

## All eyes on Bank Negara OPR decision

### Market Review

**Malaysia:** The FBM KLCI (-0.2%) drifted slightly lower, dragged down by minor profit taking activities in the final trading hour yesterday. The lower liners, however, marched higher, while the plantation sector (+1.3%) led the sectorial peers following the higher CPO prices.

**Global markets:** Wall Street edged lower as the Dow (-0.4%) fell after the latest release of US FOMC minutes meeting leaned towards further tightening of the monetary policy. The European stockmarkets extended their pullback, while Asia stockmarkets ended mostly in red.

### The Day Ahead

The FBM KLCI took another step back amid the absence of fresh leads as Wall Street was closed. Despite the key index's rebound momentum appearing to be having a pause, the lower liners trended higher on the back of the extended rotational play following the better market sentiment. However, with the US Federal Reserve skewing towards a more hawkish narrative, investors will now keep a close tab on Bank Negara's overnight policy rate decision today. Given that inflationary pressures remain sticky and domestic economic growth is on track, we believe that the door for further rate hikes will remain open for most of the Central Banks. Commodities wise, the Brent crude oil steadied above USD76, while the CPO price hovered towards RM3,900.

**Sector focus:** The energy sector may take cue from the stable crude oil prices. The telecommunications & media sector may be boosted by CelcomDigi's launch of the MY5G Series to accelerate 5G adoption. Meanwhile, defensive-related sectors such as REIT and utilities may attract investors' attention owing to the volatile market condition.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI retreated to close below EMA20 after reversing all its intraday gains. Technical indicators have turned weaker as the MACD Histogram formed a negative bar, while the RSI hovered below 50. The immediate resistances are envisaged along 1,413-1,430, while the support is pegged around 1,370.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,288.64	-0.38
S&P 500	4,446.82	-0.20
NASDAQ	13,791.65	-0.18
FBM KLCI	1,389.90	-0.19
FBM Small Cap	15,151.37	0.48
FBM ACE	5,165.37	1.38
Construction	164.85	0.38
Consumer	546.59	-0.47
Energy	798.17	0.73
Financial Services	15,464.53	-0.12
Healthcare	168,163	0.13
Ind Products	158.97	0.11
Plantation	6,916.17	1.27
Property	701.07	0.58
REITs	775.34	-0.14
Technology	61.69	-0.15
Telco & Media	579.43	-0.94
Transport	905.96	-0.13
Utilities	99.180	0.18
Trading Vol (m)	2,541.94	(2.27)
Trading Val (RM m)	1524.06	(2.33)
Advance/Decline	102%	
FKLI	1,392.50	0.04
FCPO (RM)	3,889.00	0.70
Brent oil (USD)	76.25	0.29
Gold (USD)	1915.30	(0.00)
USD	4.6520	(0.04)
GBP	5.9148	(0.17)
EURO	5.0682	(0.00)
SGD	3.4407	0.18

Trading participant	Institution	Foreign
	152.4	55.7
		-208.1

Source: Bloomberg, Bursa Market Place

## Company Brief

**LBS Bina Group Bhd**'s wholly owned subsidiary, Sejuta Bina Sdn Bhd has signed a joint venture agreement (JVA) with Saga Tunas Sdn Bhd to jointly develop 6 pieces of freehold vacant Malay Reserved Land with estimated to have a gross development value of RM1.00bn. The land measuring 7.0-ac held under six individual titles all in Mukim Kuala Lumpur, Tempat Sungai Penchala, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. The proposed development, planned to be commenced within 12 months from the JVA become unconditional, will be funded through a combination of internally generated funds and bank borrowings. (The Star)

**Scientex Bhd** is buying 960.0ac of prime freehold land in Tebrau, Johor Bahru from **S P Setia Bhd** for RM547.7m, after previously attempting to buy the same plots of land but having to abort the deal due to a condition not being fulfilled. The acquisition is subject to approval by the Estate Land Board and the EPU, and if required, the approval of Scientex's shareholders. It intends to launch a new mixed township development project on the land, whereby an estimated 12,000 affordable homes would be built. The project's gross development value is yet to be determined. (The Edge)

