

## Upbeat momentum may take a pause

### Market Review

**Malaysia:** The FBM KLCI (+0.9%) started off the week on a lively note as the key index alongside with the regional markets were lifted by the re-opening of China borders. The lower liners extended their lead, while the transportation & logistics sector (+3.5%) continues to lead the sectorial peers'.

**Global markets:** The US stockmarkets ended lower as the Dow erased all its intraday to close 0.3% lower after sentiment turned cautious ahead of the CPI data release later this week. The European stockmarkets remained upbeat, while the Asia stockmarkets closed mostly positive.

### The Day Ahead

The FBM KLCI mounted solid recovery in tandem with the regional peers, cheering the positive movements on Wall Street last Friday as reopening of China borders lifted investors' sentiment. Should the key index sustain above the SMA200 zone, the sentiment will likely to turn more bullish over the near term. However, given the emergence of cautious sentiment on Wall Street overnight due to lingering worries over global inflation, it may cap the upside potential on the local front. Commodities wise, the Brent crude oil price climbed above USD79 per barrel, while the CPO price hovered above RM4,000.

**Sector focus:** Buying momentum in technology sector should sustain in tandem with Nasdaq's gains. Meanwhile, the tourism, aviation, consumer as well as transportation & logistics sectors may see further upside following the China's reopening theme. Also, we expect O&G stocks to recover in line with rebound in Brent oil price.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI staged a strong rebound to close above its SMA200 level. Technical indicators, however remained mixed as the MACD Histogram extended a negative bar, while the RSI is above 50. Should uptrend move remain intact, the FBM KLCI may retest the 1500-1510 zone, while the support is located around 1,450-1,460.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,517.65	-0.34
S&P 500	3,892.09	-0.08
NASDAQ	10,635.65	0.63
FBM KLCI	1,493.42	0.87
FBM Small Cap	1,219.33	1.05
FBM ACE	5,438.17	1.12
Construction	156.25	1.43
Consumer	592.85	0.61
Energy	795.53	2.31
Financial Services	1,522.46	0.65
Healthcare	1,710.25	-0.55
Ind Products	182.51	0.46
Plantation	6,968.14	1.13
Property	652.55	0.70
REITs	786.84	0.54
Technology	64.67	2.37
Telco & Media	580.74	-0.26
Transport	954.47	3.50
Utilities	873.61	0.81
Trading Vol (m)	3,175.66	0.39
Trading Val (RM m)	1918.52	18.62
Advance/Decline	57%	
FKLI	1500.00	0.37
FCPO (RM)	4,031.00	-2.11
Brent oil (USD)	79.65	1.37
Gold (USD)	1871.81	0.33
USD	4.3743	0.67
GBP	5.3176	-1.83
EURO	4.6684	-0.87
SGD	3.2818	-0.39

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-73.7	5.9	67.8

Source: Bloomberg, Bursa Market Place

## Company Brief

**Gamuda Bhd** has partnered with OCBC Bank (M) Bhd and OCBC Al-Amin Bank Bhd (collectively OCBC Malaysia) for its inaugural shariah-compliant sustainability-linked financing facility with an embedded sustainable derivative solution. OCBC Malaysia is the sole sustainability structuring adviser for Gamuda's maiden ESG-linked holistic financing solution totalling up to RM550.0m. The holistic sustainable financing agreement is aligned with Gamuda Green Plan 2025 (GGP 2025) roadmap. (The Star)

**Telekom Malaysia Bhd** (TM) has accepted a notification letter of implementation from the Government to extend the MyGov\*Net concession (MyGov\*Net) for another 10 years from 1st January 2023 to 31st December 2032. The project value of MyGov\*Net was at cap of RM4.90bn. (The Star)

**GDB Holdings Bhd** has lifted its suspension of works on the 8 Conlay project. GDB will proceed to remobilise and recommence for the full scope of works for the 8 Conlay project in early April 2023, subject to Damai City Sdn Bhd fulfilling the agreed terms and scheduled full settlement of outstanding sums. (The Star)

**Petronas Chemicals Group Bhd** (PetChem) has inked a head of agreement to sell a 25.0% stake in its wholly owned Petronas Chemicals Fertiliser Sabah Sdn Bhd (PCFSB) to SMJ Sdn Bhd, a wholly owned Sabah state government company. The divestment is part of the group's strategic efforts to position itself as a preferred partner in shaping and implementing efforts by PetChem to sustain and grow the petrochemicals business in Sabah. (The Edge)

**Managepay Systems Bhd** plans to cooperate with Hong Kong-based Eddid Financial Holdings Ltd to launch and market Eddid Financial's internet-based securities trading mobile application in Malaysia. Eddid Financial is involved in securities and futures trading, foreign exchange trading, asset management and financial technology. (The Edge)

