

Slightly lower on absence of fresh leads

Market Review

Malaysia: The FBM KLCI (-0.3%) edged lower with more than half of the key index components closed in red on the absence of fresh leads. The lower liners also retreated, while the technology sector (-1.2%) underperformed the mostly negative sectorial peers after taking cue from the weakness on Nasdaq overnight.

Global markets: Wall Street edged mildly higher after a choppy trading session as the Dow added 0.01% lifted by gains in the technology stocks ahead of the holiday shortened trading week. The European stockmarkets closed upbeat, but Asia stockmarkets ended mostly in red.

The Day Ahead

The FBM KLCI has turned sideways and traded lower for the third day amid profit taking activities following weaker jobs data from the US. However, with the overnight rebound on Wall Street, we may anticipate bargain hunting activities to pick up, but the upside might be capped today as investors might be taking a more cautious tone due the shortened trading week in the US and Hong Kong. We believe the traders will be focusing on the non-farm payrolls data later today. Commodities wise, the Brent crude oil continues to trade around USD84, while the CPO traded slightly above RM3,800. Gold is still hovering above USD2,000.

Sector focus: Given the rebound on Wall Street, we expect trading interest will build up on the technology stocks. Also, we believe investors will continue to focus on gold related stocks as the gold price is hovering above USD2,000. Meanwhile, traders will be exposing themselves within the defensive sectors such as the REITs, utilities and consumer under this environment.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI trended sideways for the third day without significant movements. Meanwhile, both the MACD (MACD Histogram above zero) and RSI (above 50) are suggesting that the momentum is fairly positive. The resistance is located around 1,440-1,450. Support is located around 1,400-1,410.

Research Team

research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,485.29	0.01
S&P 500	4,105.02	0.36
NASDAQ	12,087.96	0.76
FBM KLCI	1424.89	-0.33
FBM Small Cap	15,502.45	-0.37
FBM ACE	5,328.21	-0.17
Construction	161.14	0.22
Consumer	573.98	-0.33
Energy	861.65	-0.87
Financial Services	15,745.95	-0.30
Healthcare	1813.63	0.39
Ind Products	173.08	0.19
Plantation	6,723.60	-0.12
Property	701.88	-0.13
REITs	799.68	-0.23
Technology	62.49	-1.17
Telco & Media	596.63	-0.65
Transport	907.89	-0.22
Utilities	917.20	0.03
Trading Vol (m)	2,502.39	7.35
Trading Val (RM m)	1542.11	8.95
Advance/ Decline	72%	
FKLI	1423.00	0.35
FCPO (RM)	3,802.00	(0.55)
Brent oil (USD)	85.12	0.15
Gold (USD)	2,007.91	0.02
USD	4.3980	(0.05)
GBP	5.4795	0.13
EURO	4.7969	(0.14)
SGD	3.3088	0.06

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-17.8	-65.4	83.2

Source: Bloomberg, Bursa Market Place

Company Brief

Dayang Enterprise Holdings Bhd's wholly owned subsidiary, DESB Marine Services Sdn Bhd has been awarded a contract for the provision of accommodation work boat (AWBOAT) from PETRONAS Carigali Sdn Bhd (PCSB). The value of the contract is based on work orders issued by PCSB throughout the contract duration. The contract is effective from 17th March 2023 for 129 days with an option to extend up to 60 days. (The Star)

ITMAX System Bhd has secured an extension for the installation and maintenance of networked street lighting systems in Kuala Lumpur from Kuala Lumpur City Hall (DBKL) valued at about RM52.8m. The contract extension is for a period of 3 years from 1st August 2023 to 31st July 2026. The group received its first contract for the installation and maintenance of networked street lighting systems in Kuala Lumpur from DBKL on 25th July 2016 and subsequently secured its first extension on 1st August 2021. (The Star)

HB Global Ltd (HBGL) is acquiring frozen meat and poultry products trader KK Fresh Frozen Sdn Bhd for RM30.0m. The proposed acquisition will enable the enlarged group to provide a broader range of products to its clientele, thus enhancing its profitability. (The Star)

Citaglobal Bhd and **Genetec Technology Bhd** have formed a joint venture (JV) company to manufacture battery energy storage systems (BESS) and explore opportunities for the business in Malaysia and the Asean region. The 50:50 JV company, Citaglobal Genetec BESS Sdn Bhd (CG BESS), will develop, design and build integrated manufacturing facilities for BESS. Citaglobal will be responsible to scout for Asean and Malaysian business opportunities and demand for the system, and to obtain necessary approvals and support to undertake any venture. Genetec, on the other hand, will provide the technical expertise on BESS and undertake knowledge transfer to the JV company. (The Edge)

