

## Boosted by final hour buying support

### Market Review

**Malaysia:** The FBM KLCI (+0.1%) edged marginally higher but closed an inch away from the 1,500 level as the key index was lifted by gains in selected banking heavyweights yesterday. The lower liners also trended higher, while the energy sector (+1.4%) remain at the top spot amongst the mostly positive sectorial peers.

**Global markets:** The US stockmarkets retreated as the Dow (-0.8%) halted a 6-day winning streak as investors turn cautious ahead of the US FOMC meeting as well as a slew of corporate earnings releases from Apple, Meta Platforms, Amazon and Alphabet. Both the European and Asia stockmarkets ended mostly weaker.

### The Day Ahead

Despite the buying support within the banking heavyweights, the FBM KLCI continues to end marginally below the key 1,500 level. However, we noticed the FBM Small Cap index has been trending positively over the past weeks; supported by the broad market recovery after the reopening of China's border theme. Nevertheless, global equities may endure a shaky week as investors turn cautious ahead of the FOMC meeting and a series of economic data in the US. Commodities wise, the Brent crude oil is hovering around USD84-85 zone, while the CPO was trading above RM3,900/MT.

**Sector focus:** We expect the energy sector may continue to trend higher as crude oil price remains firm above USD80. Travelling related sectors may pick up as China's reopening continues to propel global air travel. On the other hand, the technology sector may face profit taking activities following a significant pullback in Nasdaq overnight.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI stayed above its daily EMA9 but struggled to surpass the key 1,500 level. Technical indicators were mixed as the MACD Histogram crossed below zero, while the RSI is hovering above 50. The resistance is pegged along 1,525-1,540, while the support is set at 1,450-1,460.

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### Market Scorecard

| Key indices        | Last price | Change (%) |
|--------------------|------------|------------|
| Dow Jones          | 33,717.09  | -0.77      |
| S&P 500            | 4,017.77   | -1.30      |
| NASDAQ             | 11,393.81  | -1.96      |
| FBM KLCI           | 1,499.39   | 0.12       |
| FBM Small Cap      | 16,265.71  | 0.47       |
| FBM ACE            | 5,758.51   | 0.48       |
| Construction       | 16142      | -0.01      |
| Consumer           | 604.29     | -0.30      |
| Energy             | 893.29     | 1.42       |
| Financial Services | 16,538.05  | 0.41       |
| Healthcare         | 1,702.81   | -0.23      |
| Ind Products       | 19130      | 0.28       |
| Plantation         | 6,850.06   | 0.13       |
| Property           | 68183      | 0.25       |
| REITs              | 82146      | -0.15      |
| Technology         | 68.41      | 0.18       |
| Telco & Media      | 606.69     | 0.88       |
| Transport          | 969.36     | 1.03       |
| Utilities          | 89164      | 0.41       |
| Trading Vol (m)    | 4,559.53   | -1.38      |
| Trading Val (RM m) | 2,441.21   | 0.88       |
| Advance/Decline    | 102%       |            |
| FKLI               | 1501.00    | 0.10       |
| FCPO (RM)          | 3,928.00   | -0.20      |
| Brent oil (USD)    | 84.90      | -2.03      |
| Gold (USD)         | 1923.17    | -0.25      |
| USD                | 4.2435     | 0.02       |
| GBP                | 5.2589     | -0.16      |
| EURO               | 4.6264     | -0.15      |
| SGD                | 3.2333     | -0.08      |

| Trading participation 5-day trend and value (m) |        |         |
|---|--------|---------|
| Institution                                     | Retail | Foreign |
| 174.8   | -61.1  | -113.7  |

Source: Bloomberg, Bursa Market Place

## Company Brief

**Uzma Bhd**'s subsidiary Setegap Ventures Petroleum Sdn Bhd (SVP), has received a contract extension worth RM230.0m from PETRONAS Carigali Sdn Bhd (PCSB) for the provision of coiled tubing and services for PCSB – East Region. The duration of the extension is for a period of two years commencing from 1st December 2022 until 30th November 2024. (The Star)

