

Rising against the tide

Market Review

Malaysia: The FBM KLCI (+1.4%) delivered a solid performance with buying interest was dispersed across the board. The lower liners also rebounded on a firm manner, while all 13 major sectors on the broader market finished higher with the industrial products & services sector (+1.5%) taking the lead.

Global markets: The US stockmarkets retreated from their all-time high levels as the Dow fell 0.8% on concern over Covid-19 resurgence, coupled with the sluggish retail sales data in July that fell -1.1% MoM vs consensus expectations of -0.3% MoM. Both the European and Asia stockmarkets finished mostly lower.

The Day Ahead

The FBM KLCI saw a steep rise as market sentiment was positive brushing off the political uncertainty and buying interest was driven by gradual reopening of more economic activities and steady rise in vaccination rates in Malaysia. Note that foreign fund has been a net buyer for three consecutive sessions. However, we believe the sentiment could remain cautious while waiting for a new Prime Minister being appointed after the king urging the party leaders to unite in addressing the current Covid-19 and economic woes. Commodities wise, the CPO price fell on concerns over production uncertainty in the coming weeks, while Brent oil declined.

Sector focus: Investors may continue positioning themselves in recovery theme sectors such as consumer related, transportation & logistics as well as construction sectors. However, traders may trade cautiously in selected technology stocks following China's decision to tighten competition rules for internet companies.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI jumped with improved volume, closing above the daily EMA20 level. Technical indicators turned positive as the MACD Histogram has extended a green bar, while the RSI has crossed above the 50 level. Market may revisit next resistance around 1,540, while the support is set around 1,480.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,343.28	-0.79
S&P 500	4,448.08	-0.71
NASDAQ	14,656.18	-0.93
FBM KLCI	1523.59	1.38
FBM Small Cap	15,372.79	0.50
FBM ACE	7,132.44	0.61
Construction	158.73	1.00
Consumer	597.70	0.94
Energy	722.75	0.48
Financial Services	14,844.87	0.77
Healthcare	2,750.47	0.71
Ind Products	190.75	1.50
Plantation	6,323.43	1.22
Property	69159	0.45
REITs	808.36	0.51
Technology	89.77	0.15
Telco & Media	686.20	0.82
Transport	847.65	0.72
Utilities	903.20	0.55
Trading Vol (m)	4,337.76	-13.90
Trading Val (RM m)	2,406.37	164
Advance/ Decline	173%	
FKLI	1524.00	167
FCPO (RM)	4,408.00	-0.88
Brent oil (USD)	69.03	-0.69
Gold (USD)	1,786.19	-0.07
USD	4.2375	-0.01
GBP	5.8552	0.25
EURO	4.9882	0.07
SGD	3.1211	0.08

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
- 145.3	- 8.1	153.4

Source: Bloomberg, Bursa Market Place

Company Brief

Boustead Holdings Bhd is selling its controlling stake in University of Nottingham in Malaysia (UNM), as the diversified group sheds non-strategic assets to focus on core businesses. Boustead has entered into a conditional share sales agreement with the University of Nottingham, United Kingdom to sell its 66.4% stake and a campus in Semenyih, Selangor for £23.5m (RM137.0m). (The Star)

Gas Malaysia Bhd's 2QFY21 net profit rose 39.7% YoY to RM62.3m, on higher volume of fuel sold coupled with the recognition of revenue cap adjustment that offset the lower average natural gas tariff. Revenue for the quarter, however, fell 8.0% YoY to RM1.38bn. An interim dividend of 4.8 sen a share, payable on 28th October 2021 was declared. (The Star)

DRB-Hicom Bhd's 2QFY21 net loss narrowed to RM217.5m vs. a net loss of RM306.0m recorded in the previous corresponding quarter as major operating companies were badly affected by the impact of nationwide Movement Control Order (MCO). Revenue for the quarter, however, improved 30.8% YoY to RM2.62bn. (The Star)

Duopharma Biotech Bhd's 2QFY21 net profit increased 7.1% YoY to RM15.4m, supported by higher sales to the consumer healthcare and public health sector. Revenue for the quarter rose 8.4% YoY to RM155.4m. An interim dividend of 0.5 sen per share, payable on 15th September 2021 was declared. (The Star)

Willowglen MSC Bhd's wholly-owned subsidiary, Willowglen Services Pte Ltd, has been awarded two contracts totalling RM24.4m. The first contract worth RM16.7m was secured from China Communications Construction Company Limited (Singapore Branch) will commence on 24th August 2021, and will be completed by 17th September 2024. Meanwhile, the second contract valued at approximately RM7.7m was awarded by SP PowerAssets Limited, Singapore for the supply and delivery of sub-station intrusion detection system devices and removal and disposal works. The contract, which commenced yesterday will be completed by 15th August 2026. (The Star)

Genting Malaysia Bhd's (GenM) 49.0%-owned associate Genting Empire Resorts LLC has formed a rare consortium with rival casino operators – American Wagering Inc, PointsBet New York LLC, Rush Street Interactive NY LLC and WSI US LLC to bid for a mobile sports betting licence in the US state of New York. (The Edge)

