

Friday, 05 Jul, 2024

## Mild Profit Taking, But Overall Uptrend Intact

### Market Review

**Malaysia:** The FBM KLCI (+0.09%) ended marginally higher led by buying pressure in the selected banking heavyweights like MAYBANK and CIMB as the positive sentiment from stronger net interest margins and net interest incomes are still intact. The Healthcare sector (+1.96%) was the best performing sector.

**Global markets:** The US stock markets were closed for the Independence Day public holiday. Meanwhile, the European stock markets gained momentum ahead of the UK election, while regional stocks markets in Asia ended mostly higher amid rate cut hopes.

### The Day Ahead

Although mild profit taking activities were seen on Bursa exchange, the FBM KLCI, FBM 70 and FBM Small Cap managed to eke out marginal gains, led by the healthcare stocks. Markets in the US were closed for Independence Day public holiday and the traders will be monitoring data such as (i) average hourly earnings, (ii) non-farm employment change, and (iii) unemployment rate which will shape the narrative and decision making of the Fed going forward. On the commodity markets, Brent oil experienced a pennant formation breakout amid falling US inventories and better future demand outlook, while the gold price hovered around USD2350. The CPO pulled back but still above the significant support of RM4000.

**Sectors focus:** We believe traders are still bullish on the markets, rotating towards more defensive healthcare stocks, where we see potential opportunity. We believe the ongoing catalyst of data center investments, coupled with the potential announcement on KL-SG HSR in 2H24, will provide a boost to the Construction, Property, Building Materials, and Utilities sectors. Additionally, the Technology stocks will be a long-term theme with the rising adoption of AI and cloud services.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI index ended marginally higher towards 1,616 level. The technical readings on the key index were positive with the MACD histogram forming another positive bars and RSI surged above 50. The resistance is envisaged around 1,631-1,636 and the support is set at 1,596-1,601.

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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	1,616.75	0.09
FBM Small Cap	9,783.18	0.07
FBM ACE	5,959.83	-0.24
Construction	285.19	-0.09
Consumer	585.99	-0.16
Energy	989.56	0.15
Financial Services	17,660.63	0.27
Healthcare	2,198.26	1.96
Ind Products	199.19	0.04
Plantation	7,013.91	-0.17
Property	1,113.66	-0.01
REITs	828.52	0.02
Technology	77.59	-0.49
Telco & Media	600.44	0.36
Transport & Logist	1,28.08	0.58
Utilities	1,892.92	0.34
Trading Vol (m)	4,930.06	-9.84
Trading Val (RM m)	3,790.96	-5.01
Gainers/ Losers rat	107%	
FKLI	1,622.50	-0.12
FCPO (RM)	4,052.00	-0.37
Brent oil (USD)	87.43	0.10
Gold (USD)	2,356.69	-0.03
USD	4.709	0.22
GBP	6.0038	-0.19
EURO	5.0848	-0.18
SGD	3.4841	-0.14
Trading participation 5-day trend and value (m)		
Institution	14.5	
Retail	-528.6	
Foreign	514.1	

Source: Bloomberg, Bursa Market Place



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## Company Brief

**Toyo Ventures Holdings Bhd** (TOYOVEN), whose share price plunged to its lowest in over one month on Thursday, has confirmed the termination of the Song Hau 2 thermal power plant project by the Vietnamese government. Its wholly-owned subsidiary, Song Hau 2 Power Company Ld (SH2P), received the termination letter from Vietnam's Ministry of Industry and Trade on July 1. (The Edge)

Oil and gas service company **Keyfield International Bhd's** (KEYFIELD) wholly-owned subsidiary Keyfield Offshore Sdn Bhd has successfully secured two contracts, totalling RM40m, to supply accommodation workboats. The contracts involve providing an accommodation work barge and an anchor handling tug supply vessel for Hess Exploration and Production Malaysia BV's offshore operations. The contracts, which commenced in June 2024 and July 2024, are for a charter period of five months and six months respectively. (The Edge)

**AwanBiru Technology Bhd** (AWANTEC), a technology and talent digitalisation enabler, has bagged a RM25.69m contract from the Ministry of Education (MOE) to provide cloud-based solutions, such as Google Workspace for Education and Google Cloud Platform, to all schools under the MOE. Awantec views the project presents a positive opportunity for the group, as it aligns with its strategic goals and will contribute to its growth and success. (The Edge)

