

Monday, 10 Jun, 2024

## Diesel Reform Might Affect Sentiment

### Market Review

**Malaysia:** The FBMKLCI (+0.19%) ended higher as the index was lifted by buying interest in selected industrial products heavyweights, with no negative sector as the sentiment turned bullish after ECB announced a rate cut. Meanwhile, the Healthcare sector (+2.93%) was the leading sector.

**Global markets:** Wall Street ended lower as the sentiment turned bearish after the nonfarm payroll data came in higher than expectations suggesting that the Fed may delay rate cuts. Both the European and Asian stock market ended higher, both led by the positive sentiment after the European Central Bank reduced interest rates.

### The Day Ahead

After violating below 1,600 during the MSCI rebalancing in the month of May, the FBMKLCI managed to rebound higher for the week, supported mainly by the Utilities heavyweights. Over in the US, the sentiment turned negative as unemployment rates were higher than expectations, and the better-than-expected jobs data delayed the expectations of an earlier rate cut. This week, we believe the diesel hike that was announced over the weekend may affect the sentiment, capping the upside potential for the near term. On the commodity markets, Brent oil has pulled back after hitting the USD80 resistance, while the gold has tanked more than 3% after the stronger US jobs report which has cooled the rate-cut hopes.

**Sectors focus:** We believe that the overall buying interest may persist in selected sectors like the Technology sector which are related to data center, AI and cloud services themes and their recent earnings have shown some improvements, indicating that the earnings have bottomed out. Also, we like stocks within the Construction, Property and Utilities sectors amid rising data center investments from MNCs on the local front. In the Building Material sector, the stronger earnings from MYCRON and MASTEEL recently and bonus issue announcement from ENGTEX could boost appetite.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI index ended higher breaking above the 1,615 level. The technical readings on the key index were positive with the MACD Histogram forming a rounding bottom formation, while the RSI maintains 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	38,798.99	-0.22
S&P 500	5,346.99	-0.11
NASDAQ	17,133.13	-0.23
FBM KLCI	1,617.86	0.19
FBM Small Cap	19,315.16	1.21
FBM ACE	5,577.32	1.41
Construction	250.03	1.31
Consumer	598.54	0.48
Energy	969.23	0.37
Financial Services	17,642.27	0.03
Healthcare	2,191.07	2.93
Ind Products	197.65	0.21
Plantation	7,145.33	0.46
Property	1,119.28	1.48
REITs	839.90	0.16
Technology	75.13	0.60
Telco & Media	615.15	0.42
Transport & Logist	1,120.92	0.51
Utilities	1,852.29	1.11
Trading Vol (m)	5,729.88	7.04
Trading Val (RM m)	4,053.60	-9.91
Gainers/ Losers rat	169%	
FKLI	1618.50	0.12
FCPO (RM)	3,975.00	0.38
Brent oil (USD)	79.62	-0.21
Gold (USD)	2,293.78	0.17
USD	4.692	0.06
GBP	6.0037	-0.02
EURO	5.1103	-0.04
SGD	3.4889	-0.11

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
243.3	-16.3	-227.0

Source: Bloomberg, Bursa Market Place



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## Company Brief

**Public Bank Bhd** (PBBANK) has received approval from the State Securities Commission of Vietnam to acquire **RHB Bank Bhd's** (RHB) stockbroking firm in Vietnam for RM72.55m. The approval by Vietnam SSC is subject to two conditions, namely the proposed acquisition must be completed within six months from the date of approval, failing which the approval shall lapse, and the stockbroking firm RHB Securities Vietnam Company Ltd (RHBSVN) shall implement the reporting and publication regime in accordance with the applicable regulation. (The Edge)

**Maxis Bhd** (MAXIS), one of the five mobile network operators (MNOs) involved in the implementation of the national dual network 5G model, said on Friday that it is ready to complete the Digital Nasional Bhd (DNB) share subscription agreement (SSA) process. This puts the company on track to an early completion of its SSA process and to participate in the rollout of the second 5G network ahead of the timeline given by Communications Minister Fahmi Fadzil. "We want to see an early conclusion to the SSA process as it will provide greater certainty to the nation's dual 5G network rollout," Maxis chief executive officer Goh Seow Eng said. (The Edge)

**Binastra Corp Bhd** (BNASTRA), formerly known as Comintel Corp Bhd, said it has secured a contract worth RM315m to build two blocks of residential apartments in Bandar Tasik Selatan, Kuala Lumpur. The job scope covers the main building works of the development, comprising two 40-storey apartments – one with 757 units and the other with 743 units, as well as an eight-storey carpark. The project is to be completed within 33 months from the date of commencement, which is tentatively fixed for July 8. (The Edge)

