

Swift recovery near 1,600

Market Review

Malaysia: The FBM KLCI (+0.7%) recovered all its previous session losses, driven by quick bargain hunting activities with more than two-thirds of the key index components advanced. The lower liners also rebounded, while the broader market closed mostly positive, led by the technology sector (+2.0%).

Global markets: Wall Street advanced as the Dow (+1.9%) marched higher, as investors brushed off the weak 1Q22 GDP data that contracted -1.4% YoY and focused onto the solid corporate earnings from Meta Platform and Qualcomm. Meanwhile, both the European stock and Asia markets ended on an upbeat note.

The Day Ahead

The FBM KLCI bounced back towards near the key 1,600 level in tandem with the positive regional markets on the back of bargain hunting activities. On Wall Street, investors piled into the technology stocks following solid earnings from major technology stocks, shrugging off concerns over interest rate hikes and weaker 1Q22 US GDP data. We expect the bargain hunting activities in the US could spill over to local technology stocks. Also, we expect digital banking license to be announced in the near term. Commodities wise, the FCPO remained above RM6,900, while the crude oil is now above USD105 per barrel mark.

Sector focus: The technology sector may extend its rally as Nasdaq soared overnight. Meanwhile, we remained bullish on the plantation and energy sectors over the near term as the commodity prices are well supported. Also, stocks that are related to digital banking license may perform slightly positive ahead of the announcement.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI closed above its daily EMA9 signalled an improving momentum, albeit the key index still below 1,600. Technical indicators were mixed as the Histogram is still hovering around the zero-line, while the RSI climbed above the neutral 50. Resistance is pegged at 1,600-1,620, while the support is located at 1,580, followed by 1,570.

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Market Scorecard

| Key indices | Last price | Change (%) |
|--------------------|------------|------------|
| Dow Jones | 33,916.39 | 1.85 |
| S&P 500 | 4,287.50 | 2.47 |
| NASDAQ | 12,871.53 | 3.06 |
| FBM KLCI | 1597.31 | 0.71 |
| FBM Small Cap | 16,701.49 | 0.87 |
| FBM ACE | 5,585.77 | 0.27 |
| Construction | 167.19 | 1.19 |
| Consumer | 586.14 | 0.60 |
| Energy | 754.89 | 1.77 |
| Financial Services | 16,911.46 | 0.66 |
| Healthcare | 2,043.24 | -0.02 |
| Ind Products | 209.42 | 1.58 |
| Plantation | 8,784.91 | 0.77 |
| Property | 719.42 | 0.44 |
| REITs | 800.38 | 1.74 |
| Technology | 71.11 | 2.01 |
| Telco & Media | 629.59 | -0.40 |
| Transport | 881.79 | 0.73 |
| Utilities | 882.22 | 1.34 |
| Trading Vol (m) | 2,488.88 | 12.48 |
| Trading Val (RM m) | 2,194.18 | 15.69 |
| Advance/ Decline | 172% | |
| FKLI | 1595.00 | -0.09 |
| FCPO (RM) | 6,919.00 | 0.07 |
| Brent oil (USD) | 107.59 | 2.16 |
| Gold (USD) | 1,894.45 | 0.44 |
| USD | 4.364 | -0.13 |
| GBP | 5.4767 | -0.16 |
| EURO | 4.5919 | 0.71 |
| SGD | 3.1498 | 0.35 |

| Trading participation 5-day trend and value (m) | | |
|---|--------|---------|
| Institution | Retail | Foreign |
| -456.8 | 151.7 | 305.1 |

Source: Bloomberg, Bursa Market Place

Company Brief

Top Glove Corp Bhd's application for an initial public offering in Hong Kong lapsed on 28th April 2022, the second time in a year that its listing plans have stalled. Top Glove did not indicate if or when it would file another application. Top Glove's previous listing application had lapsed in August 2021 after the company delayed its plan in an effort to resolve a U.S. import ban on its products over allegations that it used forced labour and the second time was stalled in March 2022 due to heightened market uncertainty after Russia's invasion of Ukraine. (The Star)

Vortex Consolidated Bhd has entered into a conditional sale and purchase agreement with developer Aset Kayamas Sdn Bhd to acquire 187 units of serviced apartments worth RM246.4m in an ongoing development in Genting Highlands. The bulk purchase comes with an en-bloc discount. (The Star)

Digi.com Bhd chief executive officer Albern Murty will be taking a temporary leave of absence effective 28th April 2022 due to family health reasons. Albern is expected to return in 2H22. Praveen Rajan, who is currently the chief marketing officer, will assume the CEO related duties and responsibilities on an acting basis. (The Star)

Maxis Bhd's 1QFY22 fell 10.8% YoY to RM298.0m, mainly dragged by the spectrum rights amortisation. Revenue for the quarter, however, improved 7.4% YoY to RM2.41bn. (The Edge)

Fraser & Neave Holdings Bhd (F&N) has announced that prices of its food and beverage products will rise due to rising global commodity costs amid the ongoing war between Russia and Ukraine. The increase in global commodity prices added an additional RM200.0m cost of goods in 1HFY22. (The Edge)

