

Mixed sentiment

Market Review

Malaysia: The FBM KLCI (+0.4%) was boosted by the eleventh-hour buying support in selected banking and Petronas-related heavyweights yesterday. The lower liners, however, turned downbeat, while the broader market was mostly negative with the technology sector (-2.4%) underperformed.

Global markets: Wall Street turned volatile as the Dow (-0.5%) erased all its intraday gains to close lower, dragged down by the extended sell-down in technology shares with investors shifted their focus towards value driven stocks. Elsewhere, both the European and Asia stockmarkets closed mixed

The Day Ahead

The FBM KLCI bounced from the previous day's slide, supported by buying interest within selected industrial products & services as well as banking heavyweights. However, we believe market sentiment on the local front will remain cautious as the rally on Wall Street faded after hitting respective intraday highs for the major indices. Investors are still digesting and uncertain on the pace of the potential interest rate hikes in the US. Commodities wise, both the CPO and crude oil price saw mild a retreat, but remained firm on the uptrend cycle on the back of expectations over stronger demand under the recovery environment.

Sector focus: Following the Wall Street's decline overnight, we may see the technology stocks extending its consolidation move. On the other hand, we favour energy and banking stocks over the near term. Meanwhile, consumer sector may see greater demand under the economic recovery phase.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI rebounded and closed at intraday high, holding above the SMA200 for the third straight session. 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 seen at 1,580, while the support is set at 1,530-1,540.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	36,113.62	-0.49
S&P 500	4,659.03	-1.42
NASDAQ	14,806.81	-2.51
FBM KLCI	1569.51	0.40
FBM Small Cap	15,923.09	-0.42
FBM ACE	6,488.63	-1.43
Construction	153.69	-0.31
Consumer	58164	-0.15
Energy	74139	0.10
Financial Services	16,222.83	0.79
Healthcare	2,271.91	-0.98
Ind Products	206.10	0.38
Plantation	6,773.98	0.51
Property	710.13	-0.19
REITs	785.07	-0.48
Technology	88.97	-2.43
Telco & Media	636.83	0.41
Transport	870.84	-0.09
Utilities	866.69	-0.12
Trading Vol (m)	3,456.52	2.68
Trading Val (RM m)	2,141.70	2.20
Advance/ Decline	54%	
FKLI	1568.00	0.03
FCPO (RM)	5,125.00	-0.70
Brent oil (USD)	84.47	-0.24
Gold (USD)	1,822.54	-0.20
USD	4.1762	0.22
GBP	5.7332	-0.51
EURO	4.7906	-0.69
SGD	3.1025	-0.16
Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-372.2	-5.3	376.1

Source: Bloomberg, Bursa Market Place

Company Brief

AirAsia Group Bhd's application to extend the relief period from being classified as a Practice Note 17 (PN17) company has been dismissed by Bursa Malaysia. An application was submitted to Bursa Malaysia for this relief period to be extended beyond 7th January 2022. (The Star)

Metronic Global Bhd has signed a solar power purchase agreement (SPPA) with Technology PP Industries (Northern) Sdn Bhd under a solar leasing model in Kedah. The SPPA was secured by its 70.0% owned subsidiary, Sinaran PPA Sdn Bhd and Wang You Polymer Industries Sdn Bhd to develop, finance, design, construct, test, commission, own, operate, and maintain a solar photovoltaic (PV) generating facility with a combined capacity of approximately 4,121 kWp at Kedah. The SPPA shall take effect for 25 years from the commercial operation date of the facility. (The Star)

Jerasia Capital Bhd's (JCB) subsidiaries have defaulted on the repayments of principal and interest on two financing facilities worth RM57.1m. The two units are Jerasia Fashion Sdn Bhd and Jerasia Apparel Sdn Bhd. The apparel manufacturer and fashion retailer are the corporate guarantor for the financing facilities granted by HSBC. (The Edge)

