

## Downward pressure un eased

### Market Review

**Malaysia:** The FBM KLCI (-0.7%) extended its decline as concern persists over the US debt ceiling, coupled with the uncertainties ahead of the 6 states elections. The lower liners also trended lower, while the plantation sector (-2.2%) underperformed on the weaker CPO prices.

**Global markets:** Wall Street faltered as the Dow fell 0.4% on the persistent concern over the US debt ceiling situation, whilst profit taking activities emerged on technology shares. The European stockmarkets extended their decline, while Asia stockmarkets closed mostly in red.

### The Day Ahead

The FBM KLCI slumped for the second session along with regional markets as investors took profit after the contraction in China's factory activity dampened hopes for global economic recovery. Investors may continue to watch the debate for US debt ceiling while taking a cautious trading approach. At the same time, the labour market tightness and stubbornly high recent inflation data may continue to sap trading interest in the equities market. Commodities wise, the Brent crude oil tumbled towards USD72, while the CPO price hovered above RM3,200.

**Sector focus:** Investors may see further selling pressure in the energy sector amid declining crude oil price. Besides, the technology sector may take cue from the profit taking activities following the decline on Wall Street overnight. Meanwhile, sectors such as telecommunications, utilities and REIT may be under the limelight, being defensive in nature amid the on-going volatile market condition.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI drifted lower, breaching below its immediate support at 1,390. Technical indicators remained negative as the MACD indicators extended a negative bar, while the RSI hovered below 50. Next support is monitored at 1,370, while the resistance is set along 1,440-1,460.

### Research Team

[research@msec.com.my](mailto:research@msec.com.my)  
(603) 2201 2100

### Market Scorecard

Dow Jones	32,908.27	-0.41
S&P 500	4,179.83	-0.61
NASDAQ	12,935.29	-0.63
FBM KLCI	1,387.12	-0.70
FBM Small Cap	14,837.30	-0.61
FBM ACE	4,947.24	-0.40
Construction	165.25	2.20
Consumer	554.76	-0.18
Energy	809.44	-2.13
Financial Services	15,206.74	-0.41
Healthcare	1,855.06	1.45
Ind Products	159.11	-2.10
Plantation	6,601.08	-2.17
Property	689.51	-0.05
REITs	780.95	-0.23
Technology	59.99	0.81
Telco & Media	597.97	0.09
Transport	902.59	-0.05
Utilities	996.41	0.33
Trading Vol (m)	3,541.42	48.68
Trading Val (RM m)	5,254.90	161.37
Advance/ Decline	1	
FKLI	1,381.50	(0.54)
FCPO (RM)	3,247.00	1.44
Brent oil (USD)	72.60	(0.50)
Gold (USD)	1,962.73	0.23
USD	4.6130	0.12
GBP	5.7015	(0.59)
EURO	4.9246	(0.06)
SGD	3.4045	(0.13)

## Company Brief

**PPB Group Bhd's** 1QFY23 net profit rose 24.5% YoY to RM377.5m, mainly attributed to the turnaround of the grains and agribusiness segment, as well as film exhibition and distribution that almost breakeven. Revenue for the quarter climbed 12.6% YoY to RM1.51bn. (The Star)

**CIMB Group Holdings Bhd's** 1QFY23 net profit grew 15.3% YoY to RM1.64bn, driven by sustained operating income growth, strong cost controls and a contained level of provisions. Revenue for the quarter rose 5.5% YoY to RM5.00bn. (The Edge)

**Hong Leong Bank Bhd's** 3QFY23 net profit grew 18.5% YoY to RM930.0m, thanks to lower impairment losses and better contribution from 18.0%-owned Bank of Chengdu. Revenue for the quarter added 3.6% YoY to RM1.40bn. (The Edge)

**IHH Healthcare Bhd's** 1QFY23 net profit jumped 181.8% YoY to RM1.39bn, thanks to a one-off gain from the sale of the group's medical education arm, International Medical University (IMU) for RM1.35 bn. Revenue for the quarter added 23.6% YoY to RM5.14bn. A special dividend of 9.6 sen per share following the divestment of IMU, payable on 30th June 2023 was declared. (The Edge)

**Capital A Bhd's** 1QFY23 net profit stood at RM57.1m vs. a net loss of -RM903.8m, driven by a share of profit of RM13.5m from associates, as opposed to a share of loss of -RM143.1m previously and recognised foreign exchange gain of -RM44.8m vs. a forex loss of RM52.7m. Revenue for the quarter jumped 174.7% YoY to RM2.23bn. (The Edge)

**Leong Hup International Bhd's** (LHI) 1QFY23 net profit rose 8.7% YoY to RM22.1m, on higher contribution from its feedmill segment and a rise in other income. Revenue for the quarter rose 5.2% YoY to RM2.20bn. (The Edge)

