

## Mild profit taking

### Market Review

**Malaysia:** The FBM KLCI (-0.3%) retreated for the first time in 5 trading days amid profit taking activities in Petronas-related and selected banking heavyweights. The lower liners, however, was driven by the final hour buying momentum to edge higher, while the healthcare sector (+3.1%) rallied to re-test SMA200.

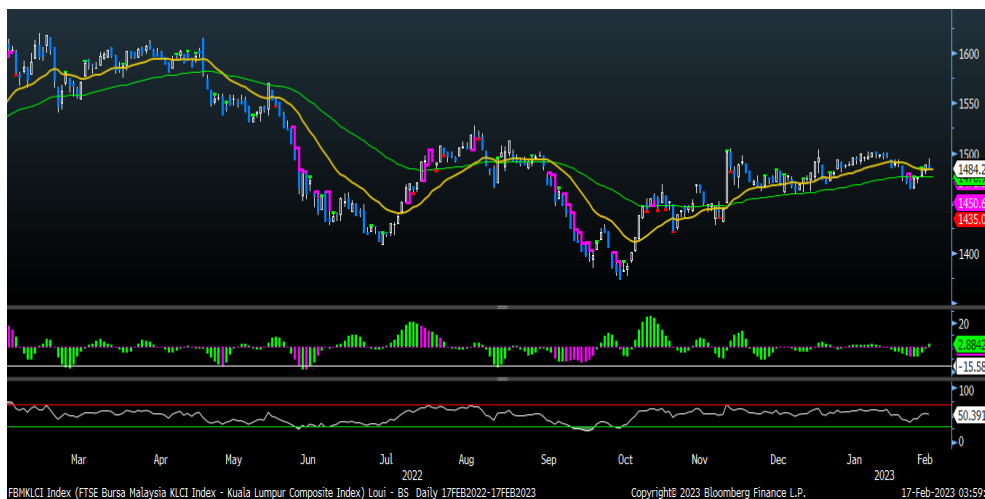
**Global markets:** The US stockmarkets turned lower as the Dow (-1.3%) slipped after two Federal Reserve officials are embracing for a 50 basis points hike amid the recent batch of strong economic data. The European stockmarkets extended their gains, while Asia stockmarkets finished mostly upbeat.

### The Day Ahead

The FBM KLCI slipped into the negative territory after midday break amidst quick profit-taking activities following a four-day rally. As investors parsed through the stronger-than-expected inflation report, global sentiment has again turned slightly weaker in the anticipation of a hawkish tone from the Fed moving forward. While bargain hunting activities may occur amid the reporting season, we believe cautious sentiment on the global front may capped the buying momentum on the local bourse. Commodities wise, the Brent crude oil price hovered above USD84, while the CPO price climbed above RM4,000.

**Sector focus:** Given the CPO commodities prices crossed above RM4,000, the market may focus on the plantation sector prior to their earnings respectively. Closer to the re-tabling of Budget 2023, we remain positive on the construction, building material sectors as well as renewable energy and EV related stocks.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI closed lower after a 4-day rally, but the key index continues to hover above EMA20 level. Technical indicators, however turned positive as the MACD Histogram crossed above zero, while the RSI is hovering above 50. Resistance is set at 1,525-1,540, while support is pegged along 1,450-1,460.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,696.85	-126
S&P 500	4,090.41	-138
NASDAQ	11,855.83	-178
FBM KLCI	1484.26	-0.26
FBM Small Cap	16,244.80	0.13
FBM ACE	5,749.55	0.68
Construction	160.99	-0.36
Consumer	602.53	-0.72
Energy	90120	0.96
Financial Services	16,119.99	-0.25
Healthcare	1697.73	3.09
Ind Products	130.46	-0.13
Plantation	6,901.70	-0.02
Property	687.18	0.65
REITs	810.22	-0.62
Technology	66.31	0.50
Telco & Media	602.23	0.00
Transport	957.08	1.13
Utilities	889.57	-0.02
Trading Vol (m)	4,557.73	30.73%
Trading Val (RM m)	2,550.67	26.07%
Advance/ Decline	136%	
FKLI	1488.50	-0.20%
FCPO (RM)	4,069.00	0.71%
Brent oil (USD)	85.14	-0.28%
Gold (USD)	1,836.36	-0.10%
USD	4.4040	-0.27%
GBP	5.3088	0.06%
EURO	4.7125	-0.03%
SGD	3.3007	-0.19%

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-91.4	-38.5	129.9

Source: Bloomberg, Bursa Market Place

## Company Brief

**Hibiscus Petroleum Bhd's** 2QFY23 net profit rose 45.3% YoY to RM70.5m, attributed to better performance from the Peninsula Hibiscus Group assets and the Anasuria Cluster. Revenue for the quarter jumped 150.7% YoY to RM713.1m. An interim dividend of 0.75 per share, payable on 18th April 2023 was declared. (The Star)

**Petronas Gas Bhd's** 4QFY22 net profit fell 8.9% YoY to RM412.6m, dragged by higher operating expenses relating to fuel gas and internal gas consumption expenses. Revenue for the quarter, however, climbed 9.1% YoY to RM1.63bn. A fourth interim dividend of 22.0 sen per share, payable on 15th March 2023 was declared. (The Star)

