

Marching higher

Market Review

Malaysia: The FBM KLCI (+1.1%) marched higher for the second straight session with more than two-third of the key index components advanced yesterday. The lower liners also extended their recovery, while the broader market finished mostly higher, anchored by the technology sector (+2.9%).

Global markets: Wall Street retreated from a two-day rally as the Dow (-0.3%) retreated after inflation rate in February 2022 rose 7.9% YoY; the fastest pace since January 1982 may see acceleration in the pace of interest rate hikes. The European stockmarkets turned downbeat, but and Asia stockmarkets ended positive.

The Day Ahead

The FBM KLCI posted further rebound in tandem with its regional peers amid fading geopolitical tension between Russia and Ukraine. However, failure of the Russia-Ukraine talks on cease-fire, coupled with the inflationary pressure could lead to more hawkish tone in the FOMC meeting next week. Hence, the retracement yesterday on Wall Street may put pressure on the local front and profit taking activities may emerge. On the commodity market, the Brent oil price has retreated below USD110, while the CPO price remain fairly elevated around the RM7,000 level.

Sector focus: As the Brent have cooled off, we expect profit taking activities to emerge on energy sector, while plantation stocks may still gain traction on the back of firm CPO price. On the recovery theme, investors may focus on the financial, tourism and consumer sectors for the near term.

FBMKLCI Technical Outlook



The FBM KLCI staged a strong rebound above the resistance at 1,580 and closed above the daily EMA9 level. Technical indicator remained mixed as the MACD Histogram still below zero, while RSI is improved above 50. The resistance is located at 1,595-1,620, while the support is envisaged at 1,550, followed by 1,520.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,174.07	-0.34
S&P 500	4,259.52	-0.43
NASDAQ	13,129.96	-0.95
FBM KLCI	1580.53	1.16
FBM Small Cap	15,606.41	-0.35
FBM ACE	5,234.05	0.76
Construction	149.99	1.67
Consumer	573.63	1.43
Energy	717.00	-2.28
Financial Services	16,346.39	2.12
Healthcare	2,001.27	1.58
Ind Products	205.59	-1.13
Plantation	8,248.88	-2.13
Property	692.14	0.71
REITs	762.75	0.58
Technology	70.16	2.86
Telco & Media	621.28	1.57
Transport	821.75	0.92
Utilities	822.11	1.10
Trading Vol (m)	3,084.76	-12.10
Trading Val (RM m)	3,408.92	-2.96
Advance/Decline	52%	
FKLI	1557.50	-0.22
FCPO (RM)	6,963.00	0.03
Brent oil (USD)	109.33	-1.63
Gold (USD)	1996.98	0.26
USD	4.1877	-0.04
GBP	5.5112	-0.20
EURO	4.6265	-0.74
SGD	3.0789	-0.20

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-1003.9	328.2	675.7

Source: Bloomberg, Bursa Market Place

Company Brief

My E.G. Services Bhd (MyEG) has entered into the non-fungible token (NFT) space with the launch of NFT Pangolin. The global NFT marketplace supports the issuance and trading of NFTs and is set to operate on the soon-to-be-launched Zetrix Layer 1 blockchain network which serves as a parallel chain to the International Backbone and Supernodes of Xinghuo, China's national blockchain infrastructure. The platform allows users to mint, sell and trade NFTs. (The Star)

Bermaz Auto Bhd's (BAuto) 3QFY22 net profit grew 23.1% YoY to RM40.7m, largely due to positive contribution from the Kia operations. Revenue for the quarter added 4.2% YoY to RM623.1m. A third interim single-tier dividend per share of 2.25 sen, payable on 5th May 2022 was declared. (The Star)

Capital A Bhd is unable to obtain the RM500.0m club facility under Danajamin Nasional Bhd's Prihatin Guarantee Scheme as its founders, Tan Sri Tony Fernandes and Datuk Kamarudin Meranun, have refused to become guarantors. On top of that, the low-cost carrier was not able to meet Danajamin's requirement for it to submit a regularisation plan and obtain approval from Bursa Malaysia Securities to remedy its negative shareholder equity to be above RM40.0m and 25.0% of its share capital or obtain a time extension to provide the regularisation plan from the exchange for the same tenure as the Danajamin club facility. (The Edge)

