

Extended pullback

Market Review

Malaysia: The FBM KLCI (-0.8%) extended its decline as selling pressure escalated in the second half of the trading session with more than two-thirds of the key index components closed in red. The lower liners, however, edged higher, while the broader market ended mixed with the technology sector (+0.7%) outperformed.

Global markets: Wall Street turned downbeat as the Dow (-0.9%) fell as market sentiment turned cautious ahead of the US Federal Reserve meeting at Jackson Hole this week to re-iterate their resolve to curb the stubbornly high inflation rate. Both the European and Asia stock markets also ended mostly weaker.

The Day Ahead

The FBM KLCI drifted lower last Friday in tandem with most of the regional markets as persistent selling pressure were noticed following the elevated inflation data in the European region. With the global investors reassessing the risks of interest rate hikes by the US Feds moving forward, growth stocks may see some selling pressure. Nevertheless, we believe traders on the local bourse may remain cautiously optimistic amid the earnings season, while monitoring Malaysia's inflation rate that will be released this Friday. Commodities wise, the crude oil hovered around USD96, while the CPO is priced above RM4,000.

Sector focus: The technology sector may see a pullback following a slump in Nasdaq overnight. Meanwhile, investors may turn their focus to stocks with solid earnings prospects such as selected consumer, banking, and REITs. The telecommunication stocks may see some buying interest as our finance minister has commented there will be no extensions for telcos to sign up with DNB for 5G.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended lower for the third consecutive session, falling below its daily EMA9 level. Technical indicators, however, remained positive as the MACD Histogram extended a positive bar, while the RSI hovered above 50. The resistance is pegged along 1,530-1,560, while the support is set around 1,460-1,480.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,706.74	-0.86
S&P 500	4,228.48	-1.29
NASDAQ	12,705.21	-2.01
FBM KLCI	1,504.44	-0.80
FBM Small Cap	14,519.17	0.20
FBM ACE	4,986.68	0.29
Construction	158.49	-0.63
Consumer	580.08	-0.39
Energy	671.34	0.57
Financial Services	16,752.98	-0.39
Healthcare	1,605.77	-0.67
Ind Products	183.74	0.39
Plantation	7,247.24	-0.57
Property	648.67	0.46
REITs	807.78	0.39
Technology	66.90	0.72
Telco & Media	587.71	-0.87
Transport	810.14	0.27
Utilities	876.44	0.62
Trading Vol (m)	2,109.01	-16.09
Trading Val (RM m)	1,530.52	-21.56
Advance/Decline	95%	
FKLI	1,504.00	-0.99
FCPO (RM)	4,093.00	124
Brent oil (USD)	96.72	-1.00
Gold (USD)	1,747.06	-0.66
USD	4.4777	-0.09
GBP	5.325	123
EURO	4.5102	0.88
SGD	3.2264	0.31

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-675.9	60.5	615.4

Source: Bloomberg, Bursa Market Place

Company Brief

Sapura Energy Bhd's subsidiaries, Sapura Drilling T-19 Ltd, Sapura Drilling T-20 Ltd and Sapura Drilling Setia Ltd, will be disposing of three drilling rigs to NKD Maritime Ltd for US\$8.2m (RM35.1m) in cash. The disposal is part of the company's focus on long-term sustainability and to improve its liquidity position, streamline its operating model and provide greater flexibility for strategic growth. Proceeds from the disposal will be utilised for the group's working capital subject to multi-currency facilities' conditions. (The Star)

Carlsberg Brewery Malaysia Bhd's 2QFY22 net profit jumped 139.5% YoY to RM89.0, contributed by higher profits in both Malaysia and Singapore when the group's Malaysia operations last year were suspended for 75 days from 12th May 2021 until 15th August 2021. Revenue for the quarter added 64.4% YoY to RM574.2m. A second interim dividend of 22.0 sen per share, payable on 15th September 2022 was declared. (The Star)

Pharmaniaga Bhd's 2QFY22 net profit plunged 94.7% YoY to RM722,000, due to lower sales from its non-concession segment due to the timing of orders from MOH on products under the tender business and lower revenue in other segments including Indonesia businesses as a result of the festive season. Revenue for the quarter fell 35.3% YoY to RM761.1m. A second interim dividend of 0.5 sen per share, payable on 4th October 2022 was declared. (The Star)

Sentral REIT's 2QFY22 net property income slipped 3.8% YoY to RM27.9m, on lower revenue from QB2-HSBC, Wisma Technip, QB3-BMW and Menara Shell. Revenue for the quarter fell 3.0% YoY to RM36.5m. An interim gross distribution per unit of 3.4 sen, payable on 30th September 2022 was declared. (The Edge)

