

## Slight relieve

### Market Review

**Malaysia:** The FBM KLCI (+0.2%) edged marginally higher to snap a 4-day losing streak, largely lifted by the eleventh-hour buying support in selected index heavyweights. The lower liners, however, remained in red, while the plantation sector (+1.4%) outperformed the mixed sectorial peers.

**Global markets:** Wall Street turned downbeat as the Dow (-1.0%) fell amid renewed concerns over the banking sector following First Republic Bank's disappointing earnings and potential asset sales. Both the European and Asia stockmarkets also closed mostly in red.

### The Day Ahead

The FBM KLCI bounced slightly higher after the long weekend break on the back of buying momentum in selected plantation and consumer heavyweights. However, Wall Street saw a deep decline triggered by revived banking fears and cautious tone amid technology earnings week. Thus, we believe the selling pressure may spillover to the regional and the local bourse. Commodities wise, the crude oil price tumbled towards USD80, while the CPO price hovered above RM3,600; gold price remained below USD2,000.

**Sector focus:** Given the cautious global market undertone, investors may lean away from the technology counters especially after Nasdaq fell under the psychological 12,000 level. Sectors such as utilities and telecommunication may gain traction with investors shifting their focus to defensive stocks. Meanwhile, health care stocks may be on traders' radar for shorter term trades following the detection of Arcturus cases in Malaysia.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI rebounded, snapping a four-session losing streak but remained 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. Resistance is pegged along 1,440-1,450, while support is set around 1,400-1,410.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,530.83	-102
S&P 500	4,071.63	-158
NASDAQ	11,799.16	-198
FBM KLCI	1,425.19	0.22
FBM Small Cap	15,485.99	-0.19
FBM ACE	5,319.64	-0.45
Construction	161.37	0.14
Consumer	578.84	0.43
Energy	858.97	0.47
Financial Services	15,623.84	-0.27
Healthcare	1,774.04	-0.38
Ind Products	171.96	-0.69
Plantation	6,928.61	1.39
Property	699.14	-0.03
REITs	798.50	0.40
Technology	614.1	-0.32
Telco & Media	622.00	0.98
Transport	918.73	-1.00
Utilities	960.74	0.18
Trading Vol (m)	2,569.89	4.44
Trading Val (RM m)	1,549.81	5.71
Advance/ Decline		
FKLI	1424.50	(0.28)
FCPO (RM)	3,635.00	(162)
Brent oil (USD)	80.77	(2.37)
Gold (USD)	1,997.39	0.22
USD	4.4500	(0.29)
GBP	5.5494	(0.63)
EURO	4.9086	(0.93)
SGD	3.3312	(0.13)

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-29.6	164.0	-134.4

Source: Bloomberg, Bursa Market Place

## Company Brief

**Lebtech Bhd's** wholly owned subsidiary Lebtech Construction Sdn Bhd has accepted a contract from Vista infinity Development Sdn Bhd for dredging, reclamation, shore protection and revetment works in Kampung Tanjung Batu Nenasi in Pahang. The contract valued at RM55.3m includes the supply of sand, site management and the mobilisation of a dredging plant and equipment for the project. The project will commence on 3rd May 2023, for a period of 33 months. (The Star)

**Advancecon Holdings Bhd's** unit has been appointed as a subcontractor for the construction and completion of subgrade earthwork of section five of the East Coast Rail Link (ECRL) project for RM11.5m. The job will start from 29th April 2023 and is expected to complete in September 2023. (The Edge)

**Ranhill Utilities Bhd's** subsidiary bagged a USD50.0m (RM210.0m) contract from Italian oil major Saipem SpA's wholly-owned unit Servizi Energia Italia SpA to perform detailed engineering design for two compression complexes associated with the North Field Production Sustainability (NFPS) Offshore Compression Complexes Project. Ranhill Utilities is expected to complete the engineering design work by 3Q24. (The Edge)

**Rimbunan Sawit Bhd's** auditor Messrs Crowe Malaysia PLT has raised a material uncertainty related to the going concern of the plantation group in respect of the financial statement for FY22 due to Rimbunan Sawit's current liabilities exceeding current assets by RM225.4m, coupled with a net loss of RM5.8m last year. Crowe Malaysia expressed an unmodified audit opinion, which means the auditor is satisfied that Rimbunan Sawit's financial statements provide a true and fair view of the group's financial position, performance and cash flow for FY22. (The Edge)

