

## Extended pullback

### Market Review

**Malaysia:** The FBM KLCI (-0.2%) recorded its third straight losing session after lingering mostly in the negative territory for the entire trading session yesterday. The lower liners also ended lower, while the healthcare sector (+2.4%) rallied on outbreak of Marburg virus to outperform the mostly negative sectorial peers.

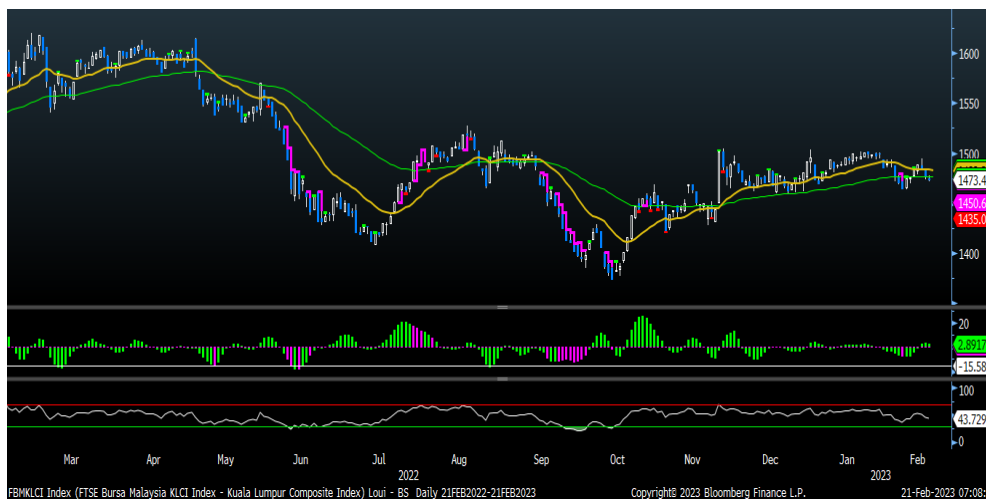
**Global markets:** Wall Street was closed in conjunction with the President's Day public holiday. The European stockmarkets closed mostly in red after Eurozone's construction output dropped 1.3% YoY in December 2022, while Asia stockmarkets ended mixed.

### The Day Ahead

The FBM KLCI was in the midst of a pullback, declining for the third session as investors were staying on the sidelines ahead of the re-tableting of Budget 2023. Also, investors may continue to monitor the geopolitical tensions as the European Union aims to adopt a new package of sanctions against Russia this week, as well as the US President Biden's visit to Ukraine. On the local front, earnings reports and the Budget 2023 re-tableting on Friday will remain as the key focus while investors monitor for a series of global economic data. Meanwhile, Commodities wise, the Brent crude oil traded above USD83, while the CPO price stayed above RM4,190.

**Sector focus:** The renewable energy, EVs and construction sectors may gain momentum prior to the Budget 2023 re-tableting. Meanwhile, the commodities related counters in energy and plantation sectors could remain under the limelight amid firmer commodities prices.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI declined for the third straight session as the key index slipped below its daily EMA120 level. Technical indicators remained mixed as the MACD Histogram extended a positive bar, while the RSI is hovering below 50. Support is pegged along 1,450-1,460, while the resistance is envisaged around 1,500-1,510.

