

Wednesday, 03 Jul, 2024

## Uptrend Tone Persisted On FBM70 and Small Cap

### Market Review

**Malaysia:** The FBM KLCI (-0.02%) ended flat as gains in the utilities and industrial heavyweights was offset by losses in telco heavyweights, the latter declined as the market could be uncertain on the progress of the 5G network in Malaysia. The Construction sector (+2.96%) was the best performing sector.

**Global markets:** Wall Street ended higher led by Nasdaq, supported by the gains on the Tech heavyweights like Tesla (+10.2%). The European stock market ended lower, while Asia stock market unchanged as investors could be expecting a softer US inflation data which dictate the rate cut direction.

### The Day Ahead

The FBM KLCI ended marginally lower amid selling pressure within selected Telco heavyweights, while FBM70 and FBM Small Cap rebounded strongly. Over in the US, sentiment remained positive with S&P500 and Nasdaq closed at all-time-high positions after Jerome Powell commented that the inflation is well on track towards Fed's target, and will be data dependent in deciding the interest rate directions. Few key events that the market will be monitoring include the (i) FOMC meeting minutes (Wed), and (ii) US non-farm payrolls data on Friday. On the commodity market, Brent oil had a mild pullback after the breakout, ranging along USD86/bbl, while the gold price is in the sideways consolidation phase. For the CPO, it has moved out of the consolidation phase and steadied above RM4,000.

**Sectors focus:** With the commodities surging, we expect the traders could shift their attention on the Energy and Plantation sector at least for the near term. Meanwhile, the rising investment of data center, AI, and cloud services to remain as the center of attention, and it should benefit the Construction, Property, Building Materials, and Renewable Energy. Besides, given the all-time high closing of S&P500 and Nasdaq, we believe the buying support could spillover towards the Technology sector this week.

**Research Team**  
[research@msec.com.my](mailto:research@msec.com.my)  
(603) 2201 2100

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	39,331.85	0.41
S&P 500	5,509.01	0.62
NASDAQ	18,028.76	0.84
FBM KLCI	1,597.96	-0.02
FBM Small Cap	9,558.16	0.54
FBM ACE	5,886.02	0.46
Construction	272.62	2.96
Consumer	585.16	-0.01
Energy	980.13	0.98
Financial Services	17,546.18	0.28
Healthcare	2,153.85	0.03
Ind Products	197.14	0.18
Plantation	6,985.87	-0.36
Property	1,098.34	0.33
REITs	827.39	0.03
Technology	77.29	1.06
Telco & Media	589.02	-0.84
Transport & Logist	1,107.35	-0.38
Utilities	1,832.85	0.67
Trading Vol (m)	5,393.56	47.34
Trading Val (RM m)	3,988.16	44.21
Gainers/ Losers rat	163%	
FKLI	1,602.00	0.09
FCPO (RM)	4,067.00	-0.54
Brent oil (USD)	86.24	-0.42
Gold (USD)	2,329.46	0.03
USD	4.7212	-0.16
GBP	5.9646	0.14
EURO	5.057	0.27
SGD	3.4747	0.12

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
301.2	-222.0	-79.3

Source: Bloomberg, Bursa Market Place

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI index hit 1,600 but ended flat at 1,597 level. The technical readings on the key index were positive with the MACD histogram forming a positive bar and RSI crossed above 50. The resistance is envisaged around 1,612-1,617 and the support is set at 1,577-1,582.



JOIN OUR OFFICIAL TELEGRAM  
TO GET THE LATEST MARKET UPDATES

**M+Online**  
Equipping Traders For The Win

**Global**  
Winning The World

## Company Brief

**Pertama Digital Bhd** (PERTAMA) has secured a contract to provide public online digital identity (ID) onboarding registration services for the national digital ID platform, MyDigital ID. The contract was awarded to its subsidiary Dapat Vista (M) Sdn Bhd by My Digital ID Sdn Bhd. Dapat is responsible and accountable for user support and the continuous availability of the service. However, it did not disclose the value of the contract. The duration of the contract is four months, with an option to extend for an additional three months. (The Edge)

