

Approaching oversold

Market Review

Malaysia: The FBM KLCI (-0.5%) extended its decline to close at the lowest level in 2 months, dragged down by weakness in plantation and oil & gas heavyweights yesterday. The lower liners also trended lower, while the technology (+0.4%), property (+0.2%) and industrial products & services (+0.1%) sectors outperformed.

Global markets: Wall Street closed mixed as the Dow (-0.1%) fell, but the S&P 500 (+0.9%) and Nasdaq (+1.7%) was lifted by gains in AI-related stocks following a bullish sales beat and forecast by Nvidia Corporation (+24.4%). Both the European and Asia stockmarkets finished mostly negative.

The Day Ahead

The FBM KLCI remained subdued on the back of persisted selling pressure in the banking and plantation heavyweights. We believe bargain hunting activities may emerge on the local bourse as the US economy showed no signs of recession following the release of higher-than-expected GDP data for 1Q23. Meanwhile, Malaysia's inflation rate will be in focus today. Commodities wise, the Brent crude oil price decreased towards USD76, while the CPO price stood above RM3,500. Gold price pulled back further towards USD1,940.

Sector focus: A strong rebound on Nasdaq we might see buying interest spillover towards the technology sector. Meanwhile, we think investors may favour telecommunication, utilities and REITs amid the ongoing earnings season. On the other hand, there might be less interest in gold counters as the commodities prices appeared to be in a consolidation phase.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI finished at intraday low as the key index dipped for the fourth straight session. Technical indicators remained negative as the MACD Histogram extended a negative bar, while the RSI hovered below 50. Investors may monitor the next support along 1,370-1,390, while the resistance is pegged along 1,440-1,460.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	32,764.65	-0.11
S&P 500	4,151.28	0.88
NASDAQ	12,698.09	1.71
FBM KLCI	1,402.48	-0.51
FBM Small Cap	14,889.79	-0.66
FBM ACE	4,944.18	-0.07
Construction	157.53	-0.94
Consumer	563.46	-0.31
Energy	818.76	-1.37
Financial Services	15,318.43	-0.20
Healthcare	1,850.21	-2.86
Ind Products	164.14	0.09
Plantation	6,805.75	-1.89
Property	687.07	0.17
REITs	783.09	-0.12
Technology	57.20	0.40
Telco & Media	592.55	-0.60
Transport	901.36	-0.56
Utilities	960.65	-0.46
Trading Vol (m)	2,356.18	(7.55)
Trading Val (RM m)	1,625.62	(4.25)
Advance/Decline		
FKLI	1,401.00	0.11
FCPO (RM)	3,493.00	0.46
Brent oil (USD)	76.26	(2.68)
Gold (USD)	1,941.41	(0.03)
USD	4.6265	(0.71)
GBP	5.7265	(0.65)
EURO	4.965	(0.32)
SGD	3.4216	(0.33)
Trading participant		
Institution	71.2	
Retail	70.9	
Foreign	-142.1	

Source: Bloomberg, Bursa Market Place

Company Brief

Hap Seng Consolidated Bhd's 1QFY23 net profit fell 67.5% YoY to RM50.8m, due to decreased revenue from plantation, property and trading divisions. Revenue for the quarter declined 3.6% YoY to RM1.59bn. A first interim dividend of 10.0 sen per ordinary, payable on 22nd June 2023 was declared. (The Star)

Telekom Malaysia Bhd's (TM) 1QFY23 net profit declined 2.9% YoY to RM330.1m, due to the group's decision to accelerate depreciation and impairment of information technology assets, in view of changes in market conditions. Revenue for the quarter, however, grew 2.1% YoY to RM2.95bn. (The Edge)

Public Bank Bhd's 1QFY23 net profit rose 22.1% YoY to RM1.71bn, due to the absence of the prosperity tax. Revenue for the quarter gained 25.2% YoY to RM6.12bn. (The Edge)

Genting Bhd's 1QFY23 net profit stood at RM98.0m vs. a net loss of RM199.7m recorded in the previous corresponding quarter, on the back of better contribution from the leisure and hospitality division as a result of ongoing recovery in regional travel and gaming demand after the relaxation of Covid-19 restrictions. Revenue for the quarter gained 38.2% YoY to RM5.82bn. (The Edge)

Genting Malaysia Bhd (GenM)'s 1QFY23 net loss narrowed to -RM27.4m, from a net loss of -RM126.5m recorded in the previous corresponding quarter, boosted by improved contribution from its leisure and hospitality segment. Revenue for the quarter rose 32.7% YoY to RM2.28bn. (The Edge)

Sime Darby Property Bhd's 1QFY23 net profit rose 17.0% YoY to RM60.7m, mainly contributed by its property development segment. Revenue for the quarter rose 42.7% YoY to RM685.3m. (The Edge)

