

Thursday, 11 Jul, 2024

## Sentiment Remains Positive With Tech Leading

### Market Review

**Malaysia:** The FBM KLCI (+0.25%) ended higher as the index was lifted by buying interest in the Financial services and Utilities heavyweights, despite mixed overnight performance on Wall Street ahead of CPI and PPI data. Investors were also focusing on mid cap stocks where the FBM70 has charged towards new high.

**Global markets:** Wall Street ended higher led by Nasdaq supported by gains on the Tech heavyweights stocks like NVIDIA and other Magnificent-7 stocks which will be tested by key inflation data and earnings results later this week. The European stock markets ended higher, but the Asia stock markets traded mixed.

### The Day Ahead

The FBMKLCI and FBM70 managed to close higher, but the Small Cap index slid marginally. We expect the buying interest to stay firm supported by the performance on Wall Street. In the US, the comments from Jerome Powell in the 2-day testimony, where he expressed concerns that the higher-for-longer interest rate environment may slow down the economic growth have boosted the appetite in the stock markets; the S&P500 and Nasdaq marked new territories led by technology related stocks, while the Dow added 1.1%. Still, investors will be monitoring the upcoming CPI and PPI data later today and tomorrow. On the commodity markets, Brent oil has rebounded off the support around USD84, and settled above USD85, while the gold price climbed gradually higher above USD2370. Meanwhile, the CPO has fallen 6-day consecutively and is still trading below RM4,000.

**Sectors focus:** We opine that the overall bullish tone could revolve around the data center catalyst, the potential outcome announcement on KL-SG HSR in 2H24, the ongoing executions of NETR and NIMP masterplans. Hence, we think investors could position themselves within the Construction, Property, Building Material and Utilities stocks. Also, we like the Technology sector for its gradual recovering of earnings and tagging along the overall trend from the US stock markets.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	39,721.36	+1.09
S&P 500	5,633.91	+1.02
NASDAQ	18,647.45	+1.18
FBM KLCI	1,618.38	+0.25
FBM Small Cap	19,686.29	-0.03
FBM ACE	5,974.58	+0.41
Construction	290.13	+1.70
Consumer	584.43	-0.12
Energy	984.95	0.04
Financial Services	17,748.81	+0.22
Healthcare	2,177.58	-0.99
Ind Products	200.06	-0.01
Plantation	6,957.97	+0.37
Property	1,106.43	+0.13
REITs	838.77	+0.52
Technology	79.17	+0.64
Telco & Media	599.48	+0.17
Transport & Logisti	1,112.32	-0.95
Utilities	1,886.08	+0.46
Trading Vol (m)	4,763.75	+2.32
Trading Val (RM m)	3,711.45	-3.41
Winners/Losers rat	108%	
FKLI	1618.50	+0.09
FCPO (RM)	3,914.00	-0.10
Brent oil (USD)	85.08	+0.50
Gold (USD)	2,371.26	+0.07
USD	4.6997	+0.16
GBP	6.0199	+0.15
EURO	5.0844	+0.19
SGD	3.483	+0.08

Trading participation 5-day trend and value (m)



Source: Bloomberg, Bursa Market Place

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI index ended higher towards the 1,618 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 1,633-1,638 and the support is set at 1,598-1,603.



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## Company Brief

The Securities Commission Malaysia (SC) has filed a civil suit against Sabah businessman Datuk Raymond Chan Boon Siew for alleged insider trading involving the shares of Naim Indah Corp Bhd (NiCorp), now known as **Pegasus Heights Bhd** (PHB). SC claimed that Chan breached the Capital Markets and Services Act 2007 as he had communicated insider information to Datuk Lim Thiam Huat – managing director and substantial shareholder of pulp and paper manufacturer Nextgreen Global Bhd (NGGB) where he has 13.06% stake. (The Edge)

**Aeon Credit Service (M) Bhd's** (AEONCR) net profit for its first financial quarter ended May 31, 2024 (1QFY2025) rose marginally by 7.1% year-on-year to RM106.41m from RM99.36m, supported by stronger loan and financing growth. Revenue for 1QFY2025 rose 15.4% to RM522.26m from RM452.67m previously. No dividend was proposed or declared for the quarter. (The Edge)

**Eurospan Holdings Bhd** (EUROSP), controlled by the children of businessman Tan Sri Robert Tan Hua Choon, has declared a special dividend of 20 sen per share for the financial year ending May 31, 2025 (FY2025). The special dividend will be paid on Aug 5, with an ex-date of July 24 and an entitlement date of July 25. This is the first dividend Eurospan has declared in 14 years. It last declared a dividend of 40 sen per share in FY2011. (The Edge)

**QL Resources Bhd** (QL) has proposed to undertake a bonus issue of up to 1.22b shares on the basis of one bonus share for every two existing shares held, to reward shareholders. QL said its share price adjusted for the bonus issue must not be less than 50 sen, based on the daily volume-weighted average market price for the three-month period before the application date, to comply with Bursa's listing requirements. (The Edge)

Construction outfit **Haily Group Bhd** (HAILY) said it plans to reward its shareholders with a bonus issue of one new share for every share held. This will be followed by a free warrant issue on the basis of one warrant for every two shares held by which the warrant will have a tenure of three years. The entitlement date for the bonus issue will be determined later and the warrants' entitlement date will be announced after the completion of the bonus issue. (The Edge)

