

Crept marginally higher

Market Review

Malaysia: The FBM KLCI (+0.1%) ended marginally higher on a lacklustre trading session on the absence of fresh leads. The lower liners edged slightly lower, while the healthcare sector (+2.4%) outperformed to close at 10-month high after Dubai's Emirates issued a travel warning to Oman on the outbreak of killer Marburg virus.

Global markets: Wall Street notched higher after recovering all the intraday losses as the Dow climbed 0.3% on strong jobs data reported on last Friday, whilst keeping an eye on the upcoming release of CPI data. European stockmarkets were also upbeat, but Asia stockmarkets ended mixed.

The Day Ahead

The FBM KLCI inched up on the back of final-hour bargain hunting activities. On Wall Street, sentiment was mixed as investors traded cautiously ahead of the upcoming CPI data (which will be released on Wednesday), as well as a series of banks' earnings reports to kick start the earnings season. Meanwhile, we expect the bargain hunting activities may continue with the anticipation for further recovery in the labour market following an improvement in the unemployment rate which fell to 3.5% in February. Commodities wise, the Brent crude oil declined but remained resilient above USD84, while the CPO traded around RM3,850. Gold price fell below the USD2,000 psychological level.

Sector focus: Given the oil price remained solid, investors may favour the oil & gas counters. Besides, investors may see further bargain hunting activities in defensive sectors such as telecommunications, banking, and consumer stapled. Meanwhile, the health care sector has been gaining momentum.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI booked marginal gains as the key index continued to hover above daily EMA9 and 20 level. Technical indicators turned positive as the MACD Histogram extended a positive bar, while the RSI hovered above 50. The resistance is envisaged along 1,440-1,450, support is located around 1,400-1,410.

Research Team

research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,586.52	0.30
S&P 500	4,109.11	0.10
NASDAQ	12,084.36	-0.03
FBM KLCI	1,428.13	0.08
FBM Small Cap	15,580.19	-0.05
FBM ACE	5,303.54	-0.43
Construction	162.22	0.39
Consumer	574.80	0.24
Energy	864.41	0.10
Financial Services	15,704.12	0.02
Healthcare	1,886.19	2.37
Ind Products	174.16	-0.34
Plantation	6,807.72	1.13
Property	703.98	-0.29
REITs	800.94	0.15
Technology	62.46	0.42
Telco & Media	601.15	0.21
Transport	912.94	0.74
Utilities	925.14	-0.01
Trading Vol (m)	3,077.46	3156
Trading Val (RM m)	1457.08	4.82
Advance/ Decline	99%	
FKLI	1427.50	(0.04)
FCPO (RM)	3,850.00	0.34
Brent oil (USD)	84.18	(1.10)
Gold (USD)	1,991.48	(0.82)
USD	4.4095	(0.18)
GBP	5.4835	(0.15)
EURO	4.8093	(0.12)
SGD	3.3178	(0.23)

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
56.5	-48.2	-8.3

Source: Bloomberg, Bursa Market Place

Company Brief

Press Metal Aluminium Holdings Bhd has secured immediate export sales of aluminium ingots worth RM110.0m to Daching Enterprises Ltd in 2023. Both companies have projected that there will be further transaction of RM670.0m of aluminium ingots between them over the next 5 years. The sale was secured during a meeting arranged by the Malaysia External Trade Development Corp (Matrade) last week. (The Star)

KKB Engineering Bhd's subsidiary OceanMight Sdn Bhd has secured a RM111.6m contract from Samsung Engineering (M) Sdn Bhd for the module fabrication and supply of steel structures for Malaysia Shell R&M onshore gas plant project in Bintulu. The project is scheduled to be completed within 3Q24. (The Star)

Reservoir Link Energy Bhd's 51.0%-owned subsidiary Founder Energy Sdn Bhd has secured 4 solar contracts from February to March 2023 with a combined contract value of RM7.2m. The solar projects secured have a total capacity of 76.1-MWp. The aforementioned projects, which are located in Kuala Lumpur, Selangor, Pulau Pinang, and Perlis, are targeted to be completed in November 2023. (The Star)

UMW Holdings Bhd has secured a second contract worth RM1.00bn from British aerospace company Rolls-Royce Holdings plc to manufacture rear cases for the latter's Trent 1000 and Trent 7000 aircraft engines. The new 15-year contract was bagged by its wholly owned company UMW Aerospace Sdn Bhd, which will invest up to RM65.0m to set up chemical milling and related processes to manufacture the rear case at its existing facility in the UMW High Value Manufacturing Park here. At present, the rear case is imported from overseas and assembled into a complete fan case. The announcement of the new contract was made by International Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz during his working visit to the aerospace plant. (The Edge)

Reach Energy Bhd clarified that the company has no intention to dispose of its Kazakhstan oil field assets in the immediate future. The company has also not received any offer or interest from prospective investors. (The Edge)

