

Monday, 01 Jul, 2024

Buying Support Should Sustain Into July

Market Review

Malaysia: The FBM KLCI (+0.32%) ended higher as the index was lifted by buying pressure in the Telco & Media and Utilities heavyweights as investors could be expecting softer US inflation data and could push the Fed for earlier rate cuts this year. Also, the quarter end window dressing may help lifted the sentiment.

Global markets: Wall Street ended lower as inflation data remained elevated and the political uncertainty following the US presidential debate. The European stock market ended lower, while Asia ended higher with the Japanese Yen falling lower which may entice foreign funds to flow into the Nikkei at a discount.

The Day Ahead

Stocks on the Bursa exchange ended the final trading day of 1H2024 on a positive note, lifted by selected Telco companies like CDB and Maxis. Wall Street closed lower despite reports suggesting consumer spending rose moderately in May. Meanwhile, traders will be watching for the release of several key economic data points, including the ISM manufacturing PMI and jobs data like non-farm employment and the unemployment rate. On the commodity front, Brent oil ranged between USD84-85 as the EIA's report suggested rising inventories. The gold price and CPO traded flat within the USD2320-2330 range and RM3900-4000, respectively.

Sectors focus: Despite the selling pressure on Wall Street, we believe buying support should continue on the local front. We see opportunities within the Technology sector, where rising investments and demand for data center, AI, and cloud services should support trading activities for now. Additionally, we recommend selected sectors like Shipping, Renewable Energy, Building Materials, Packaging, and Consumer for short-term trading opportunities.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	39,118.86	-0.12
S&P 500	5,460.48	-0.41
NASDAQ	17,732.60	-0.71
FBM KLCI	1,590.09	0.32
FBM Small Cap	19,289.76	0.74
FBM ACE	5,773.28	1.48
Construction	263.71	0.06
Consumer	584.95	0.36
Energy	955.42	0.61
Financial Services	17,454.73	0.20
Healthcare	2,137.15	1.38
Ind Products	195.85	0.31
Plantation	6,982.72	0.46
Property	1,080.89	1.18
REITs	826.34	-0.04
Technology	76.40	1.17
Telco & Media	595.17	1.86
Transport & Logist	1,107.19	0.25
Utilities	1,779.70	0.15
Trading Vol (m)	4,298.95	1.66
Trading Val (RM m)	3,079.66	-1.75
Gainers/ Losers rat	164%	
FKLI	1,596.50	0.92
FCPO (RM)	3,916.00	0.67
Brent oil (USD)	85.00	-0.07
Gold (USD)	2,326.75	-0.11
USD	4.7175	0.00
GBP	5.9672	-0.01
EURO	5.052	-0.11
SGD	3.4806	-0.09

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
354.9	2.7	-357.7

Source: Bloomberg, Bursa Market Place

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI index ended higher towards the 1,590 level. The technical readings on the key index were negative with the MACD Histogram forming a negative bar, while the RSI is below 50. The resistance is envisaged around 1,605-1,610 and the support is set at 1,570-1,575.



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Company Brief

Digital Nasional Bhd announced on Friday that four mobile network operators (MNOs) have each completed their respective share subscription agreements (SSAs) and acquired a 16.3% stake in the company – higher than the 14% they were initially expected to take up – as **Telekom Malaysia Bhd** (TM) has yet to complete its SSA. DNB said the four MNOS, namely **CelcomDigi Bhd** through Infranation Sdn Bhd, **Maxis Broadband Sdn Bhd** (Maxis Bhd's Broadband arm), U Mobile Sdn Bhd and **YTL Power International Bhd** through YTL Communications Sdn Bhd, now collectively own 65.1% in DNB. This leaves the Malaysian government, represented by the Minister of Finance (Inc), with a 34.9% stake and a special share in DNB, which it will hold for a designated period. (The Edge)

Malaysia Airports Holdings Bhd's (AIRPORT) two subsidiaries are seeking a summary judgement from the High Court against MYAirline Sdn Bhd in their claim for RM17.74m owed by the troubled carrier. The move against MYAirline has not been reported previously. MYAirline had sought to strike out the bid for summary judgement by Malaysia Airports Sdn Bhd (MASB) and Malaysia Airports Sepang Sdn Bhd (MASSB), for which oral submissions were heard on Friday before Judicial Commissioner Gan Techiong. (The Edge)

