

## Taking a mild breather

### Market Review

**Malaysia:** The FBM KLCI (-0.05%) ended marginally lower as profit taking activities were seen within selected telco and consumer heavyweights. On the broader market, profit-taking activities emerged within the Construction (-1.14%) & Utilities (-1.05%), sectors, but the Industrial Products sector (+0.71%) gained for the day.

**Global markets:** Wall Street was closed on Monday, while the European stock markets ended flat. The travel and leisure stocks added 0.5% as sentiment improved. Following the US jobs data last week, investors saw signs of a slowdown which could see the Fed holding on to the interest rate environment. Meanwhile, the Asia stock markets ended higher amid China's stimulus measures.

### The Day Ahead

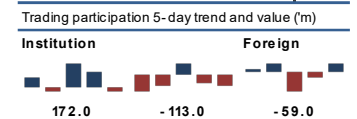
After a significant run in the lower liners, the market stayed muted yesterday. We expect the consolidation may continue for the near term as (i) Australia (Tue) and Malaysia (Thurs) will announce the interest rate decision this week, (ii) China's PMI and export data will be released, and (iii) Australia's GDP will be released tomorrow. Hence, the traders may trade cautiously ahead of these events. Should there be any further slowdown of the China economic activities, that may dampen the risk appetite on the stock markets. Nevertheless, the domestic catalysts such as both the NETR and NIMP blueprints may support the local stock markets at least for the near term. Commodities wise, the Brent crude oil traded above the USD88/bbl, while the CPO prices are trading in a consolidation phase below RM4,000/MT.

**Sector focus:** We still the industrial products and services sectors, especially the building material segment with the NIMP 2030 blueprint. Meanwhile, we like the construction in the anticipation of more contracts to be released going forward, while the energy stocks should flourish in tandem with the firmer crude oil prices.

**Research Team**  
[research@msec.com.my](mailto:research@msec.com.my)  
(603) 2201 2100

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,837.71	0.33
S&P 500	4,555.77	0.18
NASDAQ	14,031.81	-0.02
FBM KLCI	1462.72	-0.05
FBM Small Cap	16,254.4	0.05
FBM ACE	5,242.16	0.27
Construction	122.00	-1.14
Consumer	559.48	-0.58
Energy	861.03	0.57
Financial Services	16,488.28	0.10
Healthcare	1644.77	-0.42
Ind Products	173.77	0.71
Plantation	6,946.62	0.13
Property	878.59	0.12
REITs	776.11	0.38
Technology	63.81	-0.03
Telco & Media	582.85	-0.67
Transport	934.76	-0.54
Utilities	1,132.08	-1.05
Trading Vol (m)	4,005.78	(13.95)
Trading Val (RM m)	2373.16	(22.99)
Advance/ Decline	96%	
FKLI	1442.00	0.03
FCPO (RM)	3,967.00	(0.48)
Brent oil (USD)	89.00	0.51
Gold (USD)	1942.69	(0.21)
USD	4.6558	(0.21)
GBP	5.88	0.18
EURO	5.0254	0.31
SGD	3.4377	0.07



Source: Bloomberg, Bursa Market Place

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI traded flat, but still closed above the 1,460 level. The MACD Histogram has formed a positive bar, while the RSI is hovering above 50. Given the technical readings are positive, we believe the FBM KLCI may continue its upward tone in the near term. Resistance is at 1,470-1,480, while the support is envisaged around 1,440-1,450.

## Company Brief

**Chin Hin Group Property Bhd** has proposed a private placement of RM102.36m to finance the working capital requirements of its property development projects. The placement involves the issuance of up to 110.07m new shares, representing not more than 20% of the group's issued share capital, to independent investors to be identified later. The placement is expected to be completed by the end of this year. (The Edge)

Loss-making glove maker **Careplus Group Bhd** is diversifying into the electric vehicle (EV) business, given the challenges faced by all major glove players in the market. This comes after the group announced in June that it is exploring the business of EV selling and manufacturing with its joint venture (JV) partner GoAuto Group Sdn Bhd. Careplus said the diversification is expected to augur well for the group as it leverages the technical expertise and experience of GoAuto and the Neta brand EV. (The Edge)

**Lion Industries Corp Bhd** is selling two parcels of land, measuring 26.787 acres in Kawasan Perindustrian Olak Lempit, Banting, for RM92.03m cash. Lion Industries said the disposal – part of the group's strategy to divest its non-core assets – will allow the group to realise its investment in the land sold with a pro forma net gain of RM57.10m, providing the group with additional financial resources to fund its working capital. (The Edge)

**Ireka Corp Bhd** has joined hands with a property development and construction outfit for a mixed development project in Kajang, with a gross development value of RM310m. Ireka's wholly-owned subsidiary Regal Variety Sdn Bhd inked a joint venture agreement with Elay Project Sdn Bhd to develop the project. Under the agreement, Elay is entitled to the sole and exclusive right to develop and occupy the land without interference by Regal Variety to undertake and complete the development. The development is expected to commence by end-2023 and be completed in six years. (The Edge)

