

Focus onto Bank Negara OPR decision

Market Review

Malaysia: The FBM KLCI (-0.3%) retreated on weakness in Petronas-related and selected banking heavyweights yesterday. The lower liners, however, ended mixed, while the technology sector (+0.9%) emerged as the biggest sector winner on a resumption of rebound after a 2-day pause.

Global markets: The US stockmarkets extended their decline as the Dow (-1.8%) sank after the sluggish producer price index and retail sales data raises concern over the signs of economic slowdown. The European stockmarkets closed mixed, but the Asia stockmarkets finished mostly positive.

The Day Ahead

The FBM KLCI slid as the cautious trading sentiment emerged ahead of the BNM MPC meeting, bucking the positive regional markets performances; the bullish sentiment on the regional markets was supported by the unchanged Bank of Japan's monetary policy and optimism over China's reopening. We believe the traders may take a cautious approach following the weaker trading tone on Wall Street overnight and ahead of the BNM OPR decision. Commodities wise, the Brent crude oil traded above USD84, while the CPO settled higher above RM3,850; gold price remained above USD1,900.

Sector focus: As the Brent oil remains positive above the USD80 mark, we believe investors may position themselves into the energy sector ahead of the earnings season. Meanwhile, we like consumer, transportation and logistics stocks following the reopening of China's borders. However, traders may take a step back from selected technology stocks as Nasdaq retreated below the key 11,000 level.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI drifted lower and remained below the key 1,500 level. Technical indicators, however remained positive as the MACD Histogram extended a positive bar, while the RSI is hovering above 50. Resistance is monitored at 1,500-1,510, while the support is located at 1,450-1,460.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,296.96	-1.81
S&P 500	3,928.86	-1.56
NASDAQ	10,957.01	-1.24
FBM KLCI	1,495.50	-0.26
FBM Small Cap	16,552.20	0.12
FBM ACE	5,446.90	-0.66
Construction	157.56	0.16
Consumer	597.07	-0.08
Energy	823.64	0.37
Financial Services	16,516.83	-0.18
Healthcare	1,693.27	-0.14
Ind Products	187.86	-0.41
Plantation	6,869.22	-0.47
Property	660.08	0.13
REITs	801.34	0.35
Technology	67.23	0.89
Telco & Media	591.38	-0.17
Transport	924.10	0.02
Utilities	864.33	-0.73
Trading Vol (m)	2,703.67	-4.10
Trading Val (RM m)	2,003.96	1.38
Advance/Decline	92%	
FKLI	1,498.00	0.00
FCPO (RM)	3,884.00	0.44
Brent oil (USD)	84.98	-1.09
Gold (USD)	1,904.11	-0.24
USD	4.3158	0.25
GBP	5.3348	-1.00
EURO	4.6912	-0.25
SGD	3.2813	-0.37

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
332.3	-286.2	-46.1

Source: Bloomberg, Bursa Market Place

Company Brief

Mah Sing Group Bhd has proposed to acquire 2 parcels of land measuring 8.2-ac for RM85.9m. Based on preliminary plans and subject to authorities' approval, the estimated combined gross development value (GDV) of the new development to be named M Terra (for Parcel 1) and M Hana (for Parcel 2) is approximately RM726.0m. (The Star)

Malaysian Bulk Carriers Bhd (Maybulk) has proposed to acquire E Metall Systems Sdn Bhd (EMTS) for RM70.0m cash. EMTS is an end-to-end racking system, logistics storage and retail display solutions provider, offering consultancy services, warehouse system design, supply of metal shelving solutions and installation works to both local and international clients. The vendors guarantee that EMTS shall achieve a profit after tax of not less than RM6.0m only for each FY22 and FY23. (The Star)

Datasonic Group Bhd has secured a contract, which has an estimated value of close to RM1.00bn over 10 years, to provide total turnkey solutions for the land office of a West African nation. (The Edge)

