

Monday, 22 Jul, 2024

Focusing On Buy-On-Dip Opportunity

Market Review

Malaysia: The FBM KLCI (+0.17%) ended higher lifted by the buying pressure in Plantation heavyweights, namely SDG (+20.0 sen) and KLK (+60.0 sen) as Malaysia gets India's backing in combating the anti-palm oil campaign; thus, investors were buying into the local Plantation sectors.

Global markets: Wall Street ended lower shedding about \$900bn in market value despite the growing expectations of the interest rate cuts as investors were reducing their exposures from tech heavyweights following the global tech outage last Friday. Meanwhile, both European and Asia stock markets ended lower.

The Day Ahead

Still, the FBM KLCI managed to eke out marginal gains as foreigners remained net buyers for the 15th consecutive day, with cumulative buying value standing at RM1.74bn. In contrast, the US stock markets ended on a negative note after a global cyber outage triggered by CrowdStrike's update contributed to selling pressure on technology-related stocks. Additionally, President Joe Biden decided to quit the election race and endorsed Kamala Harris as the Democratic nominee. This week, investors will be monitoring Flash Manufacturing and Service PMI, unemployment claims, core PCE, and US GDP data. In the commodity markets, Brent oil trended sideways in a consolidation phase around USD83, while gold prices dipped towards the USD2400-2410 range. The CPO price rebounded off RM3900 and traded with a positive bias.

Sectors Focus: With negative US overnight performance, we believe profit-taking activities may emerge in our local Technology sector. However, we believe this consolidation phase could be healthy for investors looking for buy-on-dip opportunities, targeting stocks within the Construction, Utilities, Building Materials, and Property sectors amid the ongoing data center catalysts. We also favour selected stocks in the Shipping sector amid the ongoing Red Sea tension, and Consumer, O&G and Telco.

FBMKLCI Technical Outlook



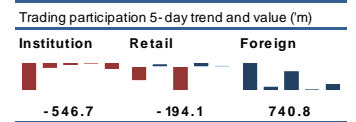
Bloomberg

The FBM KLCI index ended higher towards the 1,636 level. The technical readings on the key index were positive with the MACD histogram formed another positive histogram bar, and RSI continues to trend above 50. The resistance is envisaged around 1,651-1,656 and the support is set at 1,616-1,621.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	40,287.53	-0.93
S&P 500	5,505.00	-0.71
NASDAQ	17,726.94	-0.81
FBM KLCI	1,636.55	0.17
FBM Small Cap	9,874.60	-0.33
FBM ACE	5,934.21	-1.08
Construction	314.70	-0.67
Consumer	595.83	-0.28
Energy	975.59	0.34
Financial Services	17,972.78	-0.15
Healthcare	2,180.94	-0.81
Ind Products	97.02	0.10
Plantation	7,224.85	1.74
Property	1,147.49	-1.14
REITs	838.11	0.05
Technology	77.12	-0.90
Telco & Media	609.67	0.69
Transport & Logist	118.37	-0.05
Utilities	1,859.70	-0.73
Trading Vol (m)	4,431.40	-19.23
Trading Val (RM m)	3,271.69	-22.52
Gainers/ Losers rat	62%	
FKLI	1,640.00	0.06
FCPO (RM)	3,961.00	0.61
Brent oil (USD)	82.63	-2.91
Gold (USD)	2,400.83	-1.81
USD	4,685.8	-0.35
GBP	6,048.1	0.29
EURO	5,098.4	0.12
SGD	3,484.8	-0.07



Source: Bloomberg, Bursa Market Place



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Company Brief

Press Metal Aluminium Holdings Bhd (PMETAL) has inked a collaboration agreement with China's Xi'an Jiaotong University to research and develop a carbon capture and utilisation model involving its manufacturing process. The agreement follows a memorandum of understanding signed between the two parties in August last year. The collaboration aims to develop an economically viable carbon capture and utilisation model, adding that the intellectual property rights will be jointly owned by both parties. (The Edge)

Sunway Construction Group Bhd (SUNCON), which in March won a RM747.8m contract from a US-based multinational technology corporation for the construction of a data centre in Selangor, announced the award of a sub-contract relating to the project worth RM417.8m. The sub-contract for the construction of the project's mechanical and electrical system was awarded to Sunway Engie DC Sdn Bhd, a joint venture company between Sunway Engineering Sdn Bhd (70% stake) and Engie Services Malaysia Sdn Bhd (30% stake). Sunway Engineering is a wholly-owned subsidiary of Sunway Construction Sdn Bhd, which is in turn an indirect wholly-owned subsidiary of SunCon. (The Edge)

