

## CPI data in focus

### Market Review

**Malaysia:** The FBM KLCI (+0.2%) was driven by gains in selected banking and telco heavyweights following the better-than-expected industrial production and retail sales data. The lower liners also marched higher, while the energy sector (+2.2%) led the sectorial peers following the higher crude oil prices.

**Global markets:** Wall Street extended its lead as the Dow (+0.8%) advanced ahead of the release of CPI data that is widely anticipated to come in softer against previous months. The European stockmarkets also closed upbeat, but the Asia stockmarkets finished mixed.

### The Day Ahead

The FBM KLCI attempted a modest rebound, powered by gains in selected telecommunication and banking heavyweights amid improving sentiment following the China reopening theme. As the Wall Street extended its gains amid hopes for easing US inflation, the local bourse is likely to build on yesterday's momentum. Meanwhile, next event that the market will be watching out could be the upcoming FOMC meeting that will be held on 31-Jan to 1-Feb. Commodities wise, the Brent crude oil price jumped above USD82 per barrel mark as hopes for improved global economic outlook outweighed a build on US crude stockpiles. Meanwhile, the CPO price hovered above RM3,890.

**Sector focus:** The tourism and aviation sectors may remain resilient amid arrival of Chinese travellers. Besides, with Nasdaq notching fourth day of gains, the technology sector may sustain its uptrend move. Meanwhile, the energy sector may outperform the broader market following a surge in crude oil price.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI remained in a consolidation mode as the key index stabilised above its daily EMA9 level. Technical indicators, however, was turning positive as the MACD Histogram moved towards the zero line, while the RSI is hovering above 50. Resistance is set along 1,500-1,510, while support is located at 1,450-1,460.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,973.01	0.80
S&P 500	3,969.61	1.28
NASDAQ	10,931.67	1.76
FBM KLCI	1,487.87	0.18
FBM Small Cap	15,428.23	1.01
FBM ACE	5,409.76	0.61
Construction	157.45	0.43
Consumer	593.50	0.16
Energy	813.90	2.24
Financial Services	16,565.46	0.52
Healthcare	1,682.98	-0.15
Ind Products	183.30	0.47
Plantation	6,934.68	0.15
Property	652.29	0.20
REITs	788.58	0.04
Technology	65.04	1.18
Telco & Media	580.59	0.49
Transport	934.41	-1.32
Utilities	87.166	-0.17
Trading Vol (m)	3,575.66	12.04
Trading Val (RM m)	2,176.92	13.93
Advance/Decline	170%	
FKLI	1,490.00	0.17
FCPO (RM)	3,891.00	-0.51
Brent oil (USD)	82.67	3.21
Gold (USD)	1,875.69	-0.07
USD	4.3713	0.05
GBP	5.3033	0.43
EURO	4.6954	0.10
SGD	3.2832	0.12

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
55.7	-92.9	37.2

Source: Bloomberg, Bursa Market Place

## Company Brief

**Pesona Metro Holdings Bhd**'s wholly owned subsidiary Pesona Metro Sdn Bhd has secured a RM349.0m construction award from Land Marker Sdn Bhd, a company within the Bon Estates Group, for a condominium project in Batu, Kuala Lumpur. The development entails two 205-unit, 36-storey condominium blocks, one level of resident facilities, a carpark, clubhouse and guardhouse. The project will take place over a duration of 36 months commencing 8th February 2023. (The Star)

**Minetech Resources Bhd**'s wholly owned subsidiary Techmile Resources Sdn Bhd has secured a RM36.7m contract from Tesdec Hyropower Sdn Bhd for the engineering, procurement, construction and commissioning (EPCC) of a 3.0MW mini-hydro power plant at Sungai Pelagat in Besut, Terengganu. The project, which is expected to commence in January 2023, followed by construction in 2025, is expected to be completed by May 2027. The project comes under the Sustainable Energy Development Authority's (SEDA) feed-in-tariff (FiT) programme, in which businesses or individuals that hold SEDA's feed-in approval certificate can sell renewable energy (RE) at the FiT rate to distribution licensees such as **Tenaga Nasional Bhd**. (The Star)

**Favelle Favco Bhd** (FFB) has secured 3 contracts worth RM45.5m to supply offshore and tower cranes. The contracts secured by Favelle Favco Cranes are from Malaysia Marine and Heavy Engineering Sdn Bhd and Ocean Might Sdn Bhd for the supply of offshore cranes. The contracts are expected to be delivered by end of 2023 and early 2024. The contract secured by Kroll Cranes is from Daewoo Shipbuilding & Marine Engineering Co., Ltd for the supply of tower crane. It is expected to be delivered by end-2023. (The Star)