**Malaysian Pacific Industries Bhd's** 2QFY23 net profit sank 78.5% YoY to RM18.3m, dragged by lower demand in the consumer electronics market. Revenue for the quarter declined 13.4% YoY to RM526.4m. (The Edge)

**Supermax Corp Bhd's** 2QFY23 net loss stood at RM108.1m vs. a net profit of RM47.8m recorded in the previous corresponding quarter, impacted by the continued fall in the average selling prices (ASPs) of gloves and rising per unit costs. Revenue for the quarter dropped 66.6% YoY to RM174.8m. (The Edge)

**Kossan Rubber Industries Bhd's** 4QFY22 net loss stood at RM2.5m vs. a net profit of RM156.6m recorded in the previous corresponding quarter, due to the lower average selling price (ASP) and volume sold. Revenue for the quarter declined 47.9% YoY to RM481.5m. An interim dividend of 2.5 sen per share, payable on 22nd March 2023 was declared. (The Edge)

**Hong Leong Industries Bhd's** 2QFY23 net profit declined marginally by 0.3% YoY to RM73.5, due to higher material costs in the motorcycle business amid an unfavourable exchange rate, as well as significantly higher energy costs. Revenue for the quarter, however, rose 8.3% YoY to RM841.6m. (The Edge)

**Dayang Enterprise Holdings Bhd's** 4QFY22 net profit stood at RM15.6m vs. a loss of RM288.5m recorded in the previous corresponding quarter, due to the reversal of impairment loss and net unrealised and realised foreign exchange gain. Revenue for the quarter added 11.1% YoY to RM222.3m. A single-tier second interim dividend of 1.5 sen per share, payable on 17th March 2023 was declared. (The Edge)

**Dialog Group Bhd's** 2QFY23 net profit declined marginally by 0.6% YoY to RM127.2m, due to higher project, operation and finance costs. Revenue for the quarter, however, rose 46.4% YoY to RM797.0m, on higher business activities across local and international operations. Separately, Dialog is setting up Terminal Langsat 3 at its terminal operations in Tanjung Langsat, Johor for storage of renewable fuel products with a capacity of 24,000m<sup>3</sup>. (The Edge)

Privately-held Tunas Capital Sdn Bhd, which is the vehicle of Datuk Chin Yoke Kan and Datuk Chin Yoke Choon has ceased to be a substantial shareholder of **Malaysian Bulk Carriers Bhd** following the disposal of 60.0m shares that represents a 6.0% stake in the dry bulk operator on 16th February 2023. The shares were acquired by Datuk Goh Cheng Huat, who bumped up his shareholding to 32.0. (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	TELADAN	30-Jan	1.290	1.380	1.480	1.550	1.140	1.130	1.220	-5.4%	On-going
2	SUNCON	8-Feb	1.700	1.800	1.870	2.000	1.620	1.610	1.640	-3.5%	On-going
3	MCEMENT	15-Feb	2.540	2.700	2.840	2.940	2.380	2.370	2.500	-1.6%	On-going

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	3-Jan	2.640	2.780	2.940	-	2.580	2.500	2.350	-11.0%	On-going
2	BJFOOD	3-Jan	1.020	1.110	1.200	-	0.975	0.935	1.080	5.9%	On-going
3	CMSB	3-Jan	1.070	1.130	1.250	-	1.000	0.915	1.330	24.3%	On-going
4	D&O	3-Jan	4.290	4.450	4.770	-	4.100	3.940	4.770	11.2%	On-going
5	DIALOG	3-Jan	2.400	2.550	2.720	-	2.320	2.230	2.580	7.5%	On-going
6	GENTING	3-Jan	4.480	4.750	4.850	-	4.290	4.180	5.030	12.3%	On-going
7	HEKTAR	3-Jan	0.687	0.750	0.795	-	0.665	0.645	0.705	2.6%	On-going
8	JTIASA	3-Jan	0.660	0.710	0.755	-	0.615	0.585	0.655	-0.8%	On-going
9	MAGNI	3-Jan	1.860	1.940	2.000	-	1.800	1.750	1.860	0.0%	On-going
10	MISC	3-Jan	7.270	7.680	8.190	-	7.000	6.800	7.480	2.9%	On-going
11	MYEG	3-Jan	0.855	1.000	1.080	-	0.825	0.770	0.610	-28.7%	Cut loss on 10-Feb
12	SLVEST	3-Jan	0.815	0.915	0.995	-	0.795	0.705	1.090	33.7%	On-going
13	UMW	3-Jan	3.450	3.640	3.950	-	3.220	3.100	3.930	13.9%	On-going
Average Return										5.7%	

Technical Focus Tracker Summary	
Total recommendations	302
Total winners	187
Total losers	115
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)	2.3%
Accuracy (2023)	66.7%
FBM KLCI (Since 30/12/2022)	-0.8%
FBM Small Cap (Since 30/12/2022)	8.8%
Malaysia GDP Growth (2022)	8.7%