Luxchem Corp Bhd's 1QFY22 net profit declined 21.7% YoY to RM16.1m, due to lower income from the trading segment that offset the higher contribution from the manufacturing segment. Revenue for the quarter, however, rose 5.1% YoY to RM239.5m. (The Edge)

Bursa Malaysia Bhd's 1QFY22 net profit dropped 44.0% YoY to RM68.0m, due to lower operating revenue primarily caused by a decline in securities trading revenue. Revenue for the quarter fell 28.8% YoY to RM165.3m. (The Edge)

Lotte Chemical Titan Holdings Bhd's 1QFY22 net profit sank 76.4% YoY to RM104.0m, as the petrochemicals manufacturer contended with a 64.0% YoY increase in feedstock cost that is highly correlated with crude oil prices. Revenue for the quarter, however, gained 16.6% YoY to RM2.76bn. (The Edge)

FGV Holdings Bhd (FGV) is looking forward to the renewal of its Roundtable of Sustainable Palm Oil (RSPO) certification schedule FY22. It is also anticipating the lifting of restrictions on its exports by the US Customs and Border Protection, having taken all the necessary steps to address the issues highlighted by the CBP. (The Edge)

Allianz Malaysia Bhd has reported that its chairman Tan Sri Dr Rafiah Salim has expressed her intention to retire at the conclusion of the firm's annual general meeting after serving the group's board of directors for almost 10 years. As such, Rafiah will not seek re-election as chairman at Allianz Malaysia's AGM. (The Edge)

Pavilion Real Estate Investment Trust (REIT) 1QFY22 net property income (NPI) rose 59.7% YoY to RM94.0m, on higher revenue rent and income from advertising. Revenue for the quarter increased 10.0% YoY to RM138.8m. (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 | TUNEPRO | 11-Apr | 0.440 | 0.475 | 0.490 | 0.530 | 0.410 | 0.405 | 0.420 | -4.5% | On-going |
| 2 | AJIYA | 13-Apr | 1.200 | 1.250 | 1.300 | 1.400 | 1.090 | 1.080 | 1.180 | -1.7% | On-going |
| 3 | RCECAP | 18-Apr | 1.870 | 1.930 | 2.020 | 2.090 | 1.770 | 1.760 | 1.810 | -3.2% | On-going |
| 4 | KSL | 25-Apr | 0.810 | 0.850 | 0.880 | 0.950 | 0.770 | 0.765 | 0.800 | -1.2% | On-going |
| 5 | MCEMENT | 27-Apr | 2.750 | 2.950 | 3.140 | 3.300 | 2.630 | 2.620 | 2.770 | 0.7% | On-going |

| 2Q22 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 | AIRPORT | 01-Apr | 6.950 | 7.470 | 7.970 | - | 6.320 | 5.900 | 6.880 | -1.0% | On-going |
| 2 | ECONBHD | 01-Apr | 0.290 | 0.350 | 0.435 | - | 0.235 | 0.190 | 0.270 | -6.9% | On-going |
| 3 | OCK | 01-Apr | 0.425 | 0.460 | 0.505 | - | 0.405 | 0.375 | 0.425 | 0.0% | On-going |
| 4 | JAKS | 01-Apr | 0.325 | 0.375 | 0.430 | - | 0.310 | 0.275 | 0.330 | 1.5% | On-going |
| 5 | KGB | 01-Apr | 1.360 | 1.600 | 1.780 | - | 1.290 | 1.150 | 1.290 | -5.1% | On-going |
| 6 | ELKDESA | 01-Apr | 1.320 | 1.450 | 1.510 | - | 1.270 | 1.230 | 1.280 | -3.0% | On-going |
| 7 | HARTA | 01-Apr | 4.860 | 5.530 | 6.220 | - | 4.530 | 4.150 | 4.420 | -9.1% | On-going |
| 8 | BPPLAS | 01-Apr | 1.490 | 1.640 | 1.760 | - | 1.340 | 1.220 | 1.550 | 4.0% | On-going |
| 9 | KMLOONG | 01-Apr | 1.920 | 2.050 | 2.210 | - | 1.850 | 1.740 | 2.080 | 8.3% | On-going |
| 10 | PANTECH | 01-Apr | 0.695 | 0.750 | 0.800 | - | 0.660 | 0.620 | 0.740 | 6.5% | On-going |
| Average Return | | | | | | | | | | -0.5% | |

| Technical Focus Tracker Summary | |
|----------------------------------|--------|
| Total recommendations | 220 |
| Total winners | 135 |
| Total losers | 85 |
| Portfolio performance (2020) | 292.2% |
| Accuracy (2020) | 53.3% |
| Portfolio performance (2021) | 314.6% |
| Accuracy (2021) | 66.4% |
| Portfolio performance (2022) | 62.5% |
| Accuracy (2022) | 62.9% |
| FBM KLCI (Since 31/12/2021) | 1.9% |
| FBM Small Cap (Since 31/12/2021) | 6.0% |
| Malaysia GDP Growth (2021) | 3.1% |