

Muted rebound

Market Review

Malaysia: The FBM KLCI (+0.1%) was lifted mildly higher by bargain hunting activities, coupled with gains in selected telco heavyweights. The lower liners closed mostly higher, while the telecommunications & media sector (+2.0%) continue to anchor the gains on the broader market.

Global markets: The US stockmarkets extended their gains as the Dow added 0.2% US Federal Reserve Chairman Jerome Powell reiterated that the inflation pressures will be transitory. European stockmarkets also extended their gains, while Asia stockmarkets finished mostly higher.

The Day Ahead

Mirroring the overnight advances on Wall Street, the FBM KLCI posted mild gains as bargain hunting activities emerged after a heavy sell-down in the previous session. With the continuation of the rebound on US stock markets, coupled with the improvement in vaccination rate in Malaysia, we expect buying interest may spillover to stocks on the local front. Meanwhile, the non-ferrous metal prices remained under pressure due to the overall surplus market condition, while the CPO price saw a decline.

Sector focus: Investors may see some follow-through buying interest in the telecommunication & media counters following the Celcom-Digi merger announcement. Besides, the gradual increase in daily vaccine doses administered may shine a light on the recovery theme sectors such as consumer and transportation & logistics. Also, with the strong Nasdaq breakout yesterday, we believe technology stocks will be on traders' radar.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI staged a mild rebound but the key index continued to close below the SMA200 level. Technical indicators remained negative as the RSI is hovering below the 50 level. The key index may hover below the 1,600 level under as sentiment tilted to the downside, while the support level is envisaged around 1,555-1,565.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,945.58	0.20
S&P 500	4,246.44	0.51
NASDAQ	14,253.27	0.79
FBM KLCI	1574.02	0.11
FBM Small Cap	16,417.8	0.13
FBM ACE	7,622.49	0.85
Construction	174.08	-0.46
Consumer	608.80	0.17
Energy	839.03	0.74
Financial Services	15,287.79	0.27
Healthcare	3,018.83	-0.75
Ind Products	189.45	0.17
Plantation	6,538.18	-0.90
Property	730.71	-0.79
REITs	824.85	0.06
Technology	80.56	-0.75
Telco & Media	732.18	2.03
Transport	891.27	0.13
Utilities	928.52	-0.14
Trading Vol (m)	5,902.57	-2.28
Trading Val (RM m)	3,075.44	9.93
Advance/ Decline	12%	
FKLI	1570.50	0.22
FCPO (RM)	3,390.00	-0.03
Brent oil (USD)	74.81	-0.12
Gold (USD)	1,778.74	-0.25
USD	4.1605	-0.34
GBP	5.7636	-0.37
EURO	4.9429	-0.17
SGD	3.085	-0.04

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-77.8	387.3	-309.4

Source: Bloomberg, Bursa Market Place

Company Brief

Affin Bank Bhd and Generali Asia N.V. (Generali) have agreed to form a joint venture to develop their life and general insurance businesses in Malaysia. Affin has agreed to dispose of 21.0% equity interest in AXA Affin Life Insurance Bhd and approximately 3.0% equity interest in AXA Affin General Insurance Bhd (AAGI) to Generali. In addition, Affin has also agreed for AAGI to acquire certain assets and liabilities of MPI Generali Insurans Bhd (MPIG) via a business transfer (AAGI Merger) to create an enlarged company (MergeCo). The MergeCo is expected to be the second biggest general insurance provider with an estimated gross written premium (GWP) of more than RM2.00bn and total assets of more than RM6.00bn. (The Star)

MPHB Capital Bhd's wholly owned subsidiary Multi-Purpose Capital Holdings Bhd has submitted an application to Bank Negara Malaysia (BNM) to seek approval for a proposed disposal of 51.0% in MPI Generali Insurans Bhd to Generali Asia N.V. MPH Bhd would enter into a share purchase agreement with Generali Asia pursuant to the proposed disposal. (The Star)

Dagang Nexchange Bhd (DNeX) has appointed Dr Bob Wei-Ming Chen and Datuk Robert Fisher to its board of directors effective 22nd June 2021. Chen will serve as non-independent non-executive director while Fisher will serve as independent non-executive director of DNeX. Chen currently serves as vice president (VP) and head of semiconductor business group of Hon Hai Technology Group, also known as Foxconn. (The Star)

Serba Dinamik Holdings Bhd's board has decided to take legal action against its external auditor KPMG PLT. It alleged that KPMG had been negligent and breached its contractual and statutory duties to the group. Meanwhile, the group has yet to finalise the appointment of Ernst & Young (EY) to conduct the independent review over the audit matters flagged by its external auditor. (The Edge)

TCS Group Holdings Bhd has secured a RM555.0m contract for a mixed-use development project known as J.Satine in Setapak. The project comprises 3,600 units of Residensi Wilayah apartments, 661 units of small office or home office (SOHO) and 42 commercial units. The works shall be for a period of 36 months, to be complete in September 2024. (The Edge)