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### Market Scorecard

| Key indices        | Last price | Change (%) |
|--------------------|------------|------------|
| Dow Jones          | 33,826.69  | 0.39       |
| S&P 500            | 4,079.09   | -0.28      |
| NASDAQ             | 11,787.27  | -0.58      |
| FBM KLCI           | 1473.46    | -0.23      |
| FBM Small Cap      | 16,118.89  | -0.06      |
| FBM ACE            | 5,602.94   | -1.00      |
| Construction       | 160.06     | -0.14      |
| Consumer           | 596.47     | -0.33      |
| Energy             | 877.84     | -0.68      |
| Financial Services | 16,065.35  | 0.18       |
| Healthcare         | 1,727.82   | 2.35       |
| Ind Products       | 187.79     | -1.43      |
| Plantation         | 6,814.43   | -0.34      |
| Property           | 681.33     | -0.22      |
| REITs              | 806.82     | -0.31      |
| Technology         | 63.48      | -0.95      |
| Telco & Media      | 605.92     | 0.37       |
| Transport          | 944.97     | -0.43      |
| Utilities          | 887.94     | 0.23       |
| Trading Vol (m)    | 3,137.58   | -4.11%     |
| Trading Val (RM m) | 2,142.85   | 2.05%      |
| Advance/ Decline   | 47%        |            |
| FKLI               | 1476.50    | -0.27%     |
| FCPO (RM)          | 4,167.00   | 0.62%      |
| Brent oil (USD)    | 84.07      | 1.29%      |
| Gold (USD)         | 1,841.38   | 0.04%      |
| USD                | 4.4303     | 0.06%      |
| GBP                | 5.327      | -0.63%     |
| EURO               | 4.7313     | -0.34%     |
| SGD                | 3.3153     | -0.24%     |

| Trading participation 5-day trend and value (m) |        |         |
|---|--------|---------|
| Institution                                     | Retail | Foreign |
| -169.4  | -46.4  | 215.8   |

Source: Bloomberg, Bursa Market Place

## Company Brief

**Pos Malaysia Bhd**'s 4QFY22 net loss narrowed to RM98.4m, from a net loss of RM123.2m recorded in the previous corresponding quarter as a result of the transformation plan that was embarked in August 2021. Revenue for the quarter, however, fell 11.6% YoY to RM467.2m. (The Star)

**WCE Holdings Bhd** is proposing to dispose of its entire 40.0% equity interest in Radiant Pillar Sdn Bhd (RPSB) to IJM Properties Sdn Bhd for RM494.0m. Bulk of the proceeds will be put towards the West Coast Expressway project. The disposal will enable WCE to realise and unlock the value of its investment in RPSB which will give rise to a pro forma gain on disposal of approximately RM245.7m. (The Star)

**MCT Bhd** is acquiring a 1.6-ac. freehold plot of residential land at Seputeh, Kuala Lumpur, for RM58.0m from HPC Development Sdn Bhd. MCT intends to develop 126 units of boutique apartments with an estimated gross development value of RM320.0m that is slated to open for registration of interest by the end-2023. (The Star)

**YKGI Holdings Bhd** has bagged a RM271.6m contract to build affordable houses in Sarawak. The project involves three phases of development comprising 426 units of affordable Sri Pertiwi landed houses, 484 units of affordable Sri Pertiwi apartments and 96 units of affordable Spektra Medium apartments on HDC's Land in Kuching. (The Edge)

**MBM Resources Bhd**'s 4QFY22 net profit fell 49.1% YoY to RM57.4m, due to higher operating costs and lower contributions from associates. Revenue for the quarter, however, increased 16.5% YoY to RM651.4m. A second interim single tier dividend of 6.0 sen per share and a special single tier dividend of 15.0 sen per share, both payable on 21st March 2023 was declared. (The Edge)

**Lii Hen Industries Bhd**'s 4QFY22 net profit increased 33.7% YoY to RM16.9m, on the back of lower raw materials and other operating costs, and stronger USD. Revenue of the quarter, however, fell 31.4% YoY to RM152.4m. (The Edge)

**Dagang NeXchange Bhd**'s (DNex) 2QFY23 net profit fell 27.3% YoY to RM31.9m, partly due to higher tax expenses and weaker contribution from the technology (semiconductor fabrication) segment, on the back of lower wafer shipments. Revenue for the quarter slipped 6.5% YoY to RM330.5m. (The Edge)

**GUH Holdings Bhd** has proposed a bonus issue of 140.1 warrants on the basis of 1 warrant for every 2 shares held. Separately, GUH via its 40.0%-owned associate Leader GUH Renewable Energy Sdn Bhd has undertaken some investments to participate in the renewable energy business. GUH Energy has acquired a 60.0% stake in Taiwan-based Yabisi Solar Power Co Ltd, which is presently undertaking the development of a large-scale 76.5MWp floating solar photovoltaic project in that country. (The Edge)

