

Recovery in progress

Market Review

Malaysia: The FBM KLCI (+0.1%) extended its gains, driven by the positive performance across selected plantation and oil & gas heavyweights yesterday. The lower liners closed mixed, while the technology sector (+1.2%) continues to lead the mostly positive sectorial peers.

Global markets: Wall Street was closed in conjunction with the Memorial Day public holiday, while futures market is indicating a positive opening after policy makers agreed to curtail spending and raise borrowing limit. The European stockmarkets ended mixed, while Asia stockmarkets closed mostly upbeat.

The Day Ahead

The FBM KLCI closed with minor gains as bargain hunting activities emerged amid easing worries following the tentative deal formed over US debt ceiling. Investors may see further relief in the market in anticipation of the lifting of US debt ceiling this weekend. Meanwhile, higher-than-expected US consumer spending which suggested the economy remains resilient has kept the Brent crude oil price on a recovery move, hovering above USD77 per barrel. Meanwhile, the CPO price hovered above RM3,500.

Sector focus: Investors may see further buying interest in the energy sector amid the higher crude oil prices. Besides, investors may see follow-through buying interest in the technology sector in view of Nasdaq's movement above the key 12,000 level.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI booked marginal gains after oscillating between the positive and negative territory as the key index defended psychological 1,400 level. Technical indicators however, remained negative as the MACD indicators extended a negative bar, while the RSI hovered below 50. Support is pegged along 1,370-1,390, while the resistance is set along 1,440-1,460.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,093.34	100
S&P 500	4,205.45	130
NASDAQ	12,975.69	2.19
FBM KLCI	1404.93	0.14
FBM Small Cap	14,896.52	0.09
FBM ACE	4,971.08	-0.20
Construction	159.15	0.93
Consumer	559.84	-0.23
Energy	813.87	0.69
Financial Services	15,297.28	-0.05
Healthcare	1,852.19	-0.76
Ind Products	164.53	0.27
Plantation	6,794.41	0.58
Property	690.04	0.54
REITs	781.49	-0.24
Technology	59.73	1.24
Telco & Media	593.89	-0.30
Transport	896.55	-0.15
Utilities	992.73	0.98
Trading Vol (m)	2,727.58	11.70
Trading Val (RM m)	1,873.70	(17.69)
Advance/ Decline		
FKLI	1403.50	0.04
FCPO (RM)	3,546.00	(0.93)
Brent oil (USD)	77.07	0.16
Gold (USD)	1,943.19	(0.04)
USD	4.6045	(0.09)
GBP	5.6845	0.03
EURO	4.9345	0.08
SGD	3.4027	0.03
Trading participant		
Institution	44.7	
Retail	103.1	
Foreign	-147.8	

Source: Bloomberg, Bursa Market Place

Company Brief

Allianz Malaysia Bhd's 1QFY23 net profit rose 14.7% YoY to RM172.7m, on higher contribution from the general insurance segment. Revenue for the quarter improved 9.4% YoY to RM1.16bn. A dividend amounting to 31.5 sen per share, was proposed. (The Star)

KLCCP Stapled Group Bhd's 1QFY23 net profit climbed 11.8% YoY to RM180.6m, reflecting continued growth and recovery across all business segments. Revenue for the quarter increased 18.3% YoY to RM380.7m. A first interim dividend of 1.41 sen per share, payable on 28th June 2023 was declared. (The Star)

Tenaga Nasional Bhd's (TNB) 1QFY23 net profit grew 12.2% YoY to RM1.00bn, as higher revenue and lower taxes helped offset the higher operating and finance costs incurred. Revenue for the quarter rose 3.9% YoY to RM12.63bn. (The Edge)

Boustead Holdings Bhd's 1QFY23 net loss stood at -RM62.8m vs. a net profit of RM290.3m recorded in the previous corresponding quarter, when there was a one-off gain from the disposal of the group's plantation assets. Revenue for the quarter declined 5.8% YoY to RM3.24bn. (The Edge)

Petronas Chemicals Group Bhd's (PetChem) 1QFY23 net profit sank 74.4% YoY to RM532.0m, dragged down by decline in average product prices, coupled with higher utility and fuel costs. Revenue for the quarter, however, rose 13.9% YoY to RM7.56bn. (The Edge)

AMMB Holdings Bhd's (AmBank Group) 4QFY23 net profit rose 9.2% YoY to RM427.9m, due to increase in the group's fund-based income from interest bearing assets and increase in the non-interest income. Revenue for the quarter gained 3.3% YoY to RM1.16bn. A final dividend of 12.3 sen per share was proposed. (The Edge)

Mah Sing Group Bhd's 1QFY23 net profit rose 15.9% YoY to RM50.1m, on higher property sales. Revenue for the quarter rose 48.5% YoY to RM643.5m. (The Edge)

British American Tobacco (Malaysia) Bhd's (BAT Malaysia) 1QFY23 net profit declined 23.0% YoY to RM40.3m, as a result of a lower volume driven by an increase in vapour usage, the tobacco black market and the start of the Muslim fasting month. Revenue for the quarter dropped 25.2% YoY to RM390.2m. A first interim dividend of 13.0 sen per share, payable on 26th June 2023 was declared. (The Edge)

