

## Sentiment turned jittery

### Market Review

**Malaysia:** The FBM KLCI (-0.7%) snapped a 4-day winning run as sentiment turned jittery following the stalling of the US debt negotiations. The lower liners also turned lower, while the technology sector (-1.1%) underperformed the mixed sectorial peers to close at the lowest level in 6 months.

**Global markets:** Wall Street closed mixed as the Dow (-0.4%) trended lower, but the S&P 500 (+0.02%) and Nasdaq (+0.5%) advanced ahead of the resumption on the debt ceiling negotiation between policy makers. The European stockmarkets also ended mixed, while Asia stockmarkets closed mostly upbeat.

### The Day Ahead

The FBM KLCI closed lower as the market sentiment was affected by the political developments ahead of the state elections. Meanwhile, Wall Street ended on a mixed note amid the ongoing debt ceiling negotiations. However, with the resumption of debt ceiling talks in the US, we expect the market sentiment to improve at least for the near term. Also, the FBM KLCI rebalancing activities will be commencing soon and may impact the volatility of the heavyweights. Commodities wise, the Brent crude oil stayed above the USD75 per barrel mark, while the CPO price is hovering around RM3,400. Gold price remains below USD2,000.

**Sector focus:** The investors will be slightly positive on the resumption of debt talks and may focus on the beaten down banking stocks yesterday. Meanwhile, we like the energy, telco and utilities sector ahead of the release of quarterly results. Also, we think aviation stocks may trade higher after AAX managed to raise funds.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI pulled back after a 4-day winning streak. Technical readings on the FBM KLCI have turned slightly negative as the MACD Histogram is flat along the zero level, while the RSI is below 50. Resistance will be pegged around 1,430-1,440. Support is located around 1,410.

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

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,286.58	-0.42
S&P 500	4,192.63	0.02
NASDAQ	12,720.78	0.50
FBM KLCI	1,419.00	-0.67
FBM Small Cap	15,156.78	-0.76
FBM ACE	4,955.53	-0.95
Construction	16134	0.67
Consumer	569.31	-0.58
Energy	84193	0.29
Financial Services	15,488.63	-0.75
Healthcare	1923.64	-0.12
Ind Products	165.08	0.05
Plantation	7,028.29	0.02
Property	69150	0.07
REITs	785.27	-0.09
Technology	57.79	-1.10
Telco & Media	603.28	-0.84
Transport	906.31	0.06
Utilities	97107	-0.41
Trading Vol (m)	2,790.97	(191)
Trading Val (RM m)	1,798.72	(0.44)
Advance/ Decline		
FKLI	1418.00	-
FCPO (RM)	3,429.00	0.03
Brent oil (USD)	75.99	0.54
Gold (USD)	1971.86	(0.02)
USD	4.5492	(0.25)
GBP	5.6613	(0.36)
EURO	4.9219	(0.41)
SGD	3.3817	(0.23)

Trading participant		
Institution	Retail	Foreign
267.6	-130.3	-137.4

Source: Bloomberg, Bursa Market Place

## Company Brief

**Petronas Dagangan Bhd's** (PDB) 1QFY23 net profit grew 154.7% YoY to RM301.8m, on the back of higher sales volume and increase in average selling prices. Revenue for the quarter rose 13.5% YoY to RM8.60bn. An interim dividend of 15.0 sen per share, payable on 20th June 2023 was declared. (The Star)

**Petronas Gas Bhd's** (PetGas) 1QFY23 net profit increased 3.3% YoY to RM424.2m, owing to higher product prices and lower tax expenses. Revenue for the quarter rose 14.4% YoY to RM1.67bn. An interim dividend of 16.0 sen per share, payable on 20th June 2023 was declared. (The Edge)

The takeover offer by Lembaga Tabung Angkatan Tentera (LTAT) to acquire the rest of the shares in **Boustead Holdings Bhd** it does not own has turned unconditional. This came after LTAT met the 90.0% threshold for the delisting of Boustead as at 17th May 2023. LTAT's stake in Boustead has increased to 92.5% following accumulation via open market acquisitions as well as shareholders' acceptances through the offer. (The Edge)

**Bahvest Resources Bhd** has reported that 5 shareholders who had recently filed a lawsuit against the company at the Kuala Lumpur High Court in an attempt to hold an extraordinary general meeting (EGM) to replace its three directors have withdrawn the suit. They have also notified the court that they are not proceeding with their proposed EGM on 25th May 2023. (The Edge)

Three of **Malaysia Airports Holdings Bhd's** (MAHB) directors have stepped down from the airports operator's board effective immediately. Tan Sri Mohamad Salim Fateh Din, 65, has resigned as independent non-executive director of the group. Datuk Azailiza Mohd Ahad, 62, is resigning as senior independent non-executive director of the group. Datuk Johan Mahmood Merican, 59, is also stepping down as non-independent non-executive director of MAHB. (The Edge)

