

Wednesday, 05 Jun, 2024

## Steady Uptrend To Sustain

### Market Review

**Malaysia:** The FBMKLCI (+1.17%) rebounded strongly led by buying interest in selected industrial products and banking heavyweights, PMETAL (+23.0 sen) was the index leader after posting strong earnings coupled with elevated aluminium prices. Meanwhile, the Technology sector (+1.93%) was the leading sector.

**Global markets:** Wall Street ended higher due to positive sentiment from selected corporate earnings, meanwhile traders are eyeing the upcoming set of economic data, notably the weekly jobless claims. The European stock markets ended lower, while Asia ended mixed.

### The Day Ahead

The FBM KLCI managed to rebound on top of the 1,600 level after the MSCI rebalancing activities last week. We believe the overall buying interest could sustain as traders and investors could be reassessing the corporate earnings and positioning for trading opportunities in the second half of 2024. Meanwhile, in the US, the stock markets traded higher after job openings data came in weaker-than-expectation and it may lead to earlier interest rate cuts by the Fed. On the commodity markets, Brent oil further declined below USD78 as the US data signals a cooling economy environment. The CPO violated below RM4,000, pricing in weakness in Dalian contracts and softer crude oil prices weighing on the CPO market.

**Sectors focus:** Likely, the overall trading environment will return to fundamentals after a busy corporate earnings season in May. We believe the Technology sector has bottomed in their earnings and may chart new territories with the rising investments within the data center, AI and cloud services themes, translating to potential trading opportunities within HDD, hardware suppliers and cyber securities segments under the Technology sector. Meanwhile, we think with the rising upcycle of commodities, there could be an opportunity for Building Materials, which may be linked with the higher demand in the Construction, Property and Utilities sectors.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI index rebounded to the 1,615 level, breaking the previous resistance. The technical readings on the key index were mixed with the MACD Histogram extending another negative bar, while the RSI climbed above 50. The resistance is envisaged around 1,630-1,635 and the support is set at 1,595-1,600.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,711.29	0.36
S&P 500	5,291.34	0.16
NASDAQ	16,857.05	0.17
FBM KLCI	1,615.40	1.17
FBM Small Cap	1,767.50	0.83
FBM ACE	5,424.04	0.64
Construction	245.64	1.01
Consumer	598.10	-0.15
Energy	966.85	-0.05
Financial Services	17,723.88	1.13
Healthcare	2,091.65	0.11
Ind Products	196.89	1.04
Plantation	7,179.00	1.52
Property	1,084.61	-0.34
REITs	834.63	-0.24
Technology	74.08	1.93
Telco & Media	605.36	1.81
Transport & Logist	1,109.78	0.85
Utilities	1,768.10	0.20
Trading Vol (m)	4,457.71	-18.26
Trading Val (RM m)	3,937.92	-42.47
Gainers/ Losers rat	123%	
FKLI	1,621.50	-0.03
FCPO (RM)	3,925.00	0.10
Brent oil (USD)	77.52	-1.07
Gold (USD)	2,327.01	0.04
USD	4.7017	0.10
GBP	6.0011	-0.20
EURO	5.1118	-0.13
SGD	3.4879	-0.18
Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
641.8	170.7	-812.5

Source: Bloomberg, Bursa Market Place



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## Company Brief

**SNS Network Technology Bhd** (SNS) has been appointed by **VSTECs Bhd** (VSTECs) as an authorised retailer for Starlink's equipment in Malaysia. SNS managing director Ko Yun Hung said the deal will allow the company to expand its information and communications technology (ICT) product range to include Starlink satellite kits across its physical and online stores, as well as to its customers, which include government agencies and commercial enterprises. Starlink's satellite broadband hardware kits come with the Starlink dish itself, along with the base, a router, a power cable and Starlink cable. Starlink is a satellite internet constellation operated by Starlink Services LLC, a wholly owned subsidiary of Space Exploration Technologies Corp (SpaceX). (The Edge)

