

Dipping below 1,400

Market Review

Malaysia: The FBM KLCI (-0.6%) erased all its previous two session of gains to close below the 1,400 psychological level, as selling pressure from foreign funds escalated. The lower liners closed mixed, while the healthcare sector (-1.3%) underperformed the mixed sectorial peers.

Global markets: Wall Street ended mixed as the Dow (-0.2%) retreated after the consumer confidence data in May 2023 slipped to 6-month low as the labour market softens, while the S&P 500 closed flat. The European stockmarkets closed lower, while Asia stockmarkets ended mixed.

The Day Ahead

The FBM KLCI drifted below the key 1,400 level as investors took profit ahead of the passing of US debt ceiling deal. Whilst global sentiment remained mixed, we believe bargain hunting activities may emerge on the local front in undervalued stocks. Meanwhile, the renewable energy theme may come into investors' focus as the government target to roll out its Energy Transition Roadmap, as well as to reveal the renewable energy export guidelines in June. Commodities wise, the Brent crude oil tumbled towards USD73 amid uncertainty over global demand prospects, while the CPO price hovered above RM3,350.

Sector focus: Investors may favour the technology sector given the Nasdaq crossed above the 13,000 level. The renewable energy counters may shine following a series of government's initiative. However, selling pressure may be noticed in the energy sector after the plunge of crude oil prices.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI sank and violated the key 1,400 level after hovering in the negative territory for the entire session. Technical indicators 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	33,042.78	-0.15
S&P 500	4,205.52	0.00
NASDAQ	13,017.43	0.32
FBM KLCI	1,396.91	-0.57
FBM Small Cap	14,927.84	0.21
FBM ACE	4,967.09	-0.08
Construction	161.70	1.60
Consumer	555.76	-0.73
Energy	827.04	1.62
Financial Services	15,269.30	-0.18
Healthcare	1,826.55	-1.28
Ind Products	162.52	-1.22
Plantation	6,747.50	-0.69
Property	689.87	-0.02
REITs	782.74	0.16
Technology	59.51	-0.37
Telco & Media	597.45	0.60
Transport	903.02	0.72
Utilities	993.10	0.04
Trading Vol (m)	2,381.94	(12.67)
Trading Val (RM m)	2,010.53	7.30
Advance/ Decline		
FKLI	1,392.50	(0.07)
FCPO (RM)	3,403.00	(1.18)
Brent oil (USD)	73.54	(4.58)
Gold (USD)	1,959.33	(0.05)
USD	4.6025	0.08
GBP	5.7133	0.12
EURO	4.9335	(0.02)
SGD	3.4043	0.05

Trading participant		
Institution	Retail	Foreign
76.9	131.3	-208.2

Source: Bloomberg, Bursa Market Place

Company Brief

MyEG Services Bhd's 1QFY23 net profit rose 25.2% YoY to RM105.9m, mainly attributable to an overall increase in revenue, one-off recognition of fair value gain in investment as a result from the listing of its investment in **Agmo Holdings Bhd** and contribution from newly launched services from the Zetrix blockchain platform. Revenue for the quarter increased 7.1% YoY to RM173.2m. (The Star)

Malaysia Airports Holdings Bhd's (MAHB) 1QFY23 net profit stood at RM58.2m vs. a net loss of -RM150.4m recorded in the previous corresponding quarter, driven by international passenger traffic that more than tripled after Malaysia's borders reopened from April 2022 onwards. Revenue for the quarter rose 81.2% YoY to RM1.03bn. (The Edge)

Press Metal Aluminium Holdings Bhd's 1QFY23 net profit fell 33.0% YoY to RM282.0m, on lower revenue and contribution by its associated companies. Revenue for the quarter decreased 21.7% YoY to RM3.07bn. A first interim dividend of 1.75 sen per share, payable on 30th June 2023 was declared. (The Edge)

Alliance Bank Malaysia Bhd's (ABMB) 4QFY23 net profit rose 26.3% YoY to RM130.2m, due to higher net interest income and lower allowances for expected credit losses. Revenue for the quarter gained 3.8% YoY to RM468.6m. A second interim dividend of 10.0 sen per shares, payable on 28th June 2023 was declared. (The Edge)

Bank Islam Malaysia Bhd's 1QFY23 net profit rose 11.5% YoY to RM118.1m, led by a jump in investment income. Revenue for the quarter climbed 42.6% YoY to RM1.10bn. (The Edge)

KPJ Healthcare Bhd's net profit jumped 134.4% YoY to RM51.9m, mainly driven by the performance from the Malaysian segment. Revenue for the quarter gained 29.2% YoY to RM829.0m. (The Edge)