**Guan Chong Bhd's** 1QFY23 net profit fell 55.4% YoY to RM23.8m, attributed to reduced margins and higher finance costs. Revenue for the quarter declined 2.5% YoY to RM1.13 bn. (The Edge)

**Syarikat Takaful Malaysia Keluarga Bhd's** (Takaful Malaysia) 1QFY23 net profit rose 21.1% YoY to RM93.4m, thanks to higher income from fixed income investment assets and lower fair value loss on investment assets. Revenue for the quarter rose 18.4% YoY to RM757.4m. (The Edge)

**Duopharma Biotech Bhd** is likely to get another 6-month contract extension for the new approved products list (APPL) to supply pharmaceutical or non-pharmaceutical products to government hospitals and clinics. The new contract extension will be awarded at the end of June 2023, prior to the expiry of the existing contract. Notably, the APPL contract contributes about 20.0% to the group's revenue per year. (The Edge)

**Bintulu Port Holdings Bhd's** 1QFY23 net profit fell 45.3% YoY to RM22.5m, on the back of higher expenditure. Revenue for the quarter dipped 5.0% YoY to RM187.9m. A first interim dividend of 3.0 sen per share was proposed. (The Edge)

**EG Industries Bhd's** 3QFY23 net profit increased 88.8% YoY to RM10.6m, on the back of higher sales which was achieved despite forex losses and a higher interest rate in the market. Revenue for the quarter rose 14.5% YoY to RM350.5m. (The Edge)

**Ekovest Bhd's** 3QFY23 net loss widened to -RM15.9m, from a net loss of RM8.0m recorded in the previous corresponding quarter, as interest expenses rose while it booked a deferred tax expense of RM38.7m. Revenue for the quarter, however, rose 31.8% YoY to RM220.2m. (The Edge)

**Datasonic Group Bhd's** wholly-owned subsidiary, Datasonic Technologies Sdn Bhd (DTSB) announced that it has received and accepted the Letter of Extension (LOE) dated 29th May 2023 from the Home Ministry (KDN) for an additional contract value of RM9.9m. The LOE is in regards to the comprehensive maintenance services of card personalisation centres at the National Registration Department for a period of 6 months commencing from 1st June 2023 to 30th November 2023. (The Edge)

**Samchem Holdings Bhd** is in preliminary discussions with several companies to expand its chemical businesses through mergers and acquisitions (M&As), as a number of small and medium enterprises (SMEs) are looking to leave the industry. (The Edge)

**Radium Development Bhd** made a weak debut on the Main Market, slumping to a close of 38.5 sen, or nearly a quarter lower than its initial public offering (IPO) price of 50 sen, and underscoring softer investor interest in property stocks. Still, subscribers to its IPO can take some comfort in an impending dividend as it declared a dividend of 1.0 sen per ordinary share, payable on 15th August 2023. (The Edge)

**YNH Property Bhd** independent and non-executive directors Ching Nye Mi @ Chieng Ngie Chay, 75, and Ding Ming Hea, 59, have resigned from the property developer's board, effective 31st May 2023. Ching and Ding have served the company for over 12 years. However, the company did not disclose the reason behind their resignations. Note that both of them are also the independent and non-executive director of YNH's sister company **Rapid Synergy Bhd**, its 2021's annual report showed. (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	MYEG	15-May	0.800	0.855	0.915	0.965	0.740	0.735	0.855	6.9%	Take profit at R1 on 31-May
2	OPTIMAX	17-May	0.735	0.770	0.795	0.845	0.710	0.705	0.715	-2.7%	On-going
3	PAVREIT	22-May	1.270	1.370	1.440	1.500	1.250	1.240	1.280	0.8%	On-going
4	INFOM	29-May	1.490	1.540	1.580	1.730	1.350	1.340	1.510	1.3%	On-going
5	CARIMIN	31-May	0.660	0.740	0.765	0.820	0.635	0.630	0.660	0.0%	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	0.400	-13.0%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.905	-3.2%	On-going
3	HEXTAR	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	1.510	-1.3%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.180	5.4%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.285	-8.1%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.740	-8.6%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	5.000	1.4%	On-going
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.545	11.2%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.410	-1.2%	On-going
11	TIMECOM	4-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.370	8.0%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	3.120	-2.5%	On-going
Average Return										-1.3%	

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Technical Focus Tracker Summary	
Total recommendations	331
Total winners	203
Total losers	127
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)	2.7%
Accuracy (2023)	58.5%
FBM KLCI (Since 30/12/2022)	-7.2%
FBM Small Cap (Since 30/12/2022)	-0.6%
Malaysia GDP Growth (1Q23)	5.6%