

Downward pressure un eased

Market Review

Malaysia: The FBM KLCI (-0.5%) extended its decline as sentiment remain wary after selling pressure were evident across more than two-thirds of the key index components. The lower liners also faltered, while the healthcare sector (+0.5%) outperformed the mostly negative sectorial peers.

Global markets: Wall Street faltered as there were limited progress over the ongoing debt ceiling negotiations, whilst investors are keeping a close tab onto the impending release of FOMC minutes. The European stockmarkets also retreated, while Asia stockmarkets finished mostly negative.

The Day Ahead

The FBM KLCI slid deeper into the red in the afternoon session as investors watched the progress of the US debt ceiling talk. We believe investors may remain jittery as the debt ceiling discussions appeared to yield little progress. Do note that Janet Yellen commented that the "hard deadline" for raising the debt ceiling will be on 1st of June. Meanwhile, investors may focus on fundamentally solid companies amid the earnings season on the local bourse. Commodities wise, the Brent crude oil traded above USD76, while the CPO price hovered around RM3,400. Gold price remained below USD2,000.

Sector focus: The semiconductor sector could be one of the sectors under the limelight following the government's plans to strengthen Malaysia's semiconductor system in the hope to achieve 15.0% market share by 2030. Besides, investors may favour telecommunications and utilities sectors prior to the release of their results.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI extended losses as the key index stayed below its daily EMA9 and EMA20 level. Technical indicators remained negative as the MACD Histogram extended a negative bar, while the RSI hovered below 50. Support is located around 1,410, while resistance will be pegged around 1,430.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,055.51	-0.69
S&P 500	4,145.58	-1.12
NASDAQ	12,560.25	-1.26
FBM KLCI	1,411.54	-0.53
FBM Small Cap	5,092.28	-0.43
FBM ACE	4,917.79	-0.76
Construction	160.23	-0.69
Consumer	568.36	-0.17
Energy	836.85	-0.60
Financial Services	5,410.21	-0.51
Healthcare	1,933.21	0.50
Ind Products	164.13	-0.58
Plantation	6,975.15	-0.76
Property	689.84	-0.24
REITs	786.98	0.22
Technology	56.99	-1.38
Telco & Media	598.81	-0.74
Transport	909.58	0.36
Utilities	966.49	-0.47
Trading Vol (m)	2,458.97	(1190)
Trading Val (RM m)	1,656.08	(7.93)
Advance/ Decline		
FKLI	1,409.00	(0.14)
FCPO (RM)	3,378.00	1.10
Brent oil (USD)	76.84	1.12
Gold (USD)	1,975.23	0.07
USD	4,572.5	(0.51)
GBP	5,663.3	(0.04)
EUR	4,929.6	(0.16)
SGD	3,394.9	(0.39)

Trading participant		
Institution	Retail	Foreign
191.5	-72.3	-119.3

Source: Bloomberg, Bursa Market Place

Company Brief

Pecca Group Bhd's wholly-owned subsidiary Pecca Aviation Services Sdn Bhd and Global Component Asia Sdn Bhd have signed a memorandum of understanding (MOU) to promote aircraft seat cover products in Malaysia and the wider region. Global Component Asia and Pecca Aviation will engage in joint marketing efforts to promote Pecca's aircraft seat covers for both civil and enforcement/defense markets in aircraft cabin upgrade. (The Star)

Hextar Technologies Solutions Bhd's 4QFY23 net loss stood at -RM0.9m vs. a net profit of RM1.1m recorded in the previous corresponding quarter, due to lower rental income from a tenancy agreement expiration for one of its warehouses and an impairment loss on trade receivables of RM1.2m. Revenue for the quarter, however, improved 67.6% YoY to RM56.0m. (The Edge)

Sports Toto Bhd's 3QFY23 net profit tumble 70.8% YoY to RM23.2m, mainly due to a lesser number of draws and higher prize payout. Revenue for the quarter fell 4.2% YoY to RM1.66bn. A third interim dividend of 2.0 sen per share, payable on 21st July 2023 was declared. (The Edge)

Pertama Digital Bhd's 1QFY23 net loss stood at -RM1.8m vs. a net profit of RM5.1m recorded in the previous corresponding quarter, weighed down by higher operating expenses. Revenue for the quarter tumbled 73.6% YoY to RM1.4m. (The Edge)

