

Staying upbeat

Market Review

Malaysia: The FBM KLCI (+0.7%) recorded its fourth winning streak prior to the mid-week break, driven by gains in more than half of the key index constituents. The lower liners rebounded, while the broader market ended mostly positive, led by the plantation sector (+1.2%).

Global markets: Wall Street extended their slide as the Dow (-0.9%) fell for the fourth straight session as concerns surrounding the aggressive interest rate hikes from the US Federal Reserve persisted. The European stock markets also remained downbeat, while Asia stock markets closed mostly negative.

The Day Ahead

The FBM KLCI extended its winning streak, bucking the negative performance on Wall Street. While the key index managed to trade positively against the global stock markets, investors should remain cautious with the ongoing increased volatility environment attributed to the hawkish tone by the Fed; we expect the noise to continue until the next CPI data release and FOMC meeting. Commodities wise, the crude oil price trended lower around USD96 per barrel mark due to fears over global economic slowdown. Meanwhile, the CPO price hovered above RM4,100.

Sector focus: The technology sector should see some selling pressure as Nasdaq fell below the key 12,000 level. Besides, investors may take profit in the energy sector as crude oil price slumped amid worries over softer demand. Nevertheless, stocks with solid earnings will be in the focus at least for the near term.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI recouped all its earlier losses and ended at intraday high, climbing above its daily EMA120 level. Technical indicators remained mixed as the MACD Histogram extended a negative bar, while the RSI hovered above 50. Resistance is pegged along 1,530-1,550, while the support is envisaged around 1,450-1,465.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	31510.43	-0.88
S&P 500	3,955.00	-0.78
NASDAQ	11816.20	-0.56
FBM KLCI	1512.05	0.70
FBM Small Cap	14,380.26	0.41
FBM ACE	4,910.44	0.59
Construction	156.10	0.37
Consumer	582.64	0.89
Energy	728.54	0.75
Financial Services	16,801.92	0.48
Healthcare	1539.33	-0.89
Ind Products	182.20	-0.39
Plantation	7,193.67	1.23
Property	653.98	0.22
REITs	793.95	-0.54
Technology	63.86	0.68
Telco & Media	596.69	0.98
Transport	802.60	0.83
Utilities	882.55	0.54
Trading Vol (m)	2,863.73	47.23
Trading Val (RM m)	2,716.07	70.90
Advance/ Decline	16%	
FKLI	1488.50	0.24
FCPO (RM)	4,144.00	-0.72
Brent oil (USD)	95.64	-2.25
Gold (USD)	1711.04	-0.75
USD	4.4755	0.02
GBP	5.2207	0.72
EURO	4.4666	0.55
SGD	3.1996	0.32
Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
- 472.3	17.6	454.7

Source: Bloomberg, Bursa Market Place

Company Brief

CIMB Group Holdings Bhd's 2QFY22 net profit grew 18.5% YoY to RM1.28bn, driven by higher operating income, contained cost escalation as well as lower provisions across key markets. Revenue for the quarter rose 5.7% YoY to RM4.88bn. (The Star)

FGV Holdings Bhd's 2QFY22 net profit rose 10.4% YoY to RM374.0m, mainly driven by the increase in palm products' margins due to high CPO prices. Revenue for the quarter added 58.6% YoY to RM7.43bn. An interim dividend of 4.0 sen per share, payable on 29th September 2022 was declared. (The Star)

Tenaga Nasional Bhd's (TNB) 2QFY22 net profit rose 6.2% YoY to RM872.5m, amid lower net loss on financial instruments. Revenue for the quarter climbed 53.9% YoY to RM19.14bn. (The Edge)

Bank Islam Malaysia Bhd's 2QFY22 net profit fell 39.7% YoY to RM117.2m, as it reported lower net income and higher overheads. Revenue for the quarter dipped 1.4% YoY to RM823.0m. (The Edge)