**Malaysia Marine and Heavy Engineering Holdings Bhd** (MHB) said on Tuesday that it has secured a subcontract worth RM1.5bn to build an offshore substation at a wind farm in the Netherlands. Fabrication works of the substation platform – which receives power produced from the wind farm and stepped up before being transmitted onshore – will begin in 2025 for 36 months. The subcontract is expected to be completed by 2028. The project, named the Nederwiek 1, would be MHB's second offshore wind project. (The Edge)

**CIMB Group Holdings Bhd** (CIMB) has appointed Novan Amirudin as its new group chief executive officer (CEO), effective July 1, 2024. The new appointment follows the departure of Datuk Abdul Rahman Ahmad on June 30, 2024, who will be leaving the banking group to take over the role of group chief executive at Permodalan Nasional Bhd (PNB). Novan is currently co-CEO of group wholesale banking as well as CEO of CIMB Investment Bank Bhd, positions he held since about a year ago. (The Edge)

**AEON Co (M) Bhd** (AEON) is buying two pieces of land in Seremban, Negeri Sembilan for RM102.89m to build a shopping mall. The department store and shopping mall operator signed a sale and purchase agreement with Real Attraction Sdn Bhd on Tuesday to acquire the said parcels of land measuring 23.045 acres in Bandar Seremban Utama. The proposed acquisition is in line with its corporate strategy to develop its future retail business and provides the group with the opportunity to expand in Seremban. "The land are strategically located, immediately adjacent to the existing AEON Mall Seremban 2, which will enable AEON to construct a building-commercial shopping centre link to the existing AEON Mall Seremban 2 as one of the strategic expansion plans," it said. (The Edge)

Eye specialist service provider **Optimax Holdings Bhd** (OPTIMAX) announced on Tuesday that it has obtained a licence from the Ministry of Health (MOH) to offer aesthetic services at its new outlet, Neumax Clinix. Neumax Clinix, Optimax's first full-fledged aesthetic clinic, offers a comprehensive range of services, including cosmetic injections, laser treatments, and skin rejuvenation therapy. (The Edge)

**Serba Dinamik Holdings Bhd's** (SERBADK) delisting from Bursa Malaysia will proceed on Wednesday after the exchange regulator dismissed a final appeal from the beleaguered oil and gas outfit. Serba Dinamik said it has received a letter from the regulator stating that the Appeals Committee's decision is final. As a result, the group's shares will be delisted on Wednesday as scheduled. The shares have been suspended from trading since Jan 18, 2023. (The Edge)

**Inta Bina Group Bhd** (INTA) said on Tuesday that it has secured a RM111.98m contract from a unit of Gamuda Bhd (GAMUDA) to build semi-detached houses. The group said the contract period is for 23 months, and is divided into two phases, with the first phase comprising 124 units of houses and the second phase consisting of 50 units. This marks Inta Bina's fifth construction project so far this year, with the value of all the contracts totalling RM1.05bn. (The Edge)



**Kimlun Corp Bhd** (KIMLUN) has secured a contract worth RM234.27m in Shah Alam, Selangor. The company said its unit Kimlun Sdn Bhd had accepted the award of a construction contract from Saujana Development Sdn Bhd for a high-rise residential development in Seksyen U2, Shah Alam. Construction work is expected to be completed in the third quarter of 2026. (The Edge)

**Datasonic Group Bhd** (DSONIC) said on Tuesday that it has secured five contract extensions from the Home Ministry, worth a total of RM181.66m. All the extensions are for a period of six months from June 1 to Nov 30 this year. For the first contract, Datasonic said it received an extension for the supply of MyKad, MyTentera and MyPOCA raw cards and consumables to the National Registration Department (JPN) for an additional ceiling contract value of RM27.81m. Datasonic also received a third extension to the contract for the comprehensive maintenance services of card personalisation centres at JPN, worth RM11.57m. On top of that, Datasonic also received contract extensions for the supply of Malaysian passport chips, worth an additional RM59.77m, Malaysian passport documents worth RM29.81m, and polycarbonate biodata pages worth RM52.70m, to the Immigration Department. (The Edge)

