

Clawing back above SMA200

Market Review

Malaysia: The FBM KLCI (+0.6%) advanced with two-thirds of the key index components closed in green, taking cue from the gains on Wall Street overnight. The lower liners also edged higher, while the REIT (-0.4%) and energy (-0.2%) sectors underperformed the positive sectorial peers.

Global markets: The US stockmarkets edged lower as the Dow fell 0.5% on the hotter-than-expected inflation data that grew 6.4% YoY in January 2023; triggering further concern that the path of normalising inflation will be rocky. Both the European and Asia stockmarkets ended mixed.

The Day Ahead

The FBM KLCI sustained its gains from the previous session prior to the release of the US consumer price index (CPI) data for January 2023. However, following a mixed performance on Wall Street due to a hotter-than-expected inflation, we believe the global sentiment will remain tepid at least for the near term while looking for fresh catalysts. Closer to home, investors may continue to focus on earnings reporting season as well as the re-tabling of Budget 2023. Commodities wise, the Brent crude oil price stayed above USD85, while the CPO price hovered above RM3,900.

Sector focus: The construction and building material sector may gain traction ahead of the re-tabling of Budget 2023. Meanwhile, the electrical vehicle (EV) related sector may shine following Malaysia International Trade and Industry's announcement on its target to provide up to 4,000 EV charging points in Malaysia.

FBMKLCI Technical Outlook



TradingView

The FBM KLCI extended its gains for the third straight session after hovering in the positive territory for the entire session. Technical indicators however remained negative as the MACD Histogram extended a negative bar, while the RSI is hovering below 50. Resistance is envisaged at 1,525-1,540, while support is pegged along 1,450-1,460.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,089.27	-0.46
S&P 500	4,136.13	-0.03
NASDAQ	11,960.15	0.57
FBM KLCI	1,483.97	0.60
FBM Small Cap	16,128.22	0.28
FBM ACE	5,691.67	0.29
Construction	161.51	0.65
Consumer	602.75	0.17
Energy	896.72	-0.15
Financial Services	16,156.50	0.03
Healthcare	1,631.66	0.48
Ind Products	189.53	0.81
Plantation	6,916.54	1.14
Property	681.68	0.12
REITs	813.47	-0.38
Technology	65.54	0.92
Telco & Media	595.87	0.01
Transport	953.27	0.01
Utilities	896.28	0.20
Trading Vol (m)	3,202.00	-13.46%
Trading Val (RM m)	2,158.00	5.27%
Advance/Decline	99%	
FKLI	1,476.50	0.17%
FCPO (RM)	3,955.00	0.03%
Brent oil (USD)	85.31	-1.50%
Gold (USD)	1,854.15	0.04%
USD	4.3485	-0.26%
GBP	5.2913	0.00%
EURO	4.6685	-0.29%
SGD	3.2727	0.01%

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
26.2	117.3	-143.5

Source: Bloomberg, Bursa Market Place

Company Brief

MR D.I.Y. Group (M) Bhd's 4QFY22 net profit rose 1.1% YoY to RM136.1m, on favourable freight environment and the strengthening of the Ringgit against both the USD and Chinese Renminbi. Revenue for the quarter grew 9.3% YoY to RM1.06bn. (The Star)

Betamek Bhd via its wholly-owned subsidiary Betamek Electronics (M) Sdn Bhd has secured a contract from Perodua to supply various electronic parts for the car maker's new car model. The contract, which extends for a duration of 6 years, is expected to generate a total revenue of about RM123.5m for the group. (The Star)

Asia Internet Holdings Bhd, the largest single shareholder in **MyEG Services Bhd**, bought some 83.3m shares, or an 8.8% stake, in point-of-sale system provider **Cuscapi Bhd**. Asia Internet bought the block of shares via a direct business transaction on 10th February 2023. (The Edge)

The Employees Provident Fund (EPF) ceased to be a substantial shareholder of **MyEG Services Bhd** after it sold 39.1m shares on 10th February 2023. Meanwhile, Kumpulan Wang Persaraan Diperbadankan also sold 1.5m shares in MyEG on 10th February 2023. (The Edge)

Dagang NeXchange Bhd's largest shareholder Arcadia Acres Sdn Bhd has ceased to be a substantial shareholder in **Theta Edge Bhd** after disposing the entire 16.5% stake, comprising 19.5m shares on 14th February 2023. A separate filing showed that the tranche was sold to Threadstone Capital Sdn Bhd. (The Edge)