Leong Hup International Bhd's 2QFY22 net profit rose 32.8% YoY to RM40.5m, on improved contribution from its livestock and poultry related products segment. Revenue for the quarter grew 22.6% YoY to RM2.27bn. (The Edge)

Hengyuan Refining Co Bhd's 2QFY22 net profit stood at RM667.5m vs. a net loss of RM59.4m recorded in the previous corresponding quarter, on improved refining margin that was contributed by better cracks for motor gasoline, gasoil and jet fuel, as well as stockholding gains fuelled by market sentiments over the oil supply and demand imbalance. Revenue for the quarter jumped 175.6% YoY to RM6.89bn. (The Edge)

Hong Leong Bank Bhd's 4QFY22 net profit grew 31.6% YoY to RM907.6m, driven mainly by higher net income, lower provisions coupled with some writebacks of previously impaired losses from financial investments and other assets. Revenue for the quarter grew 12.5% YoY to RM1.50bn. A final dividend of 37.0 sen per share was proposed. (The Edge)

Berjaya Corp Bhd's (BCorp) 4QFY22 net profit stood at RM48.6m vs. a net loss of RM242.6m recorded in the previous corresponding quarter, following the higher revenues reported by all its business segments. Revenue for the quarter climbed 33.7% YoY to RM2.35bn. (The Edge)

Icon Offshore Bhd is set to offload a jack-up rig to Saudi Arabia-based ADES Arabia Holding for RM381.7m, which is more than double the price paid by the company for it 22 months ago. The proceeds will be allocated to ring-fenced RM159.2m for the redemption and discharge of the existing mortgage over the rig, RM208.6m for general corporate purposes and working capital requirements, and remaining RM13.8m for the estimated expenses of the disposal. (The Edge)

Affin Bank Bhd has completed its partial disposals of equity interests in its joint ventures AXA Affin Life Insurance (AALI) and AXA Affin General Insurance (AAGI) to Generali Asia NV. The unit of Italy's largest insurer, Generali, has acquired a 70.0% stake in AALI (49.0% from AXA and 21.0% from Affin Bank) and about 53.0% in AAGI (50.0% from AXA and 3.0% from Affin Bank). (The Edge)

A consortium led by **Muhibbah Engineering (M) Bhd** has won a RM240.0m contract to undertake a job related to the Integrated Bekok Oil project located offshore Terengganu. The contract was awarded by Petroliam Nasional Bhd (Petronas)'s subsidiary Petronas Carigali Sdn Bhd. (The Edge)

Citaglobal Bhd has bagged an engineering, procurement and construction contract to provide design, construction and equipping work in relation to Phase 1 of the Perlis Inland Port with a contract sum of RM373.5m. Citaglobal said its wholly owned subsidiary Citaglobal Land Sdn Bhd has entered into EPC agreement with Inland Port Perlis Sdn Bhd. (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	WELLCAL	24-Aug	1.250	1.290	1.380	1.500	1.180	1.170	1.250	0.0%	On-going
2	TGUAN	29-Aug	2.580	2.840	2.900	2.980	2.520	2.510	2.560	-0.8%	On-going
3	SLVEST	1-Sep	0.740	0.815	0.855	0.970	0.675	0.670	0.740	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	3.950	21.2%	On-going
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	2.880	1.4%	On-going
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	1.090	13.0%	On-going
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.420	13.6%	On-going
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.875	13.6%	On-going
6	SYSCORP	1-Jul	0.410	0.445	0.470	-	0.375	0.340	0.520	26.8%	On-going
7	PWROOT	1-Jul	1.700	1.830	1.920	-	1.630	1.550	1.840	8.2%	On-going
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.400	-4.4%	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	4.180	12.4%	On-going
Average Return										10.4%	

Technical Focus Tracker Summary	
Total recommendations	255
Total winners	153
Total losers	100
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	72.5%
Accuracy (2022)	57.1%
FBM KLCI (Since 31/12/2021)	-3.5%
FBM Small Cap (Since 31/12/2021)	-8.8%
Malaysia GDP Growth (1H22)	6.9%