

Positive tone to prevail

Market Review

Malaysia: The FBM KLCI (+0.79%) ended higher, with strong buying interest in the Telco Sector (+1.29%) in contrast with the sell down on Wednesday. The strong market performance was in conjunction with the PM's NIMP 2030 announcement. The Energy Sector (+2.46%) was the leading sector of the day amid firmer oil price.

Global markets: The S&P 500 and Dow ended green, while Nasdaq closed flat. The US jobs report showed increased unemployment, supporting the market's expectations that the Federal Reserve will maintain interest rate levels in September. The European stock markets were down, while Asia ended higher.

The Day Ahead

The FBMKLCI managed to close firmer with the buying support within the Telco heavyweights. Given the Wall Street traded higher for the first day of September, it is likely the buying interest may spillover towards stocks on the local front, especially the Technology sector. We believe the softer-than-expected jobs data last week suggested that the Fed may hold on to the current interest rate environment and may provide upside potential towards the stock markets. Meanwhile, we believe the overall local bourse may stay bullish with the launching of NETR and NIMP 2030 over the past few weeks. Commodities wise, the Brent crude oil experienced a breakout above USD87/bbl, while the CPO prices marked higher above RM4,000/MT.

Sector focus: We still favour the Technology sector given the positive performance on Wall Street overnight, while the local trading activities may trade on a vibrant note following the launches of several blueprints such as NETR and NIMP. We like the Construction, Properties, Building Material, Renewable Energy-related and Industrial Products. Also, we expect trading interest within the O&G sector to remain exciting with the surge in Brent oil prices above USD88.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI continues to trade on a firmer note, closing above the 1,460 level. The MACD Histogram has formed a rounding bottom formation, while the RSI is hovering above 50. Hence, we expect the FBM KLCI to surge and breakout above the resistance moving forward, targeting 1,470-1,480. Support is located around 1,450.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,837.71	0.33
S&P 500	4,515.77	0.18
NASDAQ	14,031.81	-0.02
FBM KLCI	1463.43	0.79
FBM Small Cap	16,245.74	1.08
FBM ACE	5,228.09	0.19
Construction	184.10	1.54
Consumer	562.76	0.61
Energy	856.14	2.46
Financial Services	16,471.61	0.52
Healthcare	165.166	0.12
Ind Products	172.54	0.46
Plantation	6,937.70	0.12
Property	877.52	1.11
REITs	773.21	-0.03
Technology	63.83	-0.37
Telco & Media	586.77	1.29
Transport	939.84	1.38
Utilities	114.15	0.40
Trading Vol (m)	4,655.31	(4.99)
Trading Val (RM m)	308.150	(35.20)
Advance/ Decline	14%	
FKLI	1439.00	0.52
FCPO (RM)	4,040.00	0.75
Brent oil (USD)	88.55	1.98
Gold (USD)	1940.06	(0.01)
USD	4.6462	(0.17)
GBP	5.8903	0.15
EURO	5.0412	0.46
SGD	3.4402	(0.15)

Trading participation 5-day trend and value (m)

Institution	Foreign
172.0	-113.0
	-59.0

Source: Bloomberg, Bursa Market Place

Company Brief

Nestlé (Malaysia) Bhd is appointing Tan Sri Wan Zulkiflee Wan Ariffin as its independent, non-executive director effective Oct 1. The food producer said Wan Zulkiflee has vast experience spanning over 40 years, holding leadership roles in prominent companies, including as CEO and president of **Petroleum Nasional Bhd or Petronas** from April 2015 to June 2020. He is currently chairman at **Malaysia Airlines Bhd** and **Malaysia Aviation Group Bhd**, as well as **DRB-Hicom Bhd** and **Gas Malaysia Bhd**. (The Edge)

NationGate Holdings Bhd's factory in Seberang Perai, Penang, will house xFusion international Pte Ltd's maiden global supply centre, as part of their partnership to manufacture graphics processing unit (GPU) servers for the global market. The facility will have an annual production capacity of over 150,000 units of equipment including GPU servers. NationGate managing director Ooi Eng Leong said the company's appointment as xFusion's strategic partner is a testament to its growing capability and competency as an established EMS provider. (The Star)

Top Builders Capital Bhd is making another appeal to Bursa Malaysia Securities against the decision to delist the company's shares from the stock exchange. The PN17 company said this in a bourse filing on Friday, two days after Bursa Securities rejected its earlier appeal against the proposed delisting and its request for an extension of time to submit its regularisation plan. In rejecting the appeal, Bursa Securities informed the company that it will proceed to delist the company's shares on Sept 4. (The Edge)

