

## Sentiment turns jittery

### Market Review

**Malaysia:** The FBM KLCI (-1.1%) erased all its intraday gains from opening bell, dragged by quick profit taking in more than two-thirds of the key index components yesterday. The lower liners also retreated, but the energy (+3.7%) and REIT (+0.9%) sectors outperformed the negative broader market.

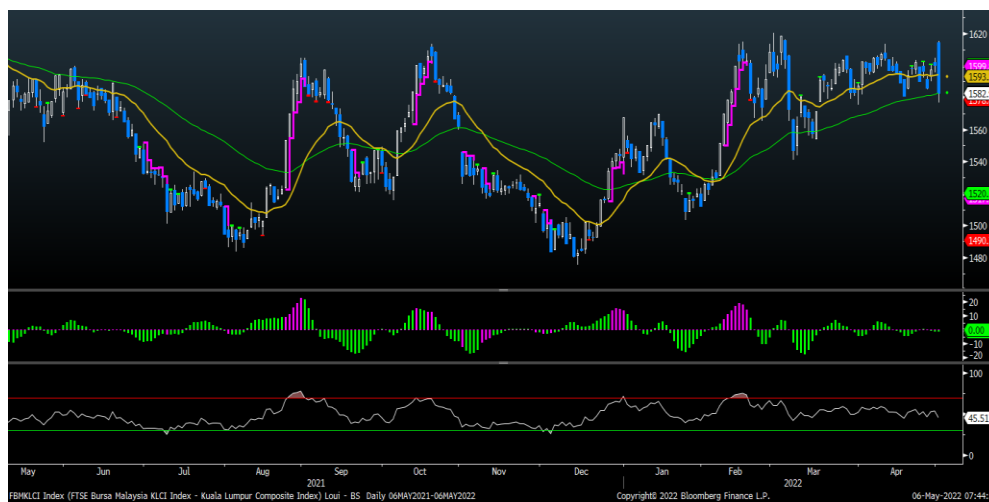
**Global markets:** Wall Street turned choppy as the Dow (-3.1%) erased all its previous session gains on rising concerns over the prospects of stagflation, coupled with disappointing earnings from Etsy, Shopify and Ebay. The European stock markets ended mostly lower, but Asia stock markets finished mixed.

### The Day Ahead

The FBM KLCI slid below the key 1,600 level in mid-day as weakness in banking and telecommunication heavyweights weighed on the key index. We believe the market could be pricing in softer economy growth globally as China is still having lockdowns on and off in various regions. Given the violent selloff on Wall Street overnight, we believe the technology sector may continue to struggle. Nevertheless, the elevated commodity prices should continue to support the relevant sectors such as energy and plantation; crude oil price remained supported above USD110 per barrel mark, while the CPO price is hovering above RM6,600.

**Sector focus:** Investors may continue to favour the energy counters ahead of the reporting season as crude oil price is still elevated at this juncture. Besides, there might be bargain hunting activities within the banking sector following the selloff yesterday prior to the BNM's OPR decision next week.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI slipped into the negative territory to close below the 1,600 and SMA50 levels. Technical indicators turned negative as the MACD Histogram has extended a negative bar, while the RSI fell below the 50 level. Resistance is pegged along 1,600-1,620, while the support is set at 1,550-1,560.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	32,997.97	-3.12
S&P 500	4,146.87	-3.56
NASDAQ	12,317.69	-4.99
FBM KLCI	1582.98	-1.09
FBM Small Cap	16,737.31	-0.21
FBM ACE	5,574.56	-0.07
Construction	167.79	-0.67
Consumer	588.63	-0.30
Energy	802.15	3.67
Financial Services	16,711.32	-1.27
Healthcare	2,040.86	-0.44
Ind Products	208.79	-0.59
Plantation	8,763.94	-0.65
Property	745.39	-0.30
REITs	810.89	0.86
Technology	69.61	-2.41
Telco & Media	617.13	-1.48
Transport	877.26	-0.48
Utilities	873.95	-1.66
Trading Vol (m)	2,682.16	-4.81
Trading Val (RM m)	2,378.96	15.04
Advance/Decline	6%	
FKLI	1563.50	-0.82
FCPO (RM)	6,682.00	-1.04
Brent oil (USD)	110.90	0.69
Gold (USD)	1,877.18	-0.21
USD	4.349	-0.01
GBP	5.4571	-0.32
EURO	4.6086	-0.51
SGD	3.1568	-0.42

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-99.8	67.4	32.4

Source: Bloomberg, Bursa Market Place

## Company Brief

**Serba Dinamik Holdings Bhd** is looking into formulating a plan to regularise its financial condition and it is required to submit it within 8 months. The company will make the necessary announcement on the Regularisation Plan in accordance with the requirements under Practice Note 17. (The Star)

**Favelle Favco Bhd** has declared a first interim tax-exempt dividend of 85.0 sen per ordinary share in respect of FY22. The ex-date for the dividend would be on 25th May 2022 and payment on 10th June 2022. (The Star)

**Ajiya Bhd** has announced the resignation of Datuk Chan Wah Kiang as the company's managing director, after founding and serving almost three decades at the building materials manufacturer since 1996. Chan's resignation is effective immediately, citing a change of career path as the reason for his resignation. The 63-year-old ceased to be a substantial shareholder of Ajiya following the disposal of his entire 31.4% stake or 91.6m shares, estimated to be worth around RM140.0m based on the company's closing price of RM1.80 last Thursday (28th April 2022). (The Edge)