Johor-based property developer **Paragon Globe Bhd** (PGLOBE) is acquiring a parcel of land, measuring 9.84 acres in Plentong, Johor Bahru, for RM13.5m. The group plans to develop the land by constructing a detached factory, scheduled to commence in 2025 and expected to take 1.5 years to complete. "The estimated gross development value of the proposed development is approximately RM76.13m, with an expected gross development cost of RM55.14m," the group said, anticipating a gross development profit of RM20.99m. (The Edge)

The takeover bid by doctor-turned-businessman Tan Sri Mohan MK Swami and his partner Datuk Seri Dr Shamir Kumar Nandy for **Turiya Bhd** (TURIYA) has closed with the offerors raising their stake in the property management firm to 59.46%. M&A Securities Sdn Bhd, on behalf of Turiya, informed Bursa Malaysia that the mandatory general offer (MGO) by Khidmat Kejora Sdn Bhd and Neo Pixel Sdn Bhd – the special purpose vehicles of Swami and Shamir – had closed at 5pm on Friday. (The Edge)

Corrugated paper packaging maker **DS Sigma Holdings Bhd** (DSS) has proposed to transfer its listing from the ACE Market to the Main Market of Bursa Malaysia, saying it has met the required profit requirements. DS Sigma recorded a profit after tax (PAT) attributable to owners of the company of RM8.16m for its financial year ended June 30, 2023 (FY2023) and an aggregate PAT of RM49.49m for FY2021, FY2022 and FY2023. Under the equity guidelines issued by the Securities Commission Malaysia (SC), a company must have an uninterrupted profit of three to five full financial years prior to submission to the SC, with an aggregate PAT of at least RM20m and a PAT for the most recent financial year of at least RM6m. DS Sigma expects the listing transfer to be completed in the second half of 2024. (The Edge)

**Engtex Group Bhd** (ENGTEX) has proposed to undertake a bonus issue of up to 414.30m new shares, on the basis of three bonus shares for every four existing shares. As at May 31 this year, the group's total number of shares stood at 443.32m, including 1.9m treasury shares. The company said the exercise is to reward existing shareholders for their continuous support and encourage trading liquidity and affordability on the Main Market. (The Edge)



**Euro Holdings Bhd** (EURO) said it is disposing of an 8,000 sq m industrial land in Rawang, together with a two-storey detached factory and an annexed three-storey office building sited on it, for RM17.3m, cash. This is part of its business transformation plan to rationalise non-core assets and to move its warehouse from Rawang to its steel furniture manufacturing plant in Melaka. Of the proceeds from the disposal, Euro Holdings said RM5.5m will be used to repay borrowings and another RM10.5m to fund its working capital, while the remaining RM1.3m will be allocated for estimated expenses related to the disposal exercise. (The Edge)

Renewable energy player **Sunview Group Bhd** (SUNVIEW) has secured a RM51.9m contract to build a 44.99 Mwp solar photovoltaic (PV) plant in Kuala Ketil, Kedah. Sunview's wholly-owned unit Fabulous Sunview Sdn Bhd accepted the letter of award on Friday from Cenergi Solar Kuala Ketil Sdn Bhd, which is involved in the installation of non-electric solar energy collectors. The project will begin on June 10, and must reach commercial operations by June 24, 2025, unless extended in writing by Cenergi. (The Edge)

**Toyo Ventures Holdings Bhd's** (TOYOVEN) wholly-owned unit Song Hau 2 Power Company Ltd (SH2P) has secured US\$980m (RM4.6b) equipment financing facility from i-Power Solutions Pte Ltd. The financing is for the construction of a 2.12 gigawatt (GW) thermal power plant in Hau Giang Province, southern Vietnam, which involved proposed project financing facilities of up to US\$2.69b. TVHB said the purpose of the equipment facility is to finance up to 70% of the invoice amount for the procurement of equipment required for the engineering, procurement, construction and commissioning (EPCC) works of the project. (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	OCK	5-Apr	0.605	0.660	0.670	0.690	0.580	0.570	0.595	-1.7%	Initiate on 5/4/2024
2	FFB	24-Apr	1.490	1.600	1.620	1.650	1.410	1.400	1.530	2.7%	Initiate on 24/4/2024
3	DAYANG	3-May	2.590	2.750	2.800	2.900	2.500	2.400	2.590	0.0%	Initiate on 3/5/2024
4	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
5	FOCUSP	31-May	0.830	0.890	0.910	0.930	0.790	0.780	0.805	-3.0%	Initiate on 31/5/2024
6	CORAZA	6-Jun	0.580	0.620	0.630	0.640	0.540	0.530	0.570	-1.7%	Initiate on 6/6/2024

