

Likely to move towards 1,600

Market Review

Malaysia: The FBM KLCI (+0.1%) edged higher as investors focused on recovery-themed stocks after Singapore and Malaysia reached an agreement to reopen the borders from April 2022. The lower liners ended higher, while the energy sector outperformed the positive-bias broader market amid elevating crude oil price.

Global markets: Despite no significant progress between Ukraine and Russia, Wall Street advanced with the Dow (+1.0%) resuming its rallies on the back of the lower-than-expected jobless claims. The European markets finished mostly in the red, while the Asia stock markets were mixed.

The Day Ahead

Market sentiment continued to stay positive as buying interest in banking, gaming and O&G heavyweights lifted the FBM KLCI marginally higher. We believe the reopening of travel borders in April should revive the economic sectors in Malaysia and benefit the recovery-themed stocks. Nevertheless, sentiment may remain cautious amid the unresolved geopolitical tensions between Russia and Ukraine. On the commodity markets, the crude oil price saw a slight pullback, trading around USD118 per barrel mark as the US and its allies discussed a possible further release of oil, while CPO traded around RM5,900.

Sector focus: We reckon the rebound in Nasdaq overnight will spill over to the local technology stocks as investors are likely to scoop up the beaten-down shares. Besides, gold related stocks may gain traction after POHKONG released its strong set of results as gold price remained firm above USD1,900. Also, we remained positive on the recovery-themed stocks.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI saw another win after recouping most of its intraday losses in the final hour. Technical indicators remained positive as the MACD Histogram extended a positive bar, while the RSI hovered above 50. The key index was pushed closer to the 1,600-1,620 resistance level ; support is pegged at 1,550.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,707.94	1.02
S&P 500	4,520.16	1.43
NASDAQ	14,191.84	1.93
FBM KLCI	1,598.97	0.07
FBM Small Cap	1,522.29	0.38
FBM ACE	5,592.19	0.17
Construction	158.07	0.87
Consumer	581.16	0.61
Energy	727.78	1.13
Financial Services	1,778.19	0.18
Healthcare	2,105.70	-0.49
Ind Products	204.48	0.26
Plantation	8,034.86	-0.17
Property	711.71	0.61
REITs	764.68	0.56
Technology	78.39	-0.53
Telco & Media	648.48	0.07
Transport	834.07	-0.15
Utilities	857.36	0.82
Trading Vol (m)	2,707.16	-23.69
Trading Val (RM m)	2,114.87	-19.81
Advance/ Decline	113%	
FKLI	1,596.00	0.00
FCPO (RM)	5,979.00	0.61
Brent oil (USD)	119.03	-2.11
Gold (USD)	1,957.69	0.71
USD	4.2245	-0.02
GBP	5.5655	0.34
EURO	4.6439	0.04
SGD	3.1141	-0.13

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
- 486.7	43.6	443.1

Source: Bloomberg, Bursa Market Place

Company Brief

Datasonic Group Bhd's wholly-owned subsidiary, Datasonic Technologies Sdn Bhd has secured an RM22.5m contract to design, print, supply and deliver various security documents to the National Registration Department. (The Star)

Solarvest Holdings Bhd has been appointed by NEFIN Group as the engineering, procurement, construction, and commissioning solutions provider for a rooftop solar photovoltaic project involving hypermarket chain Lotus's Malaysia. The total contract price for the project is fixed at RM20.1m. (The Star)

Sunway Construction Group Bhd has appointed Liew Kok Wing as group managing director beginning 1st April 2022. He replaces Chung Soo Kiong who will be taking up another position within the Sunway Group of companies. (The Star)

Malaysia's big four telco operators are seeking an approach "that is typical of any major mergers and acquisitions process" after being offered equity stakes in 5G infrastructure vehicle **Digital Nasional Bhd**. **Axiata Group Bhd**'s operating unit **Celcom Axiata Bhd**, **Digi.Com Bhd**'s subsidiary Digi Telecommunications Sdn Bhd, **Maxis Bhd** and U Mobile Sdn Bhd have "officially expressed interest" to the Ministry of Finance and the Ministry of Communications and Multimedia to further understand and explore the stake offer. (The Edge)

Sun Life Financial Inc is nearing an agreement to expand its partnership in Indonesia with Malaysian lender **CIMB Group Holdings Bhd**. CIMB, which owns a 91.5% stake in Indonesia's PT Bank CIMB Niaga, is in advanced talks with Sun Life over the so-called bancassurance deal in the Southeast Asian country. Under such an agreement, an insurer typically pays an upfront amount to sell its products in the bank's branches. A pact could be valued at about US\$400.0m (RM1.69bn). (The Edge)

Cypark Resources Bhd has bagged an RM74.3m contract from TTDI KL Metropolis Sdn Bhd to undertake road upgrading and associated works along Jalan Dutamas 2 here. (The Edge)

