

Toppish condition

Market Review

Malaysia: The FBM KLCI (+1.2%) resumed trading in a buoyant manner as investors digested a slew of measures under the Short-Term Economic Recovery Plan while the country is now in the recovery phase of the Movement Control Order (MCO). The lower liners also advanced, while all 13 sectors on the broader market finished higher led by the consumer products and services sector (+2.5%) as retail activities recovers on the gradual re-opening of economic activities.

Global markets: Wall Street retreated overnight as the Dow (-1.1%) snapped a six-day winning streak as the overbought condition overshoot the economic recovery prospects. European equities took cue from the weakness on Wall Street but Asia equities were mostly higher on the re-opening of economic activities.

The Day Ahead

We see the gradual re-opening of economic activities may spur further trading interest of which Sarawak has already committed to roll out the infrastructure projects, namely the Pan Borneo Highway and other infrastructure projects in efforts with Sarawak's long term policy to be a developed state by 2030 through better connectivity. We believe stocks that have a strong local presence in East Malaysia to be clear winners owing to their historical track record, coupled with the established relationship over the years.

Sector focus: Construction stocks that have established historical track record in both Peninsular and East Malaysia undertaking previous contracts in similar scale.

FBMKLCI Technical Outlook



Bloomberg

Despite marching higher yesterday, the key index's gains were trimmed to form a shooting star candle owing to quick profit taking activities as investors were quick to lock in gains following recent strong recovery. Although upsides are still on the table, we reckon that strong gains are now becoming increasingly difficult to come by and a consolidation is imminent. For now, we see the 1,600 psychological level remain as the key resistance, while the support is located around the 1,530 level.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	27,272.30	-1.09
S&P 500	3,207.18	-0.78
NASDAQ	9,967.18	0.66
FBM KLCI	1,575.16	1.21
FBM Small Cap	12,363.77	1.80
FBM ACE	5,862.91	0.18
Construction	18154	1.81
Consumer	39.56	2.41
Energy	669.85	1.35
Financial Services	141.15	1.51
Healthcare	6,828.59	0.61
Ind Products	13,873.25	1.07
Plantation	585.96	2.46
Property	892.16	1.63
REITs	845.10	1.63
Technology	983.63	0.39
Telco & Media	713.78	1.17
Transport & Logist	645.94	1.39
Utilities	2,465.54	0.37
Trading Vol (m)	9,098.97	4.94
Trading Val (RM m)	6,206.30	0.11
Advance/Decline	2.40	
FKLI	1562.00	0.00
FCPO (RM)	2,388.00	1.70
Brent oil (USD)	41.18	0.93
Gold (USD)	1,716.41	0.06
USD	4.277	-0.24
GBP	5.4069	0.23
EURO	4.8166	0.11
SGD	3.0702	-0.09

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
3017.0	11.7	-1217.6

Source: Bloomberg, Bursa Market Place

Company Brief

Supermax Corp Bhd is expanding its landbank in Klang, Selangor for future manufacturing capacity increase. The company has entered into a deal to acquire two hectares of freehold land for RM21.8m.

The proposed acquisition of this plot of adjoining land and the subsequent development on the land would enable the Group to increase its installed manufacturing capacity, enable maximum synergies and efficiencies to be extracted and facilitate ease of managing the entire operations within one location. (The Star)

Lion Industries Corporation Bhd is disposing of its hot briquetted iron (HBI) business in Labuan to Singapore's Esteel Enterprise Pte Ltd for US\$128.0m (RM546.6m). The group and its 99%-owned unit Amsteel Mills Sdn Bhd (AMSB) have inked a sale and purchase agreement with Esteel for AMSB's disposal of its 100% stake in Antara Steel Mills Sdn Bhd, which operates the Labuan HBI plant. Excluded from the deal is Lion Industries' long steel plant located in Pasir Gudang, Johor. (The Edge)

Malaysia Airports Holdings Bhd's (MAHB) airports are safe and ready for operations ahead of the coming into force of the recovery movement control order (RMCO). Under the RMCO, tourism and domestic flight routes can resume. (The Edge)

PLB Engineering Bhd's 65.0%-owned subsidiary PLB Terang Sdn Bhd (PLBT) has inked a memorandum of understanding with Welle Environmental & Renewable Energy Sdn Bhd to jointly set up a municipal solid waste-to-energy plant in Penang. The plant is expected to have a capacity of 1,000 tonnes per day. PLB said the MoU will enable PLBT to tap into the reputation, experiences and standing of Welle and its related China company in waste management and power generation projects and diversify its income stream. (The Edge)

Sime Darby Bhd has appointed its non-independent and non-executive director Tan Sri Samsudin Osman as its interim acting chairman, effective tomorrow. This follows the resignation of Sime Darby chairman Datuk Abdul Rahman Ahmad, as he has been appointed the group chief executive officer and executive director of **CIMB Group Holdings Bhd** and CIMB Bank Bhd. Samsudin, 73, has been a member of the Sime Darby board since 19th December 2008. (The Edge)

Velesto Energy Bhd's independent director Mohd Rashid Mohd Yusof has been appointed non-executive chairman of the oil and gas company. Mohd Rashid, 64, takes over from Datuk Abdul Rahman Ahmad, 51, who has relinquished his role due to his appointment as the group CEO of **CIMB Group Holdings Bhd** and CEO of CIMB Bank Bhd. Mohd Rashid joined the board of directors of Velesto in June 2017. He brings with him over 40 years of experience in the O&G industry. (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)	Last Price (RM)	Change in Share Price (%)	Comments
1	KKB	10-Jun	1.800	1.910	2.010	2.200	1.700	1.800	0.0%	Initiate position
2	CMSB	10-Jun	1.690	1.880	2.090	2.300	1.620	1.690	0.0%	Initiate position

Portfolio Summary	
Total recommendations	2
Total winners	-
Total losers	-
Portfolio performance	0.0%
Portfolio performance (year-to-date)	0.0%
Accuracy	0%
FBM KLCI (Since 8th June 2020)	0.0%
FBM Small Cap (Since 8th June 2020)	0.0%