

Rebound formation re-established

Market Review

Malaysia: The FBM KLCI (+0.4%) advanced with more than half of the key index constituents closed in green, mirroring gains on Wall Street overnight. The lower liners were also traded higher, while the financial services and plantation sectors led the mostly positive sectorial peers after rising 0.5% each.

Global markets: Wall Street retreated as the Dow (-0.5%) came off from the intraday low ahead of the release of key inflation report tomorrow, while US Federal Reserve officials are backing interest rates to remain elevated. The European stockmarkets closed downbeat, while Asia stockmarkets ended mostly in red.

The Day Ahead

It appears that the recent pullback has come to an end and the local bourse is back on the recovery drive. Given that the sentiment is turning more positive as of late, buying momentum may likely to sustain. Still, we do caution that gains may be measured ahead of the Malaysia state elections, coupled with the renewed volatility on Wall Street. The lower liners are also on a better footing with rotational play resumed ahead of the quarterly reporting season. Going forward, investors will be keeping a close tab on China's inflation rate and Malaysia's retail sales data that will be releasing today. Commodities wise, the Brent crude oil rose above USD86/bbl, while the CPO prices hovered around RM3,700/MT.

Sector focus: The financial services sector may continue to be boosted by the return of foreign funds. Major telecommunications service providers pledge to support the Madani Economy framework through affordable connectivity and devices may propel the telecommunication & media sector. Meanwhile, the energy sector may advance in line with the firmer crude oil prices.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI marched higher as the key index formed a flag-formation breakout yesterday. Technical indicators, however, stayed mixed as the MACD Histogram extended another negative bar, while the RSI is approaching the overbought territory. The immediate resistances are located along 1,460-1,480, while the support is pegged around 1,400-1,420.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,314.49	-0.45
S&P 500	4,499.38	-0.42
NASDAQ	13,884.32	-0.79
FBM KLCI	1,451.00	0.36
FBM Small Cap	1,474.13	0.32
FBM ACE	5,293.68	0.77
Construction	169.84	0.07
Consumer	558.10	0.31
Energy	829.81	0.03
Financial Services	1,246.39	0.46
Healthcare	1,719.78	-0.45
Ind Products	166.70	0.14
Plantation	7,143.32	0.46
Property	772.75	0.43
REITs	777.73	-0.27
Technology	63.55	0.14
Telco & Media	578.92	-0.15
Transport	916.16	0.13
Utilities	1,050.82	0.32
Trading Vol (m)	3,168.90	1.17
Trading Val (RM m)	1709.73	27.14
Advance/Decline	69%	
FKLI	1,447.50	(0.28)
FCPO (RM)	3,708.00	0.41
Brent oil (USD)	86.17	0.97
Gold (USD)	1,925.24	(0.58)
USD	4.5830	(0.50)
GBP	5.8344	(0.58)
EURO	5.0278	(0.54)
SGD	3.4041	(0.16)

Trading participation 5- day trend and value (m)		
Institution	Foreign	
50.9	-41.4	-9.5

Source: Bloomberg, Bursa Market Place

Company Brief

Sunview Group Bhd has secured a quota totalling 60.0MW under the Corporate Green Power Programme (CGPP), an initiative by the Energy Commission (EC). Its subsidiary, Solarcity REIT Sdn Bhd, has been allocated an export capacity of 30.0MW, which is the maximum quantum assigned to a solar power producer. Meanwhile, through a consortium with JAKS Solar Power Sdn Bhd and Ann Joo Green Energy Sdn Bhd, (subsidiary) Fabulous Sunview Sdn Bhd has also been allocated with an export capacity of 30.0MW. The CGPP will be in commercial operations in 2025. (The Star)

KLCC Property Holdings Bhd (KLCCP) has denied it is bidding for a stake in ICD Brookfield Place, a 900ft office tower in the heart of Dubai's financial district. This is in response to Bloomberg on 2nd August 2023 reported that KLCCP, along with China Investment Corp, were among potential bidders for a stake in the office tower, citing a source. (The Edge)