AirAsia X Bhd's (AAX) 4QFY22 net loss stood at RM652.5m, on the back of revenue of RM107.2m. There were no comparison figures as the group changed their financial year end to 30th June. (The Edge)

Inari Amertron Bhd's 4QFY22 net profit slipped 2.4% YoY to RM86.2m, as raw material supply constraints led to lower loading volume in its optoelectronics and generic business segments and higher provision of deferred taxation. Revenue for the quarter fell 7.0% YoY to RM336.2m. A fourth interim dividend of 2.2 sen, payable on 6th October 2022 was declared. (The Edge)

Hong Leong Industries Bhd's 4QFY22 net profit rose 82.4% YoY to RM72.7m, on higher motorcycle sales after supply chain disruptions gradually recovered. Revenue for the quarter grew 67.6% YoY to RM777.1m. (The Edge)

FGV Holdings Bhd announced that no non-compliance was identified based on the Fair Labor Association's forced labour practice benchmarks while no evidence of child labour was found in the company's operations. (The Edge)

TCS Group Holdings Bhd has secured a RM108.4m contract for the construction of Moxy Putrajaya Hotel. The group won the contract from IOI City Hotel Sdn Bhd to complete one block of the 19-storey hotel. (The Edge)

Advancecon Holdings Bhd has obtained a 4-year extension from the Energy Commission to the 21-year power purchase agreement with **Tenaga Nasional Bhd** (TNB) that it was awarded for the development of a large scale solar photovoltaic plant of 26.0-MW in Kuala Langat. (The Edge)

KNM Group Bhd has postponed until further notice an extraordinary general meeting that was scheduled for 22nd August 2022 to seek shareholders' approval for the planned €220.8m (RM997.2m) sale of its entire stake in Borsig GmbH, a German-based process equipment manufacturer. The announcement was made after the buyer, GPR Siebzigste Verwaltungsgesellschaft mbH (GSV), requested further amendments to certain terms and conditions of the sale agreement signed in May 2022. (The Edge)

UEM Sunrise Bhd is disposing of its 80.4% stake in South Africa-based Roc Union-Proprietary Ltd for 142.6m Rand (RM38.0m). The group indirect wholly owned subsidiary, UEM Sunrise South Africa Proprietary Ltd has signed an agreement on 20th August 2022 to sell the stake, together with claims, to Olive Investment Trust. (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	HARBOUR	25-Jul	1.070	1.150	1.240	1.430	1.010	1.000	1.100	2.8%	Closed on 20-Aug
2	MTAG	3-Aug	0.500	0.520	0.540	0.560	0.445	0.440	0.505	1.0%	On-going
3	KERJAYA	10-Aug	1.150	1.240	1.290	1.370	1.080	1.070	1.180	2.6%	On-going
4	CFM	15-Aug	1.070	1.160	1.200	1.400	0.970	0.965	1.070	0.0%	On-going
5	RAMSSOL	17-Aug	0.485	0.505	0.535	0.600	0.435	0.430	0.450	-7.2%	On-going
6	DELEUM	22-Aug	0.610	0.635	0.675	0.760	0.560	0.555	0.610	0.0%	Initiate position

3Q22 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	UWC	1-Jul	3.260	3.890	4.180	-	3.230	2.850	3.930	20.6%	On-going
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	2.940	3.5%	On-going
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	1.050	8.8%	On-going
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.400	13.0%	On-going
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.855	11.0%	On-going
6	SYSCORP	1-Jul	0.410	0.445	0.470	-	0.375	0.340	0.435	6.1%	On-going
7	PWROOT	1-Jul	1.700	1.830	1.920	-	1.630	1.550	1.790	5.3%	On-going
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.510	0.0%	On-going
9	QL	1-Jul	5.210	5.710	5.920	-	5.230	5.050	5.100	-2.1%	On-going
10	AMBANK	1-Jul	3.720	3.980	4.110	-	3.620	3.450	4.050	8.9%	On-going
Average Return										7.5%	