**Dayang Enterprise Holdings Bhd's** Pan Malaysia contract with Kebangsaan Petroleum Operating Company Sdn Bhd to provide maintenance, construction and modification services has been extended by a year and five months till end-2024. The original five-year contract was slated to expire on July 16 this year. No value on the extension was provided, as Dayang Enterprise said it would be based on work orders issued by KPOC throughout the extended period. (The Edge)

Morning Crest Sdn Bhd, controlled by former **Eastern & Oriental Bhd (E&O)** executive deputy chairman and managing director Datuk Terry Tham Ka Hon, has ceased to be a substantial shareholder in E&O after selling 18.05m shares or 11.59% in the property developer. The disposal saw Morning Crest's stake in the company reduce to 3.9% or 60.8m shares. Tham remains a substantial shareholder in E&O with an indirect stake of 4.36% or 67.97m shares, and a direct stake of 0.86% direct stake or 13.35m shares. (The Edge)

PN17 company **EA Technique (M) Bhd (EATech)** has secured another extension of six months to submit its regularisation plan, pushing its deadline to Feb 23, 2024. Bursa Securities had previously granted EATech a six-month extension until Aug 24 to submit the plan. Back in July, EATech announced that it had scrapped the regularisation plan it previously submitted to the stock exchange in April after a share subscription agreement it entered with Eco Offshore Services Sdn Bhd and two individuals, Tan Sri Abdul Halim Ali and Khiruddin Ibrahim Said, was mutually terminated. (The Edge)

**FGV Holdings Bhd** has been granted another six-month extension by Bursa Malaysia Securities Bhd to comply with the minimum public shareholding spread requirement, pushing the deadline to March 2, 2024. As of Aug 22, this year, the public shareholding spread of the company was at 13.09%, compared with the minimum requirement of 25%. This marks the fifth time the plantation group has received an extension deadline from Bursa Securities. (The Edge)

**Comintel Corp Bhd** will be uplifted from its Practice Note 17 (PN17) classification effective Tuesday after its regularised financials no longer meet PN17-related criteria. It said Bursa Securities decided to approve the company's application for upliftment from being classified as a PN17 company after due consideration of all facts and circumstances of the matter. The company triggered the PN17 criteria back in March 2019 after its shareholders' equity fell below RM24m or less than 25% of its issued capital. (The Edge)

Property developer **Titijaya Land Bhd** said it recorded a RM14m impairment loss in 4QFY2023, as a result of its indirect wholly-owned subsidiary Renofajar Sdn Bhd being wound-up. Renofajar received a winding-up order dated August 4 issued by the High Court of Sabah and Sarawak on Aug 28. For 4QFY2023, Titijaya Land posted a higher net loss of RM14.31m versus RM4.4m in the same quarter a year earlier, despite a 71.41% increase in revenue to RM115.53m from RM67.4m previously. (The Edge)

**Eita Resources Bhd** director Fu Mun Win and alternate director Fu Jia Lik have emerged as substantial shareholders of the electrical component supplier with a 16.53% stake. Mun Win and Jia Lik hold 43.03m shares or a 16.53% indirect stake in Eita via Sudut Kreatif Sdn Bhd, the investment vehicle of their late father Fu Wing Hoong, who was managing director and co-founder of Eita. It is understood that ownership of Sudut Kreatif has since been transmitted to the pair in accordance with a grant of probate – a legal document appointing executors to manage an estate. (The Edge)

**FGV Holdings Bhd** has been granted another 6-month extension by Bursa Malaysia Securities Bhd to comply with the minimum public shareholding spread requirement. As of Aug 22, the public shareholding spread of the company was at 13.09%, compared with the minimum requirement of 25%. This marks the fifth time the plantation group has received an extension deadline from Bursa Securities. The latest extension ends on March 2, 2024.

A bonus issue of preference shares was proposed on June 30 this year. Felda which owns 81.9% in FGV following an unsuccessful privatisation offer, will pare down its stake in FGV after the completion of the bonus issue to comply with the shareholding spread requirement. FGV expects the bonus issue of 364.82m new Islamic redeemable preference shares (FGV RPS-i) on the basis of 1 for every 10 existing FGV shares to be completed in 4Q2023, pending shareholders' approval in the upcoming EGM. (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	0.300	-15.5%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.920	25.2%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	1.050	28.8%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.800	23.4%	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	2.360	0.4%	On-going
7	SCICOM	4-Jul	1.170	1.360	1.450	1.110	1.070	1.040	1.130	-3.4%	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	3.510	-0.6%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.980	10.1%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.660	3.9%	On-going
13	YTLPWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	2.080	58.8%	On-going
Average Return										13.0%	

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)	-2.2%
FBM Small Cap (Since 30/12/2022)	8.9%
Malaysia GDP Growth (1H23)	4.2%

### Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.