

Friday, 28 Jun, 2024

## Finding For Support In The Markets

### Market Review

**Malaysia:** The FBM KLCI (-0.38%) ended lower as the index was dragged by selling pressure in the Industrial Products and Telco heavyweights, in line with the profit taking activities in the regional markets and the uncertainties of the 2nd 5G network further dampened the sentiment.

**Global markets:** Wall Street ended marginally higher as investors are cautious ahead of the PCE index data due on Friday which may dictate the interest rate direction. Both the European and Asian stock markets ended lower, the latter after the Japanese Yen neared an all time low which suggests a weakening economy.

### The Day Ahead

Resumption of selling pressure has led to lower closing on the FBM KLCI, FBM70, and FBM Small Cap. Overall the market sentiment remains weak as investors could be awaiting fresh leads. Meanwhile, in the US, 3 of the major benchmark indices ended higher amid healthier economic data, (i) the US GDP came in at 1.4%, (ii) the US durable goods orders unexpectedly rose in May, but (iii) pending home sales saw a surprise decline in May as demand cooled. Still, traders will be watching the PCE data that will be released later tonight for further clarity on the Fed's direction moving forward. On the commodity markets, Brent oil rebounded strongly as traders speculated on higher summer demand, while the gold price traded along USD2320-2330. For CPO, it traded below RM3,900.

**Sectors focus:** Still, we believe there will be opportunities to position for mid-to-long run under the Technology sector driven by the data, AI, and cloud services catalysts. We like the HDD, EMS, and cybersecurity segments. Meanwhile, we believe the Construction and Building Materials segment are ripe for extension of their upward move respectively. Meanwhile, the Renewable Energy segment will be a long term sector under the National Energy Transition Roadmap.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI index ended lower dipping towards the 1,584 level. The technical readings on the key index were negative with the MACD Histogram forming a negative bar, while the RSI oversold. The resistance is envisaged around 1,599-1,604 and the support is set at 1,569-1,564.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	39,164.06	0.09
S&P 500	5,482.87	0.09
NASDAQ	17,858.68	0.30
FBM KLCI	1584.94	-0.38
FBM Small Cap	19,148.12	-0.71
FBM ACE	5,688.98	-0.60
Construction	263.56	0.25
Consumer	582.87	-0.54
Energy	949.62	-1.08
Financial Services	17,420.32	-0.14
Healthcare	2,108.13	-1.03
Ind Products	195.25	-0.81
Plantation	6,950.82	-0.53
Property	1068.31	-0.75
REITs	826.64	0.01
Technology	75.52	-1.10
Telco & Media	584.30	-1.46
Transport & Logist	1,104.48	-0.23
Utilities	1,776.97	-0.26
Trading Vol (m)	4,228.90	-10.55
Trading Val (RM m)	3,134.54	-2.67
Gainers/ Losers rat	42%	
FKLI	1587.50	0.35
FCPO (RM)	3,895.00	0.13
Brent oil (USD)	86.39	1.34
Gold (USD)	2,327.73	-0.04
USD	4.7175	-0.03
GBP	5.9665	0.14
EURO	5.0463	-0.10
SGD	3.4776	-0.03



Source: Bloomberg, Bursa Market Place



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## Company Brief

**Sapura Energy Bhd's** (SAPNRG) net profit shrank nearly 44% to RM82.13m for 1QFY2025 from RM146.09m the year before, no thanks to a RM117.76m loss resulting from the liquidation of a subsidiary. The group's foreign exchange gains came in much lower at RM52.4m in 1QFY2025, compared with RM217.6m a year ago. Earnings per share contracted to 0.45 sen from 0.91 sen previously. However, quarterly revenue grew 23.6% to RM1.18b from RM951.73m as a result of higher project progress in its engineering and construction segment. The cash-strapped company did not declare any dividend for the quarter under review. (The Edge)

**Crescendo Corp Bhd's** (CRESNDO) net profit for the 1QFY2025 surged to RM289.03m from RM13.2m in 1QFY2024, due to land sales for a data centre in Nusa Cemerlang Industrial Park in Johor. Revenue also soared to a record high of RM527.27m compared with RM58.33m previously, largely from property development and construction operations, which contributed more than 90% in 1QFY2025. It said the company is optimistic about the property market outlook, especially in Johor, for the next few years. However, it remains cautious amidst the rapid changes in the market environment. (The Edge)

**MyEG Services Bhd** (MYEG) announced the activation of its blockchain-based cross-border trade facilitation services after it has secured recognition of certificates from relevant authorities. This service, known as ZTrade services, operates on MyEG's blockchain platform, Zetrix. It enables all data in these certificates to be available accurately in near real-time, increasing tariff computation and customs clearance efficiency. Exporters using the service will benefit from faster and more convenient clearance processing for trades going into China. (The Edge)