Barakah Offshore Petroleum Bhd's wholly-owned subsidiary PBJV Group Sdn Bhd has bagged a contract from Brunei Shell Petroleum Co Sdn Bhd for the SPM2 replacement project at an undisclosed value. The main contract scope is to supply engineering work, supply of materials, fabrication, load-out, decommission, installation and commissioning of one-unit SPM2 (Single Point Mooring Buoy) at the shoreline of Brunei Darussalam. The contract is expected to commence immediately, with a delivery date anticipated in 3Q24. (The Edge)

Hengyuan Refining Company Bhd has appointed Zulhazmi Mohamad as acting CEO effective 8th August 2023, succeeding Li Bin, who stepped down on the same day due to health reasons. Zulhazmi joined the group in 1994, and has held multiple jobs in projects and turnaround, engineering, and maintenance over the last 25 years, including a regional turnaround role. (The Edge)

Pestech International Bhd executive director Lim Peir Shenq has retracted his resignation letter hours after handing it in 7th August 2023. Peir Shenq retracted his resignation, but did not explain his change of heart. The 38-year-old is the son of Lim Ah Hock, the group executive chairman. He is also the cousin of Paul Lim Pay Chuan, the managing director and group CEO of Pestech. (The Edge)

Bioalpha Holdings Bhd's founder, chief executive officer and managing director Hon Tian Kok @ William has ceased to be a substantial shareholder in **BTM Resources Bhd** after disposing of 35.5m shares or a 2.8% stake. The disposal has pared Hon's shareholding in the timber firm to 4.8%, from 7.6% previously. He disposed of the shares via an off-market transaction. (The Edge)

Pertama Digital Bhd is seeking a 12-month extension until 9th August 2024 to submit its regularisation plan to the relevant authorities. The application for the extension was submitted to Bursa Malaysia Securities on 8th August 2023. (The Edge)

Malaysia Smelting Corp Bhd's (MSC) 2QFY23 net profit declined 27.9% YoY to RM28.4m, due to lower profit from its tin mining segment. Revenue for the quarter fell 20.0% YoY to RM327.0m. (The Edge)

Aemulus Holdings Bhd's 3QFY23 net loss widened to -RM6.9m, from a net loss of -RM4.7m recorded in the previous corresponding quarter, amid cautious capital expenditure spending from customers expecting a slowdown in the semiconductor industry and deferment of delivery due to a slowdown in customers' expansion pace. Revenue for the quarter shrunk 77.4% YoY to RM3.9m. (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	PWF	20-Jul	0.760	0.765	0.800	0.850	0.700	0.695	0.740	-2.6%	On-going
2	SCOMNET	2-Aug	1.370	1.480	1.550	1.650	1.290	1.280	1.340	-2.2%	On-going
3	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.170	0.0%	Initiate position

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	0.370	4.2%	On-going
2	CARIMIN	4-Jul	0.735	0.775	0.835	0.705	0.660	0.640	0.895	21.8%	On-going
3	ECOWLD	4-Jul	0.815	0.900	0.950	0.790	0.750	0.735	0.930	14.1%	On-going
4	MCEMENT	4-Jul	3.080	3.320	3.500	2.880	2.700	2.640	3.150	2.3%	On-going
5	OSK	4-Jul	1.050	1.150	1.200	1.040	0.995	0.970	1.140	8.6%	On-going
6	RCECAP	4-Jul	2.350	2.500	2.600	2.220	2.120	2.070	2.240	-4.7%	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	1.120	16.7%	On-going
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.020	10.9%	On-going
10	UCHITEC	4-Jul	3.530	3.700	3.850	3.420	3.320	3.240	3.490	-1.1%	On-going
11	WASCO	4-Jul	0.890	0.985	1.100	0.860	0.810	0.785	0.975	9.6%	On-going
12	WCEHB	4-Jul	0.635	0.730	0.820	0.610	0.545	0.535	0.705	11.0%	On-going
13	YTLPOWR	4-Jul	1.310	1.450	1.600	1.250	1.150	1.120	1.550	18.3%	On-going
Average Return										8.4%	

Technical Focus Tracker Summary	
Total recommendations	346
Total winners	212
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)	4.9%
Accuracy (2023)	58.9%
FBM KLCI (Since 30/12/2022)	-3.0%
FBM Small Cap (Since 30/12/2022)	3.7%
Malaysia GDP Growth (1Q23)	5.6%

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.