

Factor Focus Picks - July 2024

Research Team
research@msec.com.my

Summary

As of June 28th, the Large Cap (+0.50%), Small Cap (+7.26%), and Whole Universe (+4.50%) simulation stock picks, where the stocks were picked based on high quality and momentum scores have outperformed the FBMKLCI, FBM Small Cap, and FBM ACE, which only registered -0.41%, 3.64%, and 7.12%, respectively in June 2024.

Factor Focus Strategy and Performance

Our strategy integrates quality and momentum factors. Quality and momentum scores are computed, with securities in the Leap Market being excluded from the calculation. The momentum score is derived from the price change over 6 and 12 months, while the quality scores result from a combination of financial ratios that exhibit a robust correlation with the forward return of securities.

Table 1: Historical Simulated Factor Focus Picks Return

Period	Large Cap	Small Cap	Combined	FBMKLCI	FBMSCAP	FBMACE
Feb-24	4.50%	1.40%	4.20%	2.54%	0.35%	0.28%
Mar-24	4.30%	8.60%	2.60%	-0.99%	3.08%	2.70%
Apr-24	3.83%	5.81%	6.71%	2.60%	3.40%	3.67%
May-24	6.89%	6.61%	9.86%	1.31%	4.07%	6.16%
Jun-24	0.50%	7.26%	4.50%	-0.41%	3.64%	7.12%
Average	4.00%	5.94%	5.57%	1.01%	2.91%	3.99%
Cumulative	20.02%	29.68%	27.87%	5.05%	14.54%	19.93%

Source: Malacca Securities Research

Table 2: June Factor Focus Picks Performance

Big Cap Picks		Small Cap Picks		Whole Universe Picks	
UCHITEC	1.63%	GFM	6.87%	UCHITEC	1.63%
HUMEIND	0.96%	SENFONG	7.10%	HUMEIND	0.96%
KGB	9.20%	APOLLO	-5.76%	KGB	9.20%
WASCO	-8.67%	HTPADU	2.04%	WASCO	-8.67%
MAGNI	6.82%	OCK	-1.69%	MAGNI	6.82%
UTDPLT	-2.55%	SCGBHD	26.17%	UTDPLT	-2.55%
AIRPORT	-0.40%	PWRWELL	2.13%	AIRPORT	-0.40%
SIME	-5.76%	M&G	23.64%	GFM	6.87%
ITMAX	12.28%	PARAMON	-0.88%	SENFONG	7.10%
YTLREIT	-0.82%	INTA	8.24%	APOLLO	-5.76%
CCK	5.59%	YOCB	-2.96%	HTPADU	2.04%
CLMT	-0.74%	THETA	14.68%	OCK	-1.69%
DAYANG	-0.38%	TAS	6.16%	SCGBHD	26.17%
SPSETIA	-4.83%	ADB	18.63%	PWRWELL	2.13%
HLIND	-4.88%	UZMA	4.59%	M&G	23.64%
Average return	0.50%	Average return	7.26%	Average return	4.50%

Source: Malacca Securities Research



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Table 3: July Factor Focus Picks

Large Cap Picks					Small Cap Picks					Combined Picks				
Ticker	Q	M	S	Rating	Ticker	Q	M	S	Rating	Ticker	Q	M	S	Rating
HUMEIND	9.0	9.9	8.9	SP	SENDAI	8.3	9.9	8.2	SP	HUMEIND	9.0	9.9	8.9	SP
KGB	8.4	9.6	8.0	SP	HTPADU	8.2	10.0	8.1	SP	KGB	8.4	9.6	8.0	SP
SIME	8.5	9.3	7.8	SP	OCK	7.7	10.0	7.7	SP	SIME	8.5	9.3	7.8	SP
WASCO	8.0	9.4	7.6	SP	GFM	7.9	9.2	7.3	SP	WASCO	8.0	9.4	7.6	SP
SCGBHD	7.6	9.9	7.5	SP	APOLLO	7.3	9.7	7.1	SP	SCGBHD	7.6	9.9	7.5	SP
TM	8.0	9.3	7.5	SP	PWRWELL	7.2	9.9	7.1	SP	TM	8.0	9.3	7.5	SP
AMWAY	7.4	10.0	7.4	SP	PARAMON	7.5	9.4	7.0	SP	AMWAY	7.4	10.0	7.4	SP
SPTOTO	8.4	8.6	7.2	SP	TOMEI	6.9	9.8	6.8	SP	SENDAI	8.3	9.9	8.2	SP
KPJ	7.1	10.0	7.0	SP	MASTER	6.7	10.0	6.7	SP	HTPADU	8.2	10.0	8.1	SP
SUNCON	7.0	9.9	6.9	SP	INTA	6.7	9.9	6.6	SP	OCK	7.7	10.0	7.7	SP
SPSETIA	7.2	9.7	6.9	SP	POHKONG	7.0	9.5	6.6	SP	GFM	7.9	9.2	7.3	SP
IJM	6.9	9.9	6.8	SP	KIMLUN	6.7	9.9	6.6	SP	APOLLO	7.3	9.7	7.1	SP
CLMT	7.0	9.6	6.7	SP	GESHEN	6.5	9.9	6.4	SP	PWRWELL	7.2	9.9	7.1	SP
UTDPLT	6.8	9.8	6.7	SP	ABLEGLOB	6.4	9.8	6.3	SP	PARAMON	7.5	9.4	7.0	SP
UCHITEC	7.7	8.7	6.7	SP	REXIT	7.2	8.7	6.3	SP	TOMEI	6.9	9.8	6.8	SP

Q: Quality, M: Momentum, S: Score, SP: Strong Positive
Source: Malacca Securities Research

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Stock recommendation guide

BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned

