM0.02	23/05/2023	28/06/2023	RM1.31	RM1.42	1.4	8.4
TGUAN	Dividend	RM0.01	22/05/2023	28/06/2023	RM2.21	RM2.24	0.6	1.4
MITRA	Dividend	RM0.01	28/04/2023	28/06/2023	RM0.27	RM0.25	2.0	-5.7
SOP	Dividend	RM0.06	28/04/2023	28/06/2023	RM2.46	RM2.40	2.5	-2.4
TRC	Dividend	RM0.01	28/04/2023	28/06/2023	RM0.34	RM0.32	3.8	-7.4
MUDA	Dividend	RM0.04	27/04/2023	28/06/2023	RM1.56	RM1.50	2.7	-3.8
ORIENT	Dividend	RM0.20	27/04/2023	28/06/2023	RM6.65	RM6.75	3.0	1.5
UPA	Dividend	RM0.08	27/04/2023	28/06/2023	RM2.20	RM2.36	3.4	7.3
VITROX	Dividend	RM0.04	27/04/2023	28/06/2023	RM7.95	RM7.87	0.5	-1.0
KIMLUN	Dividend	RM0.01	26/04/2023	28/06/2023	RM0.76	RM0.75	1.3	-1.3
WCT	Dividend	RM0.01	26/04/2023	28/06/2023	RM0.44	RM0.42	1.2	-5.7
LBS	Dividend	RM0.01	18/04/2023	28/06/2023	RM0.43	RM0.41	2.9	-4.7
RGB	Dividend	RM0.00	18/04/2023	28/06/2023	RM0.23	RM0.23	0.4	-2.2
BDB	Dividend	RM0.00	12/04/2023	28/06/2023	RM0.29	RM0.30	1.6	1.7
RHONEMA	Dividend	RM0.01	11/04/2023	28/06/2023	RM0.72	RM0.76	1.3	5.6
GPHAROS	Dividend	RM0.01	27/04/2023	30/06/2023	RM0.28	RM0.28	4.5	-1.8
NATGATE	Dividend	RM0.01	27/04/2023	30/06/2023	RM1.28	RM1.23	0.8	-3.9
WTK	Dividend	RM0.02	14/06/2023	30/06/2023	RM0.41	RM0.45	3.4	9.9
DIGISTA	Bonus	1:4	16/06/2023	30/06/2023	RM0.09	RM0.08	-	-5.9
JCBNEXT	Dividend	RM0.06	27/04/2023	03/07/2023	RM1.41	RM1.50	4.0	6.4
LYSAGHT	Dividend	RM0.03	27/04/2023	03/07/2023	RM1.99	RM1.85	1.6	-7.0
DKSH	Dividend	RM0.16	18/04/2023	04/07/2023	RM4.98	RM5.20	3.1	4.4
AEONCR	Dividend	RM0.21	11/04/2023	04/07/2023	RM11.82	RM11.38	1.8	-3.7
GTRONIC	Dividend	RM0.01	16/06/2023	04/07/2023	RM1.24	RM1.25	0.8	0.8
ASTRO	Dividend	RM0.00	19/06/2023	04/07/2023	RM0.67	RM0.59	0.4	-11.9
INFOTEC	Dividend	RM0.01	19/06/2023	04/07/2023	RM0.80	RM0.85	1.6	6.9
KRETAM	Dividend	RM0.01	19/06/2023	04/07/2023	RM0.62	RM0.60	1.7	-2.4
SCIPACK	Dividend	RM0.03	19/06/2023	04/07/2023	RM2.25	RM2.27	1.1	0.9
HEVEA	Dividend	RM0.01	27/04/2023	05/07/2023	RM0.35	RM0.34	3.6	-2.9
SCIENTX	Dividend	RM0.05	20/06/2023	05/07/2023	RM3.29	RM3.44	1.5	4.6
FM	Dividend	RM0.01	24/05/2023	06/07/2023	RM0.58	RM0.58	1.7	-0.9
SAPIND	Dividend	RM0.03	19/05/2023	06/07/2023	RM0.85	RM0.82	3.1	-3.6
TIENWAH	Dividend	RM0.03	19/04/2023	07/07/2023	RM0.82	RM0.85	3.3	3.7
SAMCHEM	Dividend	RM0.01	21/06/2023	07/07/2023	RM0.54	RM0.53	1.0	-1.9
