

Base building

Market Review

Malaysia: The FBM KLCI (+0.6%) recovered all its previous session losses, as gains were anchored by the recovery in glove heavyweights following the recent spike in local Covid-19 cases. The lower liners also advanced, while the plantation sector (-1.1%) underperformed the positive broader market.

Global markets: The US stockmarkets ended on a mixed note as the Dow gained 0.2%, but the S&P 500 and Nasdaq shed 0.3% and 0.7% respectively, bogged down by concerns over the pace of economic growth. European stockmarkets were downbeat, while Asia stockmarkets ended mostly higher.

The Day Ahead

The FBM KLCI marched higher amid mixed regional sentiment, underpinned by the buying interest in glove stocks after successive days of record-high Covid-19 daily cases in the country. The overall market sentiment was also lifted by the Fed's dovish comment as well as the improvement in China's economic data. Nevertheless, upside might be capped as investors are still waiting for more economic sectors to reopen. Commodities wise, the CPO price has surged in tandem with soybean futures, while the crude oil price extended its losses.

Sector focus: The plantation sector may see some rebound as traders may take cue from the firmer CPO price. Besides, there might be some follow-through buying interest in the glove sector as the local Covid-19 daily cases continued registering above the 10k mark.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI rebounded into the positive territory but struggled to cross above the 1,525 level as investors continued to stay on the sidelines. Technical indicators remained mixed as the MACD Histogram has extended a green bar, while the RSI hovered above the 30 level. Investors may monitor the resistance level set at 1,525-1,548, while the support level remains at 1,500.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,987.02	0.15
S&P 500	4,360.03	-0.33
NASDAQ	14,543.13	-0.70
FBM KLCI	1520.82	0.56
FBM Small Cap	15,493.83	0.99
FBM ACE	7,202.85	1.38
Construction	160.39	0.16
Consumer	588.05	0.83
Energy	766.88	0.83
Financial Services	14,893.18	0.06
Healthcare	2,908.42	4.62
Ind Products	188.03	0.64
Plantation	6,152.32	-1.05
Property	695.75	0.32
REITs	805.22	0.15
Technology	84.67	0.11
Telco & Media	689.77	0.01
Transport	85131	0.33
Utilities	900.37	0.83
Trading Vol (m)	5,08120	16.05
Trading Val (RM m)	3,498.92	16.75
Advance/ Decline	180%	
FKLI	152100	0.86
FCPO (RM)	4,11100	3.73
Brent oil (USD)	73.47	-1.73
Gold (USD)	1829.47	0.11
USD	4.2025	-0.02
GBP	5.8165	0.02
EURO	4.9787	-0.56
SGD	3.1061	-0.23
Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
95.8	-16.3	-79.5

Source: Bloomberg, Bursa Market Place

Company Brief

Berjaya Corporation Bhd (BCorp) is eyeing to establish a hospitality real estate investment trust (REIT) in the long run, which focuses only on five-star hotels owned by the group instead of those it operates. The operating model of the group's hospitality division is now gradually shifting to owner model rather than an operator model. The group had put two resorts in Seychelles, a resort in Sri Lanka, and one hotel each in Hanoi, Vietnam and the Philippines up for sale. (The Star)

Malakoff Corp Bhd unit, Alam Flora Environmental Solutions Sdn Bhd has entered into a RM25.0m deal to buy a property in Port Klang from The New Straits Times Press (Malaysia) Bhd, a subsidiary of **Media Prima Bhd**. The deal revolves around 5.8-ac of leasehold industrial land houses two warehouses. The proposed land acquisition will enable Alam Flora to proceed with the proposed development of a recovery facility as an off-site facility to handle various types of waste and to expand its environmental business segment in line with its strategic plan. (The Star)

Ireka Corp Bhd's wholly-owned subsidiary, Ireka Engineering and Construction Sdn Bhd has accepted a conditional letter of award from Wanland Metro Sdn Bhd for a construction project in Terengganu for RM124.4m. The contract shall commence on 1st August 2021 and the contract period is for 208 weeks. The commencement date may be revised taking into consideration the date of issuance of complete construction drawings, the length of time taken in finalising the contract value and the effects of the COVID-19 pandemic. (The Star)