## 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	1.08	2.9%	Initiate on 1/4/2024
4	GASMSIA	1-Apr	3.387	3.720	3.860	-	3.260	3.130	3.68	8.7%	Initiate on 1/4/2024
5	HSSEB	1-Apr	1.160	1.270	1.370	-	1.090	1.010	0.98	-15.9%	Initiate on 1/4/2024
6	MBMR	1-Apr	4.640	4.990	5.180	-	4.470	4.340	5.44	17.2%	Initiate on 1/4/2024
7	MBSB	1-Apr	0.800	0.905	0.950	-	0.780	0.750	0.89	10.6%	Initiate on 1/4/2024
8	MPI	1-Apr	30.970	34.000	36.000	-	30.000	28.300	38.20	23.3%	Initiate on 1/4/2024
9	PIE	1-Apr	3.537	3.900	4.100	-	3.480	3.350	6.18	74.7%	Initiate on 1/4/2024
10	SPRITZER	1-Apr	2.195	2.390	2.490	-	2.170	2.100	2.76	25.7%	Initiate on 1/4/2024
11	TAANN	1-Apr	4.030	4.310	4.500	-	3.910	3.730	4.08	1.2%	Initiate on 1/4/2024
12	TDM	1-Apr	0.280	0.325	0.355	-	0.240	0.215	0.22	-21.4%	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										10.7%	



Technical Focus Tracker Summary	
Total recommendations	387
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)	25.6%
Accuracy (2023)	39.2%
FBM KLCI (Since 30/12/2022)	8.2%
FBM Small Cap (Since 30/12/2022)	29.4%
Malaysia GDP Growth (1H23)	4.2%







