

## Trudging lower

### Market Review

**Malaysia:** The FBM KLCI (-0.3%) erased all its previous session gains, dragged down the sluggish exports data from China which contracted -7.5% YoY to 3-month low in May 2023. The lower liners also trended lower, while the energy sector (-0.9%) underperformed amongst the mostly negative sectorial peers.

**Global markets:** Wall Street ended mixed as the Dow (+0.3%) advanced, but the S&P 500 (-0.4%) and Nasdaq (-1.3%) were battered by expectations that interest rates may remain elevated for longer period. The European stockmarkets closed mixed, while Asia stockmarkets ended mostly positive.

### The Day Ahead

Selling interest continued in the FBM KLCI with anticipation over the slower economic recovery in China in view of its higher-than-expected decline in export data for the period of May 2023. Hence, the concerns over the global economic recovery, coupled with a few key economic data that will be released next week such as the US CPI may keep investors in a cautious mode. Nevertheless, we still expect the current level of FBM KLCI may attract bargain hunting activities from investors as values could be emerging. Commodities wise, the Brent crude oil traded above USD76, while the CPO price hovered slightly below RM3,350.

**Sector focus:** While a rebound in crude oil price may create buying interest in the energy counters, Petronas's anticipation over lower profitability in 2023 may limit the upside potential. Besides, the shift towards dual network coverage on the 5G model may benefit the telecommunication sector.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI slid in a subdued trading session as the key index tested its 52-week low at 1,372. The MACD Histogram has extended a negative bar, but the RSI is oversold, suggesting that the FBM KLCI could be due for a technical rebound. Resistance is set along 1,400-1,440, while the support is located at 1,360-1,370.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,665.02	0.27
S&P 500	4,267.52	-0.38
NASDAQ	13,104.89	-1.29
FBM KLCI	1,378.65	-0.33
FBM Small Cap	14,926.58	-0.46
FBM ACE	5,025.70	-0.27
Construction	161.41	-0.26
Consumer	549.25	0.29
Energy	783.22	-0.91
Financial Services	15,092.82	0.01
Healthcare	1,825.07	-0.33
Ind Products	158.89	-0.56
Plantation	6,662.04	-0.74
Property	687.89	-0.11
REITs	776.96	-0.66
Technology	60.11	-0.53
Telco & Media	602.17	-0.19
Transport	905.74	0.14
Utilities	967.49	-0.45
Trading Vol (m)	3,124.20	(12.07)
Trading Val (RM m)	1,732.23	(9.76)
Advance/Decline		
FKLI	1,375.50	0.07
FCPO (RM)	3,320.00	0.75
Brent oil (USD)	76.95	(0.34)
Gold (USD)	1,940.02	0.26
USD	4.5975	(0.16)
GBP	5.7232	0.02
EURO	4.9177	(0.27)
SGD	3.4113	0.05

Trading participant		
Institution	Retail	Foreign
338.0	173.8	-511.8

Source: Bloomberg, Bursa Market Place

## Company Brief

**Sapura Energy Bhd** has announced that the High Court of Malaya has granted the company and its 22 wholly-owned subsidiaries an extension of nine months from 11th June 2023, to 10th March 2024, for the Convening and Restraining Orders for its proposed debt restructuring. The Orders will enable each of the companies to summon meetings with its creditors to consider and approve a proposed scheme of arrangement and compromise as part of the company's group-wide debt restructuring plan. (The Star)

**KPJ Healthcare Bhd** has appointed Datuk Mohamad Farid Salim as its chief operating officer. Mohamad Farid will assume responsibility for overseeing all operational aspects of KPJ Healthcare, placing a strong emphasis on supply chain management and customer service. He has 30 years of experience within the group. (The Edge)

Kejuruteraan Asastera Bhd's (KAB) change of name to **Kinergy Advancement Bhd** took effect on 2nd June 2023 following the receipt of the relevant notice from the Companies Commission of Malaysia. The new name was proposed on 6th April 2023, signifying the company's commitment to expand its sustainable energy solutions business regionally. (The Edge)

Ex-Johor state exco Datuk Tee Siew Kiong has been appointed as an independent director of **Tex Cycle Technology Bhd**. Tee replaces Datuk Yeo Chun Sing who resigned due to personal commitments. Tee also holds the position of independent director of **Ge-Shen Corp Bhd**. (The Edge)

