

Extended consolidation

Market Review

Malaysia: The FBM KLCI (-0.1%) edged mildly lower, with foreign funds continue to offload Malaysian equities for the 4th consecutive trading day. The lower liners, however, extended their winning run, while the energy sector (+2.0%) led the mostly positive sectorial peers after advancing for the 4th straight session.

Global markets: Wall Street eked out mild gains as Dow (+0.1%) advanced to mark its fourth day winning streak ahead of the US Federal Reserve Chair Jerome Powell congressional testimony. Both the European and Asia stockmarkets ended mostly positive.

The Day Ahead

The FBM KLCI edged lower as investors remained cautious awaiting the Fed Chairman Jerome Powell's comment prior to the congressional testimony; foreign funds continued its outflow for another session, with cumulative 5-day net selling standing at -RM343.2m. Investors' risk off mode prior to the congressional testimony in the US, coupled with the Bank Negara Malaysia's interest rate decision may drag the local bourse into a range bound trading environment. Commodities wise, the Brent crude oil traded above USD86 per barrel, while the CPO price hovered above RM4,250.

Sector focus: The energy sector may extend its gains from the previous session as crude oil commodities prices were pushed higher. Besides, sectors such as banking, REITs, and consumer, especially the poultry stocks might be in focus as investors might be looking for fresh catalyst to trade for the near term.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI slipped on the final-hour selldown. Technical indicators, however, turned mixed as the MACD Histogram turned green, while the RSI is hovering below zero. The key index held above its immediate support along 1,430-1,450, while the resistance is pegged around 1,470-1,480.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,431.44	0.12
S&P 500	4,048.42	0.07
NASDAQ	11,675.74	-0.11
FBM KLCI	1,452.68	-0.06
FBM Small Cap	1,582.27	0.72
FBM ACE	5,477.28	0.93
Construction	1,181	-0.21
Consumer	583.59	0.31
Energy	889.95	2.09
Financial Services	1,105.96	-0.36
Healthcare	1,622.07	0.38
Ind Products	178.15	0.28
Plantation	6,879.18	0.71
Property	688.62	0.41
REITs	801.88	0.06
Technology	64.12	1.06
Telco & Media	596.11	-0.36
Transport	934.72	0.26
Utilities	889.52	-0.09
Trading Vol (m)	2,836.95	5.55
Trading Val (RM m)	1785.53	(5.49)
Advance/Decline	126%	
FKLI	1,437.00	0.07
FCPO (RM)	4,276.00	(0.16)
Brent oil (USD)	86.18	0.41
Gold (USD)	1,846.86	(0.52)
USD	4.4780	(0.02)
GBP	5.3861	(0.36)
EURO	4.7599	(0.21)
SGD	3.3273	(0.04)

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
324.9	18.3	-343.2

Source: Bloomberg, Bursa Market Place

Company Brief

Citaglobal Bhd has secured a RM200.0m letter of intent to undertake engineering, procurement and construction (EPC) works for the development of the Sanglang Integrated Jetty project in Perlis. The full development of the Sanglang Project is divided into four phases, which are Phase 1A, Phase 1B, Phase 2 and Phase 3. With this award, Citaglobal's existing orderbook will increase to RM933.2m. (The Star)

The application by **Serba Dinamik Holdings Bhd** and its 3 subsidiaries for a permanent stay of the winding-up order against them was strongly objected to by their creditors at a hearing on 6th March 2023. The four companies are seeking the permanent stay pending the hearing of their appeal at the Court of Appeal against the High Court's decision in January 2023 to grant the winding-up order. The creditors made up of syndicated lenders and bilateral lenders, comprising six financial institutions and other banks are opposing the permanent stay. (The Edge)

IHH Healthcare Bhd proposed sale of the International Medical University for RM1.35bn has been approved by the Higher Education Ministry. The deal has become unconditional as of 3rd March 2023. In June 2022, IHH announced the proposed disposal of IMU Health Sdn Bhd to Inbound Education Holdings Sdn Bhd, a consortium led by The Rise Fund and the Hong Leong Group. (The Edge)

Solarvest Holdings Bhd has formed a consortium with a solar energy solutions provider based in the Philippines to provide rural electrification in Mindanao Island there. It is partnering with Edward Marcs Philippines Inc to work with Philippine government-owned National Power Corporation to construct electricity distribution systems in rural areas. Solarvest was appointed as the engineering, procurement, construction, and commissioning solutions provider for the project. (The Edge)