**Chin Teck Plantations Bhd**'s 1QFY23 net profit fell 8.0% YoY to RM25.3m, due to higher fertiliser cost, coupled with lower income from the group's oil palm plantation joint ventures in Indonesia. Revenue for the quarter, however, grew 8.2% YoY to RM63.0m. (The Edge)

**Malayan Banking Bhd** (Maybank) investment in Adani Enterprises' secondary share offering were client subscriptions and as such, there won't be any financial impact to the banking group. Maybank's clarification came after various media reported last week that Maybank Securities was allocated a stake in Adani Enterprises' US\$2.50bn (RM10.60bn) secondary share offering. (The Edge)

**YTL Power International Bhd**'s wholly-owned subsidiary in Singapore is collaborating with **Tenaga Nasional Bhd**'s (TNB) unit to supply 100-MW of electricity from Malaysia to Singapore via the newly upgraded interconnector. This collaboration marks the first-time electricity from Malaysia will be supplied to Singapore on a commercial basis, adhering to the Energy Commission's Guide for Cross-Border Electricity Sales. (The Edge)

**Serba Dinamik Holdings Bhd** has filed a motion for a stay of the winding-up petition order granted by the High Court on 10th January 2023, pending its appeal to the Court of Appeal. Similar applications have been filed by Serba Dinamik's subsidiaries Serba Dinamik Sdn Bhd, Serba Dinamik International Ltd and Serba Dinamik Group Bhd. A case management of the appeal was held on 30th January 2023, while hearing of the stay applications has been fixed for Friday 3rd February 2023. (The Edge)

**PGF Capital Bhd**'s 3QFY23 net profit soared 52.1x YoY to RM2.0m, thanks to higher production output and higher sales revenue from its insulation business. Revenue for the quarter grew 31.3% YoY to RM17.8m. (The Edge)

**Ajiya Bhd**'s 4QFY22 net profit jumped 169.3% YoY to RM9.5m, due to realised and unrealised gain from other investment. Revenue for the quarter, however, fell 17.7% YoY to RM74.2m. (The Edge)

**Sunway Real Estate Investment Trust**'s 4QFY22 net property income rose 18.8% YoY to RM146.2m, due to higher revenue and reversal of doubtful debts resulting from improved rental collection in the retail segment. Revenue for the quarter increased 18.3% YoY to RM186.7m. A final income distribution per unit of 5.0 sen, payable on 28th February 2023 was declared. (The Edge)

The High Court of Singapore has dismissed an application filed by Vodoke Pte Ltd, a Singapore-based IPTV solution provider, to set aside an arbitration award favouring **Telekom Malaysia Bhd** over a dispute between the two parties over Vodoke's sale of IPTV packages in 2015 to TM. Vodoke filed the originating application in October 2022 after its claim for USD34.5m (RM150.6m) from TM was dismissed by the Singapore International Arbitration Centre. (The Edge)

**Tomypak Holdings Bhd** has promoted chief operating officer Lee Kwee Heng as its new managing director, following the resignation of executive director Tan See Yin. Tomypak also appoints Lim Bee Leong as independent non-executive director, with all boardroom changes effective 1st February 2023. (The Edge)

The Singapore International Arbitration Centre has ordered the Brunei Economic Development Board (BEDB) to pay **TRC Synergy Bhd's** unit B\$18.7m (about RM60.2m) over a dispute in relation to a contract to modernise the Brunei International Airport Terminal. BEDB is to pay the company's wholly-owned subsidiary Trans Resources Corp Sdn Bhd the sum within 14 days from the date of the tribunal's order, which was on 16th January 2023. (The Edge)

