

## Signs of stability

### Market Review

**Malaysia:** The FBM KLCI (+0.3%) advanced in tandem with the mostly positive sentiment across regional peers, as gains were evident in more than two thirds of the key index components. The lower liners closed mixed, while the healthcare sector (+3.7%) continues to outperformed the mostly positive sectorial peers.

**Global markets:** Wall Street nudged higher after a volatile spell as the Dow (+0.3%) rose on the positive progress over the debt-ceiling negotiations by policymakers. The European stockmarkets also advanced, while Asia stockmarkets ended mostly upbeat.

### The Day Ahead

The FBM KLCI logged gains in tandem with regional peers, buoyed by selected banking and consumer heavyweights. With global sentiment turning positive-biased despite the ongoing debt-ceiling talks, we believe that might boost investors' risk appetite on the local front. Meanwhile, the earnings season will still be on the center stage. Commodities wise, the Brent crude oil traded above USD75 per barrel, while the CPO price hovered slightly below RM3,400. Gold price remained below USD2,000.

**Sector focus:** The technology sector may gain momentum amid improved risk appetite with the Nasdaq continued to charge higher led by the recent AI-related stocks. Besides, investors may favour solid consumer stocks with the earning seasons kicking off. Meanwhile, we like the building material, healthcare and utilities sectors amid the recovering ASP for these segments.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI advanced as the key index closed above its daily EMA9 and EMA20 level. Technical indicators turned mixed as the MACD Histogram extended a negative bar, while the RSI hovered above 50. Resistance is envisaged along 1,440-1,450, while the support is pegged around 1,400-1,410.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,535.91	0.34
S&P 500	4,198.05	0.94
NASDAQ	12,688.84	1.51
FBM KLCI	1,428.04	0.26
FBM Small Cap	15,337.74	0.51
FBM ACE	4,989.12	-0.15
Construction	169.24	-0.57
Consumer	573.04	0.13
Energy	845.04	1.25
Financial Services	15,568.94	0.41
Healthcare	1,926.60	3.71
Ind Products	166.00	-0.25
Plantation	7,059.00	0.15
Property	691.85	0.19
REITs	783.23	0.05
Technology	59.21	0.85
Telco & Media	609.75	0.63
Transport	904.19	0.32
Utilities	965.21	0.29
Trading Vol (m)	2,654.33	2.25
Trading Val (RM m)	1,817.63	11.46
Advance/Decline		
FKLI	1,426.50	0.04
FCPO (RM)	3,392.00	0.18
Brent oil (USD)	75.86	(1.43)
Gold (USD)	1,957.55	0.05
USD	4.5380	(0.26)
GBP	5.6464	0.24
EURO	4.909	0.38
SGD	3.3734	0.19

Trading participant		
Institution	Retail	Foreign
362.4	-124.7	-237.7

Source: Bloomberg, Bursa Market Place

## Company Brief

**Hong Leong Industries Bhd**'s 3QFY23 net profit increased 3.3% YoY to RM65.9m, primarily driven by higher sales of motorcycle business. Revenue for the quarter improved 46.8% YoY to RM932.4m. A second interim single tier dividend of 37.0 sen per share, payable on 20th June 2023 was declared. (The Star)

**Boustead Heavy Industries Corp Bhd** (BHIC) has bagged 2 contracts with a combined value of RM140.1m from the Ministry of Defence (Mindef). One is worth RM99.8m and was secured by its wholly-owned BHIC Submarine Engineering Services Sdn Bhd (BSES) to provide interim in-support services to the Royal Malaysian Navy's (RMN) Prime Minister's Class submarines. The contract period is 11 months, from 15th March 2023 to 14th February 2024. The second is an extension of the RMN submarine facilities upkeep contract worth RM40.3m. The contract is for 12 months, from 1st January 2023 till 31st December 2023. (The Edge)

**Pharmaniaga Bhd**'s 1QFY23 net profit sank 90.4% YoY to RM2.7m, due to lower customer demand in both its concession and Indonesia operations. Revenue for the quarter fell 8.5% YoY to RM880.5m. (The Edge)

**Supermax Corp Bhd**'s 3QFY23 net loss stood at -RM39.9m vs. a net profit of RM13.0m recorded in the previous corresponding quarter, on slower demand, asset impairment of RM23.0m arising from the decommissioning of three older plants, 2 of which are permanent and the 3rd plant earmarked for rebuilding. Revenue for the quarter slipped 57.1% YoY to RM175.7m. An interim dividend of 3.5 sen per share, payable on 18th July 2023 was declared. (The Edge)

**CJ Century Logistics Holdings Bhd**'s 1QFY23 net profit decreased 59.9% YoY to RM3.7m, mainly due to freight rates normalisation and less business volume. Revenue for the quarter fell 9.6% YoY to RM219.6m. (The Edge)