The High Court has granted **Sapura Energy Bhd** and 22 of its wholly-owned subsidiaries two orders under Section 366 and 368 of the Companies Act 2016 to restructure its debts and settle outstanding payments. The order under Section 366 will enable it and its subsidiaries to summon meetings with its creditors to consider and approve a proposed scheme of arrangement and compromise as part of its debt restructuring plan. Under Section 368 which is effective for three months from 10th March 2022, it will enable the group and its subsidiaries to engage with its creditors without being disrupted by the threat of litigation. (The Edge)

MSM Malaysia Holdings Bhd has declared a final dividend of 3.0 sen per share for FY21. This translates into a total dividend payout of RM21.1m, payable on 7th April 2022. (The Edge)

CTOS Digital Bhd has appointed Eric Hamburger as its deputy group chief executive officer. Hamburger's appointment to the newly-created role in September 2021 is to bolster the group's strategic and operational leadership, particularly in the emerging areas of data analytics and digital platforms. (The Edge)

Solarvest Holdings Bhd has bagged three engineering, procurement, construction, and commissioning contracts worth a combined RM154.4m to develop large-scale solar photovoltaic plants in Perak under the large-scale solar 4 (LSS4) scheme. All three projects were awarded by Taiping Solar Sdn Bhd via its special purpose vehicles; Teja 1, Teja 2 and Kellie Energy. (The Edge)

Resintech Bhd plans to buy a 30.0% stake in Bionutricia Holding Sdn Bhd (BHSB), which is mainly engaged in the retail and wholesale of healthcare products and nutritional supplements, for RM8.7m to expand its business. The Memorandum of Understanding was signed with BHSB's major shareholders, who are also co-founders of the group, namely Kong Siew Mee (with a direct stake of 50.3%) and Ng Kuak Ping (49.7%). (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	PANTECH	2-Mar	0.630	0.680	0.700	0.750	0.580	0.575	0.645	2.4%	On-going
2	OKA	7-Mar	0.815	0.850	0.875	0.920	0.770	0.765	0.795	-2.5%	On-going
3	DSONIC	9-Mar	0.445	0.475	0.490	0.520	0.400	0.395	0.435	-2.2%	On-going

1Q22 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	KGB	5-Jan	1.820	2.000	2.200	-	1.530	1.500	1.190	-34.6%	Cut loss on 7-Mar
2	BPPLAS	5-Jan	1.580	1.800	2.000	-	1.400	1.370	1.410	-10.8%	Closed on 7-Mar
3	ELKDESA	5-Jan	1.310	1.430	1.500	-	1.230	1.200	1.310	0.0%	Closed on 7-Mar
4	JAKS	5-Jan	0.415	0.455	0.490	-	0.360	0.345	0.305	-26.5%	Cut loss on 7-Mar
5	KMLOONG	5-Jan	1.680	1.800	1.900	-	1.580	1.550	1.890	12.5%	Take profit on 7-Mar
6	OPTIMAX	5-Jan	1.310	1.520	1.640	-	1.250	1.180	1.030	-21.4%	Cut loss on 7-Mar
7	OKA	5-Jan	0.835	0.910	0.945	-	0.760	0.745	0.800	-4.2%	Closed on 7-Mar
8	KRONO	5-Jan	0.650	0.685	0.745	-	0.565	0.550	0.480	-26.2%	Cut loss on 7-Mar
9	OPCOM	5-Jan	0.950	1.120	1.300	-	0.880	0.865	0.765	-19.5%	Cut loss on 7-Mar
10	RGTECH	5-Jan	0.480	0.515	0.565	-	0.415	0.400	0.420	-12.5%	Closed on 7-Mar
Average Return										-14.3%	

Technical Focus Tracker Summary	
Total recommendations	206
Total winners	124
Total losers	82
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	-1.8%
Accuracy (2022)	52.4%
FBM KLCI (Since 31/12/2021)	0.8%
FBM Small Cap (Since 31/12/2021)	-1.0%
Malaysia GDP Growth (2021)	3.1%