

Rebound move in store

Market Review

Malaysia: The FBM KLCI (-1.4%) endured another volatile spell after lingering in the negative territory for the entire trading session yesterday. The weakness was mainly underpinned by the concern over the rising number of Covid-19 cases across several states in both the US and China. At the same time, the lower liners also retreated, while broader market was splashed in red.

Global markets: US stockmarkets finished on a mixed note after lingering mostly in the negative territory as the Dow fell 0.2%, but the S&P500 added 0.1%; the latter was boosted by the energy sector on higher crude oil prices. European equities finished lower while and Asia markets closed mixed yesterday.

The Day Ahead

We think that volatility will remain a feature over the near term as investors were quick to lock in gains on any signs of negativity. In the meantime, the declining trading volumes that fell to its lowest level since end-April 2020 suggested that investors' sentiment has turned slightly risk averse for the time being. Following yesterday's sharp selling pressure, we think that mild bargain hunting activities may take place, but gains will likely to be tempered by quick profit taking activities.

Sector focus: While we continue to favour the plantations sector amid the sustainability of crude palm oil prices above RM2,300 per tonne, the energy sector will also be in focus amid the higher Brent oil prices that finished above US\$41 per barrel for the first time in six days, forming a flag breakout.

FBMKLCI Technical Outlook



Bloomberg

The selling activities have once again sent the FBM KLCI towards the daily EMA20 level as the key index has slipped below the daily SMA200 level. For now, we continue to observe the 1,500 psychological level. A recovery may see the key index retaining its position towards the consolidation zone with immediate resistance at 1,550. In contrast, the immediate support is pegged at 1,490, followed by 1,460. Indicators are on a mixed note with the MACD Indicator turning lower, but remains above the zero level, while the RSI remains above 50.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	26,080.10	-0.15
S&P 500	3,153.34	0.06
NASDAQ	10,012.05	0.30
FBM KLCI	1,504.91	-1.40
FBM Small Cap	12,028.87	-0.61
FBM ACE	5,905.40	-1.25
Construction	172.84	-1.78
Consumer	568.58	-0.19
Energy	781.86	-1.82
Financial Services	13,074.77	-1.09
Healthcare	2,202.21	-3.16
Ind Products	134.72	-1.04
Plantation	6,713.40	-0.91
Property	637.52	-0.65
REITs	886.53	-0.26
Technology	4105	-0.46
Telco & Media	63117	-1.08
Transport	68187	-1.19
Utilities	946.95	-0.43
Trading Vol (m)	5,121.90	-32.12
Trading Val (RM m)	3,871.86	1.38
Advance/ Decline	0.45	
FKLI	1,508.50	-0.72
FCPO (RM)	2,367.00	0.25
Brent oil (USD)	41.51	1.97
Gold (USD)	1,722.32	-0.01
USD	4.2782	0.11
GBP	5.3518	0.41
EURO	4.8103	0.15
SGD	3.0724	-0.05

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
-17.4	478.2	-460.8

Source: Bloomberg, Bursa Market Place

Company Brief

Astro Holdings Bhd's 1QFY21 net profit sank 58.1% YoY to RM73.8m amid higher unrealised forex losses and a decline in revenue, as advertisers pulled back spending during the pandemic outbreak and subsequent movement control order (MCO). Revenue for the quarter declined 14.6% YoY to RM1.05bn. (The Edge)

Hock Seng Lee Bhd (HSL)'s 1QFY20 net profit fell 46.4% YoY to RM7.6m hit by Covid-19 pandemic and MCO. Revenue for the quarter dropped 23.4% YoY to RM112.4m. The company's order book currently stands at RM3.40bn, with an outstanding balance of RM2.20bn. (The Edge)

AirAsia Group Bhd has partnered with local hotels to offer hassle-free, best price guaranteed deals with bigger savings on SNAP, its flight + hotel combo booking platform. SNAP leverages AirAsia's extensive network of over 160 destinations, with many being unique and exclusive routes, to provide the best price for flights while working directly with hotel partners to offer best value room deals. (The Edge)

Top Glove Corp Bhd has described as "highly inaccurate" claims of worker exploitation made by Britain's Channel 4 News, in an investigative report aired on Tuesday. Many of the allegations are historical and that significant improvements have already been made. The company has been compliant with local labour laws, and has implemented environmental, health and safety measures for its workers. (The Edge)

Datuk Lim Kian Onn has passed on the top job at **ECM Libra Group Bhd** to his son Gareth Lim Tze Xiang. Effective 1st June 2020, Gareth was appointed CEO and redesignated to executive director, while Kian Onn was redesignated to non-independent and non-executive director from managing director. Gareth holds a Bachelor of Arts Degree in Economics from St. Catharine's College at the University of Cambridge. He is also the CEO of Singapore-listed Plato Capital Ltd Group that holds an 11.8% stake in ECM as at 29th May 2020. (The Edge)

Malayan United Industries Bhd's (MUI) 3QFY20 net loss widen to RM138.5m, from a net loss of RM19.6m recorded in the previous corresponding quarter, affected by the implementation of MCO. Revenue for the quarter fell 32.6% YoY to RM60.0m. (The Edge)

Technical Focus Tracker

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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	KKB	10-Jun	1.820	1.910	2.010	2.200	1.700	1.690	1.690	-7.1%	Cut los on 15-Jun
2	CMSB	10-Jun	1.690	1.880	2.090	2.300	1.620	1.610	1.610	-4.7%	Cut los on 15-Jun
3	POHKONG	11-Jun	0.475	0.570	0.600	0.705	0.460	0.450	0.470	-1.1%	On-going
4	TOMEI	11-Jun	0.470	0.545	0.570	0.600	0.425	0.420	0.420	-10.6%	Cut loss on 18-Jun
5	COMFORT	15-Jun	2.930	3.420	3.670	4.210	2.630	2.590	2.590	-11.6%	Cut los on 15-Jun
6	RUBEREX	15-Jun	3.140	3.880	4.200	4.540	2.660	2.650	2.650	-15.6%	Cut loss on 18-Jun
7	HIBISCS	17-Jun	0.650	0.720	0.790	0.880	0.575	0.570	0.650	0.0%	On-going
8	UZMA	17-Jun	0.615	0.695	0.755	0.805	0.550	0.540	0.600	-2.4%	On-going

Portfolio Summary

Total recommendations	8
Total winners	-
Total losers	5
Portfolio performance	-6.7%
Portfolio performance (year-to-date)	-6.7%
Accuracy	0%
FBM KLCI (Since 10th June 2020)	-4.5%
FBM Small Cap (Since 10th June 2020)	-2.7%