**Serba Dinamik Holdings Bhd** will appeal against the High Court's decision to reject its bid to adjourn proceedings against the group to wind up the oil and gas service provider. The appeal against the dismissal of the adjournment will be on the basis that Serba Dinamik's associate company was prepared to offload equity interest or assets for estimated net proceeds of US\$700.0m (RM3.06bn). (The Edge)

**GUH Holdings Bhd** via its unit Teknoserv Engineering Sdn Bhd filed an originating summons at the High Court against a joint venture (JV) of **JAKS Resources Bhd**, JAKS-KACC JV, and the JV's partners JAKS Sdn Bhd and KACC Construction Sdn Bhd for failing to abide by an arbitration decision that ordered the JV to pay GUH RM11.7m in outstanding sum owed for work done previously, together with interests and arbitration costs. (The Edge)

**CAB Cakaran Corp Bhd** has expanded into the premium downstream food segment to help the group cushion the fluctuations of its profit margin and boost its financial performance. The group is capitalising on the launch of a new product by Farm's Best Food Industries Sdn Bhd, its 53.0%-owned subsidiary, which offers a higher margin in order to build a stronger market presence in Malaysia and to grow its export markets. (The Edge)

**Eastern and Oriental Bhd** (E&O) has fixed the rights issue of irredeemable convertible unsecured loan stocks (ICULS) at an issue price of 23.5 sen per unit. The conversion price of ICULS has also been fixed at 23.5 sen each, and the conversion ratio is one ICULS for 1 new share. E&O aims to raise between RM178.2m and RM255.8m fresh capital from the subscription to rights issue, excluding the conversion. (The Edge)

**KKB Engineering Bhd** has received 2 contracts worth RM351.7m, consisting of an engineering, procurement and construction (EPC) contract and a steel pipe purchase order. (The Edge)

**Sarawak Consolidated Industries Bhd** (SCIB) plans to raise as much as RM11.0m via a private placement of not more than 10.0% of its issued shares at a price to be determined later. Of the proceeds, RM7.1m has been earmarked for the repayment of bank borrowings, and another RM3.5m ring-fenced for working capital, which it plans for paying staff salaries. (The Edge)

**Solarvest Holdings Bhd**'s wholly-owned unit Solarvest Borneo Sdn Bhd has inked a Memorandum of Understanding with Huawei Technologies (Malaysia) Sdn Bhd and Centre for Technology Excellence Sarawak to train and develop local talents to support Borneo's growth in the clean energy industry. (The Edge)

The High Court allowed an application by **Alam Maritim Resources Bhd** and its subsidiary Alam Maritim (M) Sdn Bhd (AMSB) to hold a meeting with its creditors in three months as part of its efforts to come to an agreement on a proposed scheme of arrangement to restructure the payment of its debts. (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	0.385	1.3%	Closed at cut-off on 10-Jan
2	PENERGY	27-Dec	0.880	0.930	0.975	1.010	0.815	0.810	0.905	2.8%	
3	GCB	11-Jan	2.460	2.520	2.610	2.740	2.350	2.340	2.460	0.0%	
											On-going
											On-going

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	2.530	-4.2%	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	1.180	10.3%	On-going
4	D&O	3-Jan	4.290	4.450	4.770	-	4.100	3.940	4.400	2.6%	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	4.870	8.7%	On-going
7	HEKTAR	3-Jan	0.740	0.750	0.795	-	0.665	0.645	0.810	9.5%	On-going
8	JTIASA	3-Jan	0.660	0.710	0.755	-	0.615	0.585	0.635	-3.8%	On-going
9	MAGNI	3-Jan	1.860	1.940	2.000	-	1.800	1.750	1.860	0.0%	On-going
10	MISC	3-Jan	7.270	7.680	8.190	-	7.000	6.800	7.270	0.0%	On-going
11	MYEG	3-Jan	0.855	1.000	1.080	-	0.825	0.770	0.890	4.1%	On-going
12	SLVEST	3-Jan	0.815	0.915	0.995	-	0.795	0.705	0.895	9.8%	On-going
13	UMW	3-Jan	3.450	3.640	3.950	-	3.220	3.100	3.600	4.3%	On-going
Average Return										3.5%	

Technical Focus Tracker Summary	
Total recommendations	292
Total winners	180
Total losers	111
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)	62.6%
Portfolio performance (2023)	4.3%
Accuracy (2023)	50.0%
FBM KLCI (Since 30/12/2022)	-0.5%
FBM Small Cap (Since 30/12/2022)	3.4%
Malaysia GDP Growth (9M22)	9.3%

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