**Malton Bhd** signed a memorandum of understanding with **Alliance Bank Malaysia Bhd** to offer a green mortgage financing package, which will immediately benefit homebuyers of its green-certified River Park project in Bangar South, Kuala Lumpur. The sustainable financing option features lower interest rates and a faster turnaround time for end-financing. Meanwhile, Malton has invested about RM10.0m to upgrade the surrounding infrastructure of the development, including building a direct access from NPE-Federal Highway Link to connect to River Park exclusively. (The Edge)

**Serba Dinamik Holdings Bhd** has once again applied to Bursa Securities for more time to submit its regularisation plan by extending its 5th July 2023 deadline to 5th January 2024. However, did not mention why it could not meet the 5th July 2023 deadline. (The Edge)

A week after claiming that the recent damage to its plant site was an act of sabotage by an unidentified crew of men, **Bahvest Resources Bhd** has obtained a court order barring its mining lease land owner Southsea Gold Sdn Bhd from hindering its operations. The ex parte (without notice to the other party) injunction order issued by the Sandakan High Court on 4th July 2023 also restrains Southsea from advancing its demands and resolution with Bahvest's wholly owned unit and mining lease land operator, Wullersdorf Resources Sdn Bhd, over their wrongful occupation dispute, until the full disposal of the injunction. (The Edge)

**Apex Equity Holdings Bhd** announced the retirement of Datuk Celine Leong Wai Leng as its executive director (ED) with immediate effect, less than 3 weeks after the 54-year-old was re-elected, albeit with opposition from certain substantial shareholders. Leong was appointed to Apex's board in June 2022 as group deputy MD, and subsequently redesignated to group ED in December 2022, when the group appointed Farhash Wafa Salvador as executive chairman. (The Edge)

**Destini Bhd** has appointed Datuk Abdul Aziz Sheikh Fadzir as an independent and non-executive director, effective 5th July 2023. Abdul Aziz, 60, previously held the same position at Destini from 30th August 2017 until 18th May 2018. The former member of parliament for Kulim-Bandar Bahru currently serves as a non-independent and non-executive chairman of **Priceworth International Bhd**. (The Edge)

**Priceworth International Bhd** has proposed a capital reduction of RM210.0m to eliminate its accumulated losses of RM202.6m as of 31st December 2022. Upon completion of the capital reduction, Priceworth will have an enlarged share capital of RM231.9m, comprising 1.45bn shares. (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	KGB	19-Jun	1.530	1.570	1.630	1.700	1.430	1.420	1.450	-5.2%	On-going
2	YTLREIT	21-Jun	0.940	0.975	0.990	1.050	0.905	0.900	0.960	2.1%	On-going
3	MSC	26-Jun	2.050	2.170	2.330	2.500	1.900	1.890	2.060	0.5%	On-going
4	CAPITALA	3-Jul	0.800	0.855	0.880	1.000	0.750	0.745	0.810	1.3%	On-going
5	ECA	5-Jul	0.935	0.955	1.000	1.130	0.825	0.820	0.920	-1.6%	On-going

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	0.355	0.0%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.735	0.0%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	0.830	1.8%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.200	3.9%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.080	2.9%	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	1.160	-0.9%	On-going
8	SFPTECH	4-Jul	0.960	1.150	1.260	0.940	0.895	0.870	1.050	9.4%	On-going
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	0.960	4.3%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.480	-1.4%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.890	0.0%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.650	2.4%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.290	-1.5%	On-going
Average Return										1.7%	

Technical Focus Tracker Summary	
Total recommendations	340
Total winners	209
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)	4.1%
Accuracy (2023)	60.0%
FBM KLCI (Since 30/12/2022)	-7.1%
FBM Small Cap (Since 30/12/2022)	1.5%
Malaysia GDP Growth (1Q23)	5.6%

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# Market Pulse

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