**MMAG Holdings Bhd** (MMAG) said its 80%-owned cargo unit MJets Air Sdn Bhd has inked a cargo interline agreement with Capital A Bhd's (CAPITALA) logistics arm Teleport Everywhere Pte Ltd to improve cargo operations. MJets and Teleport have agreed to carry out each other's cargo shipments on designated routes. The agreement is initially valid for one year, from July 1, 2024, to July 31, 2025, and both parties have the option to extend the agreement for an additional year. It said the charges will be determined based on the actual completed transport by each party during the duration and validity of the agreement. (The Edge)

**Mudajaya Group Bhd** (MUDAJYA) said its former employee Michael Chua Khian Keng has filed an appeal on July 1 to challenge the High Court's decision in the civil suit brought against him by the group. The court, in its decision on June 7, ruled that Chua and his wife, Tan Kah Lua, are liable to pay RM43.55m in relation to an acknowledged debt to Mudajaya. The group had also filed an appeal against part of the court's decision, said Mudajaya, without giving further details. (The Edge)

NTT DATA Japan Corp (NTTD Japan) is now in control of **GHL Systems Bhd** (GHLSYS) after accumulating 92.71% of the payment solutions provider's total issued shares as at July 4, paving the way for GHL to be delisted from Bursa Malaysia. The offer will remain open for acceptances until July 9. CIMB Investment Bank, which is acting on NTTD Japan's behalf in its privatisation bid, said the offeror does not intend to maintain the listing status of GHL on the Main Market. (The Edge)

Johor-based furniture manufacturer **SHH Resources Holdings Bhd's** (SHH) deputy managing director Datin Teo Chan Huat is stepping down effective October 2, citing retirement and health concerns. She is the mother of Teo Chee Teng, managing director of SHH Resources and the spouse of Datuk Teo Wee Cheng, founder, managing director and a substantial shareholder of the group. Chan Huat held a direct stake of 6.54% and an indirect stake of 10.75% in the group through Wee Cheng as at Oct 3, 2023. (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	0.600	-0.8%	Initiate on 5/4/2024
2	FFB	24-Apr	1.490	1.600	1.620	1.650	1.410	1.400	1.490	0.0%	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	0.540	-6.9%	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	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	5.15	-0.2%	Initiated on 2-Jul-2024
3	DUFU	2-Jul	2.630	2.920	3.110	2.480	2.310	2.64	2.64	0.4%	Initiated on 2-Jul-2024
4	GREATEC	2-Jul	5.320	6.160	6.440	5.080	4.900	5.51	5.51	3.6%	Initiated on 2-Jul-2024
5	INFOTEC	2-Jul	1.040	1.090	1.140	0.960	0.915	1.07	1.07	2.9%	Initiated on 2-Jul-2024
6	ITMAX	2-Jul	2.580	2.780	2.850	2.480	2.420	2.61	2.61	1.2%	Initiated on 2-Jul-2024
7	PPHB	2-Jul	1.090	1.230	1.300	1.040	0.975	1.04	1.04	-4.6%	Initiated on 2-Jul-2024
8	SCOMNET	2-Jul	1.530	1.630	1.720	1.420	1.330	1.50	1.50	-2.0%	Initiated on 2-Jul-2024
9	SKBSHUT	2-Jul	0.735	0.835	0.865	0.725	0.695	1.00	1.00	36.1%	Initiated on 2-Jul-2024
10	SPRING	2-Jul	0.245	0.280	0.295	0.230	0.220	0.25	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	0.74	-0.7%	Initiated on 2-Jul-2024
12	SYGROUP	2-Jul	0.805	0.895	0.935	0.750	0.705	0.83	0.83	3.1%	Initiated on 2-Jul-2024
13	TECHBND	2-Jul	0.530	0.620	0.645	0.505	0.490	0.53	0.53	0.0%	Initiated on 2-Jul-2024
14	TM	2-Jul	6.760	7.360	7.500	6.540	6.390	6.84	6.84	1.2%	Initiated on 2-Jul-2024
Average Return										3.0%	

### 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)	30.7%
Accuracy (2023)	39.2%
FBM KLCI (Since 30/12/2022)	8.1%
FBM Small Cap (Since 30/12/2022)	32.6%
Malaysia GDP Growth (1H23)	4.2%

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