SOP (5126)	Final	RM0.06	30/4/2024	27/6/2024	RM3.05	RM2.86	2.1	-6.2
MARCO (3514)	Final	RM0.02	29/4/2024	27/6/2024	RM0.19	RM0.19	10.8	0.0
VITROX (0097)	Final	RM0.01	5/4/2024	27/6/2024	RM7.74	RM7.94	0.1	2.6
TRC (5054)	Final	RM0.01	30/4/2024	27/6/2024	RM0.48	RM0.47	2.6	-2.1
ORIENT (4006)	Final	RM0.20	19/4/2024	27/6/2024	RM6.80	RM6.86	2.9	0.9
BDB (6173)	Final	RM0.01	29/4/2024	27/6/2024	RM0.38	RM0.38	2.6	1.3
RHONEMA (5278)	Final	RM0.01	16/4/2024	27/6/2024	RM0.65	RM0.66	1.5	1.5
TPC (7176)	Interim	RM0.01	30/5/2024	27/6/2024	RM0.42	RM0.38	2.6	-8.4
LEONFB (5232)	Final	RM0.02	9/4/2024	27/6/2024	RM0.55	RM0.59	2.6	6.4
MGB (7595)	Final	RM0.01	15/4/2024	27/6/2024	RM0.83	RM0.87	0.9	5.5
LSH (03047)	Interim	RM0.01	30/5/2024	27/6/2024	RM0.88	RM0.88	1.4	0.0
MUDA (3883)	Final	RM0.03	29/4/2024	28/6/2024	RM1.49	RM1.48	2.0	-0.7
KIMLUN (5171)	Final	RM0.01	28/2/2024	1/7/2024	RM0.85	RM1.43	0.7	68.2
NATGATE (0270)	Final	RM0.00	29/2/2024	2/7/2024	RM1.41	RM1.95	0.1	38.3
DKSH (5908)	Final	RM0.17	16/4/2024	2/7/2024	RM4.80	RM5.30	3.2	10.4
LYSAGHT (9199)	Final	RM0.05	22/2/2024	3/7/2024	RM2.39	RM3.00	1.7	25.5
JCBNEXT (0058)	Final	RM0.07	26/4/2024	3/7/2024	RM1.60	RM1.71	3.8	6.9
UPA (7757)	Final	RM0.03	29/4/2024	4/7/2024	RM0.80	RM0.81	3.7	1.3
AEONCR (5139)	Final	RM0.14	8/4/2024	4/7/2024	RM6.61	RM7.35	1.9	11.2
KLK (2445)	Interim	RM0.20	20/5/2024	5/7/2024	RM22.44	RM21.16	0.9	-5.7
BKAWAN (1899)	Interim	RM0.20	20/5/2024	5/7/2024	RM20.24	RM19.76	1.0	-2.4
TIENWAH (7374)	Final	RM0.03	22/4/2024	5/7/2024	RM0.85	RM0.89	3.2	4.1
ALCOM (2674)	Final	RM0.04	27/2/2024	9/7/2024	RM0.82	RM0.87	4.6	6.7
BIPORT (5032)	Interim	RM0.03	30/5/2024	10/7/2024	RM6.25	RM6.30	0.5	0.8
PENTA (7160)	Final	RM0.02	7/6/2024	11/7/2024	RM4.91	RM4.91	0.4	0.0
SURIA (6521)	Final	RM0.02	30/4/2024	11/7/2024	RM2.15	RM1.99	0.8	-7.4
SCGBHD (0225)	Final	RM0.01	27/2/2024	11/7/2024	RM0.50	RM0.89	0.8	78.0
MOBILIA (0229)	Interim	RM0.01	29/5/2024	11/7/2024	RM0.19	RM0.19	2.7	0.0
IBRACO (5084)	Final	RM0.02	25/4/2024	11/7/2024	RM1.08	RM1.08	1.9	0.0
PBA (5041)	Final	RM0.02	28/2/2024	12/7/2024	RM2.46	RM1.87	0.9	-24.0
HEVEA (5095)	Final	RM0.01	2/4/2024	15/7/2024	RM0.34	RM0.37	2.7	9.0
NATGATE (0270)	Interim	RM0.00	31/5/2024	15/7/2024	RM1.85	RM1.95	0.1	5.4
UNIMECH (7091)	Final	RM0.04	28/2/2024	15/7/2024	RM1.67	RM1.67	2.3	0.0
PWRWELL (0217)	Interim	RM0.01	30/5/2024	15/7/2024	RM0.47	RM0.52	1.9	11.8
CANONE (5105)	Final	RM0.04	22/2/2024	15/7/2024	RM2.45	RM3.10	1.3	26.5
GOPENG (2135)	Final	RM0.01	4/4/2024	16/7/2024	RM0.34	RM0.42	2.4	22.1
MENANG (1694)	Special Cash	RM0.06	20/5/2024	16/7/2024	RM0.80	RM0.79	7.6	-1.9
SAM (9822)	Interim	RM0.03	29/5/2024	17/7/2024	RM5.98	RM6.47	0.5	8.2
CHOOBEE (5797)	Final	RM0.01	29/4/2024	18/7/2024	RM0.90	RM0.90	0.6	0.0
FIMACOR (3107)	Interim	RM0.08	21/5/2024	18/7/2024	RM1.79	RM1.80	4.2	0.6
OCB (5533)	Final	RM0.02	26/2/2024	18/7/2024	RM0.73	RM0.89	1.7	21.9
HARISON (5008)	Final	RM0.50	8/4/2024	19/7/2024	RM9.09	RM9.64	5.2	6.1
TECGUAN (7439)	Final	RM0.04	29/5/2024	25/7/2024	RM1.93	RM1.92	2.1	-0.5
METROD (6149)	Final	RM0.06	26/4/2024	25/7/2024	RM1.45	RM1.49	4.0	2.8
ASB (1481)	Final	RM0.00	15/4/2024	26/7/2024	RM0.11	RM0.12	0.4	14.3
JKGLAND (6769)	Final	RM0.00	30/5/2024	26/7/2024	RM0.10	RM0.10	1.0	0.0
SAPIND (7811)	Final	RM0.05	30/5/2024	30/7/2024	RM0.90	RM0.92	5.4	2.2
DKLS (7528)	Final	RM0.03	28/2/2024	30/7/2024	RM1.91	RM1.91	1.6	0.0
KFIMA (6491)	Interim + Special Cash	RM0.12	29/5/2024	1/8/2024	RM2.26	RM2.18	5.5	-3.5
KHJB (0210)	Final	RM0.00	15/4/2024	1/8/2024	RM0.16	RM0.17	0.6	6.5
PTRANS (0186)	Interim	RM0.01	23/5/2024	5/8/2024	RM0.71	RM0.70	0.7	-1.4
PASDEC (6912)	Final	RM0.01	29/4/2024	8/8/2024	RM0.32	RM0.31	3.3	-3.2
LBS (5789)	Final	RM0.01	17/4/2024	29/8/2024	RM0.69	RM0.70	1.9	2.2
PANAMY (3719)	Final	RM1.21	30/5/2024	5/9/2024	RM20.06	RM20.60	5.9	2.7

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