**Cahya Mata Sarawak Bhd** (CMS) is selling its entire 25.0% stakes in OM Materials (Sarawak) Sdn Bhd (OM Sarawak) and OM Materials (Samalaju) Sdn Bhd (OM Samalaju) to OM Materials (S) Pte Ltd (OMS) for a combined US\$120.0m (RM521.0m) cash. Currently, the remaining 75.0% stakes in both OM Sarawak and OM Samalaju are owned by OMS. The cash consideration of US\$120 m for the sale shares includes a full and final settlement and full discharge of all shareholders' loans, including interest, extended by SISB to the subject companies as of the closing date. (The Edge)

**Computer Forms (Malaysia) Bhd's** shareholders have been told to reject the takeover bid by Datuk Seri Dr Jacky Pang Chow Huat, who is the founder and managing director of **Sanichi Technology Bhd**, as the offer price of 60.0 sen per share is deemed as not fair and not reasonable by independent adviser MainStreet Advisers Sdn Bhd. (The Edge)

**G3 Global Bhd** has bagged an RM118.4m contract from **Malaysia Airports Holdings Bhd** (MAHB) to jointly develop with Hong Kong-listed software company SenseTime Group Ltd an airport integrated security and safety system (AIS3) for the Kuala Lumpur International Airport and klia2. The project is expected to be completed by March 2024. (The Edge)

**Petronas Dagangan Bhd** (PDB) and Petroleum Sarawak Bhd (PETROS) announced the completion of the business transfer and share subscription agreement for PETROSNiaga Sdn Bhd on 5th May 2022, marking the operationalisation of the partnership for the liquefied petroleum gas (LPG) business in Sarawak. (The Edge)

**CIMB Group Holdings Bhd** is looking to split the chief executive officer (CEO) job at its group wholesale banking segment into two, resulting in co-CEO positions to separately oversee the treasury and markets segment as well as the corporate and investment banking segment. Thead of Southeast Asia equity capital markets at JPMorgan Chase & Co, Novan Amirudin, who had resigned from the foreign bank, will be joining CIMB as its co-CEO of wholesale banking, overseeing the corporate and investment banking business while Chu Kok Wei, the current group head of treasury business at CIMB, will be the other co-CEO of wholesale banking and he will be overseeing the treasury and markets business. (The Edge)

Businessmen Datuk Chin Yoke Choon and Datuk Chin Yoke Kan have emerged as substantial shareholders of **Malaysian Bulk Carriers Bhd** (Maybulk) after their private vehicle Tunas Capital Sdn Bhd acquired 160.0m shares or a 16.0% stake in the dry bulk carrier last week. On 29th April 2022, Pacific Carriers Ltd that is controlled by tycoon Robert Kuok, disposed of 160.0m shares to Datuk Goh Cheng Huat, founder and executive director of Eonmetall Group Bhd and another 160.0m shares to Tunas Capital. (The Edge)

**ES Ceramic Technology Bhd** has proposed to acquire Evermix Concrete Sdn Bhd for RM83.0m in a bid to diversify into the manufacturing and trading of construction materials. The acquisition will be satisfied via a combination of RM65.0m cash and the remaining RM18.0m will be paid in the form of new ES Ceramic's shares, at an issue price of 32.0sen per share. The purchase price represents a price to earnings multiple of 15.1x, based on the average profit guarantee of RM5.5 m per year. (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	1.160	-3.3%	On-going
3	RCECAP	18-Apr	1.870	1.930	2.020	2.090	1.770	1.760	1.820	-2.7%	On-going
4	KSL	25-Apr	0.810	0.850	0.880	0.950	0.770	0.765	0.805	-0.6%	On-going
5	MCEMENT	27-Apr	2.750	2.950	3.140	3.300	2.630	2.620	2.840	3.3%	On-going
6	HIBISCS	5-May	1.290	1.300	1.380	1.500	1.160	1.150	1.350	4.7%	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	1-Apr	6.950	7.470	7.970	-	6.320	5.900	6.840	-1.6%	On-going
2	ECONBHD	1-Apr	0.290	0.350	0.435	-	0.235	0.190	0.280	-3.4%	On-going
3	OCK	1-Apr	0.425	0.460	0.505	-	0.405	0.375	0.425	0.0%	On-going
4	JAKS	1-Apr	0.325	0.375	0.430	-	0.310	0.275	0.335	3.1%	On-going
5	KGB	1-Apr	1.360	1.600	1.780	-	1.290	1.150	1.290	-5.1%	On-going
6	ELKDESA	1-Apr	1.320	1.450	1.510	-	1.270	1.230	1.270	-3.8%	On-going
7	HARTA	1-Apr	4.860	5.530	6.220	-	4.530	4.150	4.380	-9.9%	On-going
8	BPPLAS	1-Apr	1.490	1.640	1.760	-	1.340	1.220	1.530	2.7%	On-going
9	KMLOONG	1-Apr	1.920	2.050	2.210	-	1.850	1.740	2.050	6.8%	On-going
10	PANTECH	1-Apr	0.695	0.750	0.800	-	0.660	0.620	0.745	7.2%	On-going
Average Return										-0.4%	

Technical Focus Tracker Summary	
Total recommendations	221
Total winners	136
Total losers	85
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	69.1%
Accuracy (2022)	63.9%
FBM KLCI (Since 31/12/2021)	1.0%
FBM Small Cap (Since 31/12/2021)	6.2%
Malaysia GDP Growth (2021)	3.1%

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