

## Turning directionless

### Market Review

**Malaysia:** The FBM KLCI (-0.02%) was traded in a tight range before closing on a flattish note on the lack of fresh leads ahead of the Hari Raya festive break. The lower liners closed mixed, while the telecommunications & media sector (+1.5%) outperformed on the potential introduction of second 5G network rollout.

**Global markets:** Wall Street rebounded as investors look ahead onto the upcoming batch of corporate earnings releases later this week from corporate giants such as Bank of America, Goldman Sachs, Morgan Stanley, Tesla, IBM and Netflix. Both the European and Asia stockmarkets, however, closed mixed.

### The Day Ahead

The FBM KLCI saw a mild pullback as investors remained wary of the global economic outlook and trading softer ahead of the festive break, while the defensive sectors such as the telco and utilities were clear winners. Meanwhile, the global sentiment was positive as Wall Street could be hoping for more positive earnings report this week, and regional markets may head higher as traders may be upbeat on GDP growth in China. Commodities wise, the Brent crude oil saw mild pullback towards USD84 per barrel as investors mulled over potential higher US Dollar and interest rate, while the CPO traded above RM3,600. Gold price fell below the psychological USD2,000 level.

**Sector focus:** Given the rise on Wall Street, buying interest may spillover to the technology sector. Besides, the banking sector may gain traction following the recovery within the US banking stocks. On the other hand, energy stocks may see pullback in tandem with slight retracement in crude oil prices.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI booked marginal losses after trading in a tight range but managed to stay above the daily EMA9 level. Technical indicators, however remained positive as the MACD Histogram extended a positive bar, while the RSI hovered above 50. Support is set around 1,400-1,410, while the resistance is envisaged along 1,440-1,450.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,987.8	0.30
S&P 500	4,513.2	0.33
NASDAQ	12,577.2	0.28
FBM KLCI	1434.90	-0.02
FBM Small Cap	5,724.8	-0.29
FBM ACE	5,369.32	0.02
Construction	1,144	-1.65
Consumer	582.84	0.46
Energy	878.19	0.05
Financial Services	5,765.59	0.20
Healthcare	1,831.80	-1.19
Ind Products	175.16	-0.28
Plantation	6,820.00	-0.45
Property	708.00	-0.07
REITs	796.46	-0.18
Technology	62.82	-0.82
Telco & Media	618.83	1.47
Transport	932.74	0.29
Utilities	952.70	1.29
Trading Vol (m)	3,251.27	0.86
Trading Val (RM m)	1,891.59	6.53
Advance/Decline	78%	
FKLI	1433.00	-
FCPO (RM)	3,642.00	0.11
Brent oil (USD)	84.76	(1.80)
Gold (USD)	1,995.19	(0.03)
USD	4.4225	(0.48)
GBP	5.4845	0.20
EURO	4.8559	0.49
SGD	3.3218	0.20

### Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
- 67.1	- 63.8	130.9

Source: Bloomberg, Bursa Market Place

## Company Brief

**VCI Global Limited** which provides business and boardroom strategy services, investor relation services, and technology consultancy services has commenced trading on the Nasdaq capital market on last Thursday under the ticker symbol "VCIG". It priced its firm commitment underwritten public offering of 1.3m shares of ordinary shares at a public offering price of USD4.00 per share. The gross proceeds to the company from the offering are expected to be USD5.1m (not including any exercise by the underwriter of its over-allotment option) before deducting underwriting discounts, commissions and other offering expenses. (Technode Global)

**Boustead Holdings Bhd** (BHB) has set 22nd May 2023 as the first closing date for the conditional voluntary takeover offer by Lembaga Tabung Angkatan Tentera (LTAT) to acquire the remaining shares in BHB. If the offer has become or been declared unconditional prior to the first closing date, the offeror (LTAT) will keep the offer open for acceptances for not less than 14 days thereafter, which shall not be later than the 74th day from the posting date. (The Star)

