

Turning wobbly

Market Review

Malaysia: The FBM KLCI (-0.1%) managed to recover most of its intraday losses, boosted by the second half buying support in selected index heavyweights. The lower liners, however, retreated, while the broader market closed mostly weaker with the plantation sector (-1.9%) underperformed.

Global markets: Wall Street ended mostly lower as the Dow finished flat after erasing all its intraday gains, while the S&P 500 (-0.7%) and Nasdaq (-2.0%) were dragged down by the selloff in technology sector. The European stockmarkets extended their gains, but and Asia stockmarkets closed mixed.

The Day Ahead

With the rising Covid-19 cases in China as well as the unresolved geopolitical tension between Ukraine-Russia, we believe overall global sentiment may continue to stay volatile and downside risk may persist in the regional stock markets. Several upcoming catalysts for traders to monitor include (i) Russia-Ukraine ongoing negotiations, (ii) upcoming interest rate decision in the US, and (iii) the spike in Covid-19 cases in China, which may affect the manufacturing sector at least in the near term. Hence, investors may stay defensive at least for this week. On the commodity markets, the crude oil price retreated further to around USD105, while the CPO price traded around RM6,300.

Sector focus: Given the weakness in Nasdaq overnight, selling pressure may persist in the technology sector. Meanwhile, the consumer and banking stocks may outperform amid the reopening of travel borders, which should bode well for the economic recovery. We expect the O&G and plantation sector to take a breather after recent rallies as the commodity prices are cooling off.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI stayed below the daily EMA20 level after closing with marginal losses. Technical indicator remained weak as the MACD Histogram was still below zero, while RSI hovered below 50. The resistance is envisaged around 1,570-1,580, while the support is set at 1,550, followed by 1,540.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	32,945.24	0.00
S&P 500	4,173.11	-0.74
NASDAQ	12,581.22	-2.04
FBM KLCI	1567.44	-0.05
FBM Small Cap	15,405.06	-1.49
FBM ACE	5,221.09	-0.71
Construction	147.71	-1.20
Consumer	569.33	-0.40
Energy	700.77	-0.95
Financial Services	16,257.21	0.04
Healthcare	2,029.79	1.63
Ind Products	201.92	-1.35
Plantation	8,050.90	-1.87
Property	687.49	-0.72
REITs	760.10	-0.13
Technology	70.28	-1.75
Telco & Media	620.00	0.08
Transport	815.48	-0.30
Utilities	821.89	0.20
Trading Vol (m)	2,519.01	4.13
Trading Val (RM m)	2,223.21	-2.08
Advance/Decline	5%	
FKLI	1558.50	0.13
FCPO (RM)	6,304.00	-0.90
Brent oil (USD)	106.90	-5.12
Gold (USD)	1950.88	-1.89
USD	4.2063	-0.25
GBP	5.4891	-0.21
EURO	4.6192	-0.39
SGD	3.0838	0.00

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-950.5	224.8	725.7

Source: Bloomberg, Bursa Market Place

Company Brief

Complete Logistic Services Bhd (CLSB) has proposed for a change of name to Hextar Technologies Solutions Bhd, in line with its diversification into the information and communications technology (ICT) solutions and services. The company has been contemplating an alternative income stream to mitigate the risks of solely relying on the existing businesses. Meanwhile, CLSB has entered into a share sale agreement for the disposal of 36.0m ordinary shares and 18.0m warrants in **Classic Scenic Bhd** (CSCENIC) with Hextar Group chief executive officer Datuk Ong Choo Meng for RM32.0m. Based on the disposal consideration, the group is expected to record a pro forma gain of approximately RM2.7m. (The Star)

Minetech Resources Bhd's wholly-owned subsidiary of Minetech has secured a contract worth RM9.5m from GLM Emerald Square (Cheras) Sdn Bhd. The contract was for the execution and completion of external link bridge, covered walkway and associated works for the proposed Emerald 9 Cheras Development in Cheras. The project commenced on 1st March 2022 and shall be completed by 28th February 2023. (The Star)

Former GrabPay Southeast Asia managing director Ooi Huey Tyng has been appointed as an independent director of **Maxis Bhd** effective 30th March 2022. Uthaya Kumar A/L K Vivekananda who is currently an independent director of **Bumi Armada Bhd**, as well as chairman of its audit and risk management committees, has also been appointed as independent director effective 30th March 2022. (The Edge)

Hong Seng Consolidated Bhd has announced the resignation of its executive director Kenny Khoo Chuan Wah to pursue his personal and other work commitments. Khoo, who was appointed to the board in 2018, directly holds 10.3m shares in Hong Seng. (The Edge)

Cahya Mata Sarawak Bhd has appointed Mukhnizam Mahmud as the group's acting chief financial officer, effective 15th March 2022. Mukhnizam, 56, has more than 30 years of experience with companies in Malaysia, Singapore and Indonesia in roles involving accounting/finance and general management. (The Edge)

Reservoir Link Energy Bhd (RL) has received a letter of award for the engineering, construction and commissioning (ECC) of a 11.0MW large scale solar photovoltaic plant to be located in Perak. RL's 51%-owned subsidiary Founder Energy Sdn Bhd has landed the project valued at RM14.9m from Atlantic Blue Sdn Bhd, a wholly-owned subsidiary of **Solarvest Holdings 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	PANTECH	2-Mar	0.630	0.680	0.700	0.750	0.580	0.575	0.650	3.2%	Closed on 14-Mar
2	OKA	7-Mar	0.815	0.850	0.875	0.920	0.770	0.765	0.795	-2.5%	On-going
3	DSONIC	9-Mar	0.440	0.475	0.490	0.520	0.400	0.395	0.435	-1.1%	On-going
4	COASTAL	14-Mar	1.790	1.860	2.000	2.090	1.590	1.580	1.700	-5.0%	On-going

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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	1.190	-34.6%	Cut loss on 7-Mar
2	BPPLAS	5-Jan	1.580	1.800	2.000	-	1.400	1.370	1.410	-10.8%	Closed on 7-Mar
3	ELKDESA	5-Jan	1.310	1.430	1.500	-	1.230	1.200	1.310	0.0%	Closed on 7-Mar
4	JAKS	5-Jan	0.415	0.455	0.490	-	0.360	0.345	0.305	-26.5%	Cut loss on 7-Mar
5	KMLOONG	5-Jan	1.680	1.800	1.900	-	1.580	1.550	1.890	12.5%	Take profit on 7-Mar
6	OPTIMAX	5-Jan	1.310	1.520	1.640	-	1.250	1.180	1.030	-21.4%	Cut loss on 7-Mar
7	OKA	5-Jan	0.835	0.910	0.945	-	0.760	0.745	0.800	-4.2%	Closed on 7-Mar
8	KRONO	5-Jan	0.650	0.685	0.745	-	0.565	0.550	0.480	-26.2%	Cut loss on 7-Mar
9	OPCOM	5-Jan	0.950	1.120	1.300	-	0.880	0.865	0.765	-19.5%	Cut loss on 7-Mar
10	RGTECH	5-Jan	0.480	0.515	0.565	-	0.415	0.400	0.420	-12.5%	Closed on 7-Mar
Average Return										-14.3%	

Technical Focus Tracker Summary	
Total recommendations	207
Total winners	124
Total losers	83
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	-4.9%
Accuracy (2022)	50.0%
FBM KLCI (Since 31/12/2021)	0.0%
FBM Small Cap (Since 31/12/2021)	-2.3%
Malaysia GDP Growth (2021)	3.1%

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