Powerwell Holdings Bhd has secured a purchase order to supply substation equipment for a solar power plant project in Bangladesh, for a total contract value of USD8.9m (RM39.0m). The group wholly owned subsidiary Powerwell International Sdn Bhd had received the purchase order from Dynamic Sun Energy Private Ltd, which is a subsidiary of Paramount Group Bangladesh. (The Edge)

Barakah Offshore Petroleum Bhd's wholly owned PBJV Group Sdn Bhd has had its suspension lifted by Petrolia Nasional Bhd (Petronas) after a period of more than 2 years. Barakah will take all the necessary steps towards the licence renewal. (The Edge)

MR DIY Group (M) Bhd's largest shareholder, Bee Family Ltd, raised its shareholding in the group by another 0.2% stake or 21.7m shares on 10th April 2023 via a direct business transaction. Following the latest acquisition, Bee Family's stake in MR DIY rose to 51.0%. (The Edge)

GHL Systems Bhd has enabled MyDebit Secure CNP (Card-Not-Present) from Payments Network Malaysia Sdn Bhd, which is set to benefit over 1,500 of GHL's online merchants. (The Edge)

Bintai Kinden Corp Bhd is being sued by **MBSB Bank Bhd** for allegedly defaulting on a RM109.0m Islamic financing facility secured to finance the construction of an in-campus accommodation for Kolej Teknologi Islam Melaka Bhd. The bank is claiming an outstanding amount of RM238.5m. Meanwhile, Bintai Kinden's sub-subsidiary Johnson Medical International Sdn Bhd is facing a lawsuit from Axbena Sdn Bhd for liquidated ascertained damages (LAD) in respect of sub-contractor works for the medical gas system to a project to build infrastructure and building works for Universiti Teknologi Mara's teaching hospital. Axbena is claiming RM26.8m for the LAD. (The Edge)

Jentayu Sustainables Bhd has announced that a hospital managed by the group plans to appeal to the Health Ministry over the revocation of its licence due to non-compliance of mandated operating procedures. The group is positive that Ohana Specialist Hospital in Setapak will be reopened within the current quarter as most of the matters highlighted by the ministry have already been complied and adhered to. (The Edge)

The Securities Commission Malaysia is looking into a complaint filed by **South Malaysia Industries Bhd** (SMI), in which the group accused that some parties acting in concert violated the Capital Markets and Services Act 2007 (CMSA) in accumulating shares without making a mandatory general offer (MGO). On 4th April 2023, SMI announced that over 20 parties, comprising companies and individuals, were acting in concert with **Prolexus Bhd**'s units; Honsin Apparel Sdn Bhd and Hi-Q Media (M) Sdn Bhd acquired more than 33.0% of the group's stake without making an MGO under the CMSA. (The Edge)

AirAsia Malaysia, under **Capital A Bhd**, is set to be the first airline connecting Kuala Lumpur to Kertajati, Indonesia starting 17th May 2023, strengthening its commitment to Indonesia as a core market and reinforcing its mission to democratise air travel by connecting underserved cities in the region. (The Edge)

KIP REIT Management Sdn Bhd, the manager of **KIP Real Estate Investment Trust** (KIP REIT), has appointed Valerie Ong Pui Shan as its chief executive officer, effective 5th April 2023. Ong is the chairman of KIP REIT's Sustainability Steering Committee, where she oversees the formulation and implementation of KIP REIT's environmental, social and governance efforts in its day-to-day operations. She is also the deputy chairman of KIP REIT's Investment Steering Committee. (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	MFLOUR	13-Mar	0.790	0.840	0.860	0.900	0.750	0.745	0.780	-1.3%	Closed at cut-off on 10-Apr
2	PWROOT	3-Apr	2.120	2.240	2.310	2.500	2.000	1.990	2.110	-0.5%	On-going
3	EG	5-Apr	1.300	1.400	1.460	1.600	1.160	1.150	1.290	-0.8%	On-going
4	UMC	10-Apr	0.850	0.890	0.905	0.975	0.795	0.790	0.850	0.0%	On-going

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	0.465	1.1%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.950	1.6%	On-going
3	HARBOUR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.180	-2.5%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.600	4.6%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.170	4.5%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.310	0.0%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.780	-3.7%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.930	0.0%	On-going
9	RANHILL	4-Apr	0.510	0.550	0.580	0.450	0.425	0.405	0.555	8.8%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.410	-1.2%	On-going
11	TIMECOM	4-Apr	5.510	5.800	6.000	5.250	5.060	5.000	5.540	0.5%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	3.120	-2.5%	On-going
Average Return										0.9%	

Technical Focus Tracker Summary	
Total recommendations	316
Total winners	192
Total losers	123
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)	1.0%
Accuracy (2023)	50.0%
FBM KLCI (Since 30/12/2022)	-4.5%
FBM Small Cap (Since 30/12/2022)	4.4%
Malaysia GDP Growth (2022)	8.7%

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