

Extended pullback

Market Review

Malaysia: The FBM KLCI (-0.4%) marked its fifth straight session of decline on concern over the debt ceiling issue in US and impending release of China's economic data. The lower liners also slipped lower, while all 13 major sectors retreated with the telecommunications & media sector (-1.1%) underperformed

Global markets: Wall Street staged a mild recovery as the Dow (+0.1%) rose with investors await clarity over lawmakers will be able to reach a deal to avert the debt default. The European stockmarkets closed mixed, while Asia stockmarkets ended mostly upbeat.

The Day Ahead

The FBM KLCI declined for the fifth session as profit taking activities continues ahead of the debt ceiling negotiations in the US as well as pricing uncertainty in the political scene in the upcoming state elections. However, Wall Street ended higher prior to the US debt ceiling talks as traders hoped that a deal would be reached in the House of Representatives. Nevertheless, we still think the local market may stay sideways, while the upside is likely to be capped on the regional indices as traders may adopt a "wait and see" approach. Commodities wise, the Brent crude oil price traded above USD75, while the CPO traded hovered around below RM3,500. Gold price continued to stay above USD2,000.

Sector focus: Given the uncertain environment, we expect traders to focus on defensive sectors such as telecommunication, utilities and consumer. Also, we believe the gold price could remain firm ahead of the debt ceiling negotiation, translating to potential trading opportunities within the gold-related stocks.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI slid for the fifth session as profit taking activities continued. Technical indicators have turned negative with the MACD Histogram fell below zero, while the RSI is hovering below 50. The support is set around 1,400-1,410, while resistance is pegged along 1,425-1,430.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,348.60	0.14
S&P 500	4,136.28	0.30
NASDAQ	12,365.21	0.66
FBM KLCI	1,417.37	-0.39
FBM Small Cap	15,777.21	-0.31
FBM ACE	4,981.01	-0.07
Construction	160.75	-0.62
Consumer	572.32	-0.15
Energy	827.39	-0.24
Financial Services	15,489.39	-0.15
Healthcare	1,800.21	-0.90
Ind Products	165.72	-0.84
Plantation	6,891.72	-0.93
Property	691.57	-0.14
REITs	792.99	-0.13
Technology	58.53	-0.78
Telco & Media	613.43	-1.11
Transport	899.67	-0.25
Utilities	948.08	-0.61
Trading Vol (m)	2,662.19	(2.94)
Trading Val (RM m)	1,410.64	(20.57)
Advance/Decline		
FKLI	1,417.00	0.39
FCPO (RM)	3,512.00	0.43
Brent oil (USD)	75.23	1.43
Gold (USD)	2,016.49	(0.04)
USD	4.4972	(0.38)
GBP	5.6187	(0.11)
EURO	4.8881	-
SGD	3.3605	(0.07)

Trading participant

Institution	Retail	Foreign
105.0	14.3	-119.3

Source: Bloomberg, Bursa Market Place

Company Brief

Tomei Consolidated Bhd has proposed to acquire a 100.0% stake in Pajak Gadai JP Sdn Bhd (JP) from Datuk Ng Yih Pyng and Datin Choong Chow Mooi for RM3.8m cash. Ng is the managing director of Tomei while Choong is the executive director of Tomei. JP is principally engaged in business as pawnbroker. As at 31st December 2022, being the last date of audited financial statements, JP reported a loss after taxation of -RM0.2m and net assets of RM3.8m. (The Star)

United Malacca Bhd saw the shareholding of its non-independent non-executive director as well as largest shareholder Datuk Seri Tee Lip Sin, creeping up to almost 31.0%, from 24.5% last month. Tee has acquired via Prosper Capital Holdings Sdn Bhd (formerly known as Prosper Palm Oil Mill Sdn Bhd). (The Edge)

Paper tycoon Oei Tjie Goan has emerged as a substantial shareholder in **NTPM Holdings Bhd** with 22.4%. Oei, who is president and chairman of Indonesia's Sinar Mas Group, bought 251.8m shares in the company via Premier Investment Ltd. The shares were acquired on 10th May 2023 by reason of entry into a share sale agreement. (The Edge)

Eversendai Corp Bhd had secured 9 projects worth a combined RM1.10bn in the United Arab Emirates (UAE), Qatar, Saudi Arabia, India and Singapore. Eversendai had an outstanding tender book of RM11.0bn, with interesting and highly prospective iconic landmark projects, especially in Saudi Arabia and India. (The Edge)

Cahaya Mata Sarawak Bhd (CMSB) has reported that a possible contingent liability of RM266.0m could be reflected in its FY2022 audited financial statements if the power purchase agreement (PPA) between its unit Cahya Mata Phosphates Industries Sdn Bhd (CMPI) and Syarikat SESCO Bhd is deemed terminated. CMPI (formerly known as Malaysia Phosphate Additives Sarawak Sdn Bhd) had already referred a dispute involving the PPA to the Asian International Arbitration Centre under the dispute resolution mechanism of the PPA. (The Edge)

CapitaLand Malaysia Trust (CLMT) is adding a freehold logistics warehouse located at the Hicom-Glenmarie Industrial Park in Shah Alam, Selangor to its portfolio for RM39.7m, and convert it into a temperature-controlled distribution centre. Its trustee, MTrustee Bhd, has inked a sale and purchase agreement to acquire the property which comprise a single-storey detached warehouse with an annexed three-storey office building and a built-up area of 84,755 sqf from Cynnyx Sdn Bhd. (The Edge)