Hup Seng Industries Bhd's 4QFY22 net profit rose 28.1% YoY to RM12.4m, on stronger domestic sales. Revenue for the quarter increased 16.1% YoY to RM94.9m. A third interim dividend of 1.0 sen per share was announced. (The Edge)

Samaiden Group Bhd's unit Samaiden Sdn Bhd (SSB) has received 2 notices of arbitration from Ditrollic Sdn Bhd concerning claims for 2 work packages worth a combined RM12.2m. SSB had been appointed as a subcontractor for the work packages, which were part of a 100.0-MW alternating current large scale solar photovoltaic plant project in Kerian, Perak. SSB had issued 4 adjudication claims for the packages against Ditrollic. The adjudicator decided that Ditrollic was to pay RM2.7m in respect of the first work package and RM1.5m for the second work package to SSB. (The Edge)

Bursa Malaysia Securities Bhd has publicly reprimanded **Jerasia Capital Bhd** and 8 of its directors for breaches of the Main Market listing requirements. The 8 directors were imposed total fines of RM600,000 for defaults in payments by Jerasia's wholly-owned subsidiaries. The group was also publicly reprimanded for failing to make an immediate announcement of the lawsuit filed by the lenders against its subsidiaries and summary judgment obtained by Ambank (M) Bhd, Alliance Bank Malaysia Bhd. (The Edge)

Sarawak Consolidated Industries Bhd's (SCIB) has terminated an engineering, procurement, construction and commissioning (EPCC) project valued at RM55.6m in Sumatera, Indonesia. Its wholly-owned subsidiary, SCIB International (Labuan) Ltd (SCIBILL), issued a notice of termination to PT Cipta Multi Sarana (PTCMS) for the proposed EPCC project involving earthworks for the Prabumulih–Muara Enim tolled road. The termination is in the best interests of the company as there has been no progress on the project. (The Edge)

Technical Focus Tracker

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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	TELADAN	30-Jan	1.290	1.380	1.480	1.550	1.140	1.130	1.240	-3.9%	On-going
2	SUNCON	08-Feb	1.700	1.800	1.870	2.000	1.620	1.610	1.650	-2.9%	On-going
3	UZMA	13-Feb	0.620	0.650	0.670	0.725	0.565	0.560	0.650	4.8%	Take profit at R1 on 14-Feb
4	MCEMENT	15-Feb	2.530	2.700	2.840	2.940	2.380	2.370	2.530	0.0%	

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	03-Jan	2.640	2.780	2.940	-	2.580	2.500	2.380	-9.8%	On-going
2	BJFOOD	03-Jan	1.020	1.110	1.200	-	0.975	0.935	1.120	9.8%	On-going
3	CMSB	03-Jan	1.070	1.130	1.250	-	1.000	0.915	1.290	20.6%	On-going
4	D&O	03-Jan	4.290	4.450	4.770	-	4.100	3.940	4.790	11.7%	On-going
5	DIALOG	03-Jan	2.400	2.550	2.720	-	2.320	2.230	2.580	7.5%	On-going
6	GENTING	03-Jan	4.480	4.750	4.850	-	4.290	4.180	5.060	12.9%	On-going
7	HEKTAR	03-Jan	0.687	0.750	0.795	-	0.665	0.645	0.700	1.9%	On-going
8	JTIASA	03-Jan	0.660	0.710	0.755	-	0.615	0.585	0.645	-2.3%	On-going
9	MAGNI	03-Jan	1.860	1.940	2.000	-	1.800	1.750	1.830	-1.6%	On-going
10	MISC	03-Jan	7.270	7.680	8.190	-	7.000	6.800	7.350	1.1%	On-going
11	MYEG	03-Jan	0.855	1.000	1.080	-	0.825	0.770	0.610	-28.7%	Cut loss on 10-Feb
12	SLVEST	03-Jan	0.815	0.915	0.995	-	0.795	0.705	1.090	33.7%	On-going
13	UMW	03-Jan	3.450	3.640	3.950	-	3.220	3.100	3.900	13.0%	On-going
Average Return										5.4%	

Technical Focus Tracker Summary	
Total recommendations	302
Total winners	187
Total losers	114
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)	2.6%
Accuracy (2023)	66.7%
FBM KLCI (Since 30/12/2022)	-0.8%
FBM Small Cap (Since 30/12/2022)	8.1%
Malaysia GDP Growth (2022)	8.7%