

## Focus on the re-tabling of Budget 2023

### Market Review

**Malaysia:** The FBM KLCI (-0.4%) extended its decline to close at its lowest level in 2 months. The lower liners, however, rebounded, while the technology sector (+2.1%) outperformed the mostly negative sectorial peers after snapping 4 consecutive sessions of decline.

**Global markets:** Wall Street rebounded after a volatile session as the Dow (+0.3%) rose on bargain hunting in technology stocks and the stronger-than-expected second reading of 4Q22 GDP estimate and jobs data. The European stockmarkets closed mostly higher, but Asia stockmarkets ended mostly negative.

### The Day Ahead

Intensified selling pressure dragged the FBM KLCI into the negative territory yesterday, taking cues from the regional losses. While the Wall Street staged a rebound overnight signalled the emergence of the positive sentiment, volatility might not abate over the near term without slowing down the interest rate upcycle. Back home, the re-tabling of Malaysia Budget 2023 will be taking the centre stage and investors may also keep an eye on Malaysia's inflation rate today. Commodities wise, the Brent crude oil traded above USD82, while the CPO price hovered above RM4,250.

**Sector focus:** The renewable energy, EV related, and construction sectors could be back in focus ahead of the re-tabling of Budget 2023. Besides, bargain hunting activities may return in the technology sector following the positive close on Wall Street. Also, solid commodities prices may point to buying interest in plantation and oil & gas stocks.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI has fallen deeper into the negative territory as the key index dipped below its immediate support at 1,460. Technical indicators remained negative as the MACD Histogram extended a negative bar, while RSI is hovering below 50. Next support is located at 1,430-1,450, while the resistance is pegged along 1,500-1,510.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,153.91	0.33
S&P 500	4,012.32	0.53
NASDAQ	11,590.40	0.72
FBM KLCI	1457.65	-0.43
FBM Small Cap	15,919.42	0.47
FBM ACE	5,559.17	1.43
Construction	163.40	1.39
Consumer	588.25	-0.21
Energy	864.44	0.28
Financial Services	15,969.07	-0.17
Healthcare	1,667.90	-0.39
Ind Products	184.30	-0.93
Plantation	6,806.36	-0.39
Property	683.36	1.05
REITs	805.38	-0.19
Technology	63.69	2.08
Telco & Media	593.80	-0.86
Transport	952.11	1.04
Utilities	877.36	-0.53
Trading Vol (m)	3,325.32	-5.27%
Trading Val (RM m)	2,250.50	8.79%
Advance/Decline	12%	
FKLI	1458.50	-0.24%
FCPO (RM)	4,235.00	0.47%
Brent oil (USD)	82.21	2.00%
Gold (USD)	1822.28	0.06%
USD	4.4340	0.23%
GBP	5.3349	0.67%
EURO	4.6963	0.66%
SGD	3.3008	0.49%

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-381.7	179.2	202.5

Source: Bloomberg, Bursa Market Place

## Company Brief

**Hap Seng Consolidated Bhd's** 4QFY22 net profit contracted 67.4% YoY to RM98.0m, affected mainly by lower contributions from the plantation and property divisions. Revenue for the quarter slipped 2.7% YoY to RM1.79bn. (The Star)

**Petron Malaysia Refining & Marketing Bhd's** (Petron Malaysia) 4QFY22 net loss stood at -RM21.4m vs. a net profit of RM60.5m recorded in the previous corresponding quarter, dragged down by the highly volatile oil market that offset the higher sales volume and improved refinery utilisation. Revenue for the quarter, however, increased 44.3% YoY to RM4.27bn. (The Star)

**Petronas Chemicals Group Bhd's** (PetChem) 4QFY22 net profit fell 76.7% YoY to RM481.0m, due to unrealised foreign exchange loss and lower profit contributions from joint venture and associates. Revenue for the quarter, however, rose 24.6% YoY to RM8.70bn. A second interim dividend payout of 16.0 sen per share, payable on 23rd March 2023 was declared. (The Edge)

**Axiata Group Bhd's** 4QFY22 core net profit jumped 112.6% YoY to RM219.5m on improved topline. Revenue for the quarter increased 9.3% YoY to RM5.83bn. A second interim dividend of 5.0 sen per share was proposed. (The Edge)

**Maxis Bhd's** 4QFY22 net profit fell 17.0% YoY to RM240.0m, due to the one-off prosperity tax, which increased the corporate tax rate to 33.0%. Revenue for the quarter, however, rose 3.7% YoY to RM2.55bn. A fourth interim dividend of 5.0 sen per share, payable on 30th March 2023 was declared. (The Edge)

