

Turning sideways

Market Review

Malaysia: The FBM KLCI swung between gains and losses before settling 0.1% higher, mainly boosted by Press Metal (+5.2%) following the surged in aluminium prices to 10Y high. The lower liners were upbeat, while the broader market ended mostly higher with the energy (+1.9%) and property (+1.9%) sectors outperformed.

Global markets: The US stockmarkets were downbeat as the Dow fell 0.8%, dragged down by concern that the pace of economic recovery that appears to have stalled recently. European stockmarkets closed lower on expectations that policy makers may roll back stimulus, while Asia stockmarkets ended mostly positive.

The Day Ahead

After fluctuating between modest gains and losses for most of the day, the FBM KLCI (+0.1%) inched up as gains in PMETAL outweighed losses in selected banking and plantation heavyweights, powered by a surge in aluminium price. However, tracking the weaker performance on Wall Street overnight, the local bourse may turn sideways amid profit taking activities on the broader market. Nevertheless, we expect the support from the recent net foreign buying amid the recovery hopes following more sectors to be allowed to operate in Klang Valley in the anticipation of moving into Phase 2 of NRP should be able to cushion the downside risk in the market. Meanwhile, CPO price climbed while the crude oil price saw a pullback.

Sector focus: With more economic sectors reopening in Klang Valley amid increasing vaccination rates and lower Covid-19 cases, investors may remain bullish on recovery theme sectors, favouring banking, consumer, construction, property, plantation and building material. Meanwhile, the steel and aluminium related counters may dominate as aluminium price remained elevated.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI finished with marginal gains in choppy trade on Tuesday. Technical indicators remained mildly negative as the MACD Histogram has extended a red bar, while the RSI continued hovering below the 70 level. Still, resistance is located at 1,600, while the support is pegged along 1,580.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,100.00	-0.76
S&P 500	4,520.03	-0.34
NASDAQ	15,374.33	0.07
FBM KLCI	1583.48	0.12
FBM Small Cap	16,384.28	0.68
FBM ACE	7,360.30	1.16
Construction	173.84	1.15
Consumer	618.27	0.47
Energy	777.48	1.91
Financial Services	15,438.08	-0.25
Healthcare	2,779.91	-0.28
Ind Products	20128	0.58
Plantation	6,621.26	-0.07
Property	74135	1.86
REITs	819.99	0.48
Technology	92.32	-0.11
Telco & Media	710.23	0.18
Transport	888.06	-0.12
Utilities	933.42	0.38
Trading Vol (m)	4,748.29	7.06
Trading Val (RM m)	2,888.23	-0.20
Advance/ Decline	146%	
FKLI	1570.50	0.26
FCPO (RM)	4,390.00	1.36
Brent oil (USD)	71.69	-0.73
Gold (USD)	1794.36	-1.59
USD	4.1553	-0.18
GBP	5.7422	-0.04
EURO	4.9306	-0.23
SGD	3.0934	-0.11

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-655.5	174.6	480.9

Source: Bloomberg, Bursa Market Place

Company Brief

Tenaga Nasional Bhd has received the letter of notification from the Ministry of Energy and Natural Resources to develop the 300MW Nenggiri hydroelectric power project. The proposed hydroelectric dam, to be developed by wholly owned TNB Power Generation Sdn Bhd, is located at a site 30km from Gua Musang in Kelantan, TNB, in a filing with Bursa Malaysia today, said the construction works of the project was estimated to take five years. The expected schedule commercial operation date for the hydroelectric dam was 1st June 2027. (The Star)

UWC Bhd's 4QFY21 net profit rose 4.8% YoY to RM19.5, driven by improved sales. Revenue for the quarter added 4.1% YoY to RM63.9m. An interim dividend of 1.67 sen per share, payable on 8th October 2021 was declared. (The Star)

The Social Security Organisation (Socso) has emerged as one of **Berjaya Food Bhd's** (BFood's) major shareholders for the first time after an off-market deal, which raised the agency's stake in the company to 5.0%. Socso acquired 16.0m BFood shares on 2nd September 2021 via married and direct deals, raising its shares in the company to 18.0m. (The Edge)