MN Holdings Bhd has secured an underground utilities contract worth RM13.3m in Johor. The group wholly-owned subsidiary Mutu Nusantara Sdn Bhd has accepted a letter of award from Rentak Segar Sdn Bhd, appointing it to be the subcontractor to supply and install high-voltage underground cable works for 2 data centres in Johor. (The Edge)

Jentayu Sustainables Bhd has reported that its Ohana Specialist Hospital in Setapak is closed until further notice after the revocation of its licence due to non-compliance with mandated operating procedures. Ohana Specialist, which was operated by its wholly-owned subsidiary Ultimate Forte Sdn Bhd, was served the notice on 5th April 2023. (The Edge)

Lingkaran Trans Kota Holdings Bhd (Littrak) has proposed to undertake a capital reduction and repayment involving a cash distribution of RM275.8m on a pro-rata basis to entitled shareholders on a date to be determined later. The cash distribution may range from 50.2 sen to 50.91 sen, depending on Littrak's share base on the entitlement date. (The Edge)

KLCCP Stapled Group is expecting to deliver a better set of financial results in 2023 as it is poised to benefit from the economy's recovery momentum and the absence of the Cukai Makmur (prosperity tax). Nonetheless, the group warned of rising costs arising from the government's tariff rationalisation and increasing wages. (The Edge)

Deleum Bhd's group chief executive Ramanrao Abdullah has emerged as a substantial shareholder in the oil and gas services group with a 20.4% indirect stake or 81.7m shares. Ramanrao's deemed interest in Deleum follows the acquisition of shares by Integrity Strategic Sdn Bhd in Lantas Mutiara Sdn Bhd, which held the 20.4 stake. Integrity Strategic is a corporate body controlled by Ramanrao's children, Reshad and Zoena Ramanrao. (The Edge)

Rhone Ma Holdings Bhd has announced that its joint venture (JV) with Kulim (Malaysia) Bhd had been appointed by the East Coast Economic Region Development Council to develop, operate, and manage the 275.34-ha Jemaluang Dairy Valley in Mersing, Johor. The project, which is expected to commence operations in 2024, is targeted to produce 5.4m litres of fresh milk annually. (The Edge)

Hektar Real Estate Investment Trust (Hektar REIT) has renewed 25.0% of its leases ahead of their expiration in 2023, covering 234,000 sqft of its total 2.1m sqft of retail space as of end-March 2023. In total, there are 213 tenancies covering 962,565 sqft expiring in 2023, representing 47.1% of the trust's total net lettable area (NLA). (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	MFLOUR	13-Mar	0.790	0.840	0.860	0.900	0.750	0.745	0.780	-1.3%	On-going
2	PWROOT	3-Apr	2.120	2.240	2.310	2.500	2.000	1.990	2.160	1.9%	On-going
3	EG	5-Apr	1.300	1.400	1.460	1.600	1.160	1.150	1.290	-0.8%	On-going

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	0.460	0.0%	On-going
2	EFRAME	4-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.920	-1.6%	On-going
3	HARBOUR	4-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.180	-2.5%	On-going
4	INFOM	4-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.700	11.1%	On-going
5	KPJ	4-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.170	4.5%	On-going
6	LAYHONG	4-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.310	0.0%	On-going
7	PANTECH	4-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.800	-1.2%	On-going
8	PENTA	4-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.980	1.0%	On-going
9	RANHILL	4-Apr	0.510	0.550	0.580	0.450	0.425	0.405	0.510	0.0%	On-going
10	T7GLOBAL	4-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.425	2.4%	On-going
11	TIMECOM	4-Apr	5.510	5.800	6.000	5.250	5.060	5.000	5.570	1.1%	On-going
12	UNISEM	4-Apr	3.200	3.180	3.300	2.970	2.760	2.700	3.140	-1.9%	On-going
Average Return										1.1%	

Technical Focus Tracker Summary	
Total recommendations	315
Total winners	193
Total losers	122
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)	1.2%
Accuracy (2023)	56.0%
FBM KLCI (Since 30/12/2022)	-4.7%
FBM Small Cap (Since 30/12/2022)	3.9%
Malaysia GDP Growth (2022)	8.7%