Sersol Bhd said the functions of CEO Datuk Wira Justin Lim Hwa Tat have been suspended with effect from Aug 30, for showing insubordination and failing to act as a responsible CEO. It said this was due to non-response by Lim to any of the official requests made by the board since July 20, asking him to return to the office to report to the board and pending his return from abroad to office, to provide a written response on the Malaysian Anti-Corruption Commission's inquiry on him and what work he has been doing as CEO while he is abroad. It is seeking the basis to warrant Lim as CEO to be abroad and away from office from February 2023 and expressed its concerns about whether Lim has been effectively discharging his role as CEO. (The Edge)

Hibiscus Petroleum Bhd and Ping Petroleum UK Plc have each entered into a separate but identical farm-in agreement to take over 42.5% equity interest each in Licence P2451 from Rapid Oil Production Ltd. The remaining 15% in Licence P2451 will remain with Rapid Oil. Hibiscus entered into the farm-in agreement via its indirect wholly-owned Anasuria Hibiscus UK Ltd. Ping Petroleum UK is an indirect subsidiary of **Dagang NeXchange Bhd (DNeX)**. The licence holds an undeveloped oil field, Fyne Field, located in the Central North Sea, UK, with an estimated 75 MMboe STOOIP (stock tank oil initially in place). Upon completion of the proposed acquisition, Anasuria Hibiscus will be appointed as operator of the field development. (The Edge)

Padiberas Nasional Bhd (Bernas) said on Friday (Sept 1) it has raised the price of imported white rice at all its warehouses nationwide to RM3,200 per tonne, from RM2,350 per tonne, effective immediately. The price adjustment was done in line with the latest pricing of imported white rice in the international markets. Despite the 36% increase, Bernas said Malaysia's import prices remain the lowest among Southeast Asian countries. Concurrently, Bernas said it had taken the necessary steps to increase and ensure the resilience of the domestic rice market by ensuring quality price stability and product readiness. Bernas reiterates its commitment to act as "shock absorber" to address negative impact from the uncertainties in the global rice market. (The Edge)

Matrix Concepts Holdings Bhd has appointed Kelvin Lee Chin Chuan, the son of its group executive deputy chairman, as its non-independent and non-executive director effective Friday. Kelvin is the son of Datuk Seri Lee Tian Hock, who is also the single largest shareholder of the group with an 11.47% direct stake and a 21.27% indirect stake. He currently holds a 0.23% direct stake in the company and an indirect 0.16% via his spouse. Kelvin also holds directorships in several family-owned companies, namely Cangkat Hartamas Sdn Bhd, Karisma Perwira Sdn Bhd and Horizon L&L Sdn Bhd.

In 1QFY2024, Matrix's net profit grew 37.3% to RM64.6m from RM47.04m 1QFY2023, as it benefited from improved speed of construction activity with labour shortage issues resolved, while revenue jumped 44.6% to RM331.43m from RM229.3m. It has declared a first interim dividend of 2.5 sen per share in respect of FY2024, to be paid on Oct 5. Matrix shares finished 1 sen or 0.65% lower at RM1.52 on Friday, valuing the group at RM1.9b. (The Edge)

A hyperscale green data centre testbed and training programme is poised to be established in Sarawak, through collaboration involving clean energy solutions provider **Solarvest Holdings Bhd**, the Sarawak Foundation's subsidiary Centre for Technology Excellence Sarawak (CENTEXS), Huawei Technologies (Malaysia) Sdn Bhd, and GreenBay CES Sdn Bhd. Solarvest's subsidiary Solarvest Borneo Sdn Bhd inked a memorandum of understanding on Friday with the three other companies in Beijing, China, towards fostering the hyperscale green data centre industry in the Borneo region.