Sunway Bhd has announced that trading in its shares will be suspended from 23rd June 2021, pending an announcement from the group. Its structured warrants will also be suspended at the same time. Sunway might sell between 20.0%-25.0% equity interest in its healthcare business to Government of Singapore Investment Corp (GIC). (The Edge)

Astro Malaysia Holdings Bhd's 1QFY22 net profit increased 91.3% YoY to RM141.3m, thanks to higher advertising revenue, merchandise sales and others. Revenue for the quarter grew 0.8% YoY to RM1.06bn. A dividend of 1.5 sen, payable on 23rd July 2021 was declared. (The Edge)

Yinson Holdings Bhd has agreed to collaborate with Chile-based renewable energy developer Verano Capital Holdings SpA to undertake renewable energy projects in Chile, Colombia and Peru. The collaboration, which will be carried out through its wholly-owned subsidiary Yinson Renewable Pte Ltd, has initially targeted to progress a pipeline of over 800.0MW of utility scale solar projects, of which 330.0MW is expected to be consented to within the next 6-12 months. (The Edge)

Daibochi Bhd's 3QFY21 net profit declined 5.4% YoY to RM10.3m, due to higher raw material prices recorded in the quarter. Revenue for the period slid 1.2% YoY to RM150.1m. A single tier interim dividend of 2.0 sen, payable on 19th July 2021 was declared. (The Edge)

Mulpha International Bhd's unit Mulpha Credit Sdn Bhd has entered into a transaction to dispose of its entire equity interest in New Zealand's Education Perfect Group Ltd (EPGL). The disposal represents the entire 37.8% in EPGL for NZ\$455.0m or RM1.31bn. (The Edge)

Willowglen MSC Bhd has won a contract for the maintenance of Singapore's East-West Cable Tunnel Scada System, including system enhancements. The contract worth RM11.0m was awarded by SP PowerAssets Ltd, the government-owned sole provider of electricity transmission and distribution services in Singapore. (The Edge)

White Horse Bhd is disposing of a piece of leasehold land with buildings in Vung Tau, Vietnam for RM113.5m. The group is selling the land measuring 278,511 sqm to Vietnam's Viglacera Tien Son Joint Corp. (The Edge)

MAA Group Bhd is acquiring a 57.8% stake in **Turiya Bhd** from Ithmaar Bank BSC for RM23.8m, in a bid to extend a mandatory takeover offer on the machinery and chemicals manufacturer. MAA, which is involved in investment holding and insurance business, proposed to acquire 132.2m Turiya shares from Ithmaar Bank at 18 sen per share. It also intends to maintain Turiya's listing status on Bursa Malaysia. (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	WASEONG	31-May	0.790	0.855	0.900	1.000	0.730	0.725	0.755	-4.4%	On-going
2	K1	2-Jun	0.305	0.335	0.350	0.380	0.280	0.275	0.300	-1.6%	On-going
3	COMPLETE	9-Jun	1.410	1.530	1.650	1.770	1.250	1.240	1.300	-7.8%	On-going
4	LBALUM	14-Jun	1.020	1.090	1.200	1.330	0.915	0.910	0.950	-6.9%	On-going
5	VS	16-Jun	1.420	1.510	1.560	1.700	1.300	1.290	1.350	-4.9%	On-going
6	UCHITEC	21-Jun	3.210	3.350	3.520	3.600	3.030	3.020	3.200	-0.3%	On-going
7	SCOMNET	23-Jun	1.670	1.740	1.840	2.020	1.570	1.560	1.670	0.0%	Initiate position

2Q21 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	AIRASIA	29-Mar	1.150	1.300	1.350	1.400	1.080	1.060	0.940	-18.3%	On-going
2	GENM	29-Mar	3.170	3.310	3.400	3.520	2.870	2.850	2.950	-6.9%	On-going
3	MRDIY	29-Mar	3.770	4.180	4.300	4.500	3.610	3.590	3.760	-0.3%	On-going
4	JAKS	29-Mar	0.675	0.780	0.825	1.000	0.600	0.590	0.515	-23.7%	On-going
5	TGUAN	29-Mar	2.270	2.590	2.860	3.000	1.950	1.930	2.610	15.0%	On-going
6	OPTIMAX	29-Mar	1.800	2.000	2.100	2.200	1.500	1.480	1.460	-18.9%	On-going
7	BURSA	29-Mar	8.940	9.650	9.960	10.320	8.750	8.720	8.040	-10.1%	On-going
8	PESTECH	29-Mar	1.260	1.300	1.430	1.510	1.040	1.020	0.975	-22.6%	On-going
9	OKA	29-Mar	0.785	0.870	0.930	1.000	0.750	0.740	0.795	1.3%	On-going

Market Pulse

Wednesday, 23 Jun, 2021

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Technical Focus Tracker Summary	
Total recommendations	126
Total winners	67
Total losers	58
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	93.5%
Accuracy (2021)	52.9%
FBM KLCI (Since 4/1/2021)	-3.3%
FBM Small Cap (Since 4/1/2021)	3.7%
Malaysia GDP Growth (1Q21)	-0.5%

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