G Capital Bhd's 70.0%-owned solar photovoltaic 4.5MWp electric power generation system for **Muda Holdings Bhd's** unit in Penang has been completed and commenced operation on 15th May 2023. The plant will be contributing revenue and earnings to G Capital over a span of 25 years from the commercial operation date. The plant was built to supply power to Muda's wholly owned unit Federal Packages Sdn Bhd, which is involved in the manufacturing and sale of paper cartons and paper related products. (The Edge)

GDB Holdings Bhd's unit filed a fresh lawsuit against KSK Land Sdn Bhd, claiming an outstanding sum of RM102.1m in relation to the corporate guarantee KSK Land made in August 2022. GDB's wholly owned Grand Dynamic Builders Sdn Bhd had filed a writ of summons and statement of claim at the High Court, against KSK Land. (The Edge)

Hextar Global Bhd has entered into 3 separate agreements which will result in the group acquiring a chemical trading business, while divesting its entire interest in its consumer products segment respectively. This is intended to further streamline the group's operations to focus on its core chemicals businesses. Under the proposed acquisition, Hextar Global has entered into a share sale agreement with a related party Hextar Holdings Sdn Bhd (HHSB) to acquire an entire stake in Hextar Industrial Chemicals Sdn Bhd (HICSB) for RM10.0m in cash. (The Edge)

Public Bank Bhd's shareholders have voted in favour of the group's final remuneration of RM20.0m, together with various benefits in kind, to its late founder Tan Sri Teh Hong Piow, in appreciation and recognition of his contribution to the country's third largest bank by asset size. The benefits in kind included a company car, medical coverage and other claimable benefits. (The Edge)

Eduspec Holdings Bhd has announced that Datuk Gan Chow Tee has emerged as its substantial shareholder, after acquiring 78.3m shares through the company's right issue. This brings his total shareholding in the education technology solutions service provider to 78.8m shares or a 7.4% stake. Gan is an independent and non-executive director for **YB Venture Bhd** and an executive director of **Fitters Diversified Bhd**. He is also the chairman of privately held developer Mirame Land Bhd. (The Edge)

Hong Leong Bank Bhd (HLBB) announced Kevin Lam Sai Yoke as its group managing director (MD) and chief executive officer, effective 1st July 2023. Lam will replace Domenic Fuda, who retires as group MD and CEO on 30th June 2023. Lam has over 30 years of banking, technology and leadership experience across regional and international banks in several geographies. (The Edge)

CJ Century Logistics Holdings Bhd has appointed Kim JinMok, 46, as its new deputy CEO, succeeding Sung Hyunsup, who has been redesignated to a non-independent and non-executive director of the company, effective 15th May 2023. The logistics company also announced the resignation of Park Chul Moon as its non-independent and non-executive director. (The Edge)

Bintai Kinden Corp Bhd has announced a number of boardroom changes on 15th May 2023, with 3 resignations and 2 new appointments. Its executive director Noor Azri Datuk Seri Azerai, 24, has resigned due to personal reasons and time commitment on other companies. It also announced the resignation of Ong Choon Lui, 51, as non-executive vice/deputy chairman to pursue other interests. The group's non-independent and non-executive chairman Datuk Ibrahim Othman has also resigned from his position, due to personal reasons. Meanwhile, Datuk Ng Choon Koon, 47, and Ng Siew Kim, 31, have been appointed as independent and non-executive directors of Bintai Kinden, effective 15th May 2023. (The Edge)

Malaysian Genomics Resource Centre Bhd (MGRC) has inked a strategic cooperation agreement (SCA) with Bangladeshi firm Toticell Ltd for the distribution of its products in Bangladesh. Toticell is based in Dhaka, Bangladesh, and the firm specialises in regenerative healthcare, focusing on treatments for musculoskeletal conditions such as arthritis, sports-related injuries and tendinopathies. (The Edge)

Menang Corp (M) Bhd's 3QFY23 net profit fell 27.8% YoY to RM3.3m, as cost of sales rose in a larger quantum than the increment in the group's revenue. Revenue for the quarter, however, grew 3.1% YoY to RM22.2m. (The Edge)

Samchem Holdings Bhd's 1QFY23 net profit tumbled 66.6 YoY to RM6.5m, weighed down by lower sales volumes and weaker margins. Revenue for the quarter fell 29.9% YoY to RM255.4m. (The Edge)

Teo Seng Capital Bhd's 1QFY23 net profit soared 373.2% YoY to RM19.7m, due to improved business conditions in the poultry sector. Revenue for the quarter climbed 24.5% YoY to RM183.4m. (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	GCB	10-May	2.620	2.760	2.850	3.000	2.510	2.500	2.650	1.1%	On-going
2	MYEG	15-May	0.800	0.855	0.915	0.965	0.740	0.735	0.790	-1.3%	On-going

2Q23 Stock Picks											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Support 1 (RM)	Support 2 (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	DANCO	4-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.415	-9.8%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.920	-1.6%	On-going
3	HEXTAR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.200	-0.8%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.420	-7.2%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.140	1.8%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.305	-1.6%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.750	-7.4%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.740	-3.9%	On-going
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.575	17.3%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.410	-1.2%	On-going
11	TIMECOM	4-Apr	5.510	5.800	6.000	5.250	5.060	5.000	5.650	2.5%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	2.790	-12.8%	On-going
Average Return										-2.1%	

Technical Focus Tracker Summary	
Total recommendations	326
Total winners	200
Total losers	126
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)	1.9%
Accuracy (2023)	58.3%
FBM KLCI (Since 30/12/2022)	-4.7%
FBM Small Cap (Since 30/12/2022)	2.0%
Malaysia GDP Growth (2022)	8.7%