Rubber products manufacturer **Superlon Holdings Bhd's** (SUPERLN) net profit jumped more than threefold for 4QFY2024, thanks to higher gross profit amid increased demand for its products and lower effective group taxation. Net profit surged to RM2.05m from RM608,000, as revenue climbed 26.4% to RM30.9m from RM24.43m a year earlier due to higher sales volume. The increase in profitability is also attributable to lower material costs and favourable exchange rate movements. (The Edge)

Green energy solutions group **Cypark Resources Bhd** (CYPARK) registered a net loss of RM57.92m for 4QFY2024 on revenue of RM56.32m. There were no comparative figures as the group had changed its financial year end from Oct 31, 2022 to April 30, 2023. Cypark said the loss stemmed from a RM46m derecognition of deferred tax assets in certain entities within the group, following the assessment conducted in line with the MFRS112 Income Tax requirements, as well as administration costs, particularly higher professional fees. (The Edge)

Astino Bhd's (ASTINO) net profit fell 36.7% to RM8.04m in 3QFY2024 from RM12.71m a year earlier, due to a decline in sales and profit margin. Earnings per share dropped to 1.65 sen compared with 2.59 sen in 3QFY2023. No dividend was declared for the quarter under review. Quarterly revenue declined 13% year-on-year (y-o-y) to RM135.6m from RM155.9m, due to fewer business days as the Lunar New Year and Hari Raya Puasa occurred during this period. Its quarterly revenue was the lowest in two years, since 1QFY2022, when it posted RM136.5m. (The Edge)

Hiap Teck Venture Bhd's (HIAPTEK) net profit surged threefold to RM46.82m for the third quarter ended April 30, 2024 (3QFY2024), from RM15.03m a year earlier, driven by a higher share of profit from a joint venture (JV) company. Earnings per share for 3QFY2024 improved to 2.69 sen, from 0.86 sen previously. Revenue increased by 7.14% to RM399.68m from RM373.03m on higher sales volumes, despite lower average selling prices. (The Edge)

Tengku Datuk Seri Azmil Zahrudin Raja Abdul Aziz, former managing director and chief executive officer (CEO) of the now-defunct **Malaysian Airline System Bhd** (MAS), has joined the board of **CIMB Group Holdings Bhd** (CIMB), the country's second largest lender, as non-independent non-executive director effective July 1. Azmil, 54, is currently the chairman of CelcomDigi Bhd (CDB) and also independent director of **Sime Darby Bhd** (SIME). (The Edge)



NTPM Holdings Bhd (NTPM) slipped into the red in 4QFY2024 from a year earlier, dragged down by losses in its tissue paper products business segment. The group posted a net loss of RM10.99m compared with a net profit of RM3.85m in 4QFY2023. (The Edge)

MCE Holdings Bhd (MCEHLDG) saw its net profit plummeted by 48.6% for 3QFY2024 due to higher operating expenses and effective tax rates. Net profit fell to RM2.42m from RM4.7m a year earlier, while revenue declined by 4.4% year-on-year to RM37.39m from RM39.13m. It attributed the lower revenue to two major festive holidays during the quarter, resulting in fewer working days. (The Edge)

Sentoria Group Bhd (SNTORIA) announced that its CEO Datuk Loh Yuen Tuck will resume his duties immediately after a one-month suspension, due to alleged misconduct. The board further announced that the company has decided to proceed with the inquiry and discussion internally with the affected parties to form an amicable decision or solution in the best interest of the company. As such, the appointment of an external inquiry team will be “unnecessary”. (The Edge)

Property developer **UEM Sunrise Bhd** said it will file an appeal with the High Court here after the Special Commissioners of Income Tax ruled in favour of the Inland Revenue Board (IRB) that the additional tax and penalty totalling RM73.84m is to be maintained. On Oct 3, 2011, UEM Sunrise’s indirect wholly owned subsidiary Bandar Nusajaya Development Sdn Bhd had received a notice of additional assessment from the IRB for additional tax and penalty for the year of assessment 2006, which resulted in an additional tax payable of RM73.84m. UEM Sunrise said the amount was paid on Dec 5, 2016. (The Edge)