Asia Poly Holdings Bhd, via its unit Asia Poly Industrial Sdn Bhd, is buying the entire stake or 1.1m shares in investment holding company Keng Imports & Exports Sdn Bhd for RM24.0m. The acquisition will allow the group to expand its production capacity by up to 3,200 MT/m to meet growing overseas demand, especially from the US and the Middle East. (The Edge)

Scomi Group Bhd's subsidiary, Scomi Capital Sdn Bhd (SCSB) has executed a memorandum of agreement with XAIR Pulsecor Sdn Bhd to collaborate on matters related to the supply of power generation solutions and hybrid power generation systems. XAIR is primarily engaged in the business of providing and manufacturing power generators. (The Edge)

Pestech International Bhd has entered into a memorandum of understanding with Singapore-based Green Li-Ion Pte Ltd to explore the possibility of collaborating in lithium-ion battery recycling activities and businesses in Malaysia and Cambodia. (The Edge)

Boustead Holdings Bhd is teaming up with US firm Accubits Technologies FZ LLE to develop capabilities for real estate asset tokenisation and sustainable green energy tokenisation. Accubits is an enterprise solutions development company specialising in artificial intelligence and blockchain technologies based in Virginia, with offices in India and the UAE. (The Edge)

Tomei Consolidated Bhd has obtained the approval of Bursa Malaysia Securities to proceed with the proposed ACE Market listing of its precious metals unit, YX Precious Metals Bhd (YXPM). Tomei in August 2021 proposed the listing of four wholly-owned subsidiaries, namely Yi Xing Goldsmith Sdn Bhd, Gemas Precious Metals Industries Sdn Bhd, Emas Assayer Sdn Bhd and GPM Refinery Sdn Bhd via the special-purpose vehicle, YXPM. (The Edge)

Heng Huat Resources Group Bhd has proposed a bonus issue of up to 588.2m shares on the basis of 3 bonus shares for 2 shares held. (The Edge)

Pegasus Heights Bhd has reported that the heads of agreement signed with glove maker WRP Asia Pacific Sdn Bhd has been terminated as the negotiation period had lapsed. The heads of agreement signed in March 2020 is to explore a potential joint venture (JV) to undertake the manufacturing and distribution of gloves and other related products. (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	OMH	5-Jan	2.970	3.120	3.270	3.600	2.640	2.630	2.780	-6.4%	On-going
2	WONG	10-Jan	0.800	0.860	0.910	0.980	0.710	0.705	0.705	-11.9%	Cut loss on 13-Jan
3	CTOS	12-Jan	1.880	1.960	2.000	2.100	1.780	1.770	1.810	-3.7%	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	1.630	-10.4%	On-going
2	BPPLAS	5-Jan	1.580	1.800	2.000	-	1.400	1.370	1.470	-7.0%	On-going
3	ELKDESA	5-Jan	1.310	1.430	1.500	-	1.230	1.200	1.300	-0.8%	On-going
4	JAKS	5-Jan	0.415	0.455	0.490	-	0.360	0.345	0.420	1.2%	On-going
5	KMLOONG	5-Jan	1.720	1.800	1.900	-	1.580	1.550	1.720	0.0%	On-going
6	OPTIMAX	5-Jan	1.310	1.520	1.640	-	1.250	1.180	1.280	-2.3%	On-going
7	OKA	5-Jan	0.835	0.910	0.945	-	0.760	0.745	0.800	-4.2%	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	0.905	-4.7%	On-going
10	RGTECH	5-Jan	0.480	0.515	0.565	-	0.415	0.400	0.450	-6.2%	On-going
Average Return										-4.0%	

Technical Focus Tracker Summary	
Total recommendations	189
Total winners	114
Total losers	75
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	-17.0%
Accuracy (2022)	25.0%
FBM KLCI (Since 31/12/2021)	0.1%
FBM Small Cap (Since 31/12/2021)	1.0%
Malaysia GDP Growth (3Q21)	-4.5%