

Downside risk cushioned

Market Review

Malaysia: The FBM KLCI (-0.1%) staged a mild pullback, dragged down by profit taking activities in selected banking heavyweights yesterday. The lower liners also ended in red, while the healthcare sector (+5.9%) rallied after HARTA posted stronger QoQ core earnings.

Global markets: Wall Street turned wobbly as the Dow (-0.2%) slipped ahead of the release of key inflation data, while the S&P 500 fell 0.5% on the disappointing earnings from Paypal Holdings (-12.7%). The European stockmarkets closed mostly negative, while Asia stockmarkets ended mixed.

The Day Ahead

The FBM KLCI booked marginal losses amid tepid sentiment prior to the release of the US inflation data. Investors are likely to stay in a cautious mode following a mild pullback on Wall Street overnight. Closer to home, the local market may expect a gradual recovery with the foreign investors turned net buyer (5-day averaged net buying: RM70.4m) for the third consecutive day. Commodities wise, the Brent crude oil price advanced towards USD77 per barrel, while the CPO price hovered above RM3,750. Gold price stood above USD2,000.

Sector focus: The renewable energy (RE) sector may take the center stage after the government lifted the 18-month ban on renewable energy export and raised the 2050 RE generation capacity target to 70% of the nation's total. On the other hand, the health care sector may continue its upward tone after a strong buying interest following HARTA's result yesterday.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended marginally lower as the key index continued to stay below its daily EMA60 level. Technical indicators remained positive as the MACD Histogram extended a positive bar, while the RSI hovered above 50. Resistance is pegged along 1,440-1,450, while the support is set around 1,400-1,410.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,561.81	-0.17
S&P 500	4,119.17	-0.46
NASDAQ	12,179.55	-0.63
FBM KLCI	1432.63	-0.08
FBM Small Cap	15,215.46	-0.55
FBM ACE	5,054.60	-1.32
Construction	161.87	0.48
Consumer	577.42	-0.14
Energy	832.97	-0.87
Financial Services	15,715.57	-0.22
Healthcare	1,833.11	5.87
Ind Products	169.65	-0.40
Plantation	6,810.20	-0.27
Property	695.41	-0.30
REITs	796.48	-0.39
Technology	59.32	-0.90
Telco & Media	623.18	-0.82
Transport	910.84	-0.40
Utilities	953.95	-0.81
Trading Vol (m)	3,454.55	13.26
Trading Val (RM m)	2,123.23	34.04
Advance/Decline	1	
FKLI	1430.50	0.14
FCPO (RM)	3,762.00	(1.18)
Brent oil (USD)	77.44	(0.18)
Gold (USD)	2,034.56	0.16
USD	4.4480	(0.08)
GBP	5.6154	(0.12)
EURO	4.8855	0.04
SGD	3.354	(0.04)
Trading participation 5-day trend and value (m)		
Institution	1.4	
Retail	-71.8	
Foreign	70.4	

Source: Bloomberg, Bursa Market Place

Company Brief

Hartalega Holdings Bhd's 4QFY23 net loss widened to -RM302.8m, from a net loss of -RM198.2m recorded in the previous corresponding quarter, as it was impacted by an impairment loss of RM347.0m for the decommissioning of its Bestari Jaya plant. Revenue for the quarter fell 46.8% YoY to RM515.7m. (The Star)

Matrix Concepts Holdings Bhd has inked a strategic cooperation agreement with McDonald's Malaysia, which has chosen Bandar Sri Sendayan (BSS) as the location for its newest outlet. McDonald's is set to open a new restaurant in Sendayan Merchant Square, complete with both dine-in and drive-through facilities. The restaurant would be built on 21,000 sqf of land within the bustling 100-ac. commercial lifestyle hub. (The Star)

Carlsberg Brewery Malaysia Bhd's (Carlsberg Malaysia) 1QFY23 net profit fell 7.2% YoY to RM85.0m, due to higher marketing spending and lower share of profit in its associated company, Lion Brewery (Ceylon) PLC. Revenue for the quarter, however, rose marginally by 1.0% YoY to RM660.2m. A first interim dividend of 21.0 sen per shar, payable on 8th June 2023 was declared. (The Star)

Sand Nisko Capital Bhd's wholly-owned subsidiary Len Cheong Industries Sdn Bhd has entered into a heads of agreement (HOA) with Evergreen More Sdn Bhd (EMSB) to undertake a RM1.75bn mixed-use development project known as Meswara City in Alor Gajah, Melaka. EMSB is the owner of 3 adjoining plots of leasehold development land with a total land area of 210.2-ha (519.5-ac).