Builder Haily Group Bhd (HAILY) has secured a RM53.72m contract from Venice View Development Sdn Bhd to build 221 units of two-storey houses, three units of Tenaga Nasional Bhd (TNB) sub-stations and a TNB main switch station in Pulau, Johor. Haily said its wholly-owned subsidiary Haily Construction Sdn Bhd has accepted a letter of award for the proposed job, which encompasses two parcels of land. The project is slated to be completed within 15 months from the date of commencement, which will be determined by the architect, ARC Alliance Sdn Bhd. (The Edge)

Oil and gas services provider **Coastal Contracts Bhd** (COASTAL) has secured a one-year extension of its charter contract for a liftboat, worth RM64.1m. The extension – awarded to its Singapore-based subsidiary Elite Point Pte Ltd – is expected to contribute positively to its earnings and net assets during the contract tenure. Coastal Contracts had ventured into the chartering of liftboats – self-propelled, multifunctional, self-elevating platform-based vessels with large open decks to support various offshore maintenance and construction works – in February 2021 via the acquisition of Elite Point. (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	0.580	-4.1%	Initiate on 5/4/2024
2	FFB	24-Apr	1.490	1.600	1.620	1.650	1.410	1.400	1.520	2.0%	Initiate on 24/4/2024
3	FOCUSP	31-May	0.813	0.890	0.910	0.930	0.790	0.780	0.820	0.9%	Initiate on 31/5/2024
4	CORAZA	6-Jun	0.580	0.620	0.630	0.640	0.540	0.530	0.535	-7.8%	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	1.61	-5.8%	Closed on 28/6/2024
2	CSCSTEL	1-Apr	1.265	1.470	1.570	-	1.320	1.270	1.31	3.6%	Closed on 28/6/2024
3	E&O	1-Apr	1.050	1.230	1.300	-	0.970	0.900	0.99	-6.2%	Closed on 28/6/2024
4	GASMSIA	1-Apr	3.387	3.720	3.860	-	3.260	3.130	3.60	6.3%	Closed on 28/6/2024
5	HSSEB	1-Apr	1.146	1.270	1.370	-	1.090	1.010	0.96	-16.7%	Closed on 28/6/2024
6	MBMR	1-Apr	4.511	4.990	5.180	-	4.470	4.340	5.29	17.3%	Closed on 28/6/2024
7	MBSB	1-Apr	0.769	0.905	0.950	-	0.780	0.750	0.81	5.3%	Closed on 28/6/2024
8	MPI	1-Apr	30.970	34.000	36.000	-	30.000	28.300	39.42	27.3%	Closed on 28/6/2024
9	PIE	1-Apr	3.537	3.900	4.100	-	3.480	3.350	6.26	77.0%	Closed on 28/6/2024
10	SPRITZER	1-Apr	2.195	2.390	2.490	-	2.170	2.100	2.66	21.2%	Closed on 28/6/2024
11	TAANN	1-Apr	3.883	4.310	4.500	-	3.910	3.730	3.81	-1.9%	Closed on 28/6/2024
12	TDM	1-Apr	0.280	0.325	0.355	-	0.240	0.215	0.23	-19.6%	Closed on 28/6/2024
13	UNISEM	1-Apr	3.822	4.100	4.350	-	3.700	3.550	4.16	8.8%	Closed on 28/6/2024
Average Return										9.0%	

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)	30.0%
Accuracy (2023)	39.2%
FBM KLCI (Since 30/12/2022)	6.3%
FBM Small Cap (Since 30/12/2022)	29.2%
Malaysia GDP Growth (1H23)	4.2%



Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
MLAB (0085)	Rights Issue	3:1	18/6/2024	1/7/2024	RM0.19	RM0.20	-	7.0
PWF (7134)	Interim	RM0.01	14/6/2024	1/7/2024	RM0.84	RM0.86	1.2	1.8
MANULFE (1058)	Final	RM0.07	26/2/2024	1/7/2024	RM1.88	RM2.28	3.1	21.3
KIMLUN (5171)	Final	RM0.01	28/2/2024	1/7/2024	RM0.84	RM1.33	0.8	57.6
NATGATE (0270)	Final	RM0.00	29/2/2024	2/7/2024	RM1.41	RM1.83	0.1	29.8
DKSH (5908)	Final	RM0.17	16/4/2024	2/7/2024	RM4.80	RM5.38	3.2	12.1
LYSAGHT (9199)	Final	RM0.05	22/2/2024	3/7/2024	RM2.39	RM2.82	1.8	18.0
JCBNEXT (0058)	Final	RM0.07	26/4/2024	3/7/2024	RM1.60	RM1.73	3.8	8.1
EWINT (5283)	Interim	RM0.06	19/6/2024	3/7/2024	RM0.40	RM0.42	14.3	5.0
GFM (0039)	Bonus-Options	1:2	18/3/2024	4/7/2024	RM0.32	RM0.42	-	32.1
ECOWLD (8206)	Interim	RM0.02	20/6/2024	4/7/2024	RM1.58	RM1.50	1.3	-5.1
SCIPACK (8125)	Interim	RM0.03	19/6/2024	4/7/2024	RM2.03	RM2.08	1.2	2.5
UPA (7757)	Final	RM0.03	29/4/2024	4/7/2024	RM0.80	RM0.79	3.8	-1.3
AEONCR (5139)	Final	RM0.14	8/4/2024	4/7/2024	RM6.61	RM7.47	1.9	13.0
KLK (2445)	Interim	RM0.20	20/5/2024	5/7/2024	RM22.44	RM20.64	1.0	-8.0
BKAWAN (1899)	Interim	RM0.20	20/5/2024	5/7/2024	RM20.24	RM19.82	1.0	-2.1
TIENWAH (7374)	Final	RM0.03	22/4/2024	5/7/2024	RM0.85	RM0.87	3.2	1.8
MUDAJYA (5085)	Rights Issue	1:4	24/6/2024	5/7/2024	RM0.16	RM0.14	-	-9.7
VS (6963)	Interim	RM0.00	19/6/2024	9/7/2024	RM1.15	RM1.27	0.3	10.4
SCIENTX (4731)	Interim	RM0.06	21/6/2024	9/7/2024	RM4.29	RM4.31	1.4	0.5
ALCOM (2674)	Final	RM0.04	27/2/2024	9/7/2024	RM0.82	RM0.85	4.7	4.3
POHUAT (7088)	Interim	RM0.02	26/6/2024	10/7/2024	RM1.44	RM1.45	1.4	0.7
MAGNI (7087)	Interim	RM0.03	25/6/2024	10/7/2024	RM2.39	RM2.35	1.4	-1.7
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	RM5.02	0.4	2.2
SURIA (6521)	Final	RM0.02	30/4/2024	11/7/2024	RM2.15	RM2.00	0.8	-7.0
SCGBHD (0225)	Final	RM0.01	27/2/2024	11/7/2024	RM0.50	RM0.94	0.8	88.0
CETECH (03024)	Interim	RM0.00	27/6/2024	11/7/2024	RM1.15	RM1.15	0.1	0.0
MOBILIA (0229)	Interim	RM0.01	29/5/2024	11/7/2024	RM0.19	RM0.19	2.6	2.7
IBRACO (5084)	Final	RM0.02	25/4/2024	11/7/2024	RM1.08	RM1.12	1.8	3.7
WTK (4243)	Final	RM0.02	26/2/2024	12/7/2024	RM0.52	RM0.49	3.1	-4.9
NETX (0020)	Bonus-Options	RM0.50	11/1/2024	12/7/2024	RM0.12	RM0.15	-	30.4
PBA (5041)	Final	RM0.02	28/2/2024	12/7/2024	RM2.46	RM1.76	1.0	-28.5
HEVEA (5095)	Final	RM0.01	2/4/2024	15/7/2024	RM0.34	RM0.36	2.8	7.5
NATGATE (0270)	Interim	RM0.00	31/5/2024	15/7/2024	RM1.85	RM1.83	0.1	-1.1