**Malaysian Pacific Industries Bhd**'s (MPI) 3QFY23 net loss stood at -RM17.8m vs. a net profit of RM81.4m recorded in the previous corresponding quarter, on weak electronics demand spread from consumers to commercial. Revenue for the quarter declined 22.8% YoY to RM471.9m. A second interim single tier dividend of 25.0 sen per share, payable on 21st June 2023 was declared. (The Edge)

**Pos Malaysia Bhd**'s 1QFY23 net loss narrowed to -RM27.7m, from a net loss of -RM30.4m recorded in the previous corresponding quarter, driven by improved performance to market leading service offerings, better customer mix and yield, and effective cost management. Revenue for the quarter, however, inched down 0.4% YoY to RM482.3m. (The Edge)

**Berjaya Food Bhd** (BFood)'s 3QFY23 net profit dropped 49.5% YoY to RM15.9m, no thanks to margin compression arising from inflationary pressures that pushed operating costs higher. Revenue for the quarter, however, increased 8.3% YoY to RM265.9m. A third interim dividend of 0.5 sen per share, payable on 23rd June 2023 was declared. (The Edge)

**Gas Malaysia Bhd**'s 1QFY23 net profit grew 4.2% YoY to RM95.1m, on higher average natural gas selling price in tandem with global market price that offset the lower volume of natural gas sold in the quarter under review. Revenue for the quarter soared 36.8% YoY to RM2.44bn. (The Edge)

**TIME dotCom Bhd's** 1QFY23 net profit rose 26.3% YoY to RM114.5m, amid higher revenue contributions. Revenue for the quarter increased 6.3% YoY to RM368.4m. (The Edge)

**Kawan Food Bhd's** 1QFY23 net profit shrank 8.4% YoY to RM7.9m, due to higher expenses, including selling and distribution, and income tax. Revenue for the quarter, however, climbed 15.2% YoY to RM79.1m. (The Edge)

**Magnum Bhd's** 1QFY23 net profit dipped 5.3% YoY to RM15.8m, as its gaming segment registered higher prize payouts. Revenue for the quarter, however, gained 9.0% YoY to RM546.0m. (The Edge)

**Dialog Group Bhd's** 3QFY23 net profit fell 1.7% YoY to RM130.8m, due to higher project and operation costs. Revenue for the quarter, however, grew 35.3% YoY to RM802.8m. (The Edge)

**ITMAX System Bhd's** 1QFY23 net profit gained 127.4% YoY to RM15.2m, on the back of improvements in both the video surveillance and analytics services segment, and the supply, installation, and maintenance service segment. Revenue for the quarter added 80.1% YoY to RM34.7m. (The Edge)

**Malayan Flour Mills Bhd's** 1QFY23 net profit shrank 48.6% YoY to RM10.4m, due to higher input costs from rising commodity prices paired with a weak ringgit. Revenue for the quarter, however, improved 30.2% YoY to RM826.7m. (The Edge)

**Pesona Metro Bhd** has bagged a construction contract worth RM242.2m for the main building works of a mixed development project in Kuala Lumpur. Its wholly-owned subsidiary Pesona Metro Sdn Bhd accepted the letter of award from KL Wellness City (H) Sdn Bhd, the property developer of the project. The 27-month project will start from 1st June 2023 and to be completed by 30th September 2025. (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	2.710	3.4%	On-going
2	MYEG	15-May	0.800	0.855	0.915	0.965	0.740	0.735	0.795	-0.6%	On-going
3	OPTIMAX	17-May	0.735	0.770	0.795	0.845	0.710	0.705	0.745	1.4%	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	04-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.410	-10.9%	On-going
2	EFRAME	04-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.920	-1.6%	On-going
3	HEXTAR	04-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.230	1.7%	On-going
4	INFOM	04-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.380	-9.8%	On-going
5	KPJ	04-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.110	-0.9%	On-going
6	LAYHONG	04-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.305	-1.6%	On-going
7	PANTECH	04-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.760	-6.2%	On-going
8	PENTA	04-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.880	-1.0%	On-going
9	RANHILL	04-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.570	16.3%	On-going
10	T7GLOBAL	04-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.425	2.4%	On-going
11	TIMECOM	04-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.300	6.6%	On-going
12	UNISEM	04-Apr	3.200	3.180	3.300	2.970	2.760	2.700	2.910	-9.1%	On-going
Average Return										-1.2%	

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# Market Pulse

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Technical Focus Tracker Summary	
Total recommendations	327
Total winners	201
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)	2.4%
Accuracy (2023)	59.5%
FBM KLCI (Since 30/12/2022)	-4.5%
FBM Small Cap (Since 30/12/2022)	2.8%
Malaysia GDP Growth (1Q23)	5.6%

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