

## Attempt to find a flooring

### Market Review

**Malaysia:** The FBM KLCI (-0.1%) was nudged lower, dragged by the oil & gas and plantation giants that negated the better performances in the financial heavyweights. The lower liners turned sharply lower, while the energy sector (-5.2%) was the worst performer to close at the lowest level in 1 month.

**Global markets:** Wall Street turned lower as the Dow (-0.7%) fell after consumer confidence declined to 102.9 in February 2023, on deepening concerns over jobs, income and business conditions. The European stockmarkets ended mostly negative, while Asia stockmarkets closed mixed.

### The Day Ahead

The FBM KLCI registered a mild loss, extending its declining streak for the fifth straight session amid pervasive external negative sentiment. On the global front, Wall Street wobbled into the negative territory on the final day of February 2023 as consumer confidence came in below expectation. Also, as the outlook from the Fed remains hawkish, the upside on the global stocks market could be limited for now. Meanwhile, we reckon the local bourse may trade in a cautious tone amid the tail-end of the earnings season as well as the lack of fresh catalysts environment. Commodities wise, the Brent crude oil traded above USD83, while the CPO price hovered above RM4,100.

**Sector focus:** The energy sector may still stay in focus and may rebound following a steep sell-down yesterday in view of the elevated crude oil price. Investors may favour sectors with solid fundamentals such as banking and telecommunications amid global uncertainties.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI dipped for the fifth straight session, but the key index managed to close above the support at 1,450. Technical indicators remained negative as the MACD Histogram extended a negative bar, while the RSI hovered below 50. Support is located at 1,430-1,450, while resistance is pegged along 1,500-1,510.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	32,656.70	-0.71
S&P 500	3,970.16	-0.30
NASDAQ	11,455.54	-0.10
FBM KLCI	1,454.19	-0.09
FBM Small Cap	15,435.18	-2.98
FBM ACE	5,358.27	-3.22
Construction	161.74	-1.12
Consumer	584.48	-0.33
Energy	843.57	-5.21
Financial Services	16,194.83	0.40
Healthcare	1,603.59	-2.77
Ind Products	177.43	-0.35
Plantation	6,766.64	-0.04
Property	679.92	-0.86
REITs	805.27	0.45
Technology	63.94	0.68
Telco & Media	591.15	-0.62
Transport	950.10	0.92
Utilities	884.42	-0.58
Trading Vol (m)	4,634.36	49.87
Trading Val (RM m)	3,952.97	80.45
Advance/ Decline	37%	
FKLI	1,434.00	(0.28)
FCPO (RM)	4,141.00	(0.02)
Brent oil (USD)	83.45	1.72
Gold (USD)	1,826.92	0.54
USD	4.4873	0.05
GBP	5.4191	0.46
EURO	4.7592	0.37
SGD	3.3265	0.03

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-173.9	236.3	-62.4

Source: Bloomberg, Bursa Market Place

## Company Brief

**IHH Healthcare Bhd's** 4QFY22 net profit dropped 57.8% YoY to RM191.3m, impacted by a weaker Lira and MFRS 129-related adjustments. Revenue for the quarter, however, increased 8.7% YoY to RM4.86bn. (The Star)

**CIMB Group Holdings Bhd's** 4QFY22 net profit increased 54.5% YoY to RM1.32bn, on the back of strong operating income growth and significantly lower provisions. Revenue for the quarter grew 13.8% YoY to RM5.21. A second interim dividend of 13.0 sen per share, payable on 12th April 2023 was declared. (The Edge)

**Hong Leong Financial Group Bhd's** 2QFY23 net profit improved 37.8% YoY to RM770.8m, due to higher contributions from its commercial bank, coupled with lower income tax. Revenue for the quarter increased 10.4% YoY to RM1.70bn. An interim dividend of 17.0 sen per share, payable on 30th March 2023 was declared. (The Edge)

**Hong Leong Bank Bhd's** 2QFY23 net profit rose 40.5% YoY to RM1.04bn, underpinned by higher revenue which climbed 8.8% YoY RM1.49bn. An interim dividend of 21.0 sen per share payable on 28th March 2023 was declared. (The Edge)

**Hong Leong Capital Bhd's** 2QFY23 net profit declined 18.4% YoY to RM12.6m, from RM15.44 m a year earlier, due to lower contributions from investment banking and stockbroking as well as its fund management and unit trust management divisions. Revenue for the quarter fell 3.9% YoY to RM74.0m. (The Edge)

**Alliance Bank Bhd's** 3QFY23 net profit increased 17.2% YoY to RM177.1m, driven by higher net interest income. Revenue for the quarter increased 3.4% YoY to RM496.5m. (The Edge)

**Boustead Holdings Bhd's** 4QFY22 net loss stood at -RM402.3m vs. a net profit of RM78.6m recorded in the previous corresponding quarter, due mainly to the RM552.3m impairment provision for Pharmaniaga's unsold Covid-19 vaccine sitting in the warehouse. Revenue for the quarter, however, grew 24.7% YoY to RM3.69bn. (The Edge)

**IOI Corp Bhd's** 2QFY23 net profit rose 44.0% YoY to RM712.1m, boosted by higher earnings contribution from its resource-based manufacturing segment. Revenue for the quarter, however, declined 19.7% YoY to RM3.30bn. An interim dividend of 6.0 sen per share, payable on 24th March 2023 was declared. (The Edge)