**Zecon Bhd** and PR1MA Corp Malaysia have mutually terminated a partnership to jointly develop a mixed development project in Kuching, Sarawak. Following the termination, Zecon will be buying back the project from PR1MA for RM63.6m, which includes the land cost. The group had in 2014 disposed of the 54.2-ac land to PR1MA for RM46.0m, before entering into a joint development agreement in 2015 and Heads of Agreement in 2016 to jointly develop the project. (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                       | EG        | 16-Jan      | 0.580                        | 0.600             | 0.620             | 0.670                 | 0.540        | 0.535         | 0.600           | 3.4%                      | Take profit at R1 on 30-Jan |
| 2                       | FIAMMA    | 18-Jan      | 1.110                        | 1.140             | 1.190             | 1.310                 | 1.030        | 1.020         | 1.050           | -5.4%                     | On-going                    |
| 3                       | CARIMIN   | 25-Jan      | 0.630                        | 0.650             | 0.685             | 0.745                 | 0.590        | 0.585         | 0.675           | 7.1%                      | On-going                    |
| 4                       | TELADAN   | 30-Jan      | 1.290                        | 1.380             | 1.480             | 1.550                 | 1.140        | 1.130         | 1.290           | 0.0%                      | On-going                    |

| 1Q23 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                | BIMB      | 3-Jan       | 2.640                        | 2.780             | 2.940             | -                     | 2.580        | 2.500         | 2.460           | -6.8%                     | On-going |
| 2                | BJFOOD    | 3-Jan       | 1.020                        | 1.110             | 1.200             | -                     | 0.975        | 0.935         | 1.080           | 5.9%                      | On-going |
| 3                | CMSB      | 3-Jan       | 1.070                        | 1.130             | 1.250             | -                     | 1.000        | 0.915         | 1.230           | 15.0%                     | On-going |
| 4                | D&O       | 3-Jan       | 4.290                        | 4.450             | 4.770             | -                     | 4.100        | 3.940         | 4.650           | 8.4%                      | On-going |
| 5                | DIALOG    | 3-Jan       | 2.400                        | 2.550             | 2.720             | -                     | 2.320        | 2.230         | 2.640           | 10.0%                     | On-going |
| 6                | GENTING   | 3-Jan       | 4.480                        | 4.750             | 4.850             | -                     | 4.290        | 4.180         | 4.960           | 10.7%                     | On-going |
| 7                | HEKTAR    | 3-Jan       | 0.690                        | 0.750             | 0.795             | -                     | 0.665        | 0.645         | 0.745           | 8.0%                      | On-going |
| 8                | JTIASA    | 3-Jan       | 0.660                        | 0.710             | 0.755             | -                     | 0.615        | 0.585         | 0.630           | -4.5%                     | On-going |
| 9                | MAGNI     | 3-Jan       | 1.860                        | 1.940             | 2.000             | -                     | 1.800        | 1.750         | 1.850           | -0.5%                     | On-going |
| 10               | MISC      | 3-Jan       | 7.270                        | 7.680             | 8.190             | -                     | 7.000        | 6.800         | 7.270           | 0.0%                      | On-going |
| 11               | MYEG      | 3-Jan       | 0.855                        | 1.000             | 1.080             | -                     | 0.825        | 0.770         | 0.920           | 7.6%                      | On-going |
| 12               | SLVEST    | 3-Jan       | 0.815                        | 0.915             | 0.995             | -                     | 0.795        | 0.705         | 1.060           | 30.1%                     | On-going |
| 13               | UMW       | 3-Jan       | 3.450                        | 3.640             | 3.950             | -                     | 3.220        | 3.100         | 3.800           | 10.1%                     | On-going |
| Average Return   |           |             |                              |                   |                   |                       |              |               |                 | 7.2%                      |          |

| Technical Focus Tracker Summary  |       |
|----------------------------------|-------|
| Total recommendations            | 297   |
| Total winners                    | 184   |
| Total losers                     | 112   |
| 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)     | 21.6% |
| Accuracy (2023)                  | 71.4% |
| FBM KLCI (Since 30/12/2022)      | 0.3%  |
| FBM Small Cap (Since 30/12/2022) | 9.0%  |
| Malaysia GDP Growth (9M22)       | 9.3%  |

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