MARKET PULSE

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NVDA To Boost Appetite Within The Tech Stocks

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Market Review

Malaysia: The FBMKLCI (-0.43%) ended lower dragged by losses in banking heavyweights, as the regional sentiment dampened while investors await new catalyst to resume buying interests. Meanwhile, the Telco & Media sector (+1.26%) was the leading sector, while the Energy sector (-1.50%) was the worst decliner.

Global markets: Wall Street ended higher due to the improved sentiment on the back of a set of positive corporate earnings and NVIDIA's sustained AI rally. Meanwhile traders are eyeing the upcoming set of economic data, notably the weekly jobless claims. The European stock markets ended higher, while Asia ended mixed.

The Day Ahead

The FBM KLCI ended softer on the back of profit taking within banking heavyweights. Meanwhile, on Wall Street, led by NVIDIA, the Technology heavy S&P500 and Nasdaq charged towards new highs as the market pricing in more solid earnings prospects from the AI, cloud, semiconductor chips and data centers. Do note that NVDA has surpassed the USD 3 trillion market cap mark. On the commodity markets, Brent oil rebounded significantly amid earlier than expectation rate cut by the Fed in Sept despite the US crude inventories gained 1.2m barrels last week. For the FCPO, the price continues to drift below RM3,900 level.

Sectors focus: We believe the stronger buying interest on Wall Street following NVDA's crossing of the USD 3 trillion mark, could spillover to stocks on the local front. Also, the AI, data center and cloud services themes in Malaysia may persist and are likely to translate to trading opportunities within the Technology sector, covering HDD, cybersecurity and hardware suppliers moving forward. Besides, we like the Construction, Property and Utilities stocks riding the data center trends in the near to mid term. Other sectors that may do well under this scenario include the shipping and logistics stocks with the rising shipping and charter rates.

FBMKLCI Technical Outlook

Bloomberg

The FBM KLCI index ended lower, retracing below the 1,610 level. The technical readings on the key index were mixed with the MACD Histogram extending another negative bar, while the RSI maintains above 50. The resistance is envisaged around 1,625-1,630 and the support is set at 1,590-1,595.

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,807.33	0.25
S&P 500	5,354.03	1.18
NASDAQ	17,187.90	1.96
FBM KLCI	1,608.53	-0.43
FBM Small Cap	18,772.56	0.03
FBM ACE	5,467.61	0.80
Construction	246.54	0.37
Consumer	593.30	-0.80
Energy	952.32	-1.50
Financial Services	17,591.17	-0.75
Healthcare	2,095.56	0.19
Ind Products	196.57	-0.16
Plantation	7,137.12	-0.58
Property	1,084.93	0.03
REITs	835.36	0.09
Technology	74.47	0.53
Telco & Media	612.99	1.26
Transport & Logist	1,113.36	0.32
Utilities	1,770.42	0.13
Trading Vol (m)	4,282.48	-3.93
Trading Val (RM m	3,401.12	-13.63
Gainers/ Losers rat	92%	
FKLI	1,613.50	0.06
FCPO (RM)	3,893.00	-0.33
Brent oil (USD)	78.41	1.15
Gold (USD)	2,355.32	0.07
USD	4.6978	0.08
GBP	6.0021	-0.02
EURO	5.1081	0.07
SGD	3.4864	0.04

Trading participation 5- day trend and value ('m)

Institution	Retail	Foreign
558.7	145.4	-704.1

Source: Bloomberg, Bursa Market Place

Company Brief

Swiss investment bank UBS Group AG has ceased to be a substantial shareholder of **YTL Corp Bhd** (YTL) after a series of share disposals since February, which eventually led to its shareholding in the company going below the 5% threshold. UBS disposed of about 14.9m shares in the company last Friday, after which it crossed below the 5% line. Based on May 31's closing price of RM3.59, the block of shares could be worth RM53.40m. Prior to that, UBS' shareholding in YTL stood at 5.25% as of April 18. (The Edge)

XOX Bhd (XOX) said it plans to consolidate every 30 of its shares into one share a month after its proposed share capital reduction to set off its accumulated losses. The loss-making mobile network operator said the share consolidation is part of its plan to improve its capital structure. The proposal is not expected to alter the total value of the shares held by shareholders, according to XOX, with the theoretical share price set to increase by 30 times and the total number of issued shares to be reduced by the corresponding ratio. (The Edge)

Avaland Bhd (AVALAND) has topped out the Sanderling condominium, which has a 90% take-up rate. Sanderling is the third phase of the developer's 23-acre freehold Lakefront Residence development in Cyberjaya. Sanderling has a gross development value of RM327m. It is a two-tower condominium with 606 units in total. The units, featuring three bedrooms and 3+1 bedroom configurations, have built-ups from 958 sq ft to 1,711 sq ft. The selling price starts from RM499,000. Sanderling is targeted for completion by 3Q2025. (The Edge)

