

## Baby steps of recovery

### Market Review

**Malaysia:** The FBM KLCI (+0.04%) recorded its fourth straight session gains, with two-thirds of the key index components advanced. The lower liners remained mixed, while the utilities sector (+1.0%) emerged as the biggest winner amongst the sectorial peers.

**Global markets:** Wall Street retreated as the Dow (-0.3%) fell after the debt-ceiling negotiations took a pause; investors turned cautious as we approach the deadline on the 1st June 2023. The European stockmarkets, however, remained upbeat, while Asia stockmarkets ended mostly positive.

### The Day Ahead

The FBM KLCI ended marginally higher on the back of final-hour bargain hunting activities. On the global front, investors may remain cautious despite the Fed Chair Jerome Powell's comment on less-aggressive interest rate hike, as worries surfaced following a pause on debt ceiling negotiations. Meanwhile, all eyes will be on the US FOMC Minutes as well as Malaysia's inflation rate this week. Commodities wise, the Brent crude oil traded above USD75 per barrel mark, while the CPO price hovered just below RM3,500. Gold price stayed below USD2,000.

**Sector focus:** The global cautious sentiment may spill over to the local front. Hence, investors may favour telecommunications, utilities, green energy and consumer related stocks. Meanwhile, sectors such as technology may see some pull back after Wall Street mild retracement.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI erased all its intraday losses and booked marginal gains, closing at intraday high for the second session. Technical indicators, however were mixed as the MACD Histogram extended a negative bar, while the RSI hovered above 50. Resistance is monitored 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	33,426.63	-0.33
S&P 500	4,191.98	-0.14
NASDAQ	12,657.90	-0.24
FBM KLCI	1,428.54	0.04
FBM Small Cap	5,272.81	-0.42
FBM ACE	5,002.90	0.28
Construction	160.27	0.65
Consumer	572.64	-0.07
Energy	839.53	-0.65
Financial Services	15,606.23	0.24
Healthcare	1,925.96	-0.03
Ind Products	164.99	-0.61
Plantation	7,026.55	-0.46
Property	691.05	-0.12
REITs	786.00	0.35
Technology	58.43	-1.32
Telco & Media	608.39	-0.22
Transport	905.81	0.18
Utilities	975.07	1.02
Trading Vol (m)	2,845.23	7.19
Trading Val (RM m)	1,806.62	(0.61)
Advance/Decline		
FKLI	1,429.50	0.21
FCPO (RM)	3,481.00	2.62
Brent oil (USD)	75.58	0.03
Gold (USD)	1,977.81	0.11
USD	4.5378	-
GBP	5.6407	0.10
EURO	4.9045	0.15
SGD	3.3738	(0.01)
Trading participant		
Institution	355.7	
Retail	-144.8	
Foreign	-211.0	

Source: Bloomberg, Bursa Market Place

## Company Brief

**Maxis Bhd's** 1QFY23 net profit rose 7.4% YoY to RM320.0m, with growth in both its core mobile and fixed line connectivity services across its consumer and enterprise businesses. Revenue for the quarter climbed 5.0% YoY to RM2.53bn. An interim dividend of 4.0 sen per share, payable on 28th June 2023 was declared. (The Star)

**Texchem Resources Bhd's** 1QFY23 net loss stood at -RM0.2m vs. a net profit of RM13.1m recorded in the previous corresponding quarter, owing to higher input cost and tax expenses, in addition to a weaker contribution from all its business segments. Revenue for the quarter fell 12.7% YoY to RM268.5m. (The Edge)

**PIE Industrial Bhd's** 1QFY23 net profit declined 26.7% YoY to RM14.0m, mainly attributable to higher administrative and distribution expenses, provision for slow-moving inventories and impairment of trade receivables. Revenue for the quarter, however, rose 24.5% YoY to RM332.5m. (The Edge)

**Hextar Global Bhd's** 1QFY23 net profit dropped 44.9% YoY to RM8.6m, on lower revenue and margin contribution, coupled with higher operating expenses. Revenue for the quarter declined 6.7% YoY to RM143.3m. (The Edge)