SAMCHEM (5147)	Interim	RM0.01	26/6/2024	15/7/2024	RM0.60	RM0.60	0.8	0.0
UNIMECH (7091)	Final	RM0.04	28/2/2024	15/7/2024	RM1.67	RM1.53	2.5	-8.4
PWRWELL (0217)	Interim	RM0.01	30/5/2024	15/7/2024	RM0.47	RM0.48	2.1	3.2
CANONE (5105)	Final	RM0.04	22/2/2024	15/7/2024	RM2.45	RM3.00	1.3	22.4
PECCA (5271)	Interim	RM0.02	24/5/2024	15/7/2024	RM1.43	RM1.31	1.1	-8.4
AURORA (03037)	Interim	RM0.00	28/6/2024	15/7/2024	RM0.22	RM0.22	0.5	0.0
ACO (0218)	Interim	RM0.00	20/6/2024	16/7/2024	RM0.27	RM0.28	0.7	3.8
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	RM0.77	7.8	-3.8
SAM (9822)	Interim	RM0.03	29/5/2024	17/7/2024	RM5.98	RM6.15	0.5	2.8
BAUTO (5248)	Interim + Special Cash	RM0.12	11/6/2024	18/7/2024	RM2.54	RM2.51	4.7	-1.2
CHOOBEE (5797)	Final	RM0.01	29/4/2024	18/7/2024	RM0.90	RM0.93	0.5	3.3
FIMACOR (3107)	Interim	RM0.08	21/5/2024	18/7/2024	RM1.79	RM1.82	4.1	1.7
OCB (5533)	Final	RM0.02	26/2/2024	18/7/2024	RM0.73	RM0.90	1.7	22.6
HARISON (5008)	Final	RM0.50	8/4/2024	19/7/2024	RM9.09	RM9.91	5.0	9.0
TEGUAN (7439)	Final	RM0.04	29/5/2024	25/7/2024	RM1.93	RM1.81	2.2	-6.2
METROD (6149)	Final	RM0.06	26/4/2024	25/7/2024	RM1.45	RM1.52	3.9	4.8
SUPERLN (7235)	Interim	RM0.01	28/6/2024	26/7/2024	RM1.30	RM1.30	0.6	0.0
ASB (1481)	Final	RM0.00	15/4/2024	26/7/2024	RM0.11	RM0.12	0.4	9.5
JKGLAND (6769)	Final	RM0.00	30/5/2024	26/7/2024	RM0.10	RM0.11	1.0	5.0
UMCCA (2593)	Interim	RM0.07	27/6/2024	29/7/2024	RM5.05	RM5.08	1.4	0.6
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	RM1.93	1.6	1.0
PGF (8117)	Final	RM0.02	30/4/2024	31/7/2024	RM1.92	RM2.18	0.7	13.5
KFIMA (6491)	Interim + Special Cash	RM0.12	29/5/2024	1/8/2024	RM2.26	RM2.16	5.6	-4.4
KHJB (0210)	Final	RM0.00	15/4/2024	1/8/2024	RM0.16	RM0.16	0.6	0.0
PTRANS (0186)	Interim	RM0.01	23/5/2024	5/8/2024	RM0.71	RM0.71	0.7	-0.7
SNS (0259)	Interim	RM0.00	28/6/2024	7/8/2024	RM0.76	RM0.76	0.3	0.0
FAVCO (7229)	Final	RM0.09	26/2/2024	7/8/2024	RM1.94	RM2.10	4.3	8.2
PASDEC (6912)	Final	RM0.01	29/4/2024	8/8/2024	RM0.32	RM0.31	3.2	-1.6
PANTECH (5125)	Final	RM0.02	25/4/2024	29/8/2024	RM1.04	RM1.06	1.4	1.9
AJI (2658)	Final	RM0.38	27/6/2024	29/8/2024	RM15.24	RM15.50	2.5	1.7
LBS (5789)	Final	RM0.01	17/4/2024	29/8/2024	RM0.67	RM0.72	1.9	7.0
PANAMY (3719)	Final	RM1.21	30/5/2024	5/9/2024	RM20.06	RM20.18	6.0	0.6
AYS (5021)	Final	RM0.02	18/6/2024	19/9/2024	RM0.41	RM0.40	3.8	-3.7

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