Despite ongoing litigation with **MBSB Bank Bhd** over payment defaults, **Country Heights Holdings Bhd** (CHHB) announced on Tuesday a tender process to attract investors for the Mines Waterfront Business Park (MWBP) and Mines International Exhibition and Convention Centre (MIECC) project development in Seri Kembangan. The property developer said it has authorised its chairman Tan Sri Mohd Anwar Mohd Nor to seek international tender submissions in US dollars, with Malaysian participation also welcomed, at the exchange rate of RM4.50 against the greenback. On May 24, the group said its unit Mines Waterfront Business Park Sdn Bhd had been sued by MBSB Bank, arising from a default in payment on an Islamic term financing facility of RM82.7m and an Islamic bridging financing facility of up to RM17.3m. (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	TRC	3-Apr	0.510	0.530	0.540	0.560	0.465	0.460	0.445	-12.7%	Cut Loss on 30/5/2024
2	OCK	5-Apr	0.605	0.660	0.670	0.690	0.580	0.570	0.590	-2.5%	Initiate on 5/4/2024
3	MISC	22-Apr	8.040	8.400	8.500	8.600	7.700	7.650	8.600	7.0%	Take Profit on 4/6/2024
4	FFB	24-Apr	1.490	1.600	1.620	1.650	1.410	1.400	1.460	-2.0%	Initiate on 24/4/2024
5	DAYANG	3-May	2.590	2.750	2.800	2.900	2.500	2.400	2.640	1.9%	Initiate on 3/5/2024
6	BDB	20-May	0.400	0.430	0.435	0.450	0.380	0.370	0.375	-6.3%	Initiate on 20/5/2024
7	LAGENDA	27-May	1.710	1.840	1.860	1.910	1.620	1.600	1.170	-31.6%	Cut Loss on 29/5/2024
8	FOCUSP	31-May	0.830	0.890	0.910	0.930	0.790	0.780	0.820	-1.2%	Initiate on 31/5/2024

## Market Chat Tracker - 2Q24 Stock Picks

2Q24 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	AME	1-Apr	1.750	1.920	2.050	-	1.690	1.630	1.71	-2.3%	Initiate on 1/4/2024
2	CSCSTEL	1-Apr	1.350	1.470	1.570	-	1.320	1.270	1.46	8.1%	Initiate on 1/4/2024
3	E&O	1-Apr	1.050	1.230	1.300	-	0.970	0.900	1.01	-3.8%	Initiate on 1/4/2024
4	GASMSIA	1-Apr	3.387	3.720	3.860	-	3.260	3.130	3.57	5.4%	Initiate on 1/4/2024
5	HSSEB	1-Apr	1.160	1.270	1.370	-	1.090	1.010	0.97	-16.8%	Initiate on 1/4/2024
6	MBMR	1-Apr	4.640	4.990	5.180	-	4.470	4.340	5.05	8.8%	Initiate on 1/4/2024
7	MBSB	1-Apr	0.800	0.905	0.950	-	0.780	0.750	0.88	9.4%	Initiate on 1/4/2024
8	MPI	1-Apr	31.180	34.000	36.000	-	30.000	28.300	37.70	20.9%	Initiate on 1/4/2024
9	PIE	1-Apr	3.537	3.900	4.100	-	3.480	3.350	6.04	70.8%	Initiate on 1/4/2024
10	SPRITZER	1-Apr	2.240	2.390	2.490	-	2.170	2.100	2.81	25.4%	Initiate on 1/4/2024
11	TAANN	1-Apr	4.030	4.310	4.500	-	3.910	3.730	4.00	-0.7%	Initiate on 1/4/2024
12	TDM	1-Apr	0.280	0.325	0.355	-	0.240	0.215	0.21	-25.0%	Initiate on 1/4/2024
13	UNISEM	1-Apr	3.840	4.100	4.350	-	3.700	3.550	4.16	8.3%	Initiate on 1/4/2024
Average Return										8.4%	



Technical Focus Tracker Summary	
Total recommendations	386
Total winners	217
Total losers	135
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)	22.7%
Accuracy (2023)	39.6%
FBM KLCI (Since 30/12/2022)	8.0%
FBM Small Cap (Since 30/12/2022)	24.7%
Malaysia GDP Growth (1H23)	4.2%

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