**PDZ Holdings Bhd** executive director Ho Jien Shiung has ceased to be a substantial shareholder of **Fitters Diversified Bhd** after offloading 40.0m shares. Ho sold the block of Fitters Diversified shares on 19th April 2023. This slashed his shareholding to 106.1m shares. (The Edge)

**NWP Holdings Bhd** is seeing the possibility of turning profitable with its diversification into the sand-dredging business, coupled with ongoing cost-cutting initiatives. Additional revenue and earnings from the sand-dredging business put the group in a strong position to turn profitable FY24. (The Edge)

The Edge Communications Sdn Bhd and its owner Tan Sri Tong Kooi Ong have surfaced as substantial shareholders of **Star Media Group Bhd**. Star Media's filings with Bursa Malaysia show that Tong owns a direct interest of 1.8m shares or 0.2% stake, as well as 37.5m shares or 5.2% indirect interest through The Edge Communications. (The Edge)

**Petronas Chemicals Group Bhd** (PetChem) has entered into an agreement to sell a 25.0% stake in Petronas Chemicals Fertiliser Sabah Sdn Bhd (PCFS) to SMJ Sdn Bhd for RM1.20bn. SMJ is wholly-owned by the Sabah government and oversees the state's overall interest in oil and gas developments in Sabah. The agreement comes 3 months after PetChem inked a heads of agreement with SMJ for the 25.0% divestment in PCFS, as part of its strategic effort to position itself as a preferred partner in shaping and implementing efforts to sustain and grow its petrochemicals business in Sabah. (The Edge)

Bursa Malaysia Securities Bhd has publicly reprimanded **Silver Ridge Holdings Bhd** and four of its directors, including Langkawi Member of Parliament Datuk Mohd Suhaimi Abdullah, for breaching the ACE Market Listing Requirements. In addition, the directors were imposed fines totalling RM100,000. The company was publicly reprimanded for failing to make an immediate announcement when the company received a letter of award/contract dated 4th May 2021 for a RM20.6m contract, with a tenure of 36 months from 4th May 2021 to 3rd May 2024. (The Edge)

**Nestlé (Malaysia) Bhd's** 1QFY23 net profit eased 3.9% YoY to RM197.2m, pressured by higher commodity prices and unfavourable foreign exchange rates. Revenue for the quarter, however, grew 8.8% YoY to RM1.84bn. (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	PWROOT	3-Apr	2.120	2.240	2.310	2.500	2.000	1.990	2.090	-1.4%	Closed at cut-off on 25-Apr
2	EG	5-Apr	1.300	1.400	1.460	1.600	1.160	1.150	1.260	-3.1%	On-going
3	CMSB	12-Apr	1.160	1.250	1.340	1.400	1.120	1.110	1.110	-4.3%	Cut loss on 25-Apr
4	BETA	17-Apr	0.525	0.560	0.585	0.645	0.475	0.470	0.470	-10.5%	Cut loss on 25-Apr
5	OWG	25-Apr	0.625	0.645	0.670	0.695	0.580	0.575	0.635	1.6%	Take profit at R1 on 25-Apr
6	REDTONE	26-Apr	0.515	0.550	0.580	0.625	0.500	0.495	0.515	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	0.440	-4.3%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.935	0.0%	On-going
3	HEXTAR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.150	-5.0%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.470	-3.9%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.170	4.5%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.275	-11.3%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.775	-4.3%	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	0.585	19.4%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.415	0.0%	On-going
11	TIMECOM	4-Apr	5.510	5.800	6.000	5.250	5.060	5.000	5.550	0.7%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	2.990	-6.6%	On-going
Average Return										-1.3%	

Technical Focus Tracker Summary	
Total recommendations	321
Total winners	195
Total losers	125
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)	0.2%
Accuracy (2023)	51.6%
FBM KLCI (Since 30/12/2022)	-4.7%
FBM Small Cap (Since 30/12/2022)	3.8%
Malaysia GDP Growth (2022)	8.7%