MARC Ratings Bhd has downgraded **YNH Property Bhd's** (YNHPROP) Islamic Medium-Term Notes Programme (Sukuk Wakalah) to BBIS with a negative outlook in a move that it says reflects heightening concerns over the group's business and financial prospects. The downgrade was made as MARC removed the programme from its negative watch, in which it has been placed since Jan 18 due to YNH's weak financial position, delayed asset disposals and material issues concerning its key shareholder that have compounded the challenges that the group faces to address its weakening credit profile, MARC said in a statement. (The Edge)

Separately, YNH said the conditional period of the sale and purchase agreement for it to sell 163 Retail Park to Sunway Real Estate Investment Trust has been extended by three months to Sept 26 as the conditional period ended on Thursday. This is the second extension for the deal. (The Edge)

**Dataprep Holdings Bhd's** (DATAPRP) shareholders rejected the reappointment of non-independent and non-executive chairman, Datuk Mohd Rizal Jaafar, and two independent directors – Abdul Aziz Ishak and Nur Zarina Ghazali – at its AGM. Dataprep announced their cessation of office because resolutions on their reappointment were not carried out at the group's 35th annual general meeting held on Thursday. Besides, Dataprep shareholders have also voted against the proposed aggregate directors' fees and benefits payable to its board members of an amount not exceeding RM400,000 from 27 June 2024 till the next AGM. (The Edge)

Voultier Sdn Bhd, a firm controlled by businessmen Datuk Wira Mubarak Hussain Akhtar Husni and Datuk Lai Keng Onn, has completed the acquisition of a 51% stake in financially troubled **EA Technique (M) Bhd** (EATECH). Voultier now owns the majority stake in the marine transportation and offshore storage services group after subscribing for 676.39m shares through a share issuance exercise, which was part of EA Tech's regularisation plan to address its Practice Note 17 (PN17) status. Voultier does not intend to undertake a mandatory general offer and is seeking an exemption from the obligation to do so. (The Edge)



**United Malacca Bhd** (UMCCA) reported a 77.81% rise in quarterly net profit to RM15.3m from RM8.6m a year earlier, driven by stronger revenue contributions from its main business segments which offset losses from its investment activities. Earnings per share rose to 7.29 sen from 4.1 sen previously. Revenue increased 26.75% to RM171.49m from RM135.3m in 4QFY2023. It declared a second interim dividend of 7 sen per share, payable on Aug 9. Looking ahead, United Malacca anticipates increased FFB production in FY2025 due to an improved age profile and enhanced operational efficiency. (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	0.575	-5.0%	Initiate on 5/4/2024
2	FFB	24-Apr	1.490	1.600	1.620	1.650	1.410	1.400	1.510	1.3%	Initiate on 24/4/2024
3	FOCUSP	31-May	0.813	0.890	0.910	0.930	0.790	0.780	0.810	-0.4%	Initiate on 31/5/2024
4	CORAZA	6-Jun	0.580	0.620	0.630	0.640	0.540	0.530	0.545	-6.0%	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	1.709	1.920	2.050	-	1.690	1.630	1.62	-5.2%	Initiate on 1/4/2024
2	CSCSTEL	1-Apr	1.265	1.470	1.570	-	1.320	1.270	1.31	3.6%	Initiate on 1/4/2024
3	E&O	1-Apr	1.050	1.230	1.300	-	0.970	0.900	0.98	-7.1%	Initiate on 1/4/2024
4	GASMSIA	1-Apr	3.387	3.720	3.860	-	3.260	3.130	3.62	6.9%	Initiate on 1/4/2024
5	HSSEB	1-Apr	1.146	1.270	1.370	-	1.090	1.010	0.93	-18.8%	Initiate on 1/4/2024
6	MBMR	1-Apr	4.511	4.990	5.180	-	4.470	4.340	5.34	18.4%	Initiate on 1/4/2024
7	MBSB	1-Apr	0.800	0.905	0.950	-	0.780	0.750	0.81	0.6%	Initiate on 1/4/2024
8	MPI	1-Apr	30.970	34.000	36.000	-	30.000	28.300	38.88	25.5%	Initiate on 1/4/2024
9	PIE	1-Apr	3.537	3.900	4.100	-	3.480	3.350	6.34	79.2%	Initiate on 1/4/2024
10	SPRITZER	1-Apr	2.195	2.390	2.490	-	2.170	2.100	2.68	22.1%	Initiate on 1/4/2024
11	TAANN	1-Apr	3.883	4.310	4.500	-	3.910	3.730	3.80	-2.1%	Initiate on 1/4/2024
12	TDM	1-Apr	0.280	0.325	0.355	-	0.240	0.215	0.23	-19.6%	Initiate on 1/4/2024
13	UNISEM	1-Apr	3.822	4.100	4.350	-	3.700	3.550	4.10	7.3%	Initiate on 1/4/2024
Average Return										8.5%	

### 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)	29.2%
Accuracy (2023)	39.2%
FBM KLCI (Since 30/12/2022)	6.0%
FBM Small Cap (Since 30/12/2022)	28.3%
Malaysia GDP Growth (1H23)	4.2%

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