

In search for stability

Market Review

Malaysia: The FBM KLCI (+0.1%) staged a mild recovery with gains were prevalent amongst selected plantation and Petronas-related heavyweights yesterday. The lower liners, however, closed mixed, while the plantation (+1.3%), property (+0.4%) and REIT (+0.2%) sectors outperformed the negative sectorial peers.

Global markets: Wall Street notched minor gains as the Dow (+0.03%) stayed afloat, driven by buying interest into the financial sector, whilst the market expects the US Fed will keep the interest rate unchanged next week. The European stockmarkets also rebounded, but Asia stockmarkets finished mixed.

The Day Ahead

The FBM KLCI bounced from losses to end on a positive note as bargain hunting activities emerged in the final trading hour on selected plantation and Petronas-related heavyweights. Meanwhile, on Wall Street, both the S&P 500 and Nasdaq are still positive biased, charging towards their respective year-to-date highs, we believe the positive sentiment may spill over to the local bourse. Nevertheless, investors may remain on the sidelines, while awaiting the US Fed interest rate decision next week. Commodities wise, the Brent crude oil saw a slight pullback towards USD75, while the CPO price hovered above RM3,350.

Sector focus: The technology sector may follow the overnight performance on Wall Street. Also, the plantation sector may shine on the back of firmer crude palm oil prices above RM3,300 in the anticipation of improving shipments moving forward due to rising demand environment.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended marginally higher, defending its immediate support at 1,370. Technical indicators however, remained negative as the MACD Histogram extended a negative bar, while the RSI is oversold (below 30); suggesting that the KLCI could be due for a rebound. Resistance is set along 1,400-1,440, while the support is located at 1,370.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,573.28	0.03
S&P 500	4,283.85	0.24
NASDAQ	13,276.42	0.36
FBM KLCI	1,383.17	0.14
FBM Small Cap	14,994.83	0.40
FBM ACE	5,039.41	-0.61
Construction	16183	-0.49
Consumer	547.64	-0.60
Energy	790.43	-2.57
Financial Services	5,091.79	-0.01
Healthcare	1831.14	-0.74
Ind Products	159.78	-
Plantation	6,711.43	1.31
Property	688.62	0.42
REITs	782.12	0.20
Technology	60.43	-0.44
Telco & Media	603.31	-0.22
Transport	904.47	-0.23
Utilities	971.90	-0.67
Trading Vol (m)	3,553.17	(1.4)
Trading Val (RM m)	19,919.61	(0.9)
Advance/Decline		
FKLI	1,380.50	0.14
FCPO (RM)	3,316.00	1.33
Brent oil (USD)	76.29	(0.0)
Gold (USD)	1,963.52	0.04
USD	4.6077	0.03
GBP	5.7171	(0.19)
EURO	4.9269	(0.05)
SGD	3.4166	(0.07)

Trading participant		
Institution	Retail	Foreign
341.9	184.7	-526.6

Source: Bloomberg, Bursa Market Place

Company Brief

UEM Sunrise Bhd will be acquiring approximately 3.7-ha of freehold land from the Employees Provident Fund adjacent to the Damansara-Puchong Expressway in Kelana Jaya for RM155.0m. The company plans to develop a mixed-use development featuring residential and retail components, to be categorised in the NEST Series under UEM Sunrise's Happy+ product series, a product branding initiative launched in February 2023 offering homebuyers the most ideal homes that cater to their varying lifestyles and life-stage needs. The development is estimated at a total gross development value (GDV) of RM1.10bn and is targeted to launch in 2025. (The Star)

Icon Offshore Bhd has appointed Datuk Abdul Mutalib Alias as non-independent non-executive chairman after Raja Tan Sri Arshad Raja Tun Uda retired from the post. Abdul Mutalib previously served as non-independent, non-executive chairman of **Bintulu Port Holdings Bhd**. He had also served on the board of Bank Rakyat, and currently sits on the board of Ekuiti Nasional Bhd as an independent and non-executive director. (The Edge)

Ramssol Group Bhd has appointed Datuk Abdul Harith Abdullah as its independent non-executive chairman. He replaces Datuk Seri Vignaesvaran Jeyandran who retired from the position on 1st June 2023. Harith brings with him 33 years of corporate experience through his employment with **DRB-Hicom Bhd**, holding various senior positions and director and chairman of various subsidiaries and joint venture companies within DRB. (The Edge)

Datuk Hamidah Moris has been appointed the new independent non-executive chairman of **Cypark Resources Bhd**. Hamidah, known as Ami Moris, was appointed as independent non-executive director of the renewable energy engineering group in March 2023. She will take over the new position from Cypark's co-founder Tan Sri Razali Ismail, who has been redesignated as executive director. (The Edge)

