APEX SECURITIES

APEX SECURITIES BERHAD



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| Global Markets | Close | Change | 5-Day Trend |
|---|---|---|---|
| Dow Jones | 40,743.33 | 0.50% | |
| S&P 500 | 5,436.44 | -0.50% | |
| Nasdaq | 17,147.42 | -1.28% | |
| FTSE 100 | 8,274.41 | -0.22% | |
| Nikkei 225 | 38,525.95 | 0.15% | |
| Shanghai Composite | 2,879.30 | -0.43% | |
| Shenzhen | 8,468.58 | -0.54% | |
| Hang Seng | 17,002.91 | -1.37% | |
| SET | 1,308.09 | 0.07% | |
| JCI | 7,241.86 | -0.65% | |
| **Malaysia Markets** | | | |
| FBM KLCI | 1,611.94 | -0.78% | |
| FBM Top 100 | 12,060.04 | -0.61% | |
| FBM Small Cap | 19,373.47 | -0.69% | |
| FBM ACE | 5,668.17 | -1.92% | |
| **Market Activities** | | | |
| Trading Volume (m) | 4,186.68 | -0.9% | |
| Trading Value (RM m) | 3,108.13 | 7.5% | |
| **Trading Participants** | **Change** | | |
| Local Institution | -65.09 | 45.07% | |
| Retail | 37.61 | 22.02% | |
| Foreign | 27.49 | 32.91% | |
| **Market Breadth** | **No. of stocks** | | 5-Day Trend |
| Advancers | 359 | 30.9% | |
| Decliners | 804 | 69.1% | |
| **Commodities** | | | |
| FKLI (Futures) | 1,617.00 | 0.19% | |
| 3M CPO (Futures) | 3,915.00 | -0.38% | |
| Rubber (RM/kg) | 768.50 | -0.39% | |
| Brent Oil (USD/bbl) | 78.63 | -1.44% | |
| Gold (USD/oz) | 2,391.71 | 0.73% | |
| **Forex** | | | |
| USD/MYR | 4.6217 | 0.08% | |
| SGD/MYR | 3.4387 | -0.07% | |
| CNY/MYR | 0.6383 | 0.05% | |
| JPY/MYR | 2.9867 | -1.28% | |
| EUR/MYR | 5.0061 | 0.23% | |
| GBP/MYR | 5.9447 | 0.29% | |

*Source: Bloomberg, Apex Securities*

# No surprise on pullback

## Market Review & Outlook

- **Malaysia Market Review.** The FBM KLCI (-0.8%) retraced previous gains overnight as profit taking activities emerged ahead of the Fed meeting. Similarly, the lower liners ended lower, while the healthcare sector (-2.1%) was the worst performer among its sectoral peers.

- **Global Markets Review.** Wall Street closed mixed overnight with the Dow advancing, while the Nasdaq and S&P 500 retreated, dragged by decline in technology sector. The European stock markets closed mostly higher due to positive corporate actions and earnings estimate from Standard Chartered and BP, while Asia stock markets ended lower.

- **Market Outlook.** Once again, we opine that the FBM KLCI may continue to trend sideways with investors are likely to adopt a cautious approach while awaiting the Fed's interest rate decision this Thursday. Likewise, we expect the lower liners to remained downbeat sharing the same sentiment from the main market. Economic wise, investors will be keeping an eye onto US Chicago PMI and home sales that is expected to be release today. Moving forward, we expect to see some trading opportunity in transportation sector after Transport Minister Anthony Loke express hope to develop and enhance the infrastructure at existing ports, aiming to make Malaysia a 'homeport' for cruise ships. Conversely, oil & gas stocks will likely come under pressure with weakness in Brent oil prices which fell below USD76/bbl, as softer outlook in China economy continue to overshadow tensions in the Middle East.

## FBM KLCI Technical Review & Outlook


*Source: Bloomberg*

- **Technical Commentary**: The FBM KLCI formed a bearish candle to wipe off previous session gains and closed at the SMA50 level. Indicators turned negative as the MACD Line hovered below the Signal Line, while the RSI slipped 50. Immediate resistance located at 1,650. Support is envisaged around 1,580.

# Company News *(source: various)*

- **TCS Group Holdings Bhd**'s wholly-owned subsidiary TCS Construction Sdn Bhd has secured a RM130.15mil contract from Saujana Permai Development Sdn Bhd for the building works and related external works of a serviced apartment project in Kuala Langat, Selangor.