Tropicana Corp Bhd's 1QFY23 net loss narrowed to -RM5.2m, from a net loss of -RM33.4m recorded in the previous corresponding quarter, on improvement in the group's property investment, recreation and resort operations, on the back of the reopening of borders, as well as cost rationalisation measures to reduce overall expenses, while adhering to prudent risk management. Revenue for the quarter rose 15.0% YoY to RM256.7m. (The Edge)

IJM Corp Bhd's 4QFY23 net profit surged 15.7x YoY to RM23.1m, due to higher revenue from the property development segment offset by lower revenue from the construction segment. Revenue for the quarter increased 8.1% YoY to RM1.33bn. A dividend of 4.0 sen a share, and a special dividend of 2.0 sen a share, both payable on 21st July 2023 was declared. (The Edge)

Dagang NeXchange Bhd's (DNEX) 3QFY23 net loss stood at -RM239.8m vs. a net profit of RM51.6m recorded in the previous corresponding quarter, hit by a RM252.4m energy profit levy in the UK for its oil and gas operations under Ping Petroleum Ltd. Revenue for the quarter declined 27.7% YoY to RM276.7m. (The Edge)

Padini Holdings Bhd's 3QFY23 net profit rose 33.0% YoY to RM43.4m, on higher revenue. Revenue for the quarter increased 38.8% YoY to RM457.2m. A fourth interim dividend of 2.5 sen per share and a special dividend of 1.5 sen per share, both payable on 30th June 2023 was declared. (The Edge)

IGB Bhd's 1QFY23 net profit climbed 31.2% YoY to RM56.1m, on higher revenue due to improved contributions from the group's operating segments. Revenue for the quarter grew 37.4% YoY to RM396.1m. (The Edge)

D&O Green Technologies Bhd's 1QFY23 net profit tumbled 97.2% YoY to RM0.9m, hit by the weak Chinese automotive market. Revenue for the quarter declined 11.1% YoY to RM214.7m. (The Edge)

Malaysian Resources Corp Bhd's (MRCB) 1QFY23 net profit declined 39.6% YoY RM8.5m, mainly due to the completion of Package CB2 of the Damansara-Shah Alam Elevated Expressway (DASH) project last year. Revenue for the quarter fell 8.4% YoY to RM742.2m. (The Edge)

Tiong Nam Logistics Holdings Bhd's 4QFY23 net profit surged 11.6x YoY to RM27.1m, due to a fair value gain on a warehouse investment property, firm demand for logistics and warehousing services and lower share of associate loss. Revenue for the quarter rose 4.6% YoY to RM184.9m. (The Edge)

GDEX Bhd's 1QFY23 net loss widened to -RM7.2m, from a net loss of -RM1.9m recorded in the previous corresponding quarter, on higher operational expenses. Revenue for the quarter, however, rose 7.2% YoY to RM98.5m. A first and final single-tier dividend of 0.15 sen per share, payable on 7th July 2023 was declared. (The Edge)

Hengyuan Refining Co Bhd's 1QFY23 net loss stood at -RM120.5m vs. a net profit of RM47.5m recorded in the previous corresponding quarter, amid lower sales volume due to scheduled plant maintenance and increase in stockholding losses due to a reduction in crude and product prices. Revenue for the quarter dropped 11.5% YoY to RM4.38bn. (The Edge)

S P Setia Bhd announces the appointment of Datuk Zaini Yusoff as its new chief operating officer (COO), effective 1st July 2023. He is currently the executive vice-president, a position he has held since 1st July 2020. Zaini will report to chief executive officer Datuk Choong Kai Wai, and be responsible for strengthening the company's operating model to support growth through transformation. (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	MYEG	15-May	0.800	0.855	0.915	0.965	0.740	0.735	0.780	-2.5%	On-going
2	OPTIMAX	17-May	0.735	0.770	0.795	0.845	0.710	0.705	0.715	-2.7%	On-going
3	PAVREIT	22-May	1.270	1.370	1.440	1.500	1.250	1.240	1.290	1.6%	On-going
4	SLVEST	24-May	0.985	1.040	1.090	1.170	0.940	0.935	1.040	5.6%	On-going
5	INFOM	29-May	1.490	1.540	1.580	1.730	1.350	1.340	1.500	0.7%	On-going

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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	0.400	-13.0%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.900	-3.7%	On-going
3	HEXTAR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.200	-0.8%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.500	-2.0%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.120	0.0%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.300	-3.2%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.740	-8.6%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.940	0.2%	On-going
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.595	21.4%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.405	-2.4%	On-going
11	TIMECOM	4-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.300	6.6%	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										-1.0%	

Technical Focus Tracker Summary	
Total recommendations	330
Total winners	202
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)	1.8%
Accuracy (2023)	57.5%
FBM KLCI (Since 30/12/2022)	-6.1%
FBM Small Cap (Since 30/12/2022)	-0.2%
Malaysia GDP Growth (1Q23)	5.6%