Former High Court judge Datuk Mohd Yazid Mustafa has been appointed as **LKL International Bhd**'s independent and non-executive chairman. Mohd Yazid, 66, served as a High Court judge for more than 15 years and retired from the judiciary at the end of December 2022. He continues to serve as a Shariah Court of Appeal judge in Terengganu. (The Edge)

Fiamma Holdings Bhd has entered into a memorandum of understanding (MOU) with Hong-Kong-based Modena Global Ltd to look into importing and distributing Modena's household electrical products in Malaysia and Singapore. The MOU is also to facilitate Modena to manufacture products under the original equipment manufacturer's brand. The MOU will be valid for 12 months and may be renewed for a further 12 months, but is not legally binding on the parties until a definitive agreement comes into force. (The Edge)

AWC Bhd has secured 4 light rail transit (LRT)-related contracts in the Klang Valley from Prasarana Malaysia Bhd worth a total of RM52.0m. Three of the contracts, with a total value of RM44.3m, are for the design, supply and commissioning of new base plates for the Ampang Line - Phase 1 (Plaza Rakyat to Sultan Ismail stations), testing, commissioning and warranty of a rail profile grinding machine for the Ampang line, and a new underfloor lathe for the Kelana Jaya line. The 4th contract, worth RM7.7m, is for the supply of 400 units of UIC 60E1 grade R350HT running rails for the Ampang line and 340 units of RE 115 running rails for the Kelana Jaya line. (The Edge)

Yinson Holdings Bhd's offshore production unit Yinson Production (YP), via its joint-venture company PTSC South East Asia (PTSC SEA), has received a 5-year extension for the bareboat charter contract for FSO PTSC Bien Dong 01. The extended period of the contract is from 4th June 2023 to 3rd June 2028. (The Edge)

Ahmad Zaki Resources Bhd (AZRB) has been awarded a letter of acceptance by the government for the Cameron Highlands road plan and bypass project to commence on 15th June 2023. The contract value is RM122.5m, and that it is for a duration of 42 months. (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	OPTIMAX	17-May	0.735	0.770	0.795	0.845	0.710	0.705	0.720	-2.0%	On-going
2	CARIMIN	31-May	0.660	0.740	0.765	0.820	0.635	0.630	0.660	0.0%	On-going
3	SFPTECH	06-Jun	2.520	2.630	2.750	2.940	2.350	2.340	2.570	2.0%	On-going
4	BAUTO	07-Jun	2.210	2.280	2.380	2.500	2.100	2.090	2.210	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	04-Apr	0.460	0.500	0.525	0.425	0.405	0.395	0.405	-12.0%	On-going
2	EFRAME	04-Apr	0.935	1.100	1.150	0.925	0.880	0.860	0.890	-4.8%	On-going
3	HEXTAR	04-Apr	1.210	1.350	1.450	1.100	1.040	1.020	1.180	-2.5%	On-going
4	INFOM	04-Apr	1.530	1.620	1.720	1.420	1.320	1.300	1.590	3.9%	On-going
5	KPJ	04-Apr	1.120	1.210	1.260	1.070	1.030	1.000	1.160	3.6%	On-going
6	LAYHONG	04-Apr	0.310	0.335	0.365	0.280	0.265	0.250	0.275	-11.3%	On-going
7	PANTECH	04-Apr	0.810	0.865	0.900	0.750	0.720	0.695	0.740	-8.6%	On-going
8	PENTA	04-Apr	4.930	5.250	5.500	4.580	4.380	4.300	4.820	-2.2%	On-going
9	RANHILL	04-Apr	0.490	0.550	0.580	0.450	0.425	0.405	0.530	8.2%	On-going
10	T7GLOBAL	04-Apr	0.415	0.460	0.475	0.385	0.365	0.345	0.415	0.0%	On-going
11	TIMECOM	04-Apr	4.970	5.800	6.000	5.250	5.060	5.000	5.280	6.2%	On-going
12	UNISEM	04-Apr	3.200	3.180	3.300	2.970	2.760	2.700	3.050	-4.7%	On-going
Average Return										-2.0%	

Technical Focus Tracker Summary	
Total recommendations	333
Total winners	203
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)	2.8%
Accuracy (2023)	55.8%
FBM KLCI (Since 30/12/2022)	-7.5%
FBM Small Cap (Since 30/12/2022)	0.5%
Malaysia GDP Growth (1Q23)	5.6%