YTL Corp Bhd's 3QFY23 net profit declined marginally by 0.1% YoY to RM414.1m. Revenue for the quarter, however, increased 18.8% YoY to RM7.33bn. (The Edge)

YTL Power International Bhd's 3QFY23 net profit declined 48.6% YoY to RM519.6m, in the absence of gain on disposal of its Australian investment. Revenue for the quarter, however, rose 15.3% YoY to RM5.34bn. (The Edge)

Inari Amertron Bhd's 3QFY23 net profit dropped 36.6% YoY to RM57.4m, due to lower loading volume across all business segments. Revenue for the quarter fell 23.5% YoY to RM275.8m. A 1.4 sen dividend, payable on 7th July 2023 was declared. (The Edge)

Axiata Group Bhd's 1QFY23 net profit stood at RM73.9m vs. a net loss of -RM43.0m recorded in the previous corresponding quarter, driven by higher share of results from associates, mainly **CelcomDigi Bhd**, as well as lower taxes and foreign exchange (forex) losses. Revenue for the quarter grew 7.9% YoY to RM5.38bn. (The Edge)

Velesto Energy Bhd's 1QFY23 net profit stood at RM14.2m vs. net loss of -RM46.2m recorded in the previous corresponding quarter, thanks to higher average jack-up rigs utilisation and higher average charter rates under its drilling services segment, as well as more progress for the i-RDC project under its integrated services segment during the quarter. Revenue for the quarter surged 271.4% YoY to RM287.5m. (The Edge)

Dutch Lady Milk Industries Bhd's 1QFY23 net profit fell 58.6% YoY to RM8.5m, as it was hit by the unprecedented increase in the cost of dairy raw materials and negative impacts of exchange rates predominantly against the USD. Revenue for the quarter, however, grew 18.2% YoY to RM354.3m. (The Edge)

Petron Malaysia Refining & Marketing Bhd's 1QFY23 net profit rose 2.2% YoY to RM108.7m, as the stable demand cushioned the fall in crude oil prices. Revenue for the quarter rose marginally by 0.5% YoY to RM3.82bn. (The Edge)

Berjaya Land Bhd's (BLand) 3QFY23 net profit stood at RM4.1m vs. a net loss of -RM7.4m recorded in the previous corresponding quarter, amid higher overall occupancy and average room rates from its hotels and business segment. Revenue for the quarter rose mildly by 1.0% YoY to RM1.93bn. (The Edge)

MBM Resources Bhd's 1QFY23 net profit dropped 10.5% YoY to RM80.0m, due to the inclusion of a non-operating gain previously. Revenue for the quarter, however, rose 16.2% YoY to RM555.8m. (The Edge)

7-Eleven Malaysia Holdings Bhd's (SEM) 1QFY23 net profit fell 35.7% YoY to RM15.7m, due to lower profit from its pharmaceutical segment. Revenue for quarter, however, rose 16.3% YoY to RM976.9m. (The Edge)

Revenue Group Bhd's 3QFY23 net loss stood at -RM9.4m vs. a net profit of RM4.7m recorded in the previous corresponding quarter, on lower revenue from its business activities. Revenue for the quarter declined 55.8% YoY to RM10.1m. (The Edge)

Malaysia Building Society Bhd's (MBSB) 1QFY23 net profit increased 27.3% YoY to RM74.1m, mainly due to lower expected credit losses and lower operating expenditure. Revenue for the quarter rose marginally by 0.1% YoY to RM665.5m. (The Edge)

MCT Bhd's 1QFY23 net profit stood at RM0.1m vs. net loss -RM12.2m recorded in the previous corresponding quarter, on the back of higher property sales. Revenue for the quarter jumped 100.5% YoY to RM76.6m. (The Edge)

Bumi Armada Bhd's 1QFY23 net profit rose 8.2% YoY to RM201.0m, mainly due to higher operating income. Revenue for the quarter increased 2.8% YoY to RM544.0m. (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	GCB	10-May	2.620	2.760	2.850	3.000	2.510	2.500	2.620	0.0%	On-going
2	MYEG	15-May	0.800	0.855	0.915	0.965	0.740	0.735	0.765	-4.4%	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
5	SLVEST	24-May	0.985	1.040	1.090	1.170	0.940	0.935	1.010	2.5%	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	0.405	-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	1.250	3.3%	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	1.130	0.9%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.295	-4.8%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.745	-8.0%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.680	-5.1%	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	0.415	0.0%	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										-2.1%	

Technical Focus Tracker Summary	
Total recommendations	329
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)	1.6%
Accuracy (2023)	53.8%
FBM KLCI (Since 30/12/2022)	-5.7%
FBM Small Cap (Since 30/12/2022)	0.4%
Malaysia GDP Growth (1Q23)	5.6%