

Taking cautious steps

Market Review

Malaysia: The FBM KLCI (+0.04%) ended relatively flat on a lacklustre trading session as investors anticipate for further cues ahead of the re-tableting of Budget 2023. The lower liners, however, retreated, while the healthcare sector (-1.3%) underperformed the mostly negative sectorial peers.

Global markets: Wall Street sank as the Dow (-2.1%) tumbled on fears that interest rates may continue to ascend and stay elevated for a longer period, while 10-year treasury yields (3.95%) jumped to the highest level since November 2022. The European stockmarkets ended lower, while Asia stockmarkets closed mixed.

The Day Ahead

The FBM KLCI ended marginally higher as the key index reversed earlier rally into the afternoon session amidst mixed regional market. Following the heavy plunge on Wall Street overnight, we believe investors may stay on the sidelines as concerns over the interest rate hikes expectation continues to pressure the market sentiment. Nevertheless, the US FOMC meeting minutes will remain in focus and should provide more clues going forward. Commodities wise, the Brent crude oil traded above USD83, while the CPO price hovered above RM4,150 level.

Sector focus: The commodities related counters such as plantation and energy may stay focus with Brent oil and CPO prices remained firm. Besides, traders could trade on renewable energy, EV, and construction sectors ahead of the re-tableting of Budget 2023. Also, the poultry and egg sectors may have upside potential as the prices of chicken and eggs are expected to be floated after June. However, the technology sector may suffer from the negative cue from Nasdaq.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI eked out small gains in a volatile session, booking a fourth-straight session decline. Technical indicators remained mixed as the MACD Histogram extended a positive bar, while the RSI is hovering below 50. Support is monitored along 1,450-1,460, while the resistance is pegged around 1,500-1,510.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,129.59	-2.06
S&P 500	3,997.34	-2.00
NASDAQ	11492.30	-2.50
FBM KLCI	1474.01	0.04
FBM Small Cap	5,969.97	-0.92
FBM ACE	5,519.42	-1.49
Construction	69.73	-0.21
Consumer	594.98	-0.25
Energy	873.47	-0.50
Financial Services	16,041.50	-0.15
Healthcare	1,704.66	-1.34
Ind Products	188.76	0.52
Plantation	6,853.34	0.57
Property	680.19	-0.17
REITs	808.03	0.15
Technology	63.36	-0.19
Telco & Media	602.87	-0.50
Transport	937.83	-0.76
Utilities	886.72	-0.14
Trading Vol (m)	3,384.37	7.87%
Trading Val (RM m)	1847.73	-13.77%
Advance/ Decline	52%	
FKLI	1477.50	-0.30%
FCPO (RM)	4,141.00	0.60%
Brent oil (USD)	83.05	-12.1%
Gold (USD)	1835.09	0.00%
USD	4.4328	-0.06%
GBP	5.3592	-0.60%
EURO	4.7269	0.09%
SGD	3.3138	0.05%

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-259.9	-31.0	290.9

Source: Bloomberg, Bursa Market Place

Company Brief

Nestle (Malaysia) Bhd's 4QFY22 net profit rose 18.5% YoY to RM132.9m on stronger contributions from the core food and beverage segment and out-of-home business segments. Revenue for the quarter added 12.4% YoY to RM1.65bn. A third interim dividend of RM1.22 per share, payable on 17th May 2023 was declared. (The Star)

Boustead Plantations Bhd's (BPB) 4QFY22 net profit increased 2.5% YoY to RM87.3m, driven by gain on partial disposal of Bukit Mertajam land of RM91.0m. Revenue for the quarter, however, fell 22.8% YoY to RM263.6m. A fourth interim single-tier dividend of 3.3 sen per share, payable on 22nd March 2023 was declared. (The Star)

DRB-Hicom Bhd's 4QFY22 net loss stood at RM100.1m vs. a net profit of RM117.5m recorded in the previous corresponding quarter, due to lower profit from PROTON attributable to product mix and lower share of profits from joint ventures and associated companies. Revenue for the quarter, however, rose 5.6% YoY to RM4.35bn. (The Star)