Solarvest Borneo will contribute its expertise in green energy and energy efficiency solutions, and CENTEXS will provide a dedicated testbed area for practical data centre operations training. Meanwhile, Huawei Malaysia will leverage on its technological know-how in cloud computing, enterprise intelligence, renewable energy and data centres, to support the training needs of the programme. (The Star)

Artroniq Bhd was awarded an e-commerce and retail software development contract with a project price of about RM9.6m. The contract is slated to begin in October and will run for 12 months. In collaboration with Kiddie Shoppe, Artroniq subsidiary EA Global Integrated Sdn Bhd (EAG) will provide customised services designed to propel Kiddie Shoppe's retail capabilities to new heights. As part of the services, EAG will offer training to Kiddie Shoppe's team, ensuring that they are adept at maximising the functionalities and features of the new software. Additionally, EAG will be responsible for ongoing maintenance and support services. (The Sun Daily)

Serba Dinamik Holdings Bhd said it was unable to release its quarterly report for 4QFY2023 by Aug 31 as required under the Main Market Listing Requirements. The troubled oil and gas company did not say why it was unable to meet the Aug 31 deadline, but said it expects to submit the quarterly report by Sept 8. This is the third consecutive quarter that Serba Dinamik has delayed issuing its financial report within the prescribed time. (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	SCOMNET	2-Aug	1.370	1.480	1.550	1.650	1.290	1.280	1.290	-5.8%	Closed at cut off period
2	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.180	0.9%	Closed at cut off period
3	MCEMENT	16-Aug	3.370	3.500	3.600	3.800	3.100	3.090	3.500	3.9%	Take profit at R1 on 17-Aug

Market Chat Tracker

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	0.310	-12.7%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.900	22.4%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	1.030	26.4%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.760	22.1%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.220	16.2%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.390	1.7%	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	1.010	5.2%	On-going
9	TEOSEN	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.070	16.3%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.590	1.7%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.970	9.0%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.675	6.3%	On-going
13	YTLPWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	2.130	62.6%	On-going
Average Return										13.4%	

Technical Focus Tracker Summary	
Total recommendations	347
Total winners	214
Total losers	133
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)	4.8%
Accuracy (2023)	61.4%
FBM KLCI (Since 30/12/2022)	-2.1%
FBM Small Cap (Since 30/12/2022)	8.9%
Malaysia GDP Growth (1H23)	4.2%