**Sunview Group Bhd** and three other companies are jointly acquiring a firm engaged in the operation of generation facilities that produce electricity. The four buyers are acquiring Provectus Bioenergy Sdn Bhd for RM115,688 from Ee Hood Liang and Wong Pak Wei. Post-acquisition, Sunview will hold a 20.0% stake in Provectus. The three other partners Warrants RE Assets Sdn Bhd will control a 29.0% stake, Intechcity Construction Sdn Bhd a 31.0% stake and Pasir Lembayung Sdn Bhd a 20.0% stake. (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                       | TELADAN   | 30-Jan      | 1.290                        | 1.380             | 1.480             | 1.550                 | 1.140        | 1.130         | 1.200           | -7.0%                     | Closed at cut-off on 20-Jan |
| 2                       | MCEMENT   | 15-Feb      | 2.540                        | 2.700             | 2.840             | 2.940                 | 2.380        | 2.370         | 2.370           | -6.7%                     | Cut loss on 20-Jan          |
| 3                       | TSH       | 20-Feb      | 1.130                        | 1.150             | 1.200             | 1.320                 | 1.050        | 1.040         | 1.130           | 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      | 03-Jan      | 2.640                        | 2.780             | 2.940             | -                     | 2.580        | 2.500         | 2.340           | -11.4%                    | On-going           |
| 2                | BJFOOD    | 03-Jan      | 1.020                        | 1.110             | 1.200             | -                     | 0.975        | 0.935         | 1.030           | 1.0%                      | On-going           |
| 3                | CMSB      | 03-Jan      | 1.070                        | 1.130             | 1.250             | -                     | 1.000        | 0.915         | 1.330           | 24.3%                     | On-going           |
| 4                | D&O       | 03-Jan      | 4.290                        | 4.450             | 4.770             | -                     | 4.100        | 3.940         | 4.630           | 7.9%                      | On-going           |
| 5                | DIALOG    | 03-Jan      | 2.400                        | 2.550             | 2.720             | -                     | 2.320        | 2.230         | 2.400           | 0.0%                      | On-going           |
| 6                | GENTING   | 03-Jan      | 4.480                        | 4.750             | 4.850             | -                     | 4.290        | 4.180         | 4.800           | 7.1%                      | On-going           |
| 7                | HEKTAR    | 03-Jan      | 0.687                        | 0.750             | 0.795             | -                     | 0.665        | 0.645         | 0.710           | 3.3%                      | On-going           |
| 8                | JTIASA    | 03-Jan      | 0.660                        | 0.710             | 0.755             | -                     | 0.615        | 0.585         | 0.685           | 3.8%                      | On-going           |
| 9                | MAGNI     | 03-Jan      | 1.860                        | 1.940             | 2.000             | -                     | 1.800        | 1.750         | 1.840           | -1.1%                     | On-going           |
| 10               | MISC      | 03-Jan      | 7.270                        | 7.680             | 8.190             | -                     | 7.000        | 6.800         | 7.460           | 2.6%                      | 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         | 0.950           | 16.6%                     | On-going           |
| 13               | UMW       | 03-Jan      | 3.450                        | 3.640             | 3.950             | -                     | 3.220        | 3.100         | 3.900           | 13.0%                     | On-going           |
| Average Return   |           |             |                              |                   |                   |                       |              |               |                 | 3.0%                      |                    |

| Technical Focus Tracker Summary  |       |
|----------------------------------|-------|
| Total recommendations            | 303   |
| Total winners                    | 187   |
| Total losers                     | 115   |
| 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)     | 1.4%  |
| Accuracy (2023)                  | 61.5% |
| FBM KLCI (Since 30/12/2022)      | -1.5% |
| FBM Small Cap (Since 30/12/2022) | 8.0%  |
| Malaysia GDP Growth (2022)       | 8.7%  |