AirAsia X Bhd's 6QFY22 net profit surged 511.7% QoQ to RM153.5m, on record average fare, higher load factor and a sharp increase in passengers carried. Revenue for the quarter soared 239.0% YoY to RM339.3m. There were no yearly comparative figures as the group changed their financial year end to 31st December 2022. (The Edge)

Sports Toto Bhd's 2QFY23 net profit grew 21.8% YoY to RM64.9m, primarily due to improved results by its principal subsidiary company STM Lottery Sdn Bhd. Revenue for the quarter rose 13.1% YoY to RM1.41bn. A second interim dividend of 2.5 sen per share, payable on 4th April 2023 was declared. (The Edge)

Star Media Group Bhd's 4QFY22 net profit stood at RM388,000 vs. a net loss of RM25.7m recorded in the previous corresponding quarter, on improved performance of its print and digital segments. Revenue for the quarter rose 12.6% YoY to RM58.0m. (The Edge)

George Kent (Malaysia) Bhd's 3QFY23 net loss stood at RM2.7m vs. a net profit of RM4.6m recorded in the previous corresponding quarter, mainly due to lower contribution from the metering division and foreign exchange loss. (The Edge)

Sunway Construction Group Bhd's 4QFY22 net profit declined 29.5% YoY to RM45.7m, dragged down mainly by lower contribution from the construction segment. Revenue for the quarter fell 19.7% YoY to RM503.4m. A second interim single-tier dividend of 2.5 sen per share, payable on 14th March 2023 was declared. (The Edge)

Nestcon Bhd has bagged a RM154.0m contract from privately-held property development firm Solaris Ceria Sdn Bhd to build office suites and serviced apartments on Jalan Duta Kiara, Mont Kiara. Separately, the group has aborted plans to undertake the construction of an integrated offsite scheduled wastes recovery facility in Kerteh Biopolymer Park, Kemaman, Terengganu, as the possession of the site for the construction of the work had yet to be granted in view of the increase in the price of construction materials required for the completion of the proposed project. (The Edge)

MMAG Holdings Bhd has suspended the executive functions of 2 directors of its 80.0%-owned air cargo logistics unit M Jets International Sdn Bhd (MJets), pending the outcome of a Malaysian Anti-Corruption Commission (MACC) investigation. The two MJets directors are Gunasekar Mariappan and Philip Phang Kin Ming. Their suspension came on the heels of MMAG learning that the MACC is conducting an investigation which relates to MJets. (The Edge)

Focus Point Holdings Bhd's 4QFY22 net profit rose 12.5% YoY to RM10.5m, driven by higher revenue from its optical and related products segment. Revenue for the quarter increased 7.5% YoY to RM68.5m. Separately, the group has proposed to undertake a bonus issue of up to 132.0 m shares on the basis of 2 bonus shares for every 5 existing shares held on the entitlement date to be fixed later. (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	TSH	20-Feb	1.130	1.150	1.200	1.320	1.050	1.040	1.080	-4.4%	On-going
2	KAWAN	22-Feb	2.220	2.330	2.440	2.600	2.150	2.140	2.220	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	2.330	-11.7%	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	1.310	22.4%	On-going
4	D&O	03-Jan	4.290	4.450	4.770	-	4.100	3.940	4.590	7.0%	On-going
5	DIALOG	03-Jan	2.400	2.550	2.720	-	2.320	2.230	2.360	-1.7%	On-going
6	GENTING	03-Jan	4.480	4.750	4.850	-	4.290	4.180	4.810	7.4%	On-going
7	HEKTAR	03-Jan	0.687	0.750	0.795	-	0.665	0.645	0.700	1.9%	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	1.860	0.0%	On-going
10	MISC	03-Jan	7.270	7.680	8.190	-	7.000	6.800	7.470	2.8%	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	3.910	13.3%	On-going
Average Return										2.6%	

Technical Focus Tracker Summary	
Total recommendations	304
Total winners	187
Total losers	116
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)	1.0%
Accuracy (2023)	57.1%
FBM KLCI (Since 30/12/2022)	-1.4%
FBM Small Cap (Since 30/12/2022)	7.0%
Malaysia GDP Growth (2022)	8.7%