

Swift rebound was observed

Market Review

Malaysia: The FBM KLCI (+1.2%) staged a swift recovery, lifted by gains in more than two-thirds of the key index components yesterday. The lower liners also turned upbeat, while all the 13 major sectors on the broader market marched higher, led by the technology sector (+3.0%).

Global markets: Wall Street was traded in a muted manner as the Dow (-0.3%) pared some of its previous session gains, on a mixed bag of corporate earnings, while the unemployment rate data will be monitored today. The European stock markets extended their gains, while the Asia stock markets remain mostly upbeat.

The Day Ahead

The FBM KLCI bounced higher in tandem with most of the regional peers, underpinned by buying momentum in selected utilities, telecommunication and banking heavyweights. We believe sentiment is likely to stay positive bias for the session as investors have shrugged off the US-China geopolitical risks to focus on the upcoming earnings season. Commodities wise, the crude oil price declined further to USD94 per barrel mark, lowest since the start of the Ukraine and Russia tension, while the CPO price saw mild improvement and remained above RM3,800.

Sector focus: The technology sector may extend its uptrend move, tracking the gains in Nasdaq. Meanwhile, the banking sector may see buying interest ahead of the earnings season. On the contrary, the energy sector should face further selling pressure amid declining crude oil price.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI surged above the key 1,500 level to close at session high; EMA9 and EMA20 have been turning upwards. Technical indicators remained positive as the MACD Histogram has extended a positive bar, while the RSI hovered above 50. Investors should watch the next resistance along 1,530-1,550 and support is set at 1,460-1,480.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	32,726.82	-0.26
S&P 500	4,151.94	-0.08
NASDAQ	12,720.58	0.41
FBM KLCI	1507.71	1.15
FBM Small Cap	14,418.13	1.04
FBM ACE	4,885.28	1.98
Construction	159.22	0.52
Consumer	580.84	0.72
Energy	661.07	0.05
Financial Services	16,665.21	0.57
Healthcare	1,714.22	0.99
Ind Products	185.97	0.42
Plantation	7,083.99	0.80
Property	638.16	0.51
REITs	812.83	0.06
Technology	67.43	3.03
Telco & Media	583.59	1.39
Transport	804.08	0.71
Utilities	850.24	0.82
Trading Vol (m)	2,650.37	38.89
Trading Val (RM m)	1,893.44	39.82
Advance/ Decline	223%	
FKLI	1502.50	-0.17
FCPO (RM)	3,842.00	0.55
Brent oil (USD)	94.12	-0.12
Gold (USD)	1,791.28	1.47
USD	4.4578	0.06
GBP	5.424	0.27
EURO	4.5413	-0.41
SGD	3.2328	-0.13
Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
- 210.1	- 173.0	385.1

Source: Bloomberg, Bursa Market Place

Company Brief

Mr D.I.Y Group (M) Bhd's 2QFY22 net profit grew 64.6% YoY to RM135.2m, on the increase in total transactions and contributions from new stores that grew from 827 to 993 stores. Revenue for the quarter gained 38.0% YoY to RM1.05bn. (The Star)

Kelington Group Bhd's wholly-owned subsidiary, Kelington Engineering (Singapore) Pte Ltd, has bagged a contract worth RM117.0m in Singapore. The contract is to provide bulk and specialty gas system distribution works for a world leader in innovative memory solutions' fabrication facilities in Singapore. The project is expected to be completed by June 2024. (The Star)

UEM Sunrise Bhd has proposed to acquire a 6.4-ac piece of freehold land at Jalan Sultan Yahya Petra, Kuala Lumpur for RM384.0m. Its indirect wholly-owned subsidiary, Lucky Bright Star Sdn Bhd, had entered into a sale and purchase agreement with Nipponkey Sdn Bhd for the acquisition. UEM Sunrise is planning to fund the proposed acquisition via internally-generated funds and/or bank borrowings (if necessary). (The Star)

TWL Holdings Bhd is buying 3 plots of freehold land in UEP Subang Jaya (USJ) and Putra Heights for RM45.0m. The vendors are INTA Development Sdn Bhd and Sime Darby Property (Bukit Raja) Sdn Bhd, a wholly-owned subsidiary of **Sime Darby Property Bhd**. TWL aims to develop affordable housing under the Rumah Selangorku scheme, with collective gross development value of RM623.7m and gross development cost of RM523.5m. (The Edge)

Malaysia Smelting Corporation Bhd's (MSC) 2QFY22 net profit jumped 13.5x YoY to RM39.5m, on the back of higher average tin prices. Revenue for the quarter rose 25.0% YoY to RM408.8m. (The Edge)

Syarikat Takaful Malaysia Keluarga Bhd's 2QFY22 net profit fell 14.6% YoY to RM69.6m, on the back of higher gross benefits and claims. Revenue for the quarter, however, climbed 18.6% YoY to RM831.9m. (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	CHINHIN	20-Jul	3.380	3.600	3.830	4.000	3.110	3.100	4.930	45.9%	Take profit on 2-Aug
2	HARBOUR	25-Jul	1.070	1.150	1.240	1.430	1.010	1.000	1.110	3.7%	On-going
3	YBS	1-Aug	0.565	0.595	0.630	0.670	0.485	0.480	0.570	0.9%	Closed on 2-Aug
4	MTAG	3-Aug	0.500	0.520	0.540	0.560	0.445	0.440	0.505	1.0%	On-going

3Q22 Stock Picks											
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	UWC	1-Jul	3.260	3.890	4.180	-	3.230	2.850	3.840	17.8%	On-going
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	3.160	11.3%	On-going
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	0.950	-1.6%	On-going
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.300	9.6%	On-going
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.820	6.5%	On-going
6	SYSCORP	1-Jul	0.410	0.445	0.470	-	0.375	0.340	0.420	2.4%	On-going
7	PWROOT	1-Jul	1.700	1.830	1.920	-	1.630	1.550	1.780	4.7%	On-going
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.320	-7.6%	On-going
9	QL	1-Jul	5.210	5.710	5.920	-	5.230	5.050	5.240	0.6%	On-going
10	AMBANK	1-Jul	3.720	3.980	4.110	-	3.620	3.450	3.880	4.3%	On-going
Average Return										4.8%	

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Technical Focus Tracker Summary	
Total recommendations	247
Total winners	150
Total losers	97
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	63.0%
Accuracy (2022)	59.7%
FBM KLCI (Since 31/12/2021)	-3.8%
FBM Small Cap (Since 31/12/2021)	-8.5%
Malaysia GDP Growth (1Q22)	5.0%