

## Selling pressure returns

### Market Review

**Malaysia:** The FBM KLCI (-1.1%) retreated in tandem with the regional peers following a decline on Wall Street, led by the selldown in telecommunication and banking heavyweights. Meanwhile, the lower liners declined, with the telco & media sector (-2.4%) being one of the worst performers.

**Global markets:** The US stockmarkets slumped as investors could be factoring in the recession concerns after the disappointing retail sales data suggesting that the inflationary pressure has impacted negatively on the consumer spending. The European and Asia stockmarkets declined in their session respectively.

### The Day Ahead

The FBM KLCI tumbled more than 1% as the telco and banking heavyweights succumbed to selling activities yesterday, while the foreign funds have turned net seller for the session. Meanwhile, the ECB maintained its interest rate hike decision to 2% and warns of more increases to fight inflation going forward. With the rising recession fear amid the global interest rate hike environment, we believe the regional and local bourses are likely to trend in the negative tone at least over the near term. Commodities wise, the Brent oil price declined but maintained above the USD81 level, while the CPO price hovered slightly below RM3,950. Also, gold pulled back below the USD1800 psychological level.

**Sector focus:** The negative sentiment may spillover towards stocks on the local front, specifically the technology sector. However, we believe the O&G stock could be decent to pick up in view of the firm Brent oil price. We also expect a pickup in defensive characteristic sectors, such as the REITs, consumer and utility sectors.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI retreated below its daily EMA20 and EMA120 level. Technical indicators, however turned positive as the MACD Histogram painted a positive bar, while the RSI hovered above 50. Support is pegged around 1,450-1,460, while the resistance is envisaged around 1,500-1,510.

Research Team

[research@msec.com.my](mailto:research@msec.com.my)

(603) 2201 2100

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,202.22	-2.25
S&P 500	3,895.75	-2.49
NASDAQ	10,810.53	-3.23
FBM KLCI	1,467.13	-1.08
FBM Small Cap	15,201.20	-0.14
FBM ACE	5,471.59	-0.71
Construction	151.13	-0.48
Consumer	581.05	-0.47
Energy	794.60	-0.10
Financial Services	16,535.50	-0.80
Healthcare	1617.59	-1.89
Ind Products	181.02	-0.20
Plantation	6,704.41	-0.54
Property	651.78	-0.69
REITs	767.09	-0.36
Technology	65.33	-2.04
Telco & Media	579.05	-2.42
Transport	849.07	1.50
Utilities	861.26	-0.35
Trading Vol (m)	2,535.47	0.83
Trading Val (RM m)	1906.98	0.16
Advance/ Decline	54%	
FKLI	1462.00	-0.20
FCPO (RM)	3,946.00	1.34
Brent oil (USD)	81.21	-1.80
Gold (USD)	1,776.85	-1.69
USD	4.4155	-0.52
GBP	5.4481	-0.07
EURO	4.6899	-0.13
SGD	3.259	0.13

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
295.7	35.9	-331.6

Source: Bloomberg, Bursa Market Place

## Company Brief

**Eco World International Bhd's** 4QFY22 net losses widened to RM95.7m from RM56.3m in the previous corresponding quarter the group's investment in EW-Ballymore incurred further impairment. Revenue, however, rose 24.1% to RM43.2m, thanks to a higher number of units sold and handed over to customers. (The Star)

**Inta Bina Group Bhd's** unit Inta Bina Sdn Bhd has secured a RM93.7m contract for superstructure works from Sime Darby Property (KL East) Sdn Bhd in Selangor. The contract is for the construction of a 34-storey serviced apartment comprising 234 units. The construction period is 28 months and the date of commencement as per the letter of the award shall be on 16th January 2023. (The Star)

**Astro Malaysia Holdings Bhd's** 3QFY23 net profit shrank to RM5.8m from RM105.9m a year earlier, dragged by higher net financing cost of RM141.7m versus RM27.1m previously. Revenue dipped to RM926.2m from RM1.02bn due to lower subscription revenue and merchandise sales, which was partially offset by an increase in advertising revenue. A third interim dividend of 0.75 sen per share was declared. (The Edge)

**Comintel Corporation Bhd's** wholly-owned subsidiary Total Package Work Sdn Bhd has accepted a letter of award from Butirjaya Maxim Development Sdn Bhd, worth RM170.7m. The contract involves the main building works of a proposed affordable housing project, comprising two blocks of 39 and 40 stories, with a total of 818 units in Kampung Kasipillay, Mukim Batu, Wilayah Persekutuan Kuala Lumpur. The contract commences on Thursday and ends 28.5 months from the commencement date, which is around 2Q25. (The Edge)