Technical Focus Tracker Summary	
Total recommendations	252
Total winners	151
Total losers	99
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	50.1%
Accuracy (2022)	56.7%
FBM KLCI (Since 31/12/2021)	-4.0%
FBM Small Cap (Since 31/12/2021)	-7.9%
Malaysia GDP Growth (1H22)	6.9%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
UTAMA (03043)	Interim	RM0.00	15/8/2022	22/8/2022	RM0.27	RM0.27	0.6	0.0
RESINTC (7232)	Bonus-Options	1:2	8/8/2022	22/8/2022	RM0.58	RM0.67	-	15.9
MYEG (0138)	Final	RM0.01	25/2/2022	23/8/2022	RM0.99	RM0.79	1.3	-20.7
TEXCHEM (8702)	1st Interim	RM0.08	9/8/2022	23/8/2022	RM2.90	RM3.56	2.2	22.8
TANCO (2429)	Bonus-Options	1:2	28/6/2022	23/8/2022	RM0.31	RM0.26	-	-16.1
ULICORP (7133)	3rd Interim	RM0.02	10/8/2022	24/8/2022	RM1.04	RM1.05	1.4	1.0
MRDIY (5296)	Interim	RM0.01	4/8/2022	24/8/2022	RM2.32	RM2.09	0.3	-9.9
CEKD (0238)	2nd Interim	RM0.01	9/8/2022	24/8/2022	RM0.60	RM0.64	1.6	6.7
TAMBUN (5191)	Final	RM0.06	14/4/2022	24/8/2022	RM0.84	RM0.93	6.4	10.1
ITECH (03041)	2nd Interim	RM0.01	15/8/2022	29/8/2022	-RM0.20	RM0.20	2.5	-200.0
OPENSYS (0040)	3rd Interim	RM0.00	16/8/2022	29/8/2022	RM0.36	RM0.37	1.1	1.4
DUFU (7233)	Interim	RM0.03	2/8/2022	29/8/2022	RM3.15	RM2.94	0.9	-6.7
PANTECH (5125)	Final	RM0.02	27/4/2022	29/8/2022	RM0.75	RM0.67	2.3	-10.7
LBS (5789)	Final	RM0.01	15/4/2022	29/8/2022	RM0.47	RM0.43	2.4	-9.8
HOMERIZ (5160)	1st Interim	RM0.01	28/7/2022	29/8/2022	RM0.49	RM0.50	2.0	2.0
DPHARMA (7148)	1st Interim	RM0.01	16/8/2022	29/8/2022	RM1.34	RM1.40	0.4	4.5
BOILERM (0168)	Final	RM0.02	24/5/2022	29/8/2022	RM0.91	RM0.77	2.3	-14.9
MAXIS (6012)	2nd Interim	RM0.05	28/7/2022	29/8/2022	RM3.62	RM3.84	1.3	6.1
KGB (0151)	Interim	RM0.01	15/8/2022	30/8/2022	RM1.31	RM1.38	0.7	5.3
AJI (2658)	Regular Cash	RM0.09	29/6/2022	30/8/2022	RM11.90	RM11.98	0.7	0.7
APB (5568)	Interim	RM0.10	15/8/2022	30/8/2022	RM1.13	RM1.10	9.1	-2.7
DIGI (6947)	2nd Interim	RM0.03	15/7/2022	30/8/2022	RM3.42	RM3.66	0.8	7.0
KLCC (5235SS)	2nd Interim	RM0.08	9/8/2022	30/8/2022	RM6.93	RM7.09	1.1	2.3
CVIEW (5049)	1st Interim	RM0.03	26/7/2022	30/8/2022	RM1.00	RM0.94	3.2	-5.5
FFB (5306)	Final	RM0.01	28/7/2022	1/9/2022	RM1.68	RM1.66	0.6	-1.2
BJFOOD (5196)	4th Interim	RM0.02	16/8/2022	1/9/2022	RM4.34	RM4.15	0.5	-4.4
CARLSBG (2836)	2nd Interim	RM0.22	19/8/2022	2/9/2022	RM24.22	RM24.22	0.9	0.0
SUNREIT (5176)	Distribution	RM0.04	18/8/2022	2/9/2022	RM1.52	RM1.54	2.7	1.3
BJFOOD (5196)	Bonus	4:1	13/6/2022	2/9/2022	RM4.80	RM4.15	-	-13.5
TELADAN (0230)	Interim	RM0.01	17/8/2022	2/9/2022	RM1.13	RM1.09	0.6	-3.5
MISC (3816)	2nd Interim	RM0.07	18/8/2022	2/9/2022	RM6.87	RM6.90	1.0	0.4
SENTRAL (5123)	Distribution	RM0.03	19/8/2022	5/9/2022	RM1.01	RM1.01	3.4	0.0
FAVCO (7229)	Final	RM0.08	25/2/2022	5/9/2022	RM1.96	RM1.75	4.6	-10.9