Artroniq Bhd has proposed a bonus issue of 164.2m free warrants, on the basis of 1 warrant for every 2 shares held. The entitlement date of the bonus issue would be determined at a later date. The group expects to raise gross proceeds of up to RM106.7m upon full exercise of the warrants. Proceeds will be utilised for working capital requirements. (The Edge)

Signature International Bhd plans to undertake a private placement of no more than 10.0% of its total shares to independent investors to be identified, to raise as much as RM61.9m to partly fund its S\$47.8m (RM156.5m) acquisition of stakes in two Singapore-based integrative interior fit-out solutions providers. The group proposed to acquire a 75.0% equity interest in Corten Interior Solutions Pte Ltd and the entire equity interest in Areal Interior Solutions Pte Ltd in November 2022. (The Edge)

Nestcon Bhd has been appointed as a contractor to undertake the second phase of the construction of remaining earthworks for the proposed development of Senai Airport City in Johor. The 15-month project has a provisional contract sum of RM27.3m. (The Edge)

Econframe Bhd is targeting RM90.0m in revenue for FY23, with about 22.0% of the revenue coming from the new acquisition of Lee & Yong Aluminium Sdn Bhd (LYASB). (The Edge)

Bintai Kinden Corp Bhd has redesignated its executive director Ku Chong Hong as managing director. He was first appointed to Bintai Kinden's board as an executive director 11 months ago, on 24th February 2022. Besides Bintai Kinden, Ku is also a director of **Sarawak Consolidated Industries Bhd** and **Malaysian Genomics Resource Centre Bhd**. (The Edge)

Malayan Banking Bhd (Maybank) and Perodua Sdn Bhd have signed a memorandum of collaboration for the provision of seamless end-to-end integrated digital financial services to Perodua via Maybank's M2e platform. The bank will also offer additional financial support via financing packages worth close to RM400.0m to help further expand Perodua's business. (The Edge)

GIIB Holdings Bhd's non-executive director Wong Weng Yew has resigned from the board ahead of Thursday's extraordinary general meeting (EGM) called for by several substantial shareholders in order to remove him. With Wong's resignation, the resolution to remove him in the EGM is no longer applicable and the group will request to withdraw the resolution. (The Edge)

Berjaya Paris Baguette Sdn Bhd, the 50:50 tie up between **Berjaya Food Bhd** (BFood) and Paris Baguette Singapore PLC, has opened its first store in Malaysia at Pavilion Kuala Lumpur. Berjaya Paris Baguette intends to open another 5 outlets going forward. (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	EG	16-Jan	0.580	0.600	0.620	0.670	0.540	0.535	0.555	-4.3%	On-going
2	FIAMMA	18-Jan	1.110	1.140	1.190	1.310	1.030	1.020	1.110	0.0%	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	2.500	-5.3%	On-going
2	BJFOOD	3-Jan	1.020	1.110	1.200	-	0.975	0.935	1.020	0.0%	On-going
3	CMSB	3-Jan	1.070	1.130	1.250	-	1.000	0.915	1.150	7.5%	On-going
4	D&O	3-Jan	4.290	4.450	4.770	-	4.100	3.940	4.650	8.4%	On-going
5	DIALOG	3-Jan	2.400	2.550	2.720	-	2.320	2.230	2.570	7.1%	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	0.805	8.8%	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	1.860	0.0%	On-going
10	MISC	3-Jan	7.270	7.680	8.190	-	7.000	6.800	7.390	1.7%	On-going
11	MYEG	3-Jan	0.855	1.000	1.080	-	0.825	0.770	0.910	6.4%	On-going
12	SLVEST	3-Jan	0.815	0.915	0.995	-	0.795	0.705	0.995	22.1%	On-going
13	UMW	3-Jan	3.450	3.640	3.950	-	3.220	3.100	3.760	9.0%	On-going
Average Return										5.3%	

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)	6.1%
Accuracy (2023)	50.0%
FBM KLCI (Since 30/12/2022)	0.0%
FBM Small Cap (Since 30/12/2022)	4.2%
Malaysia GDP Growth (9M22)	9.3%