**Axis Real Estate Investment Trust** (Axis REIT) has declared a fourth interim income distribution of 2.09 sen per unit, bringing its total income distribution for FY22 to 9.51 sen. The 2.09 sen distribution will be paid on 20th January 2023. (The Edge)

**Mesiniaga Bhd** has been awarded a RM43.6m contract by the Companies Commission of Malaysia (SSM) for the development of the corporate registry system (CRS). The contract term runs from 1st January 2023 to 31st December 2026, and includes the development, supply, implementation, training, support, warranty and maintenance of the CRS. (The Edge)

Tethystronics Technologies Company Ltd, an indirect shareholder of SilTerra Malaysia Sdn Bhd, has filed an arbitration notice against the company and its sister company DNeX Semiconductor Sdn Bhd (DDSB) over a dispute concerning the appointment of directors to the board of SilTerra. **Dagang Nexchange Bhd** (DNeX) – the parent company of SilTerra and DDSB – said the dispute arises from a clause in a shareholder's agreement that concerns SilTerra's board of directors. (The Edge)

**Petroliam Nasional Bhd** (Petronas) has lifted its suspension against the Deleum Bhd's indirect subsidiary Deleum Technology Solutions Sdn Bhd (DTS). DTS – which was formerly known as Deleum Primera Sdn Bhd – received a letter from Petronas stating that the uplift was effective from 12th December 2022. (The Edge)

The Securities Commission Malaysia has granted a conditional approval to **Insas Bhd's** proposal to list its stockbroking arm M & A Securities Sdn Bhd via a reverse

takeover of furniture maker SYF Resources Bhd. SYF Resources is required to revise some of its proposals based on the terms by the regulator. (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	EPMB	7-Dec	1.120	1.180	1.230	1.350	1.050	1.040	1.060	-5.4%	On-going
2	RAMSSOL	9-Dec	0.405	0.445	0.480	0.520	0.360	0.355	0.445	9.9%	Take profit at R1 on 14-Dec
3	CENGILD	12-Dec	0.490	0.495	0.520	0.575	0.425	0.420	0.470	-4.1%	
4	RANHILL	14-Dec	0.440	0.465	0.485	0.515	0.415	0.410	0.440	0.0%	On-going

4Q22 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	ATECH	3-Oct	1.869	2.180	2.280	-	1.740	1.660	1.910	2.2%	On-going
2	PECCA	3-Oct	0.880	1.000	1.080	-	0.795	0.740	0.805	-8.5%	On-going
3	KGB	3-Oct	1.290	1.520	1.630	-	1.260	1.150	1.480	14.7%	On-going
4	SCOMNET	3-Oct	1.665	1.890	2.050	-	1.390	1.240	1.700	2.1%	On-going
5	OPTIMAX	3-Oct	0.734	0.910	1.000	-	0.695	0.625	0.810	10.4%	On-going
6	SAMAIDEN	3-Oct	0.755	0.835	0.915	-	0.670	0.605	0.800	6.0%	On-going
7	TIMECOM	3-Oct	4.620	5.000	5.250	-	4.400	4.210	4.990	8.0%	On-going
8	HEXTAR	3-Oct	1.760	2.000	2.150	-	1.620	1.510	2.400	36.4%	On-going
9	TGUAN	3-Oct	2.560	2.870	3.030	-	2.470	2.320	2.370	-7.4%	On-going
10	GAMUDA	3-Oct	3.542	4.470	4.680	-	3.760	3.600	3.610	1.9%	On-going
11	MYEG	3-Oct	0.837	1.000	1.080	-	0.785	0.715	0.885	5.7%	On-going
12	CCK	3-Oct	0.650	0.720	0.760	-	0.580	0.550	0.660	1.5%	On-going
13	SIGN	3-Oct	1.730	2.000	2.150	-	1.610	1.440	2.630	52.0%	On-going
Average Return										9.6%	

Technical Focus Tracker Summary	
Total recommendations	287
Total winners	174
Total losers	112
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	10.8%
Accuracy (2022)	59.8%
FBM KLCI (Since 31/12/2021)	-6.4%
FBM Small Cap (Since 31/12/2021)	-3.5%
Malaysia GDP Growth (9M22)	9.3%