ECOWLD	Dividend	RM0.02	22/06/2023	07/07/2023	RM0.81	RM0.81	2.5	0.0
BKAWAN	Dividend	RM0.20	24/05/2023	10/07/2023	RM21.68	RM20.60	1.0	-5.0
KLK	Dividend	RM0.20	24/05/2023	10/07/2023	RM22.22	RM21.22	0.9	-4.5
ALCOM	Dividend	RM0.03	26/04/2023	11/07/2023	RM0.90	RM0.88	2.8	-2.2
VS	Dividend	RM0.00	15/06/2023	11/07/2023	RM0.85	RM0.83	0.5	-1.8
BIPORT	Dividend	RM0.03	31/05/2023	13/07/2023	RM5.00	RM5.00	0.6	0.0
PENTA	Dividend	RM0.02	31/05/2023	13/07/2023	RM4.93	RM4.91	0.4	-0.4
SURIA	Dividend	RM0.03	28/04/2023	13/07/2023	RM1.26	RM1.23	2.0	-2.4
UNIMECH	Dividend	RM0.04	28/04/2023	13/07/2023	RM1.61	RM1.58	2.7	-1.9
PBA	Dividend	RM0.02	27/04/2023	13/07/2023	RM0.78	RM0.81	1.9	3.2
SCGBHD	Dividend	RM0.00	27/04/2023	13/07/2023	RM0.31	RM0.31	0.9	0.0
UPA	Bonus Issue	2:1	23/06/2023	13/07/2023	RM2.37	RM2.39	-	0.8
RADIUM	Dividend	RM0.01	31/05/2023	17/07/2023	RM0.35	RM0.39	2.6	10.0
SAM	Dividend	RM0.03	24/05/2023	17/07/2023	RM3.99	RM4.66	0.5	16.8
CANONE	Dividend	RM0.04	27/04/2023	17/07/2023	RM2.89	RM2.96	1.4	2.4
GOPENG	Dividend	RM0.01	11/04/2023	17/07/2023	RM0.36	RM0.33	3.0	-8.3
HARISON	Dividend	RM0.50	27/04/2023	18/07/2023	RM9.16	RM9.66	5.2	5.5
CHOOBEE	Dividend	RM0.03	26/04/2023	18/07/2023	RM0.96	RM0.92	2.7	-4.2
FIMACOR	Dividend	RM0.08	19/05/2023	20/07/2023	RM1.94	RM1.93	3.9	-0.5
BAUTO	Dividend	RM0.11	12/06/2023	20/07/2023	RM2.24	RM2.20	5.0	-1.8
TEGUAN	Dividend	RM0.05	29/05/2023	26/07/2023	RM1.63	RM1.59	3.1	-2.5
ASB	Dividend	RM0.00	27/04/2023	27/07/2023	RM0.13	RM0.14	0.7	3.8
METROD	Dividend	RM0.06	24/03/2023	27/07/2023	RM1.25	RM1.28	4.7	2.4
DKLS	Dividend	RM0.03	26/04/2023	28/07/2023	RM2.19	RM2.19	1.4	0.0
KHJB	Dividend	RM0.01	13/04/2023	01/08/2023	RM0.22	RM0.20	3.1	-11.4
PTRANS	Dividend	RM0.01	22/05/2023	02/08/2023	RM1.13	RM1.08	0.7	-4.4
YINSON	Dividend	RM0.01	23/03/2023	02/08/2023	RM2.39	RM2.60	0.4	8.8
KFIMA	Dividend	RM0.03	19/05/2023	03/08/2023	RM2.11	RM2.00	1.5	-5.2
KFIMA	Dividend	RM0.09	19/05/2023	03/08/2023	RM2.11	RM2.00	4.5	-5.2
CRESNDO	Dividend	RM0.02	30/03/2023	10/08/2023	RM1.13	RM1.20	1.7	6.2
KMLOONG	Dividend	RM0.05	29/03/2023	10/08/2023	RM1.76	RM1.78	2.8	1.1
LBS	Dividend	RM0.01	18/04/2023	29/08/2023	RM0.43	RM0.41	3.0	-4.7
AYS	Dividend	RM0.01	20/06/2023	20/09/2023	RM0.38	RM0.38	2.7	-1.3

Denotes >5% Dividend Yield

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