AHEALTH (7090)	Interim	RM0.03	16/8/2022	5/9/2022	RM3.10	RM3.26	0.9	5.2
EWELIN (7249)	Final	RM0.01	25/2/2022	7/9/2022	RM0.27	RM0.33	1.5	20.4
SIME (4197)	2nd Interim	RM0.08	17/8/2022	7/9/2022	RM2.32	RM2.36	3.2	1.7
INARI (0166)	4th Interim	RM0.02	19/8/2022	8/9/2022	RM2.86	RM2.86	0.8	0.0
PA (7225)	Interim	RM0.01	20/6/2022	8/9/2022	RM0.27	RM0.30	1.7	11.3
DOMINAN (7169)	Final & Special Cash	RM0.02	5/7/2022	8/9/2022	RM0.93	RM0.95	2.1	2.2
PANAMY (3719)	Final	RM0.68	31/5/2022	8/9/2022	RM28.02	RM26.62	2.6	-5.0
NESTLE (4707)	Interim	RM0.70	28/7/2022	8/9/2022	RM134.80	RM135.00	0.5	0.1
SLP (7248)	2nd Interim	RM0.02	5/8/2022	8/9/2022	RM0.88	RM0.91	1.6	4.0
PHARMA (7081)	2nd Interim	RM0.01	19/8/2022	9/9/2022	RM0.60	RM0.60	0.8	0.0
SFPTECH (0251)	Interim	RM0.01	19/8/2022	9/9/2022	RM1.16	RM1.16	0.4	0.0
QL (7084)	Final	RM0.04	27/7/2022	9/9/2022	RM5.23	RM5.10	0.7	-2.5
MMSV (0113)	1st Interim	RM0.01	18/8/2022	13/9/2022	RM0.74	RM0.83	1.2	12.2
MAGNUM (3859)	2nd Interim	RM0.02	18/8/2022	14/9/2022	RM1.66	RM1.66	0.9	0.0
JFTECH (0146)	Final	RM0.01	18/8/2022	14/9/2022	RM0.79	RM0.79	0.6	0.6
GCB (5102)	2nd Interim	RM0.02	16/8/2022	14/9/2022	RM2.45	RM2.51	0.8	2.4
ELSOFT (0090)	1st Interim	RM0.01	19/8/2022	14/9/2022	RM0.75	RM0.75	1.3	0.0
MAHSING (8583)	Regular Cash	RM0.03	28/4/2022	15/9/2022	RM0.68	RM0.60	4.4	-11.8
UNITRAD (0247)	Final	RM0.00	21/7/2022	15/9/2022	RM0.27	RM0.25	0.0	-5.7
INNATURE (5295)	Interim	RM0.01	17/8/2022	15/9/2022	RM0.54	RM0.55	1.8	0.9
BPPLAS (5100)	2nd Interim	RM0.02	15/8/2022	19/9/2022	RM1.28	RM1.39	1.1	8.6
AYS (5021)	Final	RM0.01	19/7/2022	20/9/2022	RM0.44	RM0.47	2.2	6.9
BLDPLNT (5069)	Final	RM0.05	25/7/2022	21/9/2022	RM9.01	RM9.00	0.6	-0.1
PANTECH (5125)	1st Interim	RM0.02	28/7/2022	29/9/2022	RM0.61	RM0.67	2.3	9.0
SKPRES (7155)	Final	RM0.06	25/7/2022	30/9/2022	RM1.59	RM1.67	3.3	5.0
L&G (3174)	Final	RM0.01	30/5/2022	4/10/2022	RM0.11	RM0.10	5.0	-4.8
ASIAFL (7129)	Final	RM0.02	30/5/2022	4/10/2022	RM2.01	RM1.80	1.1	-10.4
SWIFT (5303)	Interim	RM0.01	17/8/2022	6/10/2022	RM0.58	RM0.57	1.8	-0.9
TENWAH (7374)	Interim	RM0.03	12/8/2022	6/10/2022	RM0.96	RM0.92	3.0	-4.2
GASMSIA (5209)	Interim	RM0.06	18/8/2022	6/10/2022	RM3.25	RM3.40	1.7	4.6
MNRB (6459)	Final	RM0.03	26/7/2022	7/10/2022	RM0.98	RM0.98	2.6	0.0
SHL (6017)	Final	RM0.09	12/7/2022	11/10/2022	RM1.82	RM1.94	4.6	6.6
LAYHONG (9385)	Regular Cash	RM0.00	27/6/2022	18/10/2022	RM0.29	RM0.25	1.2	-12.3
HEIM (3255)	Interim	RM0.40	12/8/2022	19/10/2022	RM24.40	RM25.18	1.6	3.2
STELLA (5006)	Final	RM0.03	20/7/2022	26/10/2022	RM0.90	RM0.95	2.6	5.6
PTRANS (0186)	3rd Interim	RM0.01	16/8/2022	27/10/2022	RM0.85	RM0.86	0.9	0.6
SAB (5134)	Final	RM0.05	19/5/2022	8/11/2022	RM3.88	RM3.70	1.4	-4.6

Denotes >5% Dividend Yield