Key ASIC Bhd clinched 4 turnkey application-specific integrated circuit design service contracts worth RM16.0m over a 3-year period. The four contracts include two contracts from existing end customers. Another two are from new customers, including a Hong-Kong-based client. (The Edge)

Theta Edge Bhd has participated in the request for proposal issued by the Minister of Finance Inc to acquire a 70.0% stake in Transit Acquirer Sdn Bhd. Theta Edge, which is 30.0% owned by Lembaga Tabung Haji, however, has not entered into any definitive agreement for the acquisition. (The Edge)

UMediC Group Bhd's 2QFY23 net profit rose 45.4% QoQ to RM2.9m, higher demand for medical devices and consumables from public and private hospitals as well as healthcare service providers. Revenue for the quarter gained 10.6% QoQ to RM12.5m. There were no yearly comparison figures as the group made its debut on Bursa Malaysia in July 2022. (The Edge)

Pekat Group Bhd wholly-owned unit Pekat Solar Sdn Bhd has received a writ of summons and statement of claim from Multiplex Packaging Sdn Bhd dated 16th February 2023. Multiplex as the plaintiff made claims against Pekat Solar over disputes on supply and installation of two solar photovoltaic (PV) systems under the net energy metering system and self-consumption system allowable by the Energy Commission. The claims include losses from the installations amounting to RM848,999, bank loan interest amounting to RM508,080, and damages of RM849,364.49 as a result of loss of income. (The Edge)

Datuk Lau Beng Wei has resigned as an independent non-executive director of **Tenaga Nasional Bhd** with effect from 6th March 2023 to pursue other interest. He was appointed to the role starting 1st December 2021 for a 2-year period. (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	KAWAN	22-Feb	2.160	2.330	2.400	2.600	2.150	2.140	2.180	0.9%	On-going
2	HIBISCS	27-Feb	1.100	1.170	1.250	1.400	1.030	1.020	1.080	-1.8%	On-going
3	CTOS	1-Mar	1.440	1.520	1.570	1.660	1.380	1.370	1.370	-4.9%	Cut loss on 3-Mar
4	MHB	6-Mar	0.705	0.735	0.755	0.800	0.655	0.650	0.720	2.1%	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	2.200	-16.7%	On-going
2	BJFOOD	3-Jan	1.020	1.110	1.200	-	0.975	0.935	1.010	-1.0%	On-going
3	CMSB	3-Jan	1.070	1.130	1.250	-	1.000	0.915	1.240	15.9%	On-going
4	D&O	3-Jan	4.290	4.450	4.770	-	4.100	3.940	4.550	6.1%	On-going
5	DIALOG	3-Jan	2.400	2.550	2.720	-	2.320	2.230	2.310	-3.8%	On-going
6	GENTING	3-Jan	4.480	4.750	4.850	-	4.290	4.180	4.700	4.9%	On-going
7	HEKTAR	3-Jan	0.687	0.750	0.795	-	0.665	0.645	0.690	0.4%	On-going
8	JTIASA	3-Jan	0.660	0.710	0.755	-	0.615	0.585	0.740	12.1%	On-going
9	MAGNI	3-Jan	1.860	1.940	2.000	-	1.800	1.750	1.750	-5.9%	On-going
10	MISC	3-Jan	7.150	7.680	8.190	-	7.000	6.800	7.430	3.9%	On-going
11	MYEG	3-Jan	0.855	1.000	1.080	-	0.825	0.770	0.610	-28.7%	Cut loss on 10-Feb
12	SLVEST	3-Jan	0.815	0.915	0.995	-	0.795	0.705	0.950	16.6%	
13	UMW	3-Jan	3.450	3.640	3.950	-	3.220	3.100	3.830	11.0%	On-going
Average Return										1.1%	

Technical Focus Tracker Summary	
Total recommendations	307
Total winners	189
Total losers	118
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)	0.3%
Accuracy (2023)	58.8%
FBM KLCI (Since 30/12/2022)	-2.9%
FBM Small Cap (Since 30/12/2022)	5.9%
Malaysia GDP Growth (2022)	8.7%