

Thursday, 04 Jul, 2024

Bullish Tone On Bursa Exchange Could Prevail

Market Review

Malaysia: The FBM KLCI (+1.09%) ended firmly higher above the 1,600 level as it was lifted by buying pressure in the YTL-related heavyweights; more than 86% of the KLCI heavyweights ended on a positive note. The Construction sector was the best performing sector amid the persisting data center catalysts.

Global markets: Wall Street ended higher led by Nasdaq, supported by the gains of heavyweights Tech stocks like Tesla and Nvidia as jobs data pointing to a softening economy raised investors' hope for an earlier rate cut by the Fed. Meanwhile, the European and Asia stock market ended higher.

The Day Ahead

The FBM KLCI charged higher after a decent consolidation below 1600 last week, while the FBM70 marched towards a 52-week high led by the construction sector. Over in the US, led by the Technology heavyweights, both the S&P500 and Nasdaq ended at all-time high zone as private-sector employment came in below expectation and the market could be pricing in earlier rate cuts by the Fed this year. Meanwhile, the FOMC meeting minutes still provide the same narrative on inflation direction and data dependent monetary policies going forward. On the commodity markets, Brent oil traded above USD87/bbl, while the gold price gained momentum above uUSD2350, pricing in softer dollar. The CPO rose nearer to RM4100.

Sectors focus: Given the US Tech giants are regaining traction, we believe the buying interest may spillover towards our local Technology stocks. Data center growth and the potential KL-SG high-speed rail announcement will be fuelling investor interest in the Construction, Property, Building Materials, and Renewable Energy sectors. In view of a weaker USD environment, traders may take the opportunity to look at commodities sector such as O&G, Gold and Plantation as their underlying prices have trended higher overnight.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI index ended higher towards 1,615 level, firmly above the significant 1,600 psychological level. The technical readings on the key index were positive with the MACD histogram forming positive bars and RSI surged 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	39,308.00	-0.06
S&P 500	5,537.02	0.51
NASDAQ	18,188.30	0.88
FBM KLCI	1,615.32	1.09
FBM Small Cap	9,769.03	1.08
FBM ACE	5,974.36	1.50
Construction	285.46	4.71
Consumer	586.88	0.29
Energy	988.08	0.81
Financial Services	17,612.90	0.38
Healthcare	2,156.09	0.10
Ind Products	199.11	1.00
Plantation	7,026.03	0.57
Property	1,113.81	1.41
REITs	828.32	0.11
Technology	77.97	0.88
Telco & Media	598.27	1.57
Transport & Logist	1,121.55	1.28
Utilities	1,886.56	2.93
Trading Vol (m)	5,467.89	1.38
Trading Val (RM m)	3,990.97	0.07
Gainers/ Losers rat	284%	
FKLI	1,622.50	0.09
FCPO (RM)	4,097.00	0.37
Brent oil (USD)	87.34	1.28
Gold (USD)	2,356.20	0.02
USD	4.7195	0.04
GBP	5.9921	-0.46
EURO	5.0758	-0.37
SGD	3.4793	-0.13

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
239.4	-401.6	162.2

Source: Bloomberg, Bursa Market Place



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Company Brief

Mah Sing Group Bhd (MAHSING) is acquiring land in Taman Desa, Kuala Lumpur for RM108m which will be developed into serviced apartments and affordable housing units. The planned development is estimated to have a gross development value of RM1.01b. Mah Sing plans to develop the land in two phases, the first being 1,600 serviced apartments spread over 3.7 acres dubbed M Aspira and the second phase, Residensi Madani, under the affordable housing programme, will offer around 800 units on a 2.47-acre plot. (The Edge)

Construction outfit **Siab Holdings Bhd** (SIAB) has bagged a RM176.18m contract from property developer Exsim Noordin Sdn Bhd to build a heritage building and a 29-storey serviced apartment building in George Town, Penang. The 30-month project entails the addition of seven units to the existing four of a two-storey heritage building, and the conversion of two units from residential to commercial, as well as the construction of a 29-storey serviced apartment building in George Town, Penang. (The Edge)

Property developer **Naim Holdings Bhd** (NAIM) is disposing of an 180.8-hectare mixed-zone vacant land by its wholly-owned subsidiary, Naim Land Sdn Bhd, in Samarahan, Sarawak, to Onlyee Flora Sdn Bhd for RM223.38m. The transaction price represents a 4% premium over the current market value of RM215m, as appraised by independent valuer VPC Alliance (Sarawak) Sdn Bhd. Onlyee Flora is primarily engaged in holding companies and growing of oil palm estate, with its base in Kuching, Sarawak. (The Edge)

Automation solution provider **Greotech Technology Bhd** (GREATEC) has proposed a one-for-one bonus issue, entailing the issuance of up to 1.25b new shares. The entitlement date will be determined after all relevant approvals for the bonus issue have been obtained. For illustrative purposes, based on the three-month volume-weighted average price of the shares up to June 21, which was RM4.42, the theoretical ex-bonus share price would be RM2.21. (The Edge)