**AirAsia X Bhd** (AAX) has proposed to place out 32.3m new shares, equivalent to 7.8% of its total issued shares, to AHAM Asset Management Bhd, AIIIMAN Asset Management Sdn Bhd and Lavin Group Sdn Bhd at an issue price of RM1.55 per share. The proceeds amounting to RM49.5m will be used to fund the working capital requirements of the group, which include aircraft activation and maintenance costs and other operating expenses such as leases and insurance. (The Edge)

**YNH Property Bhd** on 19th May 2023 received 26 questions from Bursa Securities in relation to its land sale in Sri Hartamas, Kuala Lumpur to **Sunway Bhd's** wholly owned subsidiary Sunway Living Space Sdn Bhd for RM170.0m. On 12th May 2023, YNH Property's wholly owned subsidiary Kar Sin Bhd had signed a sale and purchase agreement with Sunway to dispose of the 5.1-ac land. In its reply to Bursa, YNH explained that the RM150.0m purchase consideration and salient terms are derived from direct negotiation between YNH and Sunway based on the respective parties' intention to maximise their respective benefits and gains. (The Edge)

**Cahaya Mata Sarawak Bhd's** (CMSB) 1QFY23 fell 40.9% YoY to RM42.6m, on lower profit contribution from the road maintenance, property development and phosphate divisions. Revenue for the quarter, however, gained 28.8% YoY to RM275.7m. (The Edge)

**TSH Resources Bhd's** 1QFY23 net profit fell 64.5% YoY to RM29.4m, amid lower revenue and a loss reported by a joint venture. Revenue for the quarter fell 25.8% YoY to RM250.3m. (The Edge)

**Sunway Construction Group Bhd's** (SunCon) 1QFY23 net profit fell 19.4% YoY to RM27.8m, on the back of lower contribution from its construction segment. Revenue for the quarter dropped 16.4% YoY to RM522.1m. (The Edge)

**Duopharma Biotech Bhd's** 1QFY23 net profit rose 11.5% YoY to RM22.6m, on the back of higher revenue amid increased sales to the prescription pharmaceutical market. Revenue for the quarter grew 7.8% YoY to RM200.5m. (The Edge)

**Lagenda Properties Bhd's** 1QFY23 net profit fell 16.3% YoY to RM39.3m, mainly due to the near completion of existing projects and a lower recognition from new projects. Revenue for the quarter dropped 6.1% YoY to RM181.0m. (The Edge)

**Taliworks Corp Bhd's** 1QFY23 net profit fell 5.0% YoY to RM10.1m for 1QFY2023, due to a higher share of losses reported by its associates, higher depreciation and amortisation expenses, and lower other operating income, primarily from the fair value measurement on its investments. Revenue for the quarter, however, rose 25.0% YoY to RM93.5m. (The Edge)

**Yinson Holdings Bhd** has appointed Fariza Ali @ Taib as non-independent non-executive director, replacing Rohaya Mohammad Yusof, effective 31st May 2023. Fariza will replace Rohaya, who is resigning as a nominee director of the Employees Provident Fund (EPF) board. (The Edge)

**YGL Convergence Bhd** proposed a private placement of up to 51.7m new shares representing the enlarged issued shares of the group, and a capital reduction of RM21.0m from its total issued capital to offset its accumulated losses. The private placement will raise a maximum of RM7.8m and has earmarked RM3.6m from the proceeds for software development, followed by marketing expenses (RM2.0m) and working capital (RM2.0m). (The Edge)

**EG Industries Bhd** has joined forces with Yamaha Motor Co Ltd to set up 5G automated intelligent surface mount technology (SMT) production lines for the group's upcoming smart lights-out manufacturing plant in Batu Kawan, Penang. EG Industries is expected to invest up to RM80.0m in phases over 2 years for the implementation and commissioning of the lines, said the electronic manufacturing services provider. (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	0.730	-0.7%	On-going
4	PAVREIT	22-May	1.310	1.370	1.440	1.500	1.250	1.240	1.300	-0.8%	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	0.410	-10.9%	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	1.280	5.8%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.440	-5.9%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.150	2.7%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.315	1.6%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.755	-6.8%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.660	-5.5%	On-going
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.565	15.3%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.420	1.2%	On-going
11	TIMECOM	4-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.350	7.6%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	2.900	-9.4%	On-going
Average Return										-0.6%	

Technical Focus Tracker Summary	
Total recommendations	328
Total winners	200
Total losers	128
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)	1.8%
Accuracy (2023)	55.3%
FBM KLCI (Since 30/12/2022)	-5.1%
FBM Small Cap (Since 30/12/2022)	1.6%
Malaysia GDP Growth (1Q23)	5.6%