**Pertama Digital Bhd** has signed a memorandum of understanding with Kridentia Tech Sdn Bhd (KTSB) to enhance and secure digital ID for Malaysia. The proposed collaboration outlines clear objectives agreed upon by both parties to explore projects for the benefit of utilising Digital ID solutions and to design, develop and enhance other digital products and services for the benefit of Malaysians which includes joint participation in government projects. The proposed collaboration is set to continue for a period of 12 months. (The Star)

**Salutica Bhd**, which was slapped with an unusual market activity (UMA) query, highlighted its legal dispute with Apple Malaysia Sdn Bhd as a possible cause for the recent jump in its share price and volume. This was referring to the 3rd April 2023 announcement that its wholly owned subsidiary Salutica Allied Solutions Sdn Bhd has filed a writ of summons and statement of claim against Apple Malaysia at the High Court. Salutica started the legal action against Apple Malaysia in 2022, claiming the latter used a wireless pairing process that is similar to the content of Salutica's patent. The group alleges that the pairing method used by Apple infringes upon its patent, which it applied for in 2012. (The Edge)

**Sime Darby Bhd's** automotive arm Sime Darby Motors has entered the Indonesian automotive market via PT Performance Motors Indonesia which is a joint venture between its subsidiary Sime Singapore Ltd and Galeon Group. PT Performance Motors Indonesia gives Sime Darby an immediate presence in Jakarta and Medan, via two dealerships representing BMW and MINI. (The Edge)

**Salcon Bhd's** unit has secured a contract to build a small hydropower plant of 10.4MW at the Sungai Selangor Dam, worth RM65.0m. The company wholly owned subsidiary Salcon Engineering Bhd has accepted the letter of award from AIS Small Hydro Sdn Bhd for the engineering, procurement, construction and commissioning (EPCC) of the power plant. The contract is scheduled for completion by 3rd May 2025. (The Edge)

**MN Holdings Bhd** wholly owned subsidiary Mutu Nusantara Sdn Bhd has secured a contract from Rentak Segar Sdn Bhd to undertake the engineering, procurement, construction and commissioning (EPCC) of a natural gas distribution system in Tanjung Malim, Perak, worth RM20.2m. The project duration is between April 2023

and February 2025. (The Edge)

**TAFI Industries Bhd**, via its wholly owned TAFI Home & Office Sdn Bhd (THOSB), has been awarded a RM9.7m contract to build a factory in Kuala Langat, Selangor. THOSB secured the contract from Alpha Estate Sdn Bhd for the construction of one unit of single factory, together with a two-storey office building and one unit of electrical substation. The contract period is from 19th April 2023 to 18th December 2023 this year. (The Edge)

**Jiankun International Bhd**'s unit is acquiring a parcel of leasehold land in Klebang, Melaka for RM26.0m, which will be partially funded through a private placement. The wholly owned unit, Key Success Development Sdn Bhd, is purchasing the 40,469-sqm land from Cash Support Group Sdn Bhd to undertake a commercial development. RM14.0m out of the RM26.0m purchase consideration will be funded via a private placement, with Eclipse International Sdn Bhd subscribing for 70.0m new shares, representing 19.4% of the total number of issued shares in Jiankun as at 13th April 2023. The remaining RM12.0m of the purchase consideration will be funded via the group's internal funds and bank borrowings. (The Edge)

**Malayan Flour Mills Bhd** (MFM), via its 51.0%-owned joint-venture (JV) company Dindings Tyson Sdn Bhd (DTSB), has allocated about RM135.0m for its poultry integration business. DTSB will invest further to meet and support the continued demand for its poultry products in Malaysia. The investment is earmarked to improve the wastewater treatment facility, embark on phase two of its rendering plant, and set up a new further processing plant. (The Edge)