Teo Seng Capital Bhd's 2QFY21 net loss stood at RM10.5m vs. a net profit of RM3.2m recorded in the previous corresponding quarter, due to lower poultry revenue contribution and higher raw material commodity prices. Revenue for the quarter fell 2.3% YoY to RM118.0m. (The Edge)

Pintaras Jaya Bhd has bagged three new piling contracts worth approximately RM142.0m (S\$45.5m) in Singapore. The contracts, which were awarded to its indirect wholly-owned subsidiary Pintary Foundations Pte Ltd, will commence between September and November 2021, with contract periods varying from nine to 15 months. (The Edge)

Muda Holdings Bhd's 2QFY21 net profit jumped 132.1% YoY to RM24.4m, attributed to higher sales volume for industrial paper and paper docking products. Revenue for the quarter increased 46.7% YoY to RM399.8m. (The Edge)

KLCC Stapled Group's 2QFY21 net profit rose 4.8% YoY to RM144.0m, on the back of improved retail and hotel business performance in April 2021. Revenue for the quarter grew 4.8% YoY to RM280.2m. (The Edge)

Sime Darby Bhd's 36.6%-owned joint venture in China, Weifang Port Services Co Ltd, said it is no longer required to pay additional interest of 187.0m Yuan (RM122.3m) to CCCC Tianjin Dredging Co Ltd over the late payment of an instalment sum. It has been issued a case closing notice after CCCC Tianjin confirmed that the joint venture company had fulfilled its obligations under two settlement agreements. (The Edge)

Ajinomoto (Malaysia) Bhd's 1QFY22 net profit added 1.0% YoY to RM15.2m, as higher sales were offset by higher operating expenses and income tax expenses. Revenue for the quarter expanded 21.0% YoY to RM115.1m. (The Edge)

GUH Holdings Bhd has announced that its subsidiary, GUH Circuit Industry (PG) Sdn Bhd, has been ordered by the Ministry of Health to shut down from 13th August 2021 to 21st August 2021 to undertake deep sanitisation at its factories and hostels, after positive Covid-19 cases were detected among its production workers. (The Edge)

Fima Corp Bhd has announced that its independent non-executive director Datuk Bazlan Osman will be redesignated as the group's chairman, replacing Datuk Adnan Shamsuddin, who is retiring, upon the conclusion of the forthcoming annual general meeting. (The Edge)

Bursa Malaysia Securities has publicly reprimanded **Iqzan Holding Bhd** over a major deviation between its unaudited net profit of RM26,000 and audited net loss of RM3.2m for 9MFY20. The company is required to carry out a limited review, performed by its external auditors, for four quarterly reports commencing no later from the quarterly report for the financial period ending 30th September 2021. (The Edge)

Apollo Food Holdings Bhd has reported that its Johor manufacturing facility has resumed operations, after a temporary suspension as a measure to prevent the spread of Covid-19. The Ministry of Health has approved the resumption of operations Apollo Food Industries (M) Bhd's premises effective 16th August 2021 after thorough disinfection was carried out. (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	JAG	30-Jul	0.370	0.400	0.425	0.475	0.340	0.335	0.360	-2.7%	On-going
2	TGUAN	4-Aug	2.530	2.670	2.790	3.000	2.340	2.330	2.470	-2.4%	On-going
3	PRESTAR	9-Aug	0.725	0.750	0.795	0.915	0.635	0.630	0.730	0.7%	On-going
4	TRIMODE	11-Aug	0.685	0.700	0.770	0.835	0.605	0.600	0.650	-5.1%	On-going
5	TASCO	13-Aug	1.160	1.240	1.300	1.450	1.100	1.090	1.110	-4.3%	On-going
6	JHM	16-Aug	2.120	2.280	2.450	2.640	2.020	1.990	2.090	-1.4%	On-going
7	SUCCESS	18-Aug	0.880	0.940	0.990	1.050	0.815	0.810	0.880	0.0%	Initiate position

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	5.650	-5.8%	Cut loss on 4-Aug
2	GENTING	30-Jun	4.940	5.530	5.800	-	4.760	4.700	4.570	-7.5%	Cut loss on 4-Aug
3	MAYBULK	30-Jun	0.720	0.800	0.855	-	0.645	0.620	0.690	-4.2%	On-going
4	AME	30-Jun	2.630	2.700	2.980	-	2.320	2.250	2.640	0.4%	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	7.400	29.8%	On-going
7	BPPLAS	30-Jun	1.630	2.000	2.200	-	1.500	1.450	1.860	14.1%	On-going
8	KGB	30-Jun	1.050	1.250	1.350	-	0.945	0.925	1.220	16.2%	On-going

Technical Focus Tracker Summary	
Total recommendations	143
Total winners	77
Total losers	65
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	120.5%
Accuracy (2021)	54.4%
FBM KLCI (Since 4/1/2021)	-6.4%
FBM Small Cap (Since 4/1/2021)	-1.2%
Malaysia GDP Growth (2Q21)	16.1%