AYS (5021)	Final	RM0.01	20/6/2023	20/9/2023	RM0.37	RM0.42	2.4	12.2
PECCA (5271)	Interim	RM0.01	29/8/2023	20/9/2023	RM0.94	RM1.00	1.0	6.4
UNITRAD (0247)	Final	RM0.00	26/7/2023	20/9/2023	RM0.29	RM0.29	1.0	0.0
HIBISCS (5199)	Interim	RM0.01	23/8/2023	21/9/2023	RM0.96	RM1.02	0.5	6.8
BPPLAS (5100)	Interim	RM0.02	22/8/2023	21/9/2023	RM1.26	RM1.25	1.2	-0.8
SAMAIDEN (0223)	Interim	RM0.01	30/8/2023	21/9/2023	RM1.25	RM1.28	0.4	2.4
HAILY (0237)	Interim	RM0.01	24/8/2023	21/9/2023	RM0.40	RM0.40	1.4	-1.3
CIHLDG (2828)	Final	RM0.15	23/8/2023	21/9/2023	RM3.43	RM3.45	4.3	0.6
GFM (0039)	Interim	RM0.00	24/8/2023	22/9/2023	RM0.20	RM0.20	0.9	2.6
SWIFT (5303)	Interim	RM0.01	18/8/2023	25/9/2023	RM0.49	RM0.48	1.7	-3.1
L&PBHD (0268)	Interim	RM0.01	14/8/2023	27/9/2023	RM0.48	RM0.46	1.1	-4.2
FFB (5306)	Final	RM0.01	28/7/2023	27/9/2023	RM1.15	RM1.20	0.8	4.3
RGB (0037)	Special Cash	RM0.01	24/8/2023	27/9/2023	RM0.38	RM0.28	2.1	-25.3
PANTECH (5125)	Interim	RM0.02	26/7/2023	27/9/2023	RM0.79	RM0.88	1.7	11.5
NATEGATE (0270)	Interim	RM0.00	29/8/2023	27/9/2023	RM1.57	RM1.47	0.2	-6.4
REDTONE (0032)	Interim	RM0.03	24/8/2023	27/9/2023	RM0.68	RM0.65	3.8	-4.4
SIMEPROP (5288)	Interim	RM0.01	28/8/2023	27/9/2023	RM0.69	RM0.73	1.4	5.1
FM (7210)	Interim	RM0.02	23/8/2023	27/9/2023	RM0.57	RM0.57	3.5	0.9
MALAKOF (5264)	Interim	RM0.02	28/8/2023	27/9/2023	RM0.64	RM0.59	2.5	-7.8
IHH (5225)	Interim	RM0.04	29/8/2023	27/9/2023	RM6.00	RM5.88	0.6	-2.0
SKPRES (7155)	Final	RM0.05	27/7/2023	29/9/2023	RM0.97	RM1.04	4.3	7.8
SPTOTO (1562)	Interim	RM0.03	23/8/2023	29/9/2023	RM1.52	RM1.50	1.7	-1.3
DOMINAN (7169)	Interim	RM0.01	28/8/2023	29/9/2023	RM0.76	RM0.77	1.3	1.3
LBALUM (9326)	Final	RM0.03	28/6/2023	2/10/2023	RM0.46	RM0.52	4.8	14.3
SDRED (2224)	Regular Cash	RM0.03	30/5/2023	2/10/2023	RM0.42	RM0.59	4.3	39.3
KOTRA (0002)	Interim	RM0.16	23/8/2023	2/10/2023	RM5.45	RM5.23	3.0	-4.0
BLDPLNT (5069)	Final	RM0.03	26/7/2023	2/10/2023	RM11.00	RM11.00	0.3	0.0
SAB (5134)	Final	RM0.05	26/5/2023	3/10/2023	RM3.52	RM3.38	1.5	-4.0
ASIAFLE (7129)	Final	RM0.04	29/5/2023	3/10/2023	RM1.71	RM1.91	1.8	11.7
L&G (3174)	Final	RM0.01	31/5/2023	4/10/2023	RM0.11	RM0.13	4.6	23.8
TIEWAH (7374)	Interim	RM0.03	10/8/2023	9/10/2023	RM0.82	RM0.85	3.3	3.7
SHL (6017)	Final	RM0.12	6/7/2023	10/10/2023	RM2.00	RM2.13	5.6	6.5
KSENG (3476)	Interim	RM0.05	28/8/2023	12/10/2023	RM4.47	RM4.50	1.1	0.7
GASMSIA (5209)	Interim	RM0.06	21/8/2023	12/10/2023	RM3.02	RM3.03	1.9	0.3
MYEG (0138)	Interim	RM0.00	21/8/2023	17/10/2023	RM0.79	RM0.78	0.3	-1.9
APOLLO (6432)	Final	RM0.15	23/6/2023	17/10/2023	RM4.25	RM4.55	3.3	7.1
LAYHONG (9385)	Final	RM0.00	26/6/2023	18/10/2023	RM0.29	RM0.29	1.0	1.8
HEIM (3255)	Interim	RM0.40	15/8/2023	19/10/2023	RM25.82	RM23.46	1.7	-9.1
DSS (0269)	Interim	RM0.01	29/8/2023	19/10/2023	RM0.41	RM0.40	1.9	-2.4
KAREX (5247)	Interim	RM0.01	28/8/2023	20/10/2023	RM0.63	RM0.55	0.9	-12.0
CHINWEL (5007)	Interim	RM0.01	29/8/2023	23/10/2023	RM1.43	RM1.39	0.5	-2.8
PTRANS (0186)	Interim	RM0.01	16/8/2023	26/10/2023	RM1.21	RM1.35	0.6	11.6
PA (7225)	Interim	RM0.01	25/8/2023	30/10/2023	RM0.25	RM0.25	2.0	0.0
GUOCO (1503)	Final	RM0.02	18/8/2023	30/10/2023	RM0.69	RM0.75	2.7	8.0
SIMEPLT (5285)	Interim	RM0.03	23/8/2023	1/11/2023	RM4.32	RM4.40	0.7	1.9
MCEMENT (3794)	Interim	RM0.06	24/8/2023	1/11/2023	RM3.85	RM3.76	1.6	-2.3
YTL (4677)	Interim	RM0.04	24/8/2023	9/11/2023	RM1.36	RM1.58	2.5	16.2
YTLPOWR (6742)	Interim	RM0.04	24/8/2023	9/11/2023	RM1.75	RM2.13	1.6	21.7
KEINHIN (7199)	Final	RM0.02	27/6/2023	14/11/2023	RM1.42	RM1.36	1.5	-4.2
OKA (7140)	Final	RM0.01	29/5/2023	16/11/2023	RM0.76	RM0.68	1.6	-9.9
BESHOM (7668)	Final	RM0.02	23/6/2023	21/11/2023	RM1.07	RM1.02	2.0	-4.7
TMCLIFE (0101)	Final & Special Cash	RM0.01	22/8/2023	5/12/2023	RM0.63	RM0.61	1.4	-3.2

Denotes >5% Dividend Yield

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