

## Minor profit taking

### Market Review

**Malaysia:** The FBM KLCI (-0.1%) snapped a three-day rally on the back of profit taking activities, dragged by weakness in banking heavyweights yesterday. The lower liners ended mixed, while the broader market finished mostly positive, anchored by the energy sector (+1.7%).

**Global markets:** Wall Street rebounded extended their lead as the Dow (+0.1%) rose as inflation rate rose 7.0% YoY in December 2021; in line with consensus expectations. The European stockmarkets remained upbeat, while Asia stockmarkets ended mostly higher.

### The Day Ahead

Bucking the regional uptrend move, the FBM KLCI harboured a mild loss as banking-propelled rallies ran out of steam on the back of mild profit taking activities. Meanwhile, the Wall Street rebounded higher as the US inflation rate came in within expectation at 7.0% YoY. Hence, with the recent continuous buying from foreign funds into our local exchange, we expect sentiment will remain sturdy and the FBM KLCI should revisit the 1,600 level in the near term. On the commodities market, the crude oil price hovered above the USD84/bbl mark as investors anticipated strengthening demand amid the economic recovery mode, while the CPO price is hovering above RM5,000.

**Sector focus:** The energy counters may shine as the crude oil price continued its uptrend. Besides, investors are likely to put banking, metal-related and consumer-related stocks on their radar on the back of economic recovery and easing concerns over Omicron Covid-19 variant.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI stalled its three-session rallies but hovered firmly above the daily EMA9 and moving average 200 level. Technical indicators remained positive as the MACD Histogram has extended a positive bar, while the RSI hovered above the 50 level. The next resistance is located at 1,580, while the support is pegged along 1,530.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	36,290.32	0.11
S&P 500	4,726.35	0.28
NASDAQ	15,188.39	0.23
FBM KLCI	1563.20	-0.07
FBM Small Cap	15,990.73	0.82
FBM ACE	6,582.64	-0.51
Construction	154.17	0.23
Consumer	582.52	0.30
Energy	740.66	1.69
Financial Services	16,094.91	-0.51
Healthcare	2,294.48	0.07
Ind Products	205.32	0.89
Plantation	6,739.92	-0.42
Property	711.51	0.21
REITs	788.82	0.19
Technology	91.19	0.60
Telco & Media	634.21	-0.39
Transport	871.62	0.83
Utilities	867.77	-0.37
Trading Vol (m)	3,366.24	-18.96
Trading Val (RM m)	1908.76	-32.74
Advance/ Decline	48%	
FKLI	1564.00	0.06
FCPO (RM)	5,094.00	1.07
Brent oil (USD)	84.67	1.13
Gold (USD)	1826.15	0.25
USD	4.1853	0.12
GBP	5.704	0.07
EURO	4.7574	-0.17
SGD	3.0975	0.10

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
-162.5	18.3	142.8

Source: Bloomberg, Bursa Market Place

## Company Brief

**KPJ Healthcare Bhd** has announced the proposed establishment of an Islamic medium term notes (MTN) programme of RM3.00bn for its shariah-compliant general corporate purposes, including financing the expansion and working capital requirements. Point Zone (M) Sdn Bhd (PZSB), its wholly owned subsidiary, has completed the lodgement with the Securities Commission (SC) for the Sukuk Wakalah programme. (The Star)

**Vsolar Group Bhd** has signed a partnership agreement to procure and supply parts to RA Integration Links Sdn Bhd (RAILSB). The contract, valued at RM96.0m is for VSolar to procure and supply all necessary parts to RAILSB to complete an overhaul of fifty sets of Ampang 6-Car Light Rail Vehicle (LRV). (The Star)

Omar Siddiq has resigned as **CIMB Group Holdings Bhd's** CEO of group wholesale banking and CIMB Bank Malaysia's deputy CEO to join HSBC Bank Malaysia Bhd as its new CEO. (The Edge)

**S P Setia Bhd's** subsidiary Setia HC Ventures Sdn Bhd has incorporated a unit, Setia City Healthcare Sdn Bhd to develop and operate an ambulatory care centre. In its latest annual report for 2020, the company had identified healthcare as a segment with potential for business diversification. (The Edge)

**HIL Industries Bhd** has received its shareholders' approval at the extraordinary general meeting on 12th January 2022 to undertake residential development joint ventures (JVs) on 5 parcels of land in Sungai Buloh, Klang and Jugra in Selangor. With the approval, HIL Industries will partner Unik Sejati Sdn Bhd, Pembinaan Kesentosaan Sdn Bhd and Amverton Carey Golf & Island Resort Sdn Bhd to develop residential developments with an estimated gross development value of RM471.1m on 40.9-ha land in Selangor. (The Edge)

**Nestcon Bhd** has bagged two subcontracts worth a combined RM90.4m for the construction and completion of subgrade works under the East Coast Rail Link project in Kota Bharu, Kelantan. They were awarded by China Communications Construction (ECRL) Sdn Bhd. (The Edge)

**XOX Technology Bhd's** auditor Ecovis Malaysia PLT has resigned because of cost and pricing issues. Ecovis had given its notice in writing to the board of its resignation. The company is in the midst of identifying new auditors, and will make further announcements in due course. (The Edge)

Tengku Ahmad Badli Shah Raja Hussin, who was appointed Agrobank president and chief executive last week, has resigned as the chairman of **Dolphin International Bhd** effective 12th January 2022, after helming the post since January 2020. Ahmad Badli, 53, also announced his departure as an independent director at **Fintec Global Bhd**. (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	FGV	13-Dec	1.500	1.550	1.670	1.800	1.410	1.400	1.490	-0.7%	Closed at cut-off on 12-Jan
2	OMH	05-Jan	2.970	3.120	3.270	3.600	2.640	2.630	2.780	-6.4%	On-going
3	WONG	10-Jan	0.800	0.860	0.910	0.980	0.710	0.705	0.720	-10.0%	On-going
4	CTOS	12-Jan	1.880	1.960	2.000	2.100	1.780	1.770	1.880	0.0%	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	05-Jan	1.820	2.000	2.200	-	1.530	1.500	1.680	-7.7%	On-going
2	BPPLAS	05-Jan	1.580	1.800	2.000	-	1.400	1.370	1.480	-6.3%	On-going
3	ELKDESA	05-Jan	1.310	1.430	1.500	-	1.230	1.200	1.330	1.5%	On-going
4	JAKS	05-Jan	0.415	0.455	0.490	-	0.360	0.345	0.435	4.8%	On-going
5	KMLOONG	05-Jan	1.720	1.800	1.900	-	1.580	1.550	1.720	0.0%	On-going
6	OPTIMAX	05-Jan	1.310	1.520	1.640	-	1.250	1.180	1.250	-4.6%	On-going
7	OKA	05-Jan	0.835	0.910	0.945	-	0.760	0.745	0.815	-2.4%	On-going
8	KRONO	05-Jan	0.650	0.685	0.745	-	0.565	0.550	0.625	-3.8%	On-going
9	OPCOM	05-Jan	0.950	1.120	1.300	-	0.880	0.865	0.930	-2.1%	On-going
10	RGTECH	05-Jan	0.480	0.515	0.565	-	0.415	0.400	0.460	-4.2%	On-going
Average Return										-2.5%	

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)	-11.4%
Accuracy (2022)	25.0%
FBM KLCI (Since 31/12/2021)	-0.3%
FBM Small Cap (Since 31/12/2021)	1.5%
Malaysia GDP Growth (3Q21)	-4.5%