WCT Holdings Bhd (WCT), whose share price surged to a near five-year high on Wednesday, has proposed to establish a real estate investment trust (REIT) comprising its retail properties, and list it on the Main Market of Bursa Malaysia. Proceeds to be raised from the REIT listing will be used to pare down borrowings and capitalise on strategic business opportunities. The company currently owns the Bukit Tinggi Shopping Centre in Klang, Paradigm Mall in Petaling Jaya and Paradigm Mall in Johor Bahru. It also owns two airport malls, namely gateway@klia2 in Sepang and SkyPark Terminal in Subang. (The Edge)

Computer Forms (Malaysia) Bhd (CFM) said a fire broke out at its factory located at the PKNS Setapak Industrial Area, off Jalan Genting Kelang, Kuala Lumpur on July 2. The cause of the fire remains unknown as investigations by the police are still ongoing, with the company adding that the incident caused no injuries. The company has yet to ascertain the full financial and operational impact due to the damage caused by the fire. The group will render its full assistance to the investigation into the cause and source of the fire. (The Edge)

PLUS Malaysia Bhd and **Petronas Dagangan Bhd** (PETDAG) are collaborating to develop the country's first commercial hybrid stations – Hybrid Super Station – along national highways, with the Klang Valley identified as the pilot location. The partnership is expected to set a new standard for highway services in Malaysia while offering greater comfort and options to road users. Each touchpoint of the upcoming station, spanning over 30,000 sq ft, will be designed to cater to customer trends and needs. It will offer comprehensive mobility services, including large-scale petrol and diesel stations, as well as fast-charging stations for electric vehicle users, and aims to provide improved public amenities. (The Edge)



MyEG Services Bhd (MYEG) is teaming up with credit reporting agency Credit Bureau Malaysia Sdn Bhd (CBM) to offer a self-check service for individual credit reports. This will be done by integrating CBM's MySCoRE on the MyEG portal. Similar to MyEG's existing service with CTOS, users can now easily obtain their MySCoRE credit reports through the MyEG portal. The process, service and fees associated with obtaining a credit score report from CBM via MyEG are identical to those offered directly through the CBM website at no extra charges. (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	0.585	-3.3%	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	0.815	0.2%	Initiate on 31/5/2024
4	CORAZA	6-Jun	0.580	0.620	0.630	0.640	0.540	0.530	0.550	-5.2%	Initiate on 6/6/2024

Market Chat Tracker - 3Q24 Stock Picks

3Q24 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	CAB	2-Jul	0.755	0.820	0.855		0.700	0.665	0.745	-1.3%	Initiated on 2-Jul-2024
2	DKSH	2-Jul	5.160	5.820	5.880		5.110	5.040	5.15	-0.2%	Initiated on 2-Jul-2024
3	DUFU	2-Jul	2.630	2.920	3.110		2.480	2.310	2.70	2.7%	Initiated on 2-Jul-2024
4	GREATEC	2-Jul	5.320	6.160	6.440		5.080	4.900	5.40	1.5%	Initiated on 2-Jul-2024
5	INFOTEC	2-Jul	1.040	1.090	1.140		0.960	0.915	1.09	4.8%	Initiated on 2-Jul-2024
6	ITMAX	2-Jul	2.580	2.780	2.850		2.480	2.420	2.63	1.9%	Initiated on 2-Jul-2024
7	PPHB	2-Jul	1.090	1.230	1.300		1.040	0.975	1.06	-2.8%	Initiated on 2-Jul-2024
8	SCOMNET	2-Jul	1.530	1.630	1.720		1.420	1.330	1.50	-2.0%	Initiated on 2-Jul-2024
9	SKBSHUT	2-Jul	0.735	0.835	0.865		0.725	0.695	0.90	21.8%	Initiated on 2-Jul-2024
10	SPRING	2-Jul	0.245	0.280	0.295		0.230	0.220	0.25	2.0%	Initiated on 2-Jul-2024
11	SUNVIEW	2-Jul	0.745	0.805	0.840		0.730	0.705	0.74	-0.7%	Initiated on 2-Jul-2024
12	SYGROUP	2-Jul	0.805	0.895	0.935		0.750	0.705	0.82	1.2%	Initiated on 2-Jul-2024
13	TECHBND	2-Jul	0.530	0.620	0.645		0.505	0.490	0.54	1.9%	Initiated on 2-Jul-2024
14	TM	2-Jul	6.760	7.360	7.500		6.540	6.390	6.82	0.9%	Initiated on 2-Jul-2024
Average Return										2.3%	

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)	31.1%
Accuracy (2023)	39.2%
FBM KLCI (Since 30/12/2022)	8.0%
FBM Small Cap (Since 30/12/2022)	32.5%
Malaysia GDP Growth (1H23)	4.2%

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