

## Sentiment remains weak

### Market Review

**Malaysia:** The FBM KLCI (-0.1%) erased all its intraday gains to trend lower for the fifth straight session, pressured by weakness in selected banking, telco and gloves heavyweights. The lower liners also extended their slide, but the broader market ended mixed with the healthcare sector (-1.2%) taking the worst hit.

**Global markets:** Wall Street turned choppy as the Dow (-0.8%) erased all its intraday gains as the soaring crude oil prices may keep inflation rate at persistently high levels and potentially weighs into economic slow-down. The European stock markets also trended lower, while Asia stock markets ended mixed.

### The Day Ahead

The FBM KLCI lost ground in the final-hour selloff as investors struggled to find a floor amid concerns over elevated inflation and costs pressure. Given the slight negative tone on Wall Street, technology stocks will be under pressured once again. Meanwhile, the elevated Brent crude oil price trading above USD123, coupled with the trucker strike in South Korea could further threaten the global supply chain disruptions and add risks to the global inflation. Having said that, we believe there will be positive trading activities within the recovery-themed sectors as we are transitioning to the endemic phase. Meanwhile, the CPO is traded around RM6,450 and within its uptrend movement.

**Sector focus:** We opine that the tight supply in the oil market due to unresolved Ukraine-Russia tension and recovering demand from China will continue to support the oil prices, thus benefiting the energy sector. Besides, we are positive on the consumers, REITs and transportation & logistics sectors.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI finished at intraday low, dragged by final-hour selloff. Technical indicators turned negative the MACD Histogram has extended fell below the zero line, while the RSI continued to stay below the 50 level. Immediate support is pegged at 1,500-1,510, while resistance is set around 1,570-1,580.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	32,910.90	-0.81
S&P 500	4,115.77	-1.08
NASDAQ	12,086.27	-0.73
FBM KLCI	1523.86	-0.14
FBM Small Cap	15,680.07	-0.20
FBM ACE	5,234.10	-0.30
Construction	162.44	0.70
Consumer	582.07	-0.47
Energy	804.43	0.31
Financial Services	16,579.11	0.20
Healthcare	1857.21	-1.17
Ind Products	196.26	-0.44
Plantation	7,811.78	0.32
Property	671.24	-0.31
REITs	819.78	0.06
Technology	68.99	0.23
Telco & Media	587.54	-0.32
Transport	862.77	0.98
Utilities	872.37	-0.60
Trading Vol (m)	3,261.22	24.54
Trading Val (RM m)	1964.28	10.59
Advance/Decline	75%	
FKLI	1520.50	-0.07
FCPO (RM)	6,444.00	-0.36
Brent oil (USD)	123.58	2.50
Gold (USD)	1853.36	0.05
USD	4.3945	0.00
GBP	5.5012	-0.17
EURO	4.7041	-0.27
SGD	3.1924	0.03

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
55.0	-24.9	-30.1

Source: Bloomberg, Bursa Market Place

## Company Brief

**Ranhill Utilities Bhd**'s wholly-owned subsidiary Ranhill Water Technologies Sdn Bhd (RWT) has secured a RM6.1m job from MSM Sugar Refinery (Johor) Sdn Bhd. The contract was to install as well as test and commission an industrial effluent treatment plant upgrade at Tanjung Langsat, Johor. The project is expected to be completed within 12 months, starting from 1st June 2022. (The Star)

**Pimpinan Ehsan Bhd** (PEB) has entered into a second supplemental and restated share sale agreement (supplemental SSA II) with B.Grimm Power (Malaysia) Sdn Bhd, reNIKOLA Sdn Bhd, Boumhidi Adel and Tengku Zaiton Sultan Abu Bakar on the proposed acquisition of reNIKOLA Holdings Sdn Bhd and its subsidiaries. PEB, among others, has agreed to acquire 2 additional solar power assets located in Kuala Muda, Kedah and Machang, Kelantan along with the parcels of land where the assets sit on. The Kuala Muda solar power plant has a capacity of 45.0MWp and achieved commercial operation on 22nd March 2022, while the Machang solar power plant has similar capacity of 45.0MWp with expected commercial operation by 3Q22. The proposals are subject to approvals from the Securities Commission, Bursa Malaysia, the Ministry of International Trade and Industry, Minister of Energy and Natural Resources, Energy Commission and **Tenaga Nasional Bhd** as well as PEB shareholders at an extraordinary general meeting. (The Star)