Berjaya Corp Bhd's (BCorp) 3QFY23 net profit stood at RM3.3m vs. a net loss of RM35.9m registered in the previous corresponding quarter, thanks to higher contributions from its food retail, property and hospitality segments. Revenue for the quarter rose 3.3% YoY to RM2.50bn. (The Edge)

FGV Holdings Bhd's 1QFY23 net profit sank 96.7% YoY to RM12.1m, on the back of a sharp decline in revenue due to normalising prices and lower sales volume of crude palm oil (CPO). Revenue for the quarter declined 21.5% YoY to RM4.59bn. (The Edge)

Farm Fresh Bhd's 4QFY23 net profit dropped 72.4% YoY to RM4.9m, as elevated raw material costs and foreign exchange rate fluctuation ate into its bottom line. Revenue for the quarter, however, grew 26.0% YoY to RM161.4m. (The Edge)

IOI Corp Bhd's 3QFY23 net profit declined 52.0% YoY to RM197.4m, mainly due to lower contribution from its plantation segment. Revenue for the quarter fell 35.1% YoY to RM2.66bn. (The Edge)

Chin Hin Group Bhd's 1QFY23 net profit fell 23.6% YoY to RM20.1m, on higher administrative expenses, finance cost and impairment of trade receivables. Revenue for the quarter, however, rose 49.3% YoY to RM523.9m. (The Edge)

Panasonic Manufacturing Malaysia Bhd's 4QFY23 net profit shrank 53.4% YoY to RM7.4m, due to lower revenues, higher operating and utilities costs, as well as lower share of profits from its associated company. Revenue for the quarter fell 6.3% YoY to RM195.5m. A final dividend of 107.0 sen per share, payable on 22nd September 2023 was declared. (The Edge)

Shangri-La Hotels (M) Bhd's 1QFY23 posted net profit stood at RM8.3m vs. a net loss of RM12.9m recorded in the previous corresponding quarter, bolstered by stronger results across its hotel operations on the back of more favourable business environment. Revenue for the quarter jumped 103.6% YoY to RM116.3m. (The Edge)

CAB Cakaran Corp Bhd's 2QFY23 net profit surged 326.3% YoY to RM28.5m, on higher revenue from sales, especially at the integrated poultry division. Revenue for the quarter rose 20.0% YoY to RM570.9m. (The Edge)

Citaglobal Bhd's 1QFY23 net profit fell slightly by 1.9% YoY to RM2.1m, as higher earnings from the civil engineering and construction (CEC) segment was offset by weaker results from other business segments. Revenue for the quarter dropped 16.4% YoY to RM38.2m. (The Edge)

Propel Global Bhd, which took over the listing status of troubled Daya Materials Bhd last year, will no longer be classified as a Practice Note 17 company from 31st May 2023. This was after completion of the implementation of its regularisation plan in October 2022, it had regularised its financial condition and level of operations, and no longer triggers any of the criteria under PN17 of Bursa's Main Market listing requirements. (The Edge)

Axis Real Estate Investment Trust (Axis REIT) has made a slew of board changes as part of the trust's succession plan. Its executive deputy chairman Datuk Abas Carl Gunnar Abdullah, 64, was promoted to executive chairman effective immediately, while its non-independent director Stephen Tew Peng Hwee@Teoh Peng Hwee, 62, will take over the role of deputy chairman. The trust also announced the departure of three independent and non-executive directors – Tunku Shahabuddin Burhanuddin, 88, Datuk Seri Fateh Iskandar Mohamed Mansor, 55, and Mohd Sharif Yusof, 84 – who are stepping down after serving the board of Axis REIT for more than 12 years. (The Edge)

Technical Focus Tracker

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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	0.790	-1.3%	On-going
2	OPTIMAX	17-May	0.735	0.770	0.795	0.845	0.710	0.705	0.720	-2.0%	On-going
3	PAVREIT	22-May	1.270	1.370	1.440	1.500	1.250	1.240	1.280	0.8%	On-going
4	SLVEST	24-May	0.985	1.040	1.090	1.170	0.940	0.935	1.040	5.6%	Take profit at R1 on 30-May
5	INFOM	29-May	1.490	1.540	1.580	1.730	1.350	1.340	1.490	0.0%	On-going
6	CARIMIN	31-May	0.670	1.540	1.580	1.730	1.350	1.340	0.670	0.0%	Initiate position

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	0.410	-10.9%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.910	-2.7%	On-going
3	HEXTAR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.190	-1.7%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.490	-2.6%	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	0.745	-8.0%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.950	0.4%	On-going
9	RANHILL	4-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.585	19.4%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.410	-1.2%	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										-0.9%	

Technical Focus Tracker Summary	
Total recommendations	331
Total winners	201
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)	53.7%
FBM KLCI (Since 30/12/2022)	-6.6%
FBM Small Cap (Since 30/12/2022)	0.0%
Malaysia GDP Growth (1Q23)	5.6%