

Driven by NRP 2.0

Market Review

Malaysia: The FBM KLCI (+0.9%) advanced for the third straight session, lifted by gains in banking heavyweights following the plans to roll-out the National Recovery Plan 2.0 and robust retail trade data. The lower liners, however edged lower, while the broader market was mostly higher, led by the financial services sector (+2.0%).

Global markets: Wall Street rebounded as the Dow rose 0.5% after the US Federal Reserve reassured that the measure of upcoming rate hikes are to contain inflationary pressure and the economy growth remains solid. The European stockmarkets also advanced, but Asia stockmarkets closed mixed.

The Day Ahead

The FBM KLCI extended its winning streak to the third straight session despite cautious sentiment across the regional bourses, propelled by selected banking heavyweights. While investors may be bracing for interest rate hikes and uncertainties in new Covid-19 variant, we expect to see some recovery on the local bourse as sentiment may be lifted by the upcoming National Recovery Plan 2.0. Besides, the overnight rallies on Wall Street could spill over to the local front. Commodities wise, the crude oil prices jumped to close above the USD83 per barrel mark, while the CPO price remained above RM5,000.

Sector focus: We expect the oil & gas and plantation to be well supported by the firm commodities prices. Besides, investors may see buying interest in consumer and recovery theme sectors as the Government is drafting the NRP 2.0.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI closed at intraday high for the second session above the previous resistance at 1,560 and broke above its moving average 200 level. Technical indicators were positive as the MACD Histogram extended another positive bar, while the RSI is hovering above the 50 level. The next resistance is pegged along 1,580, while the support is located around 1,530.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	36,231.84	0.45
S&P 500	4,699.87	0.63
NASDAQ	15,143.56	1.34
FBM KLCI	1564.29	0.91
FBM Small Cap	15,860.99	-0.36
FBM ACE	6,616.67	-2.03
Construction	153.81	-0.08
Consumer	580.75	0.51
Energy	728.35	0.64
Financial Services	16,177.13	1.96
Healthcare	2,292.96	-1.89
Ind Products	203.51	0.28
Plantation	6,768.62	0.56
Property	710.05	0.01
REITs	787.34	0.17
Technology	90.65	-2.78
Telco & Media	636.67	0.40
Transport	864.42	-0.37
Utilities	870.96	0.03
Trading Vol (m)	6,667.14	-37.70
Trading Val (RM m)	2,838.06	9.33
Advance/ Decline	56%	
FKLI	1565.00	-0.13
FCPO (RM)	5,042.00	-0.53
Brent oil (USD)	80.87	3.72
Gold (USD)	1,801.68	0.29
USD	4,200.5	0.24
GBP	5.711	0.05
EURO	4,757.7	0.18
SGD	3,102.1	0.05

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
- 80.7	- 6.3	85.6

Source: Bloomberg, Bursa Market Place

Company Brief

Pharmaniaga Bhd has received a letter from the Ministry of Health (MOH) agreeing in principle for the continuation of medical supply logistics services to MOH facilities for a period of 10 years. Pharmaniaga wholly-owned subsidiary, Pharmaniaga Logistics Sdn Bhd (PLSB) received the letter from the MOH. (The Star)

HLT Global Bhd has proposed a private placement of 20.0% of its issued shares to partly finance a new glove-dipping plant and installation of new lines. It is estimating a proceed of up to RM76.8m from the exercise, of which RM15.0m will be set aside for the construction of a RM50.0m plant in Semenyih, Selangor and about RM42.5m for installation of four to five double-former lines. The exercise will be implemented in tranches and at different issue prices to enable each tranche to be determined at the relevant price fixing dates. (The Star)

AirAsia Group Bhd which has been battered by the Covid-19 pandemic, is expecting international travel to recover soon despite the emergence and spread of the Omicron variant. Currently, the demand for flights in Malaysia, Thailand and Indonesia has been very robust. (The Edge)

Top Glove Corp Bhd founder and executive chairman Tan Sri Dr Lim Wee Chai has resigned as **Tropicana Corp Bhd**'s chairman, effective 11th January 2022. Lim, 64, who currently holds 162.2m direct shares in the group has resigned in view of his other commitments. (The Edge)

TIME dotCom Bhd has proposed to acquire the Employees Provident Fund's (EPF) Changkat Raja Chulan office building for RM62.0m. The acquisition is deemed a related party transaction as EPF is a major shareholder of TIME by virtue of its 11.8% equity stake. (The Edge)

Sunway Bhd plans to launch a tertiary medical centre as well as a shopping mall in the 1,350.0-ac integrated Sunway City Ipoh. Sunway Medical Centre Ipoh will open in 2024. It will feature a comprehensive cancer centre and focus on women's health and wellness lifestyle medicine. The shopping mall that is slated in 2025 will have a net lettable area of 700,000 sqf and 2,700 parking bays. (The Edge)

Luster Industries Bhd will subscribe for 81.6m shares or a 5.6% stake in **Aimflex Bhd** at 12.7 sen per share or a total sum of RM10.3m. The move is expected to allow potential synergies between the plastic and metal parts manufacturer, such as sharing customer bases. (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	FGV	13-Dec	1.500	1.550	1.670	1.800	1.410	1.400	1.490	-0.7%	On-going
2	OMH	5-Jan	2.970	3.120	3.270	3.600	2.640	2.630	2.790	-6.1%	On-going
3	WONG	10-Jan	0.800	0.860	0.910	0.980	0.710	0.705	0.740	-7.5%	On-going
4	CTOS	12-Jan	1.870	1.960	2.000	2.100	1.780	1.770	1.870	0.0%	Initiate position

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	1.670	-8.2%	On-going
2	BPPLAS	5-Jan	1.580	1.800	2.000	-	1.400	1.370	1.490	-5.7%	On-going
3	ELKDESA	5-Jan	1.310	1.430	1.500	-	1.230	1.200	1.320	0.8%	On-going
4	JAKS	5-Jan	0.415	0.455	0.490	-	0.360	0.345	0.430	3.6%	On-going
5	KMLOONG	5-Jan	1.720	1.800	1.900	-	1.580	1.550	1.700	-1.2%	On-going
6	OPTIMAX	5-Jan	1.310	1.520	1.640	-	1.250	1.180	1.220	-6.9%	On-going
7	OKA	5-Jan	0.835	0.910	0.945	-	0.760	0.745	0.815	-2.4%	On-going
8	KRONO	5-Jan	0.650	0.685	0.745	-	0.565	0.550	0.615	-5.4%	On-going
9	OPCOM	5-Jan	0.950	1.120	1.300	-	0.880	0.865	0.920	-3.2%	On-going
10	RGTECH	5-Jan	0.480	0.515	0.565	-	0.415	0.400	0.455	-5.2%	On-going
Average Return										-3.4%	

Technical Focus Tracker Summary	
Total recommendations	189
Total winners	114
Total losers	74
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	70.5%
Portfolio performance (2022)	-8.6%
Accuracy (2022)	25.0%
FBM KLCI (Since 31/12/2021)	-0.4%
FBM Small Cap (Since 31/12/2021)	0.5%
Malaysia GDP Growth (3Q21)	-4.5%