

Research Team

(603) 7890 8888

research.dept@apexsecurities.com.my

Global Markets	Close	Change	5-Day Trend
Dow Jones	39,065.26	-1.53%	
S&P 500	5,267.84	-0.74%	
Nasdaq	16,736.03	-0.39%	
FTSE 100	8,339.23	-0.37%	
Nikkei 225	39,103.22	+0.26%	
Shanghai Composite	3,116.39	-0.33%	
Shenzhen	9,541.64	-0.56%	
Hang Seng	18,868.71	-0.70%	
SET	1,367.84	+0.22%	
JCI	7,222.38	+0.51%	
Malaysia Markets			
FBM KLCI	1,629.18	+0.44%	
FBM Top 100	12,012.67	+0.51%	
FBM Small Cap	19,155.66	+0.30%	
FBM ACE	5,519.12	+0.77%	
Market Activities			
Trading Volume (m)	6,156.12	13.4%	
Trading Value (RM m)	4,679.08	10.7%	
Trading Participants	Change		
Local Institution	-355.27	47.18%	
Retail	-119.19	21.99%	
Foreign	474.47	30.83%	
Market Breadth	No. of stocks	5-Day Trend	
Advancers	735	58.7%	
Decliners	518	41.3%	
Commodities			
FKLI (Futures)	1,629.50	+0.31%	
3M CPO (Futures)	3,894.00	+0.18%	
Rubber (RM/kg)	# N/A	N/A	+0.69%
Brent Oil (USD/bbl)	8136	-0.66%	
Gold (USD/oz)	2,366.43	+0.15%	
Forex			
USD/MYR	4.7038	-0.15%	
SGD/MYR	3.4859	+0.05%	
CNY/MYR	0.6494	-0.09%	
JPY/MYR	3.0015	+0.18%	
EUR/MYR	5.1017	-0.03%	
GBP/MYR	5.9853	-0.21%	

Source: Bloomberg, Apex Securities

Volatility may sap into picture

Market Review & Outlook

- Malaysia Market Review.** The FBM KLCI (+0.44%) recovered all its previous session losses, anchored by gains in more than half of the key index components yesterday. The lower liners also rebounded, with the Healthcare sector (-0.29%) being the sole underperformer amongst its sectorial peers.
- Global Markets Review.** US stock markets remained downbeat as the Dow (-1.53%) after business activities expanded at the fastest rate in two years diminishes the prospects of rate cut. European stock markets closed mixed, while Asia stock markets finished mostly higher.
- Market Outlook.** There was no further pullback on the local bourse as the FBM KLCI continues to be fuelled by the positive market sentiment. The lower liners are also staging a swift recovery, riding onto the improved trading liquidity as rotational play remain dominant. Still, we reckon the renewed volatility overnight may see weakness permeates to stocks across Bursa Malaysia. Economically, investors will be watching over Malaysia's inflation rate (which we expect to remain below 2.0% level), alongside with US consumer sentiment that will provide further gauge over the interest rate decision later today. We continue to advocate traders to remain in a defensive position with focus onto REIT and Utilities sector on the back of the market volatility. The energy sector may retreat with Brent oil prices slipping for the fourth straight session.

FBM KLCI Technical Review & Outlook



Source: Bloomberg

- Technical Commentary:** The FBM KLCI formed a bullish candle as the key index recovered and steadied above the middle Bollinger Band. Indicators remained positive as the MACD Line trends above the Signal Line, while the RSI hovered in the overbought level. The immediate resistance is located at 1,650. Support is envisaged around 1,580.

Company News *(source: various).*

- **Velesto Energy Bhd**'s net profit for the first quarter ended March 31, 2024, soared to RM46.81 million from RM14.22 million a year ago, due to higher utilisation and average daily charter rates for jack-up rigs under drilling services during the current quarter.
- **Sime Darby Property Bhd** will build and lease out a hyperscale data centre at its Elmina Business Park in a deal worth RM2 billion, marking the group's entry into the data centre segment.
- **Sime Darby Bhd** saw its net profit rose 41.7% for the third quarter from a year earlier, thanks to higher sales and income from newly acquired businesses.
- **Axis Real Estate Investment Trust** is acquiring two automotive service centres worth RM125 million.
- **Public Bank Bhd** has lost a case against a house buyer, who sued the bank for terminating a loan facility agreement after the first disbursement.
- **YTL Corp Bhd** posted a 19.8% increase in net profit for its third financial quarter ended March 31, 2023 (3QFY2024), as all of its business segments reported higher earnings.
- **KLCCP Stapled Group** registered a 4.1% increase in net profit for the first quarter ended March 31, 2024 (1QFY2024) to RM188.03 million from RM180.56 million a year earlier, on the back of steady performance across its business segments.
- **British American Tobacco (Malaysia) Bhd** posted a 34.46% year-on-year (y-o-y) lower net profit for the first quarter of 2024, dragged down by higher operating expenses due to ongoing investments as the tobacco group transitions towards a multicategory business, coupled with inflationary pressures and higher cost of vapour products.
- **Berjaya Food Bhd** incurred a net loss of RM29.76 million for the third quarter ended March 31, 2024 (3QFY2024), its second straight quarterly loss amid lower revenue because of an ongoing boycott of its franchised coffee chain Starbucks Malaysia over the current Middle East conflict.
- **Inari Amertron Bhd** saw its net profit rose 29% RM73.72 million in its 3QFY2024 from RM57.36 million a year earlier, thanks to higher loading volume and currency gains.
- **MSM Malaysia Holdings Bhd** saw its second consecutive quarter of net profit as better selling prices and utilisation offset higher production costs.