Kerjaya Prospek Group Bhd's 1QFY23 net profit rose 1.9% YoY to RM29.4m, due to higher interest income. Revenue for the quarter, however, decreased 1.1% YoY to RM297.3m. An interim dividend of 2.0 sen per share, payable on 6th July 2023 was declared. (The Edge)

Coastal Contracts Bhd's 3QFY23 net profit surged 246.7% YoY to RM153.7m, mainly buoyed by a higher share of profit of joint venture (JV) amounting to RM129.9m. Revenue for the quarter rose 3.5% YoY to RM55.7m. (The Edge)

Uchi Technologies Bhd's 1QFY23 net profit rose 41.2% YoY to RM37.8m, due to higher demand for its products and services, coupled with gains of RM11.3m from its disposal of assets. Revenue for the quarter improved 19.8% YoY to RM57.4m. (The Edge)

Star Media Group Bhd's 1QFY23 net profit dropped 54.9% YoY to RM1.1m, as its main business segments reported lower earnings. Revenue for the quarter decreased 1.3% YoY to RM52.0m. (The Edge)

Pelikan International Corp Bhd is currently in negotiations with prospective strategic buyers to dispose of "substantially" all its assets and business interest. The company is appointing an investment bank as the principal adviser to advise the board of directors on the said disposal and negotiate terms of the transaction. Separately, Pelikan's 1QFY23 net profit stood at RM4.7m, compared with a net loss of -RM6.1m recorded in the previous corresponding quarter, driven by strong sales development in the Latin American region. Revenue for the quarter rose 18.1% YoY to RM236.7m. (The Edge)

Wah Seong Corp Bhd's 1QFY23 net profit soared 340.5% YoY to RM21.8m, on the back of a higher revenue contribution from all business segments. Revenue for the quarter grew 39.4% YoY to RM639.7m. (The Edge)

Dayang Enterprise Holdings Bhd's 1QFY23 net loss stood at -RM16.0m vs. a net profit of RM13.8m recorded in the previous corresponding quarter, due to fewer work contracts being awarded, and lower vessel utilisation, which is typical during the monsoon season. Revenue for the quarter slipped 29.8% YoY or RM47.7m. (The Edge)

Aldrich Resources Bhd has proposed to diversify into the exploration of minerals, mining and mining-related businesses, as well as money lending business. The group is presently involved in providing computerised maintenance management systems and fintech solutions, as well as corporate secretarial and share registration services. In February 2023, Aldrich had subscribed for a 96.2% stake of the enlarged issued share capital of a money lending company, Proficient Premium Sdn Bhd, for RM250,000. (The Edge)

MISC Bhd's wholly owned subsidiary Gas Asia Terminal (L) Pte Ltd has entered into an agreement with Regas Terminal (Sg Udang) Sdn Bhd (RGTSU) for a one-off prepayment of USD233.6m as early settlement of the capex hire fees payable for the remaining charter period of its 2 floating storage units (FSUs) at LNG Regas Terminal Sungai Udang in Melaka. The amount will be paid fully in cash, and the FSUs will continue to be employed by RGTSU until August 2032 as agreed upon. (The Edge)

Deleum Bhd has appointed Tan Sri Shamsul Azhar Abbas, who was president and chief executive officer of Petroliam Nasional Bhd from 2010 to 2015, as its chairman effective 1st June 2023, succeeding Datuk Izham Mahmud. Shamsul Azhar joined Deleum's board of directors in June 2022, bringing with him more than 40 years in the oil and gas industry. Izham, 82, will continue to remain on Deleum's board as non-independent non-executive director. (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	2.680	2.3%	On-going
2	MYEG	15-May	0.800	0.855	0.915	0.965	0.740	0.735	0.770	-3.8%	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	1.310	1.370	1.440	1.500	1.250	1.240	1.310	0.0%	On-going
5	SLVEST	24-May	0.995	1.040	1.090	1.170	0.940	0.935	0.995	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	4-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.405	-12.0%	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	1.270	5.0%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.420	-7.2%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.140	1.8%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.290	-6.5%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.750	-7.4%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.670	-5.3%	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	0.425	2.4%	On-going
11	TIMECOM	4-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.360	7.8%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	2.800	-12.5%	On-going
Average Return										-1.8%	

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Technical Focus Tracker Summary	
Total recommendations	329
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)	1.9%
Accuracy (2023)	56.4%
FBM KLCI (Since 30/12/2022)	-5.6%
FBM Small Cap (Since 30/12/2022)	1.1%
Malaysia GDP Growth (1Q23)	5.6%