Velesto Energy Bhd has received 3 notices of assignments relating to the provision of jack-up drilling rigs for PETRONAS Carigali Sdn Bhd totalling USD128.0m (RM570.0m). The jobs entail the provision of services of 3 jack-up rigs, namely Naga 3, Naga 4 and Naga 6. The provision of services of all 3 jack-up rigs is expected to commence in 3Q23. (The Star)

Citaglobal Bhd wholly-owned subsidiary Citaglobal Engineering Services Sdn Bhd has secured a RM261.0m contract for the supply, delivery, construction, successful completion and maintenance of bridges, culverts, drainage and fencing works that form part of the Klang Valley Electrified Double Track Phase 2 (KVDT 2) project. The award brings the group's order book to about RM1.00bn. (The Star)

TT Vision Holdings Bhd has secured purchase orders worth RM14.0m for its solar cell inspection and sorting equipment from a global leader in solar innovation. The contract is expected to be fulfilled within 8-9 months. (The Star)

Reservoir Link Energy Bhd is keen on exploring potential collaboration in the clean energy industry with Nasdaq-listed company **VCI Global Ltd (VCIG)**. RL's 51.0%-owned subsidiary Founder Energy Sdn Bhd (FESB) has entered a Memorandum of Understanding (MOU) with VCIG on the matter. The duration of the MOU is for 24 months effective from 9th May 2023 and will expire on 8th May 2025, subject to extension by mutual written agreement of the parties. (The Edge)

AirAsia X Bhd (AAX) has been granted a further 3-month extension of time until 28th July 2023 from Bursa Securities to submit its regularisation plan. AAX slipped into PN17 status on 27th Oct 2021, after accumulating pandemic-led losses, which resulted in negative shareholders equity. (The Edge)

Supermax Corporation Bhd bought back a total of 66.9m of its own shares from 19th April 2023 to 9th May 2023, amounting to RM58.5m. These buybacks were done within the price range of 82 sen to 91 sen. (The Edge)

Excel Force MSC Bhd has announced the appointment of Farhash Wafa Salvador as the group's new executive chairman, effective 9th May 2023, following the resignation of Tan Sri Dr Muhammad Rais Abdul Karim as the group's independent and non-executive chairman. Farhash is the former political secretary to Prime Minister Datuk Seri Anwar Ibrahim. (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	REDTONE	26-Apr	0.520	0.550	0.580	0.625	0.500	0.495	0.520	0.0%	On-going
2	CAPITALA	2-May	0.770	0.805	0.830	0.880	0.720	0.715	0.780	1.3%	On-going
3	SCICOM	3-May	1.130	1.170	1.200	1.220	1.050	1.040	1.170	3.5%	Take profit at R1 on 8-May
4	CAB	8-May	0.710	0.745	0.770	0.825	0.680	0.675	0.745	4.9%	Take profit at R1 on 9-May
5	GCB	10-May	2.640	2.760	2.850	3.000	2.510	2.500	2.640	0.0%	Initiate position

2Q23 Stock Picks											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Support 1 (RM)	Support 2 (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	DANCO	4-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.405	-12.0%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.920	-1.6%	On-going
3	HEXTAR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.190	-1.7%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.400	-8.5%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.140	1.8%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.300	-3.2%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.770	-4.9%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.800	-2.6%	On-going
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.590	20.4%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.420	1.2%	On-going
11	TIMECOM	4-Apr	5.510	5.800	6.000	5.250	5.060	5.000	5.650	2.5%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	2.840	-11.3%	On-going
Average Return										-1.7%	

Technical Focus Tracker Summary	
Total recommendations	325
Total winners	198
Total losers	125
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	13.3%
Accuracy (2022)	62.9%
Portfolio performance (2023)	1.1%
Accuracy (2023)	54.3%
FBM KLCI (Since 30/12/2022)	-4.2%
FBM Small Cap (Since 30/12/2022)	2.0%
Malaysia GDP Growth (2022)	8.7%