- **Bursa Malaysia Bhd** announced its highest quarterly net profit in three years, thanks to higher income from the securities market. Separately, Bursa Malaysia said it will only move its "front office" to the Tun Razak Exchange.

- **Pensonic Holdings Bhd** reported its biggest quarterly net loss since being listed on Bursa Malaysia in December 1995, no thanks to inventory write-downs.

- **Tasco Bhd**'s net profit halved to RM7 million or 0.88 sen per share in the first quarter ended June 30, 2024 (1QFY2025), from RM14.22 million 1.78 sen per share a year ago, dragged mainly by a one-time expense of RM3.6 million, resulting from the writing off the carrying value of a head office building at the Shah Alam Logistics Centre.

- **Unisem (M) Bhd**'s net profit fell 29% to RM16.76 million or 1.04 sen per share in the second quarter ended June 30, 2024 (2QFY2024) from RM24 million or 1.48 sen per share a year ago, due to a change in product mix and higher operating costs.

- **Dufu Technology Corp Bhd**'s net profit jumped over twofold to RM8.42 million or 1.6 sen per share for the second quarter ended June 30, 2024 (2QFY2024), from RM3.32 million or 0.6 sen per share a year ago, on the back of higher revenue.

- **ITMAX System Bhd** 65% subsidiary Southmax Sdn Bhd (SSB) has been appointed the operator of a smart parking system by the Kulai Municipal Council in Johor.

- **Advancecon Holdings Bhd** has accepted the letter of acceptance (LOA) from Sime Darby Property (Bukit Raja) Sdn Bhd as the contractor for the construction and completion of earthworks and ancillary works for Phase 4B (i17), Bandar Bukit Raja Stage 3, in Klang for a total of RM38.25 million.

- **AwanBiru Technology Bhd** is teaming up with the country's cybersecurity regulator National Cyber Security Agency (Nacsa) to develop new technologies in cybersecurity.

- **TCS Group Holdings Bhd** has secured a RM130.15 million contract to undertake the construction of serviced apartments in Selangor, in a related party transaction.

- **Enra Group Bhd** plans to sell its Ratu Enra ship for an indicative US$15 million (RM70.06 million), to capitalise on rising market value due to high demand in the industry.

# Weekly Corporate Actions

| Company | Corporate Actions | Entitlement | Ex-Date | Last Price (RM) | Dividend Yield |
|---|---|---|---|---|---|
| United Malacca Bhd | Interim | 0.07 | 29/7/2024 | 5.16 | 1.4% |
| Xox Bhd | Share Consolidation | 30:1 | 29/7/2024 | 0.01 | - |
| Pavilion Real Estate Invest | Distribution | 0.0453 | 30/7/2024 | 1.40 | 3.2% |
| Dkls Industries Berhad | Final | 0.03 | 30/7/2024 | 1.99 | 1.5% |
| Sapura Industrial Bhd | Final | 0.05 | 30/7/2024 | 0.93 | 5.4% |
| Pgf Capital Bhd | Final | 0.015 | 31/7/2024 | 2.25 | 0.7% |
| Success Transformer Corp Bhd | Special Cash | 0.015 | 31/7/2024 | 1.01 | 1.5% |
| Kumpulan Fima Bhd | Special Cash | 0.03 | 1/8/2024 | 2.22 | 1.4% |
| Kumpulan Fima Bhd | Interim | 0.09 | 1/8/2024 | 2.22 | 4.1% |
| Kim Hin Joo Bhd | Final | 0.001 | 1/8/2024 | 0.16 | 0.6% |