**Seni Jaya Corp Bhd**'s unit has won an award from Prasarana Malaysia Bhd's unit to promote out-of-home advertising on the LRT Ampang Line starting 1st July 2023, for 5 years, with a possible extension of another 5 years. The groups' wholly owned unit Seni Jaya Sdn Bhd (SJSB) accepted the letter of acceptance (LOA) dated 12th April 2023 from Prasarana Integrated Development Sdn Bhd (PRIDE) to perform sales, marketing and business support for LRT Ampang Line's external advertising. (The Edge)

Lembaga Tabung Haji has ceased to be a substantial shareholder of **Pentamaster Corp Bhd**. Tabung Haji sold 400,000 shares in Pentamaster on 14th April 2023, which trimmed the pilgrim fund's stake in the group to 4.9%, from 5.0% previously. While the transacted price was not disclosed, based on Pentamaster's closing price of RM5.05 last Friday, the block of shares was worth RM2.0m. (The Edge)

**CTOS Digital Bhd**'s 1QFY23 net profit rose 32.9% YoY to RM16.6m, on the back of a strong performance by its business segments. Revenue for the quarter increased 39.6% YoY to RM59.6m. A first interim dividend of 0.433 sen per share, payable on 30th May 2023 was declared. (The Edge)

**Bina Puri Holdings Bhd**'s rights issue with warrants to raise up to RM58.0m has been undersubscribed by 6.6%. At the close of acceptance on 11th April 2023, the valid acceptances and excess applications totalled 1.29bn rights shares, which is 93.4% of the 1.38bn rights shares made available for subscription. (The Edge)

**OSK Ventures International Bhd**'s founder and largest shareholder Tan Sri Ong Leong Huat @ Wong Joo Hwa will assume the position of non-executive chairman in the group from 18th April 2023. Ong is the largest shareholder of OSK Ventures, with a 65.8% stake held via OSK Equity Holdings Sdn Bhd and **OSK Holdings Bhd**. (The Edge)

**Axiata Group Bhd's** 63.0%-owned tower arm, edotco Group Sdn Bhd, has announced the implementation of a long-term incentive plan (LTIP) for its employees and executive directors, which will be in force for up to 10 years. Under the LTIP, eligible employees will be granted edotco shares and once accepted by these employees, will be vested subject to achievement by edotco Group and eligible employees of certain targets. Rewards attributable to vested LTIP grants may be in the form of edotco shares, cash, or a combination of both. Total edotco shares that may be issued under the plan shall not exceed in aggregate 3.0% of edotco's issued shares (excluding treasury shares, if any) at any point in time. (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	PWROOT	3-Apr	2.120	2.240	2.310	2.500	2.000	1.990	2.100	-0.9%	On-going
2	EG	5-Apr	1.300	1.400	1.460	1.600	1.160	1.150	1.310	0.8%	On-going
3	CMSB	12-Apr	1.160	1.250	1.340	1.400	1.120	1.110	1.140	-1.7%	On-going
4	BETA	17-Apr	0.525	0.560	0.585	0.645	0.475	0.470	0.535	1.9%	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	0.450	-2.2%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.945	1.1%	On-going
3	HARBOUR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.170	-3.3%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.580	3.3%	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	0.295	-4.8%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.790	-2.5%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	5.090	3.2%	On-going
9	RANHILL	4-Apr	0.510	0.550	0.580	0.450	0.425	0.405	0.590	15.7%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.415	0.0%	On-going
11	TIMECOM	4-Apr	5.510	5.800	6.000	5.250	5.060	5.000	5.700	3.4%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	3.070	-4.1%	On-going
Average Return										1.0%	

Technical Focus Tracker Summary	
Total recommendations	318
Total winners	195
Total losers	123
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)	1.6%
Accuracy (2023)	57.1%
FBM KLCI (Since 30/12/2022)	-4.1%
FBM Small Cap (Since 30/12/2022)	5.4%
Malaysia GDP Growth (2022)	8.7%

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