Poh Huat Resources Holdings Bhd's 1QFY22 net profit surged 59.4% YoY to RM15.4m, driven by better profit margins. Revenue for the quarter, however, declined 0.4% YoY to RM183.0m. (The Edge)

Wong Engineering Corp Bhd's 1QFY22 net profit slumped 87.9% YoY to RM243,000 after its construction and property development segment slipped into losses due to lower billings and share of loss from an associate company. Revenue for the quarter shrank 25.3% YoY to RM18.5m. (The Edge)

Poh Kong Holdings Bhd's 2QFY22 net profit jumped 159.0% YoY to RM29.4m, contributed by the uptrend in gold prices. Revenue climbed 75.7% YoY to RM406.5m. (The Edge)

PA Resources Bhd has received a further one-year extension of its agreement to supply raw materials to the First Solar group for the production of photovoltaic modules. The extended contract is worth about RM550.0m, and will be effective until 1st July 2014. The First Solar group comprises Nasdaq-listed First Solar Inc and its manufacturing units First Solar Vietnam Mfg Co Ltd and First Solar Malaysia Sdn Bhd. (The Edge)

MyNews Holdings Bhd's 1QFY22 net loss narrowed to RM7.9m from RM8.9m in the previous corresponding quarter, on higher revenue achieved, thanks to the increase in number of outlets and footfall upon relaxation of the full lockdown in October 2021. Revenue for the quarter jumped 41.3% YoY to RM139.4m. (The Edge)

Bintai Kinden Corporation Bhd's unit Kejuruteraan Bintai Kindenko Sdn Bhd has secured RM57.4m worth of power substation and power transformer contracts in Pahang and Selangor from Tenaga Nasional Bhd. (The Edge)

Permaju Industries Bhd has partnered with the Malaysian Cocoa Board to jointly develop and manage a 100ha plantation, the largest single origin smart cocoa plantation in this country. The company has allocated RM15.0m over the next seven years to kickstart its plantation division. It will be partnering with Agrocloud Sdn Bhd to develop a customised plantation decision support system platform named Cocoa Plantation Management System for its smart cocoa plantation. (The Edge)

Technical Focus Tracker

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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	OKA	7-Mar	0.815	0.850	0.875	0.920	0.770	0.765	0.840	3.1%	On-going
2	DSONIC	9-Mar	0.440	0.475	0.490	0.520	0.400	0.395	0.460	4.5%	On-going
3	COASTAL	14-Mar	1.790	1.860	2.000	2.090	1.590	1.580	1.860	3.9%	Take profit at R1 on 22-Mar
4	CIMB	16-Mar	5.120	5.300	5.500	5.750	4.920	4.910	5.300	3.5%	Take profit at R1 on 22-Mar
5	LBS	21-Mar	0.485	0.495	0.520	0.560	0.445	0.440	0.520	7.2%	Take profit at R2 on 22-Mar
6	PENTA	23-Mar	3.910	4.160	4.370	4.900	3.530	3.520	4.160	6.4%	Take profit at R1 on 23-Mar

1Q22 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	KGB	5-Jan	1.820	2.000	2.200	-	1.530	1.500	1.190	-34.6%	Cut loss on 7-Mar
2	BPPLAS	5-Jan	1.580	1.800	2.000	-	1.400	1.370	1.410	-10.8%	Closed on 7-Mar
3	ELKDESA	5-Jan	1.310	1.430	1.500	-	1.230	1.200	1.310	0.0%	Closed on 7-Mar
4	JAKS	5-Jan	0.415	0.455	0.490	-	0.360	0.345	0.305	-26.5%	Cut loss on 7-Mar
5	KMLOONG	5-Jan	1.680	1.800	1.900	-	1.580	1.550	1.890	12.5%	Take profit on 7-Mar
6	OPTIMAX	5-Jan	1.310	1.520	1.640	-	1.250	1.180	1.030	-21.4%	Cut loss on 7-Mar
7	OKA	5-Jan	0.835	0.910	0.945	-	0.760	0.745	0.800	-4.2%	Closed on 7-Mar
8	KRONO	5-Jan	0.650	0.685	0.745	-	0.565	0.550	0.480	-26.2%	Cut loss on 7-Mar
9	OPCOM	5-Jan	0.950	1.120	1.300	-	0.880	0.865	0.765	-19.5%	Cut loss on 7-Mar
10	RGTECH	5-Jan	0.480	0.515	0.565	-	0.415	0.400	0.420	-12.5%	Closed on 7-Mar
Average Return										-14.3%	

Technical Focus Tracker Summary	
Total recommendations	210
Total winners	130
Total losers	80
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	32.4%
Accuracy (2022)	68.0%
FBM KLCI (Since 31/12/2021)	2.0%
FBM Small Cap (Since 31/12/2021)	2.5%
Malaysia GDP Growth (2021)	3.1%