**Sime Darby Bhd's** 1QFY23 net profit rose 41.7% YoY to RM389.0m, driven by one-off gain of RM147.0m was booked from the disposal of Weifang Port in November 2022. Revenue for the quarter increased 7.6% YoY to RM11.29bn. A first interim dividend of 3.0 sen per share, payable on 31st March 2023 was declared. (The Edge)

**Genting Bhd's** 4QFY22 net loss widened to -RM168.7m, from a net loss of -RM129.8m recorded in the previous corresponding quarter, mainly due to net impairment loss of RM304.8m besides higher depreciation charges and net unrealised foreign exchange losses. Revenue for the quarter, however, grew 31.5% YoY to RM6.36bn. A final dividend of 9.0 sen per share, payable on 20th April 2023 was declared. (The Edge)

**Genting Malaysia Bhd's** (GENM) 4QFY22 slipped into the red with a net loss of -RM394.0m vs. net profit of RM174.1m recorded in the previous corresponding quarter, dragged down by higher finance costs, impairment losses, depreciation charges and net foreign exchange translation losses. Revenue for the quarter, however, increased 28.9% YoY to RM2.43bn. A final dividend of 9.0 sen per share, payable on 14th April 2023 was declared. (The Edge)

**AMMB Holdings Bhd's** (AmBank) 3QFY23 net profit rose 12.2% YoY to RM452.6m, on the back of higher interest income. Revenue for the quarter gained 4.2% YoY to RM1.23bn. (The Edge)

**YTL Corp Bhd's** 2QFY23 net profit surged 47.5x YoY to RM96.9m, after its hotels segment returned to the black, while profit in the utilities segment grew stronger. Revenue for the quarter, however, decreased 3.8% YoY to RM6.59bn. (The Edge)

**Carlsberg Brewery Malaysia Bhd's** (Carlsberg Malaysia) 4QFY22 net profit dropped 15.8% YoY to RM60.1m, as its operations in Malaysia recorded lower profit, further weighed by its provision for the prosperity tax. Revenue for the quarter, however, added 13.0% YoY to RM612.8m. A final dividend of 25.0 sen per share was proposed. (The Edge)

**Sunway Bhd's** 4QFY22 net profit sank 91.7% YoY to RM203.0m, as the previous corresponding quarter booked a RM2.30bn net gain arising from the group's partial divestment of Sunway Healthcare Group. Revenue for the quarter, however, increased 22.8% YoY to RM1.53bn. A second interim dividend of 3.5 sen per share was proposed. (The Edge)

**IJM Corp Bhd's** 3QFY23 net profit fell 24.0% YoY to RM74.8m, dragged down by the construction sector due to high share of losses from its Singapore associate and unrealised foreign exchange losses. Revenue for the quarter declined 13.4% YoY to RM1.10bn. (The Edge)

**Vitrox Bhd's** 4QFY22 net profit climbed 5.4% YoY to RM48.6m, on more favourable product mix. Revenue for the quarter grew 2.3% YoY to RM190.0m. Separately, the group is bracing for a temporary downturn in 1H23, amid softer global economic growth and uncertainties in general business outlook. (The Edge)

**Duopharma Biotech Bhd's** 4QFY22 net profit increased 9.2% YoY to RM17.2m, thanks to RM1.81m booked as tax credit. Revenue for the quarter rose 4.5% YoY to RM152.0m. (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	1.070	-5.3%	On-going
2	KAWAN	22-Feb	2.160	2.330	2.400	2.600	2.150	2.140	2.180	0.9%	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	2.250	-14.8%	On-going
2	BJFOOD	03-Jan	1.020	1.110	1.200	-	0.975	0.935	1.020	0.0%	On-going
3	CMSB	03-Jan	1.070	1.130	1.250	-	1.000	0.915	1.270	18.7%	On-going
4	D&O	03-Jan	4.290	4.450	4.770	-	4.100	3.940	4.560	6.3%	On-going
5	DIALOG	03-Jan	2.400	2.550	2.720	-	2.320	2.230	2.280	-5.0%	On-going
6	GENTING	03-Jan	4.480	4.750	4.850	-	4.290	4.180	4.710	5.1%	On-going
7	HEKTAR	03-Jan	0.687	0.750	0.795	-	0.665	0.645	0.685	-0.3%	On-going
8	JTIASA	03-Jan	0.660	0.710	0.755	-	0.615	0.585	0.720	9.1%	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	7.480	2.9%	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	0.960	17.8%	On-going
13	UMW	03-Jan	3.450	3.640	3.950	-	3.220	3.100	3.910	13.3%	On-going
Average Return										1.8%	

# Market Pulse

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Technical Focus Tracker Summary	
Total recommendations	304
Total winners	188
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)	64.3%
FBM KLCI (Since 30/12/2022)	-2.5%
FBM Small Cap (Since 30/12/2022)	6.7%
Malaysia GDP Growth (2022)	8.7%

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