**Genting Malaysia Bhd's** (GENM) said its subsidiary GENM Capital Bhd has made an early redemption of RM1.3b in nominal value from its RM2.4b medium term notes (MTNs). The early redemption of RM1.3b comprises the second tranche of the MTNs which were issued in August 2015 for a tenure of 10 years, with a coupon rate of 4.9% per annum. When the notes were issued, GENM said the proceeds from the issuance of the MTNs would be utilised for the operating expenses, capital expenditure and working capital requirements of the group. (The Edge)

Loss-making **MUI Properties Bhd** (MUIPROP), in which Malayan United Industries Bhd (MUIIND) owns a 23.48% stake, is selling 53 acres of freehold land in Port Dickson, Negeri Sembilan, for RM80.8m cash. Its wholly owned subsidiary Peristal Enterprise Sdn Bhd via its 60%-owned unit West Synergy Sdn Bhd entered into a sale and purchase agreement with Antmed Malaysia Sdn Bhd for the disposal of the land located at Bandar Springhill. MUI is expecting to gain RM16.58m (before tax and non-controlling interest) from the proposed disposal, which is scheduled to be completed in the fourth quarter of 2025. (The Edge)

Integrated construction and property company **PTT Synergy Group Bhd** (PTT) is disposing of two units of three-storey detached factories in Sepang, Selangor, to MCM Land Sdn Bhd for RM26m. The disposal consideration represents an 8.33% premium over the current market value of the properties, appraised at RM24m by independent valuer Laurelcap Sdn Bhd. (The Edge)



**Annum Bhd** (ANNUM) said it has been awarded a sub-contract worth RM53.2m by **Iqzan Holding Bhd** (IQZAN) to supply material, labour and machinery for the construction of an office building in Jalan Tun HS Lee. The two-year sub-contract was awarded by Iqzan's subsidiary Kacon Construction Sdn Bhd. (The Edge)

**Econpile Holdings Bhd** (ECONBHD) has secured a RM26.5m contract to undertake piling, earthworks and sub-structure works for a 40-storey condominium project in Mont Kiara. The contract was awarded by SNA Consult Sdn Bhd on behalf of Modern Plus Sdn Bhd. (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	0.635	5.0%	Initiate on 5/4/2024
2	FFB	24-Apr	1.490	1.600	1.620	1.650	1.410	1.400	1.500	0.7%	Initiate on 24/4/2024
3	FOCUSP	31-May	0.813	0.890	0.910	0.930	0.790	0.780	0.845	3.9%	Initiate on 31/5/2024
4	CORAZA	6-Jun	0.580	0.620	0.630	0.640	0.540	0.530	0.545	-6.0%	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	0.765	0.765	1.3%	Initiated on 2-Jul-2024
2	DKSH	2-Jul	5.160	5.820	5.880	5.110	5.040	5.13	5.13	-0.6%	Initiated on 2-Jul-2024
3	DUFU	2-Jul	2.630	2.920	3.110	2.480	2.310	2.68	2.68	1.9%	Initiated on 2-Jul-2024
4	GREATEC	2-Jul	5.320	6.160	6.440	5.080	4.900	5.75	5.75	8.1%	Initiated on 2-Jul-2024
5	INFOTEC	2-Jul	1.040	1.090	1.140	0.960	0.915	1.06	1.06	1.9%	Initiated on 2-Jul-2024
6	ITMAX	2-Jul	2.580	2.780	2.850	2.480	2.420	2.66	2.66	3.1%	Initiated on 2-Jul-2024
7	PPHB	2-Jul	1.090	1.230	1.300	1.040	0.975	1.10	1.10	0.9%	Initiated on 2-Jul-2024
8	SCOMNET	2-Jul	1.530	1.630	1.720	1.420	1.330	1.53	1.53	0.0%	Initiated on 2-Jul-2024
9	SKBSHUT	2-Jul	0.735	0.835	0.865	0.725	0.695	0.94	0.94	27.9%	Initiated on 2-Jul-2024
10	SPRING	2-Jul	0.245	0.280	0.295	0.230	0.220	0.24	0.24	-4.1%	Initiated on 2-Jul-2024
11	SUNVIEW	2-Jul	0.745	0.805	0.840	0.730	0.705	0.71	0.71	-5.4%	Initiated on 2-Jul-2024
12	SYGROUP	2-Jul	0.805	0.895	0.935	0.750	0.705	0.78	0.78	-3.7%	Initiated on 2-Jul-2024
13	TECHBND	2-Jul	0.530	0.620	0.645	0.505	0.490	0.50	0.50	-5.7%	Initiated on 2-Jul-2024
14	TM	2-Jul	6.760	7.360	7.500	6.540	6.390	6.94	6.94	2.7%	Initiated on 2-Jul-2024
Average Return										2.0%	

### 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)	29.9%
Accuracy (2023)	39.2%
FBM KLCI (Since 30/12/2022)	8.2%
FBM Small Cap (Since 30/12/2022)	31.9%
Malaysia GDP Growth (1H23)	4.2%

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