**PPB Group Bhd's** 4QFY22 net profit declined 17.3% YoY to RM415.5m, on higher operating expenses. Revenue for the quarter, however, increased 18.4% YoY to RM1.61bn. (The Edge)

**Telekom Malaysia Bhd** (TM)'s 4QFY22 net profit jumped 100.4% YoY to RM160.2m, thanks to a foreign exchange (forex) gain on borrowings and lower finance costs. Revenue for the quarter, however, dropped 5.5% YoY to RM2.98bn. (The Edge)

**Capital A Bhd's** 4QFY22 net profit stood at RM256.2m vs. a net loss of -RM756.6m recorded in the previous corresponding quarter, as air travel bounced back strongly. Revenue for the quarter surged 188.7% YoY to RM2.37bn. (The Edge)

**Malaysia Airports Holdings Bhd's** 4QFY22 net profit stood at RM359.1m vs. a net loss of -RM136.7m recorded in the previous corresponding quarter, boosted by higher revenue, reduction in utilisation fees and better share of results from joint ventures and associates. Revenue for the quarter improved 81.9% YoY to RM1.00bn. A final dividend of 3.91 sen per share was proposed. (The Edge)

**Tropicana Corp Bhd's** 4QFY22 net loss stood at -RM307.9m vs. a net profit of RM7.9m recorded in the previous corresponding quarter, on lower progress billings across key projects in the Klang Valley and southern region and the prior quarter was also boosted by disposals of two parcels of development land for RM244.4m Revenue for the quarter fell 4.4% YoY to RM258.1m. (The Edge)

**Sime Darby Property Bhd's** 4QFY22 net profit gained 64.3% YoY to RM103.2m, driven by higher sales and site-progress from the group's property development segment. Revenue for the quarter grew 29.6% YoY to RM956.9m. A second dividend of 1.0 sen per share, payable on 28th March 2023 was declared. (The Edge)

**Mah Sing Group Bhd's** 4QFY22 net profit rose 16.9% YoY to RM46.8m, on higher property sales. Revenue for the quarter grew 24.8% YoY to RM670.9m. (The Edge)

**S P Setia Bhd's** 4QFY22 net profit fell 26.7% YoY to RM90.3m, mainly dragged by higher finance costs and tax. Revenue for the quarter, however, gained 65.4% YoY to RM1.71bn. (The Edge)

**Serba Dinamik Holdings Bhd** has reported that it is unable to release its quarterly report for the financial period ended 31st December 2022, within the timeframe not later than 28th February 2023. The delay was due to a significant loss of manpower and loss of critical personnel. It expects to issue and submit its quarterly report for the fiscal period by 6th March 2023. (The Edge)

**Yinson Holdings Bhd** has inked a firm contract with Eni Angola SpA, a wholly-owned subsidiary of Azule Energy, to supply a floating, production, storage and offloading asset for the Agogo Integrated West Hub Development Project in Angola. The contract has an estimated aggregate value of USD5.30bn over a period of 15 years from the date of the final acceptance, with the option to extend for a further five years. (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	KAWAN	22-Feb	2.160	2.330	2.400	2.600	2.150	2.140	2.180	0.9%	On-going
2	HIBISCS	27-Feb	1.100	1.170	1.250	1.400	1.030	1.020	1.070	-2.7%	On-going
3	CTOS	01-Mar	1.440	1.520	1.570	1.660	1.380	1.370	1.440	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	03-Jan	2.640	2.780	2.940	-	2.580	2.500	2.270	-14.0%	On-going
2	BJFOOD	03-Jan	1.020	1.110	1.200	-	0.975	0.935	1.000	-2.0%	On-going
3	CMSB	03-Jan	1.070	1.130	1.250	-	1.000	0.915	1.180	10.3%	On-going
4	D&O	03-Jan	4.290	4.450	4.770	-	4.100	3.940	4.520	5.4%	On-going
5	DIALOG	03-Jan	2.400	2.550	2.720	-	2.320	2.230	2.250	-6.3%	On-going
6	GENTING	03-Jan	4.480	4.750	4.850	-	4.290	4.180	4.660	4.0%	On-going
7	HEKTAR	03-Jan	0.687	0.750	0.795	-	0.665	0.645	0.690	0.4%	On-going
8	JTIASA	03-Jan	0.660	0.710	0.755	-	0.615	0.585	0.655	-0.8%	On-going
9	MAGNI	03-Jan	1.860	1.940	2.000	-	1.800	1.750	1.790	-3.8%	On-going
10	MISC	03-Jan	7.150	7.680	8.190	-	7.000	6.800	7.560	5.7%	On-going
11	MYEG	03-Jan	0.855	1.000	1.080	-	0.825	0.770	0.610	-28.7%	Cut loss on 10-Feb
12	SLVEST	03-Jan	0.815	0.915	0.995	-	0.795	0.705	0.925	13.5%	On-going
13	UMW	03-Jan	3.450	3.640	3.950	-	3.220	3.100	3.900	13.0%	On-going
Average Return										-0.2%	

Technical Focus Tracker Summary	
Total recommendations	306
Total winners	188
Total losers	117
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)	0.4%
Accuracy (2023)	56.3%
FBM KLCI (Since 30/12/2022)	-2.8%
FBM Small Cap (Since 30/12/2022)	3.4%
Malaysia GDP Growth (2022)	8.7%