The Employees Provident Fund (EPF) has awarded a build and migrate-based data centre cabling project in Sungai Buloh to **Mesiniaga Bhd**. The project awarded to Mesiniaga is among EPF's latest tender results for July 2021, indicated on the pension fund's website. (The Edge)

Kelington Group Bhd's wholly-owned subsidiary Kelington Engineering (S) Pte Ltd has clinched a new ultra high purity (UHP) contract to undertake the bulk gas system distribution works for a semiconductor manufacturer's new fabrication plant in Singapore. The worth RM49m, was secured from a global leader in engineering and project management of high-technology facilities, but did not name the client. (The Edge)

NCT Alliance Bhd's 2QFY21 posted a net profit of RM9.5m vs. a net loss of RM0.4m recorded in the previous corresponding quarter, improved topline growth. Revenue for the quarter jumped 160.8% YoY to RM49.2m. (The Edge)

Malayan Banking Bhd's (Maybank) foreign shareholding rebounded to 16.3% as at 27th August 2021, after foreign investors appeared to have accumulated more Maybank shares in the two weeks since 13th August 2021, according to the latest updates on Maybank's website. (The Edge)

Malaysia Airports Holdings Bhd (MAHB) aims to draw at least half of its more-than-300 retailers onto its e-commerce platform shopMYairports in the next three years. The platform currently has less than 10 big partners that carry all kinds of products from chocolates to perfumes. (The Edge)

Telekom Malaysia Bhd (TM) is partnering with India's Tata Communications Ltd to provide IP transit services in the ASEAN region. TM will offer stable, high-speed and reliable connectivity in the region and open access to global enterprises. (The Edge)

RGT Bhd has announced that it has entered into an agreement to acquire a 70.0% equity stake in Top Degree (M) Sdn Bhd for RM14.0m. The proposed acquisition was done after taking into consideration that the vendors are offering a guaranteed profit after tax of no less than RM8.0m over two years. (The Edge)

Bintai Kinden Corp Bhd has via its unit Bintai Healthcare Sdn Bhd, inked a deal with NGT Solutions (M) Sdn Bhd (NGTS) to jointly distribute Sinopharm's Covid-19 vaccine to the private sector in Malaysia. The business collaboration agreement with NGTS aims to achieve sales forecast of vaccination for 5,000 persons in the first three months, once the vaccine is made available to the private sector. (The Edge)

JAKS Resources Bhd's 2QFY21 net profit sky-rocketed 13.5x YoY to RM28.8m, supported by its RM37.5m share of profit from its 30.0%-owned power plant joint venture in Vietnam. Revenue for the quarter, however, fell 44.6% YoY to RM41.6m. (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	HIBISCS	30-Aug	0.670	0.680	0.705	0.730	0.625	0.620	0.665	-0.7%	On-going
2	QES	3-Sep	0.760	0.785	0.835	0.945	0.670	0.665	0.770	1.3%	On-going
3	FREIGHT	6-Sep	0.840	0.860	0.935	1.040	0.755	0.750	0.825	-1.8%	On-going
4	TCS	8-Sep	0.475	0.495	0.515	0.560	0.445	0.440	0.475	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	0.730	1.4%	On-going
4	AME	30-Jun	2.630	2.700	2.980	-	2.320	2.250	2.580	-1.9%	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	7.100	24.6%	Take profit on 20-Aug
7	BBPLAS	30-Jun	1.630	2.000	2.200	-	1.500	1.450	2.240	37.4%	Take profit on 25-Aug
8	KGB	30-Jun	1.050	1.250	1.350	-	0.945	0.925	1.270	21.0%	Take profit on 25-Aug

Technical Focus Tracker Summary	
Total recommendations	150
Total winners	84
Total losers	65
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	168.8%
Accuracy (2021)	58.7%
FBM KLCI (Since 4/1/2021)	-2.7%
FBM Small Cap (Since 4/1/2021)	5.3%
Malaysia GDP Growth (2Q21)	16.1%