**Sarawak Oil Palms Bhd's** 1QFY23 net profit plunged 77.4% YoY to RM44.2m, dragged down by lower realised selling prices of palm products, coupled with higher production costs. Revenue for the quarter declined 15.8% YoY to RM1.21bn. (The Edge)

**Malaysia Smelting Corporation Bhd's** 1QFY23 net profit dropped 45.0% YoY to RM35.4m, on lower average tin price. Revenue for the quarter dipped 5.4% YoY to RM340.1m. (The Edge)

**Kumpulan FIMA Bhd's** 4QFY23 net profit declined 38.4% YoY to RM63.2m, on weaker contribution in almost all its business segments. Revenue for the quarter, however, inched upward by 3.8% YoY to RM709.8m. An interim, single-tier dividend of 9.0 sen per share and a special dividend of 3.0 sen per share, payable on 18th August 2023 was declared. (The Edge)

**SEG International Bhd's** 1QFY23 net profit fell 46.9% YoY to RM4.6m, as new enrolments are only expected to gradually pick up this year. Revenue for the quarter declined 16.4% YoY to RM46.0m. (The Edge)

**Suria Capital Holdings Bhd's** 1QFY23 net profit decline 23.5% YoY to RM10.6m, due to lower interest income and high finance costs. Revenue for the quarter, decreased 9.9% YoY to RM64.0m. (The Edge)

**EcoFirst Consolidated Bhd** (EcoFirst) launched a RM1.00bn serviced apartment project in Chan Sow Lin, Kuala Lumpur, called KL48. Spanning 4.2-ac of freehold land on Jalan Sungai Besi, the two-tower (47-storey each) KL48 has a total of 1,700 units with three different layouts and built-ups. The development also features 9 retail units. (The Edge)

**Borneo Oil Bhd** (BOB) is acquiring a 22.0% stake, or 27.7m shares, in Sabah-based clinker and cement products manufacturer Makin Teguh Sdn Bhd (MTSB) for RM40.0m cash to expand its revenue stream. This will increase BOB's stake in MTSB to 51.3%. BOB bought a 29.3% stake in MTSB in May 2022 for RM73.6m cash. (The Edge)

**Minda Global Bhd** (MGB) has received a notice of conditional mandatory takeover offer (MTO) at 7.12 sen from a company controlled by Tan Sri Dr Palaniappan Ramanathan Chettiar, Special Flagship Holdings Sdn Bhd (SFHSB). The takeover offer price of 7.12 sen is less than two-thirds of MGB's closing price of 11.5 sen on 19th May 2023. This is not a privatisation exercise as the offeror intends to maintain the listing status of the company. SFHSB emerged as the new controlling shareholder of MGB's largest shareholder SMR Education Sdn Bhd (SMRE) on 19th May 2023, following the disposal of the company by **SMRT Holdings Bhd** to SFHSB for RM49.5m. (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	2.660	1.5%	On-going
2	MYEG	15-May	0.800	0.855	0.915	0.965	0.740	0.735	0.785	-1.9%	On-going
3	OPTIMAX	17-May	0.735	0.770	0.795	0.845	0.710	0.705	0.740	0.7%	On-going
4	PAVREIT	22-May	1.320	1.370	1.440	1.500	1.250	1.240	1.320	0.0%	Initiate position

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	0.915	-2.1%	On-going
3	HEXTAR	04-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.300	7.4%	On-going
4	INFOM	04-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.430	-6.5%	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	0.310	0.0%	On-going
7	PANTECH	04-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.755	-6.8%	On-going
8	PENTA	04-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.830	-2.0%	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	0.430	3.6%	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	2.900	-9.4%	On-going
Average Return										-0.4%	

Technical Focus Tracker Summary	
Total recommendations	328
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)	2.0%
Accuracy (2023)	57.9%
FBM KLCI (Since 30/12/2022)	-4.5%
FBM Small Cap (Since 30/12/2022)	2.3%
Malaysia GDP Growth (1Q23)	5.6%



# Market Pulse

Monday, 22 May, 2023

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