

## Malaysia 1Q23 GDP growth rate in focus

### Market Review

**Malaysia:** The FBM KLCI (-0.04%) closed relatively flat as intraday gains were offset by selling pressure in selected Petronas-related heavyweights yesterday. The lower liners ended mixed, while the plantation (+1.1%) and REIT (+0.5%) sectors outperformed the negative sectorial peers.

**Global markets:** Wall Street retreated as the Dow (-0.7%) marked its 4th day losing streak as sentiment were fragile over mounting concern on the US debt ceiling and stability of the banking industry. The European stockmarkets closed mostly higher, while Asia stockmarkets ended mostly lower.

### The Day Ahead

The FBM KLCI marked the third-session decline as cautious sentiment prevailed prior to the release of Malaysia's 1Q23 GDP data. On Wall Street, investors are shifting their focus towards the technology sector in the anticipation of the Fed keeping the interest rate unchanged next month. Currently, Nasdaq is relatively stronger than the Dow's movement. Closer to home, investors may start to position in solid fundamental stocks prior to the earnings season. Commodities wise, the Brent crude oil declined below USD75 per barrel mark, while the CPO price hovered above RM3,600. Gold price remained solid above USD2,000.

**Sector focus:** The technology sector may see further rebound following the uptrend movement on Nasdaq. Meanwhile, further profit taking activities may occur in the energy sector as crude oil price slid below the USD75 per barrel mark, while investors may favour gold counters given the solid gold price.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended marginally lower as the key index stayed below its daily EMA9 level after erasing all its intraday gains. Technical indicators remained mixed as the MACD Histogram extended a positive bar, while the RSI is still hovering below 50. The support is set around 1,400-1,410, while resistance is pegged along 1,440-1,450.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,309.51	-0.66
S&P 500	4,130.62	-0.17
NASDAQ	12,328.51	0.18
FBM KLCI	1,425.18	-0.04
FBM Small Cap	15,216.05	0.05
FBM ACE	5,026.20	-0.31
Construction	161.56	-0.40
Consumer	575.55	-0.17
Energy	831.81	-0.18
Financial Services	15,588.22	-0.06
Healthcare	1,812.16	-1.12
Ind Products	168.47	-0.64
Plantation	6,914.31	1.11
Property	699.05	-0.11
REITs	798.49	0.48
Technology	58.85	-1.26
Telco & Media	619.02	-0.94
Transport	907.45	-0.28
Utilities	950.58	-0.05
Trading Vol (m)	3,396.39	2196
Trading Val (RM m)	1,622.45	(167)
Advance/Decline		
FKLI	1424.50	(0.21)
FCPO (RM)	3,603.00	0.72
Brent oil (USD)	74.98	(187)
Gold (USD)	2,015.05	0.05
USD	4.4640	(0.12)
GBP	5.6195	0.15
EURO	4.8781	0.14
SGD	3.3611	(0.09)
Trading participant		
Institution		
Retail		
Foreign		
	-38.0	-11.7 49.7

Source: Bloomberg, Bursa Market Place

## Company Brief

**MR D.I.Y. Group Bhd**'s 1QFY23 net profit jumped 27.1% YoY to RM127.8m, driven by growth in same-store sales as well as positive contribution from new stores. Revenue for the quarter rose 15.6% YoY to RM1.05bn. A first interim dividend of 0.6 sen per share, payable on 23rd June 2023 was announced. (The Star)

**Pentamaster Corp Bhd**'s 1QFY23 net profit rose 4.3% YoY to RM21.3m, boosted by stronger contribution from the factory automation solutions (FAS) segment. Revenue for the quarter added 13.2% YoY to RM165.3m. (The Star)

**Genting Malaysia Bhd** (GenM) will dispose of its unit Resorts World Miami LLC (RW Miami) for US\$1.23bn (RM5.43bn) instead of 4 parcels of land owned by the subsidiary in Miami. The casino operator revised its divestment plan because purchaser Smart Miami City LLC on 10th May 2023 opted to exercise its right to convert the transaction to a 100.0% purchase of the ownership interests in RW Miami, instead of the land, within 10 business days after the effective date. (The Edge)

**Heineken Malaysia Bhd**'s 1QFY23 net profit dipped 3.0% YoY to RM109.9m, due to higher expenses incurred for promotional and marketing activities. Revenue for quarter, however, grew 6.0% YoY to RM740.2m. (The Edge)

**Bahvest Resources Bhd** CEO Datuk Lo Fui Ming has ceased to become a substantial shareholder of the company after offloading some 9.3% or 115.2m. Lo has been cutting down his shareholding since the company received an extraordinary general meeting (EGM) requisition from a group of shareholders to remove him and his son Lo Teck Yong and non-executive chairman Datuk Seri Dr Md Kamal Bilal from the board. (The Edge)

Over a year and a half after penning a deal to dispose of a 168.0-ac piece of industrial land in Perak to China's Zhejiang Guorong Digital Economy Group Ltd (ZGDEG), **Ageson Bhd** announced that the RM278.8m land sale has been terminated. The 168-ac land is part of a larger 475-ac parcel owned by Menteri Besar Inc (MBI) Perak. (The Edge)

**UPA Corp Bhd** has proposed to undertake a bonus issue of up to 159.2m shares on the basis of 2 bonus shares for every 1 existing share held, on an entitlement date to be determined later. (The Edge)

**Bina Darulaman Bhd**'s (BDB) unit has secured a state road maintenance contract worth RM204.0m from the Kedah state government. Its unit BDB Infra Sdn Bhd (BDB Infra) will undertake the project that will run for a period of 36 months from May 2023 to May 2026. (The Edge)

**Bertam Alliance Bhd** has reported that its external auditor has expressed its unqualified opinion with material uncertainty related to the group's ability to continue as a going concern, with regards to its audited financial statements for the FY22. Messrs PKF highlighted that Bertam Alliance incurred negative operating cash flows of RM1.5m during FY2022 and its current liabilities has exceeded its current assets by RM17.1m. The company is taking measures to mitigate the material uncertainty on going concern within the next 12 months. (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	0.550	5.8%	Take profit at R1 on 11-May
2	CAPITALA	02-May	0.770	0.805	0.830	0.880	0.720	0.715	0.805	4.5%	Take profit at R1 on 10-May
3	GCB	10-May	2.620	2.760	2.850	3.000	2.510	2.500	2.620	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	04-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.415	-9.8%	On-going
2	EFRAME	04-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.915	-2.1%	On-going
3	HEXTAR	04-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.210	0.0%	On-going
4	INFOM	04-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.460	-4.6%	On-going
5	KPJ	04-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.160	3.6%	On-going
6	LAYHONG	04-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.305	-1.6%	On-going
7	PANTECH	04-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.750	-7.4%	On-going
8	PENTA	04-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.830	-2.0%	On-going
9	RANHILL	04-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.585	19.4%	On-going
10	T7GLOBAL	04-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.410	-1.2%	On-going
11	TIMECOM	04-Apr	5.510	5.800	6.000	5.250	5.060	5.000	5.640	2.4%	On-going
12	UNISEM	04-Apr	3.200	3.180	3.300	2.970	2.760	2.700	2.840	-11.3%	On-going
Average Return										-1.2%	

Technical Focus Tracker Summary	
Total recommendations	324
Total winners	199
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)	2.0%
Accuracy (2023)	58.8%
FBM KLCI (Since 30/12/2022)	-4.7%
FBM Small Cap (Since 30/12/2022)	2.0%
Malaysia GDP Growth (2022)	8.7%