

Taking another jab towards 1,500

Market Review

Malaysia: The FBM KLCI (+0.4%) advanced to close a hair away from the 1,500 level, anchored by gains in Petronas-related and telco heavyweights. The lower liners, however, retreated, while the telecommunication and media sector (+1.1%) took the top spot on the sectorial peer's winners list.

Global markets: The US stockmarkets retreated as the Dow (-1.1%) sank on concern over the corporate earnings outlook with Goldman Sach (-6.4%) slipped after reporting below expectations results. The European stockmarkets ended mixed, while the Asia stockmarkets closed mostly in red.

The Day Ahead

The FBM KLCI rebounded, buoyed by late buying in telecommunications and industrial products & services heavyweights. We believe the inflation rate in Eurozone, as well as Bank Negara Malaysia and Bank of Japan's monetary policy decision will remain in focus. Meanwhile, sectors such as manufacturing, construction, plantation, and agriculture may see production activities normalising going forward after the demand for migrant workers will be met under the Relaxation of Employment of Foreign Workers Plan. Commodities wise, the Brent crude oil traded above USD85, while the CPO price consolidated towards RM3,800.

Sector focus: The technology sector may rebound in line with Wall Street Nasdaq slight uptrend move. Meanwhile, the Relaxation of Employment of Foreign Workers Plan should benefit sectors such as construction and plantation. Besides, the energy sector should gain traction amid rising Brent oil price.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI advanced with the daily EMA9 crossing above the SMA200 level. Technical indicators remained positive as the MACD Histogram extended a positive bar, while the RSI is hovering above 50. The key index is heading towards its resistance at 1,500-1,510; support is pegged at 1,450-1,460.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,910.85	-1.14
S&P 500	3,990.97	-0.20
NASDAQ	11,095.11	0.14
FBM KLCI	1,499.38	0.39
FBM Small Cap	15,533.29	-0.07
FBM ACE	5,483.24	-0.30
Construction	157.31	-0.03
Consumer	597.54	-0.12
Energy	820.57	-0.04
Financial Services	16,546.32	-0.08
Healthcare	16,955.58	0.09
Ind Products	188.64	0.91
Plantation	6,901.84	0.04
Property	659.24	0.41
REITs	798.51	-0.24
Technology	66.64	-0.36
Telco & Media	592.38	1.06
Transport	923.87	-0.07
Utilities	870.71	0.46
Trading Vol (m)	2,819.15	-28.14
Trading Val (RM m)	1,976.62	-2.85
Advance/Decline	102%	
FKLI	1,500.50	0.10
FCPO (RM)	3,807.00	0.32
Brent oil (USD)	85.92	1.73
Gold (USD)	1,908.69	-0.38
USD	4.3265	-0.21
GBP	5.2814	-0.23
EURO	4.6793	-0.16
SGD	3.269	0.03

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
301.4	-296.6	-4.8

Source: Bloomberg, Bursa Market Place

Company Brief

Sunway Construction Group Bhd (SunCon) has accepted a letter of award (LoA) worth RM218.8m from **Gopeng Bhd** for the construction of a solar photovoltaic energy generating facility in Perak. The scope of the works will include the design, engineering, procurement, construction, testing and commissioning (EPCC) of a solar photovoltaic energy generating facility with ancillary equipment and facilities, with generating capacity of 50.0-MW. The EPCC works are to be commenced immediately on 17th January 2023 and the duration for the completion of the job is 20 months from the commencement date. (The Star)

EP Manufacturing Bhd's (EPMB) wholly owned subsidiary EP Blueshark Sdn Bhd has entered into a memorandum of understanding (MoU) with a subsidiary of **Tenaga Nasional Bhd** (TNB), Tenaga Switchgear Sdn Bhd (TSG) to roll out Battery Swapping Stations and related infrastructure across Asean, including Malaysia. The collaboration was pursuant to EPMB's electric vehicle (EV) venture and carbon credit ambitions. (The Star)

Reservoir Link Energy Bhd has secured an engineering, procurement, construction and commissioning (EPCC) of an interconnection facility for a 50.0-MWac for the development of a large-scale solar photovoltaic plant contract worth RM16.6m. The project will be located at Bukit Selambau, Kedah with an expected contract value of RM16.6m upon completion. (The Star)

The brothers and suspended directors of **Revenue Group Bhd**, Brian Ng Shih Chiow and Dino Ng Shih Fang, claimed they were unaware as to why they were suspended. They have asked the company's board to explain the situation, but there has been no response. The siblings, who hold a combined stake of 23.1% complained about the company's lack of due process before suspending their executive director functions. (The Edge)

Fraser & Neave Holdings Bhd (F&N) is likely to face another challenging year in 2023 with increasing prices for raw materials on the horizon, potential instability in global supply chains, and the risk of recession is expected to have repercussions across the entire commodity landscape. (The Edge)

MCT Bhd is eyeing a higher sales target of RM848.0m for 2023 and aims to return to the black this year with more product launches. The group has planned three launches with a total gross development value of RM954.0m across the Klang Valley. (The Edge)