*Source: Bloomberg, Apex Securities*

# Weekly Economic Highlights

| Date | Country | Key Events |
|---|---|---|
| Monday, 29 July, 2024 | MY | Producer Price Index |
| Tuesday, 30 July, 2024 | JP | Unemployment Rate |
| | EU | 2Q24 GDP Growth Rate (Flash) |
| | EU | Business Confidence |
| | EU | Services Sentiment |
| | EU | Economic Sentiment |
| | EU | Industrial Sentiment |
| | EU | Consumer Inflation Expectations |
| Wednesday, 31 July, 2024 | JP | Retail Sales |
| | CN | NBS Manufacturing PMI |
| | CN | NBS Non Manufacturing PMI |
| | JP | Bank of Japan's Interest Rate Decision |
| | JP | Consumer Confidence |
| | US | Chicago PMI |
| | US | Pending Home Sales |
| Thursday, 1 August, 2024 | US | Federal Reserve Interest Rate Decision |
| | JP | Jibun Bank Manufacturing PMI |
| | MY | S&P Global Manufacturing PMI |
| | CN | Caixin Manufacturing PMI |
| | EU | HCOB Manufacturing PMI |
| | UK | S&P Global Manufacturing PMI |
| | EU | Unemployment Rate |
| | UK | Bank of England's Interest Rate Decision |
| | US | S&P Global Manufacturing PMI |
| | US | ISM Manufacturing PMI |
| Friday, 2 August, 2024 | US | Unemployment Rate |
| | US | Factory Orders |

*Source: TradingEconomics, Apex Securities*

# Futures Markets

## Futures Kuala Lumpur Composite Index

| | Aug | Sep | Oct | Nov |
|---|---|---|---|---|
| **CHANGE** | -12 | -9 | -10 | -11 |
| **OPEN** | 1,629 | 1,627 | 1,610 | 1,618 |
| **High** | 1,630 | 1,631 | 1,614 | 1,622 |
| **Low** | 1,614 | 1,616 | 1,600 | 1,607 |
| **Settle** | 1,615 | 1,617 | 1,600 | 1,607 |
| **Volume** | 17,199 | 19,343 | 318 | 93 |
| **O.I.** | 7,859 | 43,013 | 2,130 | 582 |

## Futures Crude Palm Oil

| | Aug | Sep | Oct | Nov |
|---|---|---|---|---|
| **CHANGE** | 20 | 10 | 7 | 10 |
| **OPEN** | 4,006 | 3,937 | 3,903 | 3,884 |
| **High** | 4,065 | 3,993 | 3,952 | 3,928 |
| **Low** | 3,999 | 3,918 | 3,881 | 3,860 |
| **Settle** | 4,040 | 3,955 | 3,915 | 3,896 |
| **Volume** | 1,771 | 9,533 | 36,466 | 10,523 |
| **O.I.** | 4,902 | 31,688 | 57,086 | 27,692 |

# Top Market Participants

| LOCAL | | | FOREIGN | | |
|---|---|---|---|---|---|
| **Stocks** | **Value** | **Price** | **Stocks** | **Value** | **Price** |
| CIMB | 225214991 | 7.210 | TENAGA | 173944282 | 14.100 |
| MAYBANK | 127530986 | 10.080 | MAYBANK | 155622474 | 10.080 |
| YTLPOWR | 85638988 | 4.610 | CIMB | 133472887 | 7.210 |
| TENAGA | 72378792 | 14.100 | PBBANK | 73770974 | 4.180 |
| TOPGLOV | 68412963 | 1.090 | PMETAL | 63639209 | 5.300 |
| TM | 64549087 | 6.970 | TM | 63053824 | 6.970 |
| SIMEPROP | 61885196 | 1.650 | SUNWAY | 58086279 | 4.310 |
| YTL | 54587959 | 3.410 | TOPGLOV | 50215379 | 1.090 |
| PMETAL | 53591095 | 5.300 | MISC | 44456632 | 8.660 |
| MISC | 49847446 | 8.660 | IJM | 38770238 | 3.570 |

| RETAIL | | | INSTITUTION | | |
|---|---|---|---|---|---|
| **Stocks** | **Value** | **Price** | **Stocks** | **Value** | **Price** |
| TANCO | 36710524 | 1.020 | CIMB | 346146470 | 7.210 |
| YTLPOWR | 33142261 | 4.610 | MAYBANK | 240497792 | 10.080 |
| THETA | 30155462 | 2.670 | TENAGA | 231451524 | 14.100 |
| SNS | 27268404 | 0.795 | TM | 123150234 | 6.970 |
| PERTAMA | 25623544 | 2.140 | PMETAL | 108548222 | 5.300 |
| VELOCITY | 24846664 | 0.075 | PBBANK | 106086345 | 4.180 |
| TOPGLOV | 22984599 | 1.090 | MISC | 94075275 | 8.660 |
| TECHNAX | 20686500 | 0.365 | SIMEPROP | 84368107 | 1.650 |
| WCT | 19478654 | 1.310 | SUNWAY | 80174849 | 4.310 |
| YTL | 19447538 | 3.410 | IJM | 75805665 | 3.570 |

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## 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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