Weekly Corporate Actions

Company	Corporate Actions	Entitlement	Ex-Date	Last Price (RM)	Dividend Yield
Ppb Group Bhd	Final	0.3	20/5/2024	15.42	19%
Ranhill Utilities Bhd	Stock Dividend	1200	20/5/2024	139	-
Tomei Consolidated Bhd	Final	0.04	20/5/2024	2.08	19%
United U-Li Corp Bhd	Interim	12	23/5/2024	175	1.9%
Idb Technologies Bhd	Interim	0.002	23/5/2024	0.185	1.9%

Source: Bloomberg, Apex Securities

Weekly Economic Highlights

Date	Country	Key Events
Wednesday, 22 May, 2024	JP	Machinery Orders
	UK	Inflation Rate
	US	Existing Home Sales
Thursday, 23 May, 2024	US	FOMC Minutes
	US	New Home Sales
Friday, 24 May, 2024	JP	Inflation Rate
	MY	Inflation Rate
	UK	Retail Sales
	US	Michigan Consumer Sentiment (Final)

Source: TradingEconomics, Apex Securities

Futures Markets

Futures Kuala Lumpur Composite Index

	Jun	Jul	Aug	Sep
CHANGE	7	7	7	8
OPEN	1,620	1,624	1,609	1,615
High	1,634	1,635	1,622	1,629
Low	1,618	1,620	1,608	1,615
Settle	1,630	1,631	1,618	1,626
Volume	7,300	849	71	67
O.I.	41,666	2,894	879	151

Futures Crude Palm Oil

	Jun	Jul	Aug	Sep
CHANGE	18	27	29	28
OPEN	3,845	3,877	3,879	3,890
High	3,899	3,910	3,913	3,915
Low	3,845	3,870	3,873	3,879
Settle	3,853	3,885	3,894	3,899
Volume	2,870	9,961	29,692	8,028
O.I.	10,036	39,842	49,470	30,752

Top Market Participants

LOCAL			FOREIGN		
Stocks	Value	Price	Stocks	Value	Price
TENAGA	219331804	13.100	CIMB	183411355	6.880
SNS	140090052	0.630	TENAGA	166709875	13.100
CIMB	136038431	6.880	YTLPOWR	119409644	5.380
MAYBANK	123087994	9.990	MAYBANK	116527016	9.990
AIRPORT	117687259	10.000	AIRPORT	113138818	10.000
YTLPOWR	116128733	5.380	SUNWAY	92976222	3.750
TM	107601903	6.550	PBBANK	84611549	4.200
SUNWAY	101395846	3.750	YTL	79264006	3.880
YTL	95642565	3.880	KLK	58470978	21.860
SIMEPROP	89274560	1.160	GAMUDA	56296730	6.000

RETAIL			INSTITUTION		
Stocks	Value	Price	Stocks	Value	Price
SNS	100281373	0.630	TENAGA	348679716	13.100
ZANTAT	36962675	0.590	CIMB	302488190	6.880
YTL	36609751	3.880	MAYBANK	197989678	9.990
YTLPOWR	33071739	5.380	YTLPOWR	183661642	5.380
TENAGA	25855188	13.100	AIRPORT	183056603	10.000
TOPGLOV	23989997	1.210	SUNWAY	161633110	3.750
TANCO	23882865	0.880	TM	150437944	6.550
MAYBANK	23790180	9.990	SIME	127017607	2.890
PERTAMA	23318222	2.500	YTL	123834842	3.880
MSM	21043454	2.730	PBBANK	104451816	4.200

APEX SECURITIES BERHAD – CONTACT LIST

APEX SECURITIES BHD

Head Office:

5th Floor Menara UAC, 12, Jalan PJU 7/5,
Mutiara Damansara,
47800 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

General Line: (603) 7890 8899

Petaling Jaya Office:

16th Floor, Menara Choy Fook Onn,
No.1B Jalan Yong Shook Lin,
46050 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

General Line: (603) 7620 1118

DEALING TEAM

Head Office:

Kong Ming Ming (ext 2002)
Shirley Chang (ext 2026)
Norisam Bojo (ext 2027)
Ahmad Mujib (ext 2028)

Institutional Dealing Team:

Siti Nur Nadhirah (ext 2032)

PJ Office:

General Line: (603) 7620 1118
Azfar Bin Abdul Aziz (Ext 822)

RESEARCH TEAM

Head Office:

Kenneth Leong (ext 2093)
Steven Chong (ext 2068)
Jayden Tan (ext 2069)
Chelsea Chew (ext 2070)

RESEARCH RECOMMENDATION FRAMEWORK

STOCK RECOMMENDATIONS

BUY: Total returns* are expected to exceed 10% within the next 12 months.

HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.

SELL: Total returns* are expected to be below -10% within the next 12 months.

TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.

TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.

*Capital gain + dividend yield

SECTOR RECOMMENDATIONS

OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.

NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

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