**Gamuda Bhd**'s four Klang Valley highway concession holding companies have finalised the terms and conditions of a draft share sale and purchase agreement with Amanat Lebuhraya Rakyat Bhd, which was recently established as a private, not-for-profit entity. Under the draft agreement, the four highways will be disposed for an aggregate RM4.48bn, with Gamuda's portion amounting to RM2.35bn. (The Edge)

**MSM Malaysia Holdings Bhd** (MSM) is committed to its plan to overcome cost pressures, in view of higher raw sugar, natural gas and freight costs, coupled with the weak ringgit. The group has taken measures including secure most of its wholesale requirement for the financial year ending 31st December 2022, as well as its third party agreement access with Petrolia Nasional Bhd (Petronas) for pay-per-use and Brent hedging. (The Edge)

**Serba Dinamik Holdings Bhd**'s creditors have agreed to stay their applications for winding-up proceedings and the appointment of an interim liquidator on the condition that the beleaguered oil and gas group complies with the payment timeline and contract order. (The Edge)

**Magna Prima Bhd**'s shareholders have refused to approve the directors' fees up to RM200,000 during the group's annual general meeting, with the property developer saying 14 votes representing 61.4% of voted shares were against the resolution. (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	KEINHIN	25-May	1.090	1.140	1.200	1.250	0.990	0.985	1.060	-2.8%	On-going
1	EVERGRN	01-Jun	0.620	0.670	0.705	0.790	0.580	0.575	0.595	-4.0%	On-going
2	CEPAT	07-Jun	0.955	1.020	1.070	1.190	0.910	0.905	0.940	-1.6%	On-going
3	OWG	08-Jun	0.610	0.655	0.695	0.750	0.565	0.560	0.610	0.0%	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	6.570	-5.5%	Closed on 9-May
2	ECONBHD	1-Apr	0.290	0.350	0.435	-	0.235	0.190	0.260	-10.3%	Closed on 9-May
3	OCK	1-Apr	0.425	0.460	0.505	-	0.405	0.375	0.400	-5.9%	Closed on 9-May
4	JAKS	1-Apr	0.325	0.375	0.430	-	0.310	0.275	0.320	-1.5%	Closed on 9-May
5	KGB	1-Apr	1.360	1.600	1.780	-	1.290	1.150	1.210	-11.0%	Closed on 9-May
6	ELKDESA	1-Apr	1.320	1.450	1.510	-	1.270	1.230	1.290	-2.3%	Closed on 9-May
7	HARTA	1-Apr	4.860	5.530	6.220	-	4.530	4.150	4.280	-11.9%	Closed on 9-May
8	BPPLAS	1-Apr	1.490	1.640	1.760	-	1.340	1.220	1.520	2.0%	Closed on 9-May
9	KMLOONG	1-Apr	1.920	2.050	2.210	-	1.850	1.740	1.950	1.6%	Closed on 9-May
10	PANTECH	1-Apr	0.695	0.750	0.800	-	0.660	0.620	0.695	0.0%	Closed on 9-May
Average Return										-4.5%	

Technical Focus Tracker Summary	
Total recommendations	231
Total winners	138
Total losers	92
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	33.9%
Accuracy (2022)	54.3%
FBM KLCI (Since 31/12/2021)	-2.8%
FBM Small Cap (Since 31/12/2021)	-0.5%
Malaysia GDP Growth (1Q22)	5.0%