**KNM Group Bhd** (KNM) said it is considering fresh options to sell its Italian subsidiary, FBM Hudson Italiana SpA (FBMHI), following a third failed attempt. The company said it has received offers of purchase from other interested parties and is currently evaluating its options. Further development in relation to the proposed disposal will be announced in due course. The announcement follows the collapse of its deal to sell the loss-making FBMHI, a manufacturer of heat and high-pressure equipment, to Milan-based BM Carpenterie Oil & Gas Srl and Verona-based Officine Piccol SpA for €16.5m (RM83.54m). The initial agreement with these buyers expired on June 30. (The Edge)

Department store and mall operator **AEON Co (M) Bhd** (AEON) is planning to raise up to RM2b via two separate sukuk programmes that it is setting up, to fund its capital expenditure, working capital, investments and refinance existing debts. It has lodged the required information and documents in relation to the two sukuk wakalah programmes – an Islamic Commercial Papers (ICP) Programme and an Islamic Medium-Term Note (IMTN) Programme, which will have a combined limit of up to RM2b in nominal value – with the Securities Commission Malaysia. The ICP Programme will run for seven years, while the IMTN Programme will have a perpetual tenure. (The Edge)

**Malton Bhd** (MALTON) said it is acquiring 30.17 acres of freehold land in Genting Highlands from fellow property developer **Global Oriental Bhd** (GOB) to build serviced apartments and luxury villas. Malton is buying the land for RM65m, or RM49.46 per sq ft, cash, from Global Oriental's 51%-owned subsidiary Sering Manis Sdn Bhd. The development is expected to generate an estimated gross development value of RM1.29b. In a separate filing, Global Oriental said it has agreed to share a portion of infrastructure costs, totalling RM26m. This cost will be paid progressively based on work certificates for the agreed infrastructure that is scheduled for completion within 42 months. (The Edge)

**G Capital Bhd** (GCAP) has decided to scrap its planned rights issue of redeemable convertible unsecured loan stocks due to unfavourable market conditions. However, the company said it intends to explore alternative funding options for its mini-hydropower plant projects in Perak. The decision to cancel the rights issue is not anticipated to have any material effect on GCAP's earnings or net assets. Separately, the company said its 70%-owned unit Solarcity Malaysia Sdn Bhd has successfully installed and commenced operations of a 2,000 kW solar photovoltaic electric power generation system in Bukit Mertajam, Penang. (The Edge)

Shares of **Jentayu Sustainables Bhd** (JSB) plunged to their lowest in nearly six months on Tuesday's morning trade, prompting Bursa Securities to suspend the counter's intraday short selling (IDSS). JSB's share price fell as much as 22 sen or 26% to an intraday low of 62 sen – its lowest since Jan 23, 2024. The stock pared some of its losses to end the day at 70 sen, still down 14 sen or 16.7% from the previous day's close, valuing the loss-making group, which is engaged in renewable energy, healthcare and trading of building materials, at RM308.97m. More than 21m shares changed hands throughout the day. JSB's warrants (JSB-WB) also fell 19% to close at 23.5 sen. (The Edge)



**UUE Holdings Bhd** (UUE) made a strong debut on the ACE Market of Bursa Malaysia as its share price shot up 189.58% or 45.5 sen to settle at 69.5 sen, versus its IPO price of 24 sen. After opening 175% higher at 66 sen, the ACE Market stock moved to its highest at 70.5 sen, while its intraday low was 61 sen. At the closing price of 69.5 sen, UUE's market capitalisation stands at RM422.76m – four times higher than its expected market capitalisation of RM146m during its prospectus launch. Trading volume rose to 212.32m, making it the most active stock and biggest gainer on Bursa. (The Edge)

Main Market-bound **Johor Plantations Group Bhd's** (JPG) net profit for the first quarter ended March 31, 2024 (1QFY2024) more than doubled to RM49.97m from RM23.4m a year earlier, as revenue for the quarter rose to RM294.91m versus RM251.98m previously. This was due to the increase in revenue from selling crude palm oil and palm kernel. Earnings per share increased to 2.45 sen from 1.3 sen. (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	1.530	2.7%	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	0.540	-6.9%	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)	30.3%
Accuracy (2023)	39.2%
FBM KLCI (Since 30/12/2022)	6.9%
FBM Small Cap (Since 30/12/2022)	31.0%
Malaysia GDP Growth (1H23)	4.2%

## Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.