Nestcon Bhd (NESTCON), whose share price shot up over 20% two weeks ago, announced that its 51%-owned unit Nestcon Sustainable Solutions Sdn Bhd (NSS) has secured a RM3.6m contract to develop and install a solar photovoltaic (PV) system. NSS had entered into an agreement with Subang Safety Glass Sdn Bhd to develop, design, install, construct and commission a solar PV system on the rooftop of Subang Safety Glass' premises. (The Edge)

The Australia & New Zealand Banking Group Ltd (ANZ) has disposed of its remaining 5.17% stake in **AMMB Holdings Bhd** (AMBANK) for RM701.16m, confirming a report by *The Edge* last week that the Australian group was planning to exit Malaysia's sixth-largest lender by assets. ANZ, through its wholly-owned subsidiary ANZ Fund Pty Ltd, sold the stake comprising 171.02m shares on Wednesday. ANZ said it had agreed to sell the chunk of shares via a block trade at RM4.10 per share. The offer price represents a 2.84% discount to AMMB's closing price on May 30 of RM4.22. (The Edge)

Suria Capital Holdings Bhd (SURIA), which operates eight major ports in Sabah, said it has entered into a deal to develop a mixed commercial project in the Kota Kinabalu Port area. The group said it will be jointly developing the project, known as the Jesselton Docklands 1 project, with Jesselton Docklands 1 Sdn Bhd (JD 1). Suria Capital will be entitled to at least RM180m, representing 18% of the estimated net development value (NDV) of RM1b. This entitlement will be satisfied through RM45m in cash and RM135m in kind. (The Edge)

Sarawak Cable Bhd (SCABLE) said it is being sued by Serendib Capital Ltd over the termination of the memorandum of agreement between the two parties to undertake a "resuscitation exercise" to revive the loss-making manufacturer. Sarawak Cable said the UK-based company is seeking declaratory reliefs, specific performance, a permanent injunction and damages in the lawsuit. Also named as defendants in the suit are several individuals related to the group including chairman Datuk Seri Mahmud Abu Bekir Taib, directors Yek Siew Liong, Datuk Kevin How Kow and Redzuan Rauf, former deputy chairman Datuk Sri Fong Joo Chung, group chief executive officer Russel Walter Boyd, and former company secretary Tai Yit Chan.

Sarawak Cable said it has appointed the legal firm of Dinesh Ratnarajah Partnership to "vigorously defend" the group and the other defendants. The Practice Note 17 (PN17) company added that the legal proceedings would not have an impact on its regularisation plan. (The Edge)

Leong Hup International Bhd's (LHI) group chief executive officer Tan Sri Lau Tuang Nguang has bought a total of 8.88m shares in the poultry, egg and livestock feed producer over the past week, for about RM5.02m. These transactions raised his direct stake in Leong Hup to 0.24%. He also holds a 1.74% indirect stake in the group. (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	0.600	-0.8%	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	1.480	-0.7%	Initiate on 24/4/2024
5	DAYANG	3-May	2.590	2.750	2.800	2.900	2.500	2.400	2.530	-2.3%	Initiate on 3/5/2024
6	BDB	20-May	0.400	0.430	0.435	0.450	0.380	0.370	0.365	-8.8%	Cut Loss on 5/6/2024
7	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	1.67	-4.6%	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	1.00	-4.8%	Initiate on 1/4/2024
4	GASMSIA	1-Apr	3.387	3.720	3.860	-	3.260	3.130	3.60	6.3%	Initiate on 1/4/2024
5	HSSEB	1-Apr	1.160	1.270	1.370	-	1.090	1.010	0.96	-17.7%	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	0.87	8.7%	Initiate on 1/4/2024
8	MPI	1-Apr	31.180	34.000	36.000	-	30.000	28.300	38.00	21.9%	Initiate on 1/4/2024
9	PIE	1-Apr	3.537	3.900	4.100	-	3.480	3.350	6.03	70.5%	Initiate on 1/4/2024
10	SPRITZER	1-Apr	2.240	2.390	2.490	-	2.170	2.100	2.73	21.9%	Initiate on 1/4/2024
11	TAANN	1-Apr	4.030	4.310	4.500	-	3.910	3.730	4.01	-0.5%	Initiate on 1/4/2024
12	TDM	1-Apr	0.280	0.325	0.355	-	0.240	0.215	0.21	-26.8%	Initiate on 1/4/2024
13	UNISEM	1-Apr	3.840	4.100	4.350	-	3.700	3.550	4.10	6.8%	Initiate on 1/4/2024
Average Return										7.6%	

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)	22.5%
Accuracy (2023)	39.6%
FBM KLCI (Since 30/12/2022)	7.6%
FBM Small Cap (Since 30/12/2022)	25.8%
Malaysia GDP Growth (1H23)	4.2%