Dialog Group Bhd's unit signed the Baram Junior Cluster Small Field Asset production sharing contract (PSC) with Petrolia Nasional Bhd (Petronas) and a unit of Sarawak state-owned Petroleum Sarawak Bhd (Petros). Dialog's wholly-owned unit Dialog Resources Sdn Bhd will take up a 70.0% participating interest in the PSC, including the operatorship of the contract, while Petros's wholly-owned subsidiary Petroleum Sarawak Exploration and Production will take up the remaining 30% stake. (The Edge)

Econframe Bhd plans to expand its operations into the business of aluminium glazing, glass products and facade systems by acquiring a 65.0% equity interest in Lee & Yong Aluminium Sdn Bhd for RM17.2m. The company also proposed to fully acquire the factory complex of Lee & Yong from Trans United Sdn Bhd for RM1.0m. (The Edge)

Dagang NeXchange Bhd's (DNeX) unit, Ping Petroleum Sdn Bhd has signed two production sharing contracts with Petronas for the development and production of oil and gas resources in Terengganu and Sarawak. (The Edge)

Less than 7 months after **G3 Global Bhd** completed its 20.0% private placement that raised RM18.2m, the group has proposed another cash call to raise up to RM18.3m. G3 Global plans to place out up to 870.8m new shares or 30.0% of its share capital in the latest private placement. The group wants to amend its utilisation plan for gross proceeds raised from the previous private placement, the bulk of which was originally earmarked for the group's diversification into the healthcare business, including the distribution of Covid-19 test kits. (The Edge)

Binasat Communications Bhd's unit has secured an RM18.4m subcontract work to build a large scale solar photovoltaic facility in Selangor for Fabulous Sunview Sdn Bhd, a wholly-owned unit of newly-listed **Sunview Group Bhd**. (The Edge)

Comintel Corp Bhd managing director Lim Chee Hock has resigned to pursue other interests following his recent divestment of shareholdings in the group to his successor Datuk Jackson Tan Kak Seng. Tan, through his private investment vehicle JT Conglomerate Sdn Bhd, had emerged as a substantial shareholder of Comintel in December 2022 with a 37.9% stake, after subscribing to 145.0m new shares issuance at 8.0 sen apiece in the group via private placement. Tan subsequently acquired another 18.6% stake from Lim and Lim's elder brother Leng Keng Hok @ Lim Keng Hock for RM10.7m or 15.0 sen each, raising his shareholdings in Comintel to 56.5% as at 6th December 2022. (The Edge)

Ancom Nylex Bhd's 2QFY23 net profit rose 70.2% YoY to RM20.6m, driven by higher contribution from the agrochemicals and logistics businesses. Revenue for the quarter, however, declined marginally by 0.3% YoY to RM531.3m. (The Edge)

KIP Real Estate Investment Trust's (KIP REIT) 2QFY23 net property income rose 5.4% YoY to RM15.2m, contributed by 18 days of lease income from its three newly acquired industrial properties in Pulau Indah. Revenue for the quarter improved 9.1% YoY to RM20.2m. (The Edge)

The Employees Provident Fund ceased to be **Astro Malaysia Holdings Bhd's** substantial shareholder as of 12th January 2023 after its stake fell to 4.98% after a series of disposals made since early October 2022. (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	11-Jan	2.460	2.520	2.610	2.740	2.350	2.340	2.610	6.1%	Take profit at R2 on 16-Jan
2	EG	16-Jan	0.580	0.600	0.620	0.670	0.540	0.535	0.560	-3.4%	On-going
3	FIAMMA	18-Jan	1.090	1.140	1.190	1.310	1.030	1.020	1.090	0.0%	Initiate position

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	2.500	-5.3%	On-going
2	BJFOOD	3-Jan	1.020	1.110	1.200	-	0.975	0.935	0.995	-2.5%	On-going
3	CMSB	3-Jan	1.070	1.130	1.250	-	1.000	0.915	1.160	8.4%	On-going
4	D&O	3-Jan	4.290	4.450	4.770	-	4.100	3.940	4.600	7.2%	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	4.880	8.9%	On-going
7	HEKTAR	3-Jan	0.740	0.750	0.795	-	0.665	0.645	0.800	8.1%	On-going
8	JTIASA	3-Jan	0.660	0.710	0.755	-	0.615	0.585	0.620	-6.1%	On-going
9	MAGNI	3-Jan	1.860	1.940	2.000	-	1.800	1.750	1.870	0.5%	On-going
10	MISC	3-Jan	7.270	7.680	8.190	-	7.000	6.800	7.290	0.3%	On-going
11	MYEG	3-Jan	0.855	1.000	1.080	-	0.825	0.770	0.915	7.0%	On-going
12	SLVEST	3-Jan	0.815	0.915	0.995	-	0.795	0.705	0.965	18.4%	On-going
13	UMW	3-Jan	3.450	3.640	3.950	-	3.220	3.100	3.780	9.6%	On-going
Average Return										4.8%	

Technical Focus Tracker Summary	
Total recommendations	294
Total winners	181
Total losers	112
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)	7.0%
Accuracy (2023)	50.0%
FBM KLCI (Since 30/12/2022)	0.3%
FBM Small Cap (Since 30/12/2022)	4.1%
Malaysia GDP Growth (9M22)	9.3%