Bumi Armada Bhd has appointed former Employees Provident Fund CEO Tunku Alizakri Alias as an independent director effective yesterday. The 51-year-old has 20 years of experience in senior management and board-level roles in multiple sectors and industries. (The Edge)

AmBank (M) Bhd, via its Labuan offshore branch, has initiated a fresh statutory demand against Singapore-listed Falcon Energy Group Ltd to seek from the latter a loan repayment sum of US\$24.3m (RM101.9m). (The Edge)

Ekovest Bhd will not proceed with its Heads of Agreement with Iskandar Waterfront Holdings Sdn Bhd (IWH) to buy into the Bandar Malaysia project, following the lapse of Putrajaya's RM7.40bn sale of 60.0% in the project to a joint venture of IWH. (The Edge)

Kelington Group Bhd wholly-owned subsidiary Kelington Technologies Sdn Bhd has secured from Stolthaven (Westport) Sdn Bhd a RM50.0m contract to construct oil products storage tanks at Port Klang. The 15-month project is expected to be completed by October 2022. (The Edge)

Solarvest Holdings Bhd wholly-owned subsidiary, Atlantic Blue Sdn Bhd has secured a contract worth RM87.5m for a large-scale solar photovoltaic (PV) plant in Kulim, Kedah. It has been appointed the main engineering, procurement, construction and commissioning contractor for the 20.9MW plant and received the project from Energy ES Sdn Bhd. (The Edge)

Kejuruteraan Asastera Bhd (KAB) plans to raise RM106.1m via a private placement for its renewable energy business and the repayment of bank borrowings. KAB would be issuing 169.2m shares or 10.0% of its total share capital of 1.69bn shares for private placement to third party investors. (The Edge)

Nexgram Holdings Bhd's indirect 51%-owned subsidiary, Tri-G Technologies Sdn Bhd has received Putrajaya's nod for its digital system TracAPM to be commissioned as the official digital system for the quarantine management of inbound travellers. The services include travellers' quarantine management at all international borders, quarantine station management, and quarantine transport management. (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	VS	16-Jun	1.420	1.510	1.560	1.700	1.300	1.290	1.340	-5.6%	On-going
2	UCHITEC	21-Jun	3.110	3.250	3.420	3.500	2.930	2.920	3.030	-2.6%	On-going
3	DNONCE	30-Jun	0.495	0.520	0.540	0.585	0.445	0.440	0.525	6.1%	On-going
4	SCGM	12-Jul	2.410	2.650	2.800	3.000	2.210	2.200	2.440	1.2%	On-going
5	FPGROUP	14-Jul	0.850	0.910	0.950	1.040	0.800	0.795	0.835	-1.8%	On-going

3Q21 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	AIRPORT	30-Jun	6.000	6.700	7.000	-	5.750	5.650	5.700	-5.0%	On-going
2	GENTING	30-Jun	4.940	5.530	5.800	-	4.760	4.700	4.810	-2.6%	On-going
3	MAYBULK	30-Jun	0.720	0.800	0.855	-	0.645	0.620	0.680	-5.6%	On-going
4	AME	30-Jun	2.630	2.700	2.980	-	2.320	2.250	2.560	-2.7%	On-going
5	KOBAY	30-Jun	2.730	3.200	3.820	-	2.260	2.200	3.300	20.9%	Take profit on 5-Jul
6	GREATEC	30-Jun	5.700	7.000	7.700	-	5.200	5.100	6.240	9.5%	On-going
7	BPPLAS	30-Jun	1.630	2.000	2.200	-	1.500	1.450	1.850	13.5%	On-going
8	KGB	30-Jun	1.050	1.250	1.350	-	0.945	0.925	1.200	14.3%	On-going

Technical Focus Tracker Summary	
Total recommendations	132
Total winners	73
Total losers	59
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	117.7%
Accuracy (2021)	57.9%
FBM KLCI (Since 4/1/2021)	-6.5%
FBM Small Cap (Since 4/1/2021)	-0.5%
Malaysia GDP Growth (1Q21)	-0.5%