Genting Plantations Bhd (GENP), in which **Genting Bhd** (GENTING) owns a 55.4% stake, is planning to buy two plots of land in Indonesia for RM593m, for property development. The plots, measuring 152ha, are located in Sentul City, in the Bogor Regency of the West Java Province in Jakarta. Its indirect subsidiaries had inked separate sale and purchase agreements with three vendors – PT Sentul City Tbk, PT Aftanesia Raya and PT Primatama Cahaya Sentosa – to buy the plots. (The Edge)

Automotive parts manufacturer **MCE Holdings Bhd** (MCEHLDG) has clinched a RM19.6m contract to supply electronic and mechatronic components for Perusahaan Otomobil Kedua Sdn Bhd's (Perodua) first electric vehicle. The components include multimedia display unit, instrument panel cluster, advanced driver assistance system, functional switches and interior lightings. (The Edge)

Fima Corp Bhd (FIMACOR) has secured a RM93.92m contract from the Ministry of Education to print and supply confidential documents to the ministry. The group, which is involved in manufacturing, plantation and property management, said the two-year contract was awarded to its wholly-owned subsidiary Percetakan Keselamatan Nasional Sdn Bhd. (The Edge)

EG Industries Bhd (EG), an electronics manufacturing services provider, has secured a confirmed purchase order valued at US\$117m (RM545.67m) for 5G photonics related products. Its wholly-owned subsidiary SMT Technologies Sdn Bhd secured the PO from an unnamed existing key customer. (The Edge)

Trading of securities in **Grand Central Enterprises Bhd** (GCE) will be suspended on Monday (July 22) pending the release of a material announcement. The group is principally engaged in hotels and service apartments, the provision of limousine services and hotel management. It currently owns and manages five hotels under the Hotel Grand Continental brand. It also manages Hotel Grand Crystal, which is owned by an affiliated company. (The Edge)

CIMB Thai Bank PCL, 94.83%-owned by **CIMB Group Holdings Bhd** (CIMB), registered a net profit for the second quarter ended June 30, 2024 (2QFY2024) of 668.46m baht (RM86.27m), growing 24% from 538.75m baht in the same period a year earlier, driven by gains on financial instruments, investments and higher operating income. Gains on financial instruments climbed fourfold to 290.06m baht from 71.59m baht, while gains on investments soared to 175.26m baht from 34.86m baht. Total operating income rose by 5.52% to 3.51b baht from 3.33b baht. (The Edge)



Construction company **Ingenieur Gudang Bhd** (INGENIEUR) reported a net profit of RM6.48m for the second quarter, driven by gains from asset disposals and higher construction revenue. Net profit for the quarter ended June 30, 2024 was over 27 times higher than the RM234,000 it made for 2QFY2023. Revenue for the quarter more than doubled to RM12.29m – its highest since 4QFY2020 – from RM4.57m in 2QFY2023, due to new project acquisitions and improved progress recognition in the construction segment. (The Edge)

Malaysia Steel Works (KL) Bhd (MASTEEL) plans to raise up to RM31.69m by placing out 10% of its enlarged share base, primarily to fund its working capital. The company intends to issue up to 90.55m shares to third-party investors who will be identified later. The sum to be raised is based on an indicative issue price of 35 sen per share, a discount of 6.52% (or 2.44 sen) to the stock's five-day volume-weighted average price of 37.44 sen as of July 12. (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	0.660	9.1%	Initiate on 5/4/2024
2	FFB	24-Apr	1.490	1.600	1.620	1.650	1.410	1.400	1.590	6.7%	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	0.750	0.750	-0.7%	Initiated on 2-Jul-2024
2	DKSH	2-Jul	5.160	5.820	5.880	5.110	5.040	5.14	5.14	-0.4%	Initiated on 2-Jul-2024
3	DUFU	2-Jul	2.630	2.920	3.110	2.480	2.310	2.37	2.37	-9.9%	Initiated on 2-Jul-2024
4	GREATEC	2-Jul	5.320	6.160	6.440	5.080	4.900	5.49	5.49	3.2%	Initiated on 2-Jul-2024
5	INFOTEC	2-Jul	1.040	1.090	1.140	0.960	0.915	1.20	1.20	15.4%	Initiated on 2-Jul-2024
6	ITMAX	2-Jul	2.580	2.780	2.850	2.480	2.420	3.10	3.10	20.2%	Initiated on 2-Jul-2024
7	PPHB	2-Jul	1.090	1.230	1.300	1.040	0.975	1.12	1.12	2.8%	Initiated on 2-Jul-2024
8	SCOMNET	2-Jul	1.530	1.630	1.720	1.420	1.330	1.49	1.49	-2.6%	Initiated on 2-Jul-2024
9	SKBSHUT	2-Jul	0.735	0.835	0.865	0.725	0.695	0.96	0.96	30.6%	Initiated on 2-Jul-2024
10	SPRING	2-Jul	0.245	0.280	0.295	0.230	0.220	0.23	0.23	-6.1%	Initiated on 2-Jul-2024
11	SUNVIEW	2-Jul	0.745	0.805	0.840	0.730	0.705	0.71	0.71	-4.7%	Initiated on 2-Jul-2024
12	SYGROUP	2-Jul	0.805	0.895	0.935	0.750	0.705	0.88	0.88	9.3%	Initiated on 2-Jul-2024
13	TECHBND	2-Jul	0.530	0.620	0.645	0.505	0.490	0.52	0.52	-1.9%	Initiated on 2-Jul-2024
14	TM	2-Jul	6.760	7.360	7.500	6.540	6.390	7.13	7.13	5.5%	Initiated on 2-Jul-2024
Average Return										4.3%	