**Emico Holdings Bhd** announced that a fire incident occurred at its unit's manufacturing plant in Penang on 8th January 2023. The fire occurred at 3.00am at one of the two manufacturing plants of the company's wholly-owned subsidiary, Emico Penang Sdn Bhd. The incident did not result in any fatalities, nor was any of its workers injured. (The Edge)

**Perak Corp Bhd**, after nearly 4 months since the company's former chief executive officer (CEO) Zainal Iskandar Ismail resigned, has appointed Rosmin Mohamed as its new CEO. Rosmin was previously employed by the group's substantial shareholder **Sime Darby Property Bhd**. Perak Corp is 52.3%-owned by the Perak State Development Corp, and 6.1% by Sime Darby Property Bhd. (The Edge)

**BTM Resources Bhd's** 6-for-1 rights issue with free detachable warrants, has been under-subscribed by 10.2%. The group received total valid acceptances for 921.6m shares of the 1.03bn rights shares available under the issuance. Based on the 921.6m rights shares subscribed for at 8.0 sen apiece, BTM Resources will raise RM73.7m in proceeds. (The Edge)

**EP Manufacturing Bhd's** wholly-owned subsidiary EP Blueshark Sdn Bhd (EBSB) has entered into a master agreement with Singapore-based Averte Global Pte Ltd and Hong Kong-based Blueshark Group Ltd to form a strategic partnership to sell two-wheel electric vehicles (EVs) in Indonesia and Vietnam. (The Edge)

**Zen Tech International Bhd** has procured undertakings from 7 shareholders including the company's executive director Datuk Zhang Li who together hold an 8.1% stake in the company, to subscribe for their entitlements in full (amounting to 131.5m or 9.9% of the right shares), and to submit excess application for the other 1.20bn (90.1%) rights shares not entitled to them. Zen Tech is seeking to raise a minimum of RM20.0m through the exercise, which will see the issuance of 1.33bn rights shares at 1.5 sen apiece, together with 2 free warrants for every 3 rights shares subscribed. (The Edge)

**Malaysian Genomics Resource Centre Bhd** (MGRC) has announced a strategic cooperation with government-owned SIRIM Bhd to explore the commercialisation of joint research and development projects in the medical and biotechnology fields. Under the strategic cooperation, both parties will evaluate the potential commercial value of a range of genomics-driven biotechnology R&D projects. (The Edge)

**AWC Bhd** has entered into an MOU with an Indonesian company PT Bintang Timur Investama to jointly explore investment opportunities in renewable and green energy in Malaysia. (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	MAYBULK	19-Dec	0.380	0.395	0.415	0.460	0.350	0.345	0.370	-2.6%	On-going
2	PENERGY	27-Dec	0.880	0.930	0.975	1.010	0.815	0.810	0.900	2.3%	On-going
3	FM	9-Jan	0.575	0.600	0.620	0.660	0.545	0.540	0.600	4.3%	Take profit at R1 on 9-Jan

1Q23 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	BIMB	3-Jan	2.640	2.780	2.940	-	2.580	2.500	2.580	-2.3%	On-going
2	BJFOOD	3-Jan	1.020	1.110	1.200	-	0.975	0.935	0.990	-2.9%	On-going
3	CMSB	3-Jan	1.070	1.130	1.250	-	1.000	0.915	1.190	11.2%	On-going
4	D&O	3-Jan	4.290	4.450	4.770	-	4.100	3.940	4.350	1.4%	On-going
5	DIALOG	3-Jan	2.400	2.550	2.720	-	2.320	2.230	2.580	7.5%	On-going
6	GENTING	3-Jan	4.480	4.750	4.850	-	4.290	4.180	4.750	6.0%	On-going
7	HEKTAR	3-Jan	0.740	0.750	0.795	-	0.665	0.645	0.800	8.1%	On-going
8	JTIASA	3-Jan	0.660	0.710	0.755	-	0.615	0.585	0.640	-3.0%	On-going
9	MAGNI	3-Jan	1.860	1.940	2.000	-	1.800	1.750	1.890	1.6%	On-going
10	MISC	3-Jan	7.270	7.680	8.190	-	7.000	6.800	7.490	3.0%	On-going
11	MYEG	3-Jan	0.855	1.000	1.080	-	0.825	0.770	0.845	-1.2%	On-going
12	SLVEST	3-Jan	0.815	0.915	0.995	-	0.795	0.705	0.840	3.1%	On-going
13	UMW	3-Jan	3.450	3.640	3.950	-	3.220	3.100	3.550	2.9%	On-going
Average Return										2.7%	

Technical Focus Tracker Summary	
Total recommendations	291
Total winners	179
Total losers	112
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	12.9%
Accuracy (2022)	62.3%
Portfolio performance (2023)	4.3%
Accuracy (2023)	100.0%
FBM KLCI (Since 30/12/2022)	-0.1%
FBM Small Cap (Since 30/12/2022)	2.0%
Malaysia GDP Growth (9M22)	9.3%

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