

Slight profit taking activities

Market Review

Malaysia: The FBM KLCI (-0.3%) started off the week on a sluggish note as the key index snapped a 3-day winning streak to close below the 1,600 level with two thirds of the key index components in the red. The lower liners also halted their winning run, while the broader market ended mostly negative.

Global markets: Wall Street eked out mild gains as the Dow (+0.3%) advanced after US President Joe Biden revealed US\$5.8trn budget spending, emphasizing on deficit reduction, additional allocations for police and veterans and new social spending programs. The European stock markets closed mostly higher, but Asia stock markets ended mixed.

The Day Ahead

The FBM KLCI fell below the key 1,600 level amid lacklustre trading as investors stayed cautious amid the lack of fresh catalyst environment. The key index may see mild consolidation over the near term with trading focus on the banking and consumer sectors as crude oil prices tumbled to trade around USD112 on the back of growing concerns over weaker fuel demand in China after several lockdown measures taken to curb Covid-19 infections. Meanwhile, Malaysian Palm Oil Council expects the CPO price to remain around RM6,000 level over the next few months, driven by the unresolved conflicts between Ukraine and Russia.

Sector focus: As the crude oil was traded lower, traders may turn their focus from energy to the technology stocks following Nasdaq's gains overnight. Meanwhile, we think traders will position themselves within the recovery-themed stocks ahead of the border reopen on 1st April 2022.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI reversed and slipped below the psychological 1,600 level. Technical indicators, however, remained positive as the MACD Histogram has extended a positive bar, while the RSI continued to stay above 50. Immediate resistance is pegged at 1,600, while the support level is located at 1,550.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,955.89	0.27
S&P 500	4,575.52	0.71
NASDAQ	14,354.90	1.31
FBM KLCI	1597.95	-0.33
FBM Small Cap	16,150.05	-0.69
FBM ACE	5,566.16	-0.87
Construction	158.69	-0.95
Consumer	583.45	-0.46
Energy	719.27	-0.65
Financial Services	16,768.58	0.15
Healthcare	2,099.73	-0.57
Ind Products	204.84	-0.17
Plantation	8,017.17	-0.82
Property	713.00	-0.08
REITs	773.77	0.35
Technology	77.45	-2.52
Telco & Media	645.82	-1.08
Transport	840.74	0.07
Utilities	864.35	0.05
Trading Vol (m)	2,400.04	-13.84
Trading Val (RM m)	1,890.85	-14.68
Advance/ Decline	70%	
FKLI	1593.50	-0.13
FCPO (RM)	5,873.00	-1.76
Brent oil (USD)	112.48	-6.77
Gold (USD)	1,922.80	-1.81
USD	4.2165	-0.17
GBP	5.5511	-0.15
EURO	4.6295	0.07
SGD	3.0988	0.20

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
-762.1	107.0	655.1

Source: Bloomberg, Bursa Market Place

Company Brief

G Capital Bhd's unit, Solarcity Malaysia Sdn Bhd (Solarcity), has completed the installation and commenced operation of a 3.0-MWp solar photovoltaic electric power generation system (solar PV system) for the power purchase agreement (PPA) with Muda Paper Converting Sdn Bhd. Solarcity is a 70.0% owned subsidiary of G Capital. The plant would be contributing revenue and earnings to the group over a span of 25 years from the commercial operation date, in accordance with the agreed terms in the PPA. (The Star)

MCE Holdings Bhd's wholly-owned subsidiary, Multi-Code Electronics Industries (M) Bhd, has secured contracts to supply various mechanical parts for Perodua new car models. The supply of these parts is expected to commence in 1QFY24 for a duration of 6 years. The projects are expected to generate total revenue of approximately RM11.5m for MCE Group over the 5 years period whilst the estimated total investment cost is RM620,000. (The Star)

Capital A Bhd's arm, AirAsia has settled over 90.0% of passenger refunds thus far, despite the financial difficulties faced by the airline industry battered by Covid-19, and the company is not expected to face a big hurdle to settle more in a few months. The airline is seeing strong backing, whereby it has performed beyond expectations in most domestic markets. (The Edge)

Kanger International Bhd is disposing of China-based bamboo flooring company Ganzhou Kanger Industrial Co Ltd for 30.2m Yuan (RM20.0m), as it seeks to streamline its business to focus on the construction business. The group has entered into a deal to sell its 100.0% stake in the Chinese company to Zeng QinHu. (The Edge)

Cash-strapped oil and gas service provider **Sapura Energy Bhd** has appointed restructuring specialist Cosimo Borrelli as its non-independent and non-executive director. He is also a well-known restructuring and insolvency practitioner in Asia, having worked exclusively in this area since 1990. (The Edge)

Uzma Bhd has signed a commercialisation agreement with Petronas for the installation of non-metallic pipeline technology; a solution that shifts pipelines from metal-based to non-metallic materials to minimise corrosion. The commercialisation agreement will be in force for a period of 3 years from the commencement date, with the option to renew for another 2 years. (The Edge)

LEAP Market-listed **Lim Seong Hai Capital Bhd** (LSH Capital) has announced a series of corporate proposals that will pave the way for its proposed expansion into the property and construction segments. It will have an enlarged secured construction orderbook amounting to RM1.10bn in aggregate, with an overall outstanding orderbook of RM782.0m upon completion of the deals. In addition, it will also carry out a property development project with a gross development value of RM1.59bn, which is expected to provide earnings visibility until 2026. (The Edge)

The proposal to sell Ramsay Sime Darby Healthcare Sdn Bhd (RSDH) to **IHH Healthcare Bhd** for RM5.67bn is still at a preliminary stage, as reported by **Sime Darby Bhd**. On 22nd March 2022, IHH submitted a confidential and non-binding offer to acquire 100.0% of RSDH on a cash-free and debt-free basis. RSDH has agreed to a four-week exclusivity period to allow IHH to conduct due diligence and negotiate a purchase agreement. (The Edge)

Trive Property Group Bhd's 2QFY22 net profit stood at RM1.4m vs. net loss of RM2.0m recorded in the previous corresponding quarter, mainly due to an unrealised gain on quoted shares of RM2.1m. Revenue for the quarter, however, fell 21.2% YoY to RM1.8m. (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	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	0.475	8.0%	Take profit at R1 on 25-Mar
3	RGTECH	28-Mar	0.470	0.490	0.510	0.550	0.435	0.430	0.460	-2.1%	On-going

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	211
Total winners	130
Total losers	81
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	33.6%
Accuracy (2022)	65.4%
FBM KLCI (Since 31/12/2021)	1.9%
FBM Small Cap (Since 31/12/2021)	2.5%
Malaysia GDP Growth (2021)	3.1%