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)	28.8%
Accuracy (2023)	39.2%
FBM KLCI (Since 30/12/2022)	9.4%
FBM Small Cap (Since 30/12/2022)	33.2%
Malaysia GDP Growth (1H23)	4.2%



Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
CRG (03016)	Interim	RM0.01	15/7/2024	23/7/2024	RM0.24	RM0.28	-	16.7
LSTEEL (9881)	Interim	RM0.02	5/7/2024	24/7/2024	RM0.63	RM0.60	3.4	-4.8
EUROSP (7094)	Special Cash	RM0.20	10/7/2024	24/7/2024	RM1.80	RM1.93	10.4	7.2
TECGUAN (7439)	Final	RM0.04	29/5/2024	25/7/2024	RM1.93	RM1.84	2.2	-4.7
ATLAN (7048)	Interim	RM0.01	11/7/2024	25/7/2024	RM2.60	RM2.70	0.4	3.8
METROD (6149)	Final	RM0.06	26/4/2024	25/7/2024	RM1.45	RM1.52	-	4.8
SUPERLN (7235)	Interim	RM0.01	28/6/2024	26/7/2024	RM1.30	RM1.09	0.7	-16.2
ASB (1481)	Final	RM0.00	15/4/2024	26/7/2024	RM0.11	RM0.12	-	9.5
JKGLAND (6769)	Final	RM0.00	30/5/2024	26/7/2024	RM0.10	RM0.11	1.0	5.0
UMCCA (2593)	Interim	RM0.07	27/6/2024	29/7/2024	RM5.05	RM5.17	1.4	2.4
SAPIND (7811)	Final	RM0.05	30/5/2024	30/7/2024	RM0.90	RM0.91	5.5	0.6
PAVREIT (5212)	Distribution	RM0.05	18/7/2024	30/7/2024	RM1.41	RM1.41	3.2	0.0
DKLS (7528)	Final	RM0.03	28/2/2024	30/7/2024	RM1.91	RM1.98	1.5	3.7
SUCCESS (7207)	Special Cash	RM0.02	16/7/2024	31/7/2024	RM1.04	RM1.09	1.4	4.8
PGF (8117)	Final	RM0.02	30/4/2024	31/7/2024	RM1.92	RM2.31	0.6	20.3
KFIMA (6491)	Interim + Special	RM0.12	29/5/2024	1/8/2024	RM2.26	RM2.26	5.3	0.0
KHJB (0210)	Final	RM0.00	15/4/2024	1/8/2024	RM0.16	RM0.16	0.6	0.0
PTRANS (0186)	Interim	RM0.01	23/5/2024	5/8/2024	RM0.71	RM0.68	0.7	-4.2
SNS (0259)	Interim	RM0.00	28/6/2024	7/8/2024	RM0.76	RM0.91	0.3	20.5
FAVCO (7229)	Final	RM0.09	26/2/2024	7/8/2024	RM1.94	RM2.18	4.1	12.4
PASDEC (6912)	Final	RM0.01	29/4/2024	8/8/2024	RM0.32	RM0.31	3.3	-3.2
ZHULIAN (5131)	Interim	RM0.02	17/7/2024	20/8/2024	RM1.41	RM1.36	1.5	-3.5
PANTECH (5125)	Final	RM0.02	25/4/2024	29/8/2024	RM1.04	RM1.13	1.3	8.7
AJI (2658)	Final	RM0.38	27/6/2024	29/8/2024	RM15.24	RM15.02	2.6	-1.4
LBS (5789)	Final	RM0.01	17/4/2024	29/8/2024	RM0.67	RM0.75	1.8	10.7
DOMINAN (7169)	Final	RM0.01	29/5/2024	5/9/2024	RM0.88	RM0.84	1.2	-4.0
PANAMY (3719)	Final	RM1.21	30/5/2024	5/9/2024	RM20.06	RM19.94	6.1	-0.6
GCB (5102)	Omitted	RM0.00	3/6/2024	13/9/2024	RM4.07	RM4.25	-	4.4
AYS (5021)	Final	RM0.02	18/6/2024	19/9/2024	RM0.41	RM0.46	3.3	11.0
BLDPLNT (5069)	Final	RM0.03	19/7/2024	3/10/2024	RM11.00	RM11.00	0.3	0.0

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