**Ge-Shen Corp Bhd**'s newly appointed executive directors Lee Hai Peng and Keh Chuan Seng have bought shares in the plastic injection moulding and metal stamping group. Lee acquired 4.2m Ge-Shen shares, representing a 3.8% stake, for RM6.7m via a direct business transaction on 6th June 2023. Keh, meanwhile, has an indirect stake of 27.9% or 30.8m shares in Ge-Shen. These shares were acquired by his property firm Frazel Group Sdn Bhd via a direct business transaction on 6th June 2023 for RM49.3m. (The Edge)

**Bioalpha Holdings Bhd** has announced that Tan Sri Dr Syed Jalaludin Syed Salim, 79, has retired from his non-executive chairman position. Formerly the longest-serving chairman of Bank Rakyat Malaysia and the founding director of the Capital Market Development Fund Board, Syed Jalaludin retired at the conclusion of the group's 12th annual general meeting. (The Edge)

**Revenue Group Bhd** has proposed a private placement of not more than 10.0% of its issued shares to raise up to RM24.3m, with RM13.2m mainly for their working capital. The placement entails the issuance of up to 53.3m new shares to independent third-party investors, with their issue price being determined separately. The private placement is expected to be completed by 4Q23. (The Edge)

**MST Golf Group Bhd**, Malaysia's largest chain of golf specialty retailers, has signed an underwriting agreement with RHB Investment Bank Bhd pursuant to its IPO and intended listing on the Main Market of Bursa Malaysia. The IPO would entail the issue of 228.0m ordinary shares in the company, comprising a public issue of 160.0m new shares, an offer for sale of up to 68.0m existing shares. The group is expected to launch its prospectus by the end of June 2023. (The Edge)

**Glostrex Bhd**, a geotechnical instrumentation service provider, has signed an underwriting agreement with M&A Securities Sdn Bhd for its listing on the ACE Market of Bursa Malaysia Securities Bhd. The IPO involves a public issue of 105.8m new shares, representing 26.0% of its enlarged share capital, and an offer for sale of 16.3m existing shares by way of a private placement to selected investors. Notable projects from the group include Petronas Twin Towers, Merdeka PNB 118; Tuas Water Reclamation Plant and Fire Station No 2 for Changi East at Changi Airport in Singapore; and Naga 3 Integrated Entertainment Complex in Phnom Penh, Cambodia. (The Edge)

**Dagang NeXchange Bhd** (DNeX)'s subsidiary Innovation Associates Consulting Sdn Bhd (IAC) has launched a new cloud-based financial and accounting application for enterprise resource planning called the Government Agencies Digital System (EGADS). EGADS is an accrual-based accounting system that allows for accountability and transparency on the management of public resources, while enabling better financial management by viewing government assets and liabilities. (The Edge)

A unit of **PRG Holdings Bhd** – Measurement & Verification Pte Ltd (a wholly-owned subsidiary of Furniweb Holdings Berhad, which in turn is a 50.5%-owned subsidiary of PRG) has obtained 2 contracts with a combined value of RM20.0m from Obayashi Singapore Private Limited and Marina Bay Sands Pte Ltd. (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	OPTIMAX	17-May	0.735	0.770	0.795	0.845	0.710	0.705	0.720	-2.0%	On-going
2	CARIMIN	31-May	0.660	0.740	0.765	0.820	0.635	0.630	0.665	0.8%	On-going
3	SFPTECH	6-Jun	2.520	2.630	2.750	2.940	2.350	2.340	2.550	1.2%	On-going
4	BAUTO	7-Jun	2.220	2.280	2.380	2.500	2.100	2.090	2.300	3.6%	On-going

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	0.400	-13.0%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.885	-5.3%	On-going
3	HEXTAR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.170	-3.3%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.580	3.3%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.140	1.8%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.275	-11.3%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.740	-8.6%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.810	-2.4%	On-going
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.520	6.1%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.415	0.0%	On-going
11	TIMECOM	4-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.300	6.6%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	2.940	-8.1%	On-going
Average Return										-2.9%	

Technical Focus Tracker Summary	
Total recommendations	333
Total winners	205
Total losers	128
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)	3.2%
Accuracy (2023)	60.5%
FBM KLCI (Since 30/12/2022)	-7.9%
FBM Small Cap (Since 30/12/2022)	-0.2%
Malaysia GDP Growth (1Q23)	5.6%