

Monday, 11 Dec, 2023

Buying Interest to Emerge

Market Review

Malaysia: The FBM KLCI (-0.06%) closed flat as global sentiment remained uncertain with investors trading cautiously prior to the US jobs data on Friday. On the broader market, the Utilities sector (+2.03%) rose on the back of YTL related counters after the meeting with Jensen Huang, while the Telco & Media sector (-0.52%) fell.

Global markets: Wall Street ended higher after the November's nonfarm payrolls report showed more jobs were added, with a slight drop in the unemployment rate, which suggests that the economy may be headed for a soft landing. The European stock market ended higher, while Asia ended mixed after Japan revised GDP data downwards.

The Day Ahead

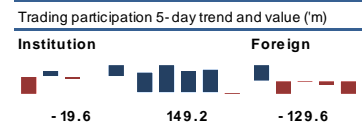
The FBM KLCI extended the decline for the 5th session with the profit taking activities persisted on heavyweights. However, Wall Street rose as jobs data came in above consensus expectations, where non-farm payroll added 199k jobs in November vs. estimates of 180k. Although it pushes back the potential rate cut from March to May 2024, the jobs data has shifted the narrative towards a soft landing, which is helping the overall market sentiment. This week, we still expect buying interest to emerge on the local front, especially after Jensen Huang visited Malaysia. On the commodity markets, the Brent oil prices rebounded for the second session after a 5-day losing streak amid demand concerns.

Sector focus: With the positive sentiment from the Jensen Huang visit to Malaysia, this will rekindle the buying interest within the YTL-related counters, boosting also the other sectors such as Renewable Energy, Water, Property, Construction and Building Materials. Meanwhile, we believe there might be some spike in buying support within the O&G stocks amid a rebound in Brent oil prices.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	36,247.87	0.36
S&P 500	4,604.37	0.41
NASDAQ	14,403.97	0.45
FBM KLCI	1,441.97	-0.06
FBM Small Cap	1,037.14	0.44
FBM ACE	5,106.42	0.82
Construction	183.47	0.49
Consumer	549.21	0.06
Energy	796.23	1.03
Financial Services	1,333.94	-0.01
Healthcare	1,770.61	-0.09
Ind Products	169.70	0.72
Plantation	6,956.99	0.04
Property	836.23	0.27
REITs	778.11	-0.25
Technology	617.3	0.18
Telco & Media	545.30	-0.52
Transport & Logisti	913.49	-0.04
Utilities	1,243.14	2.03
Trading Vol (m)	2,993.29	-0.62
Trading Val (RM m)	1,992.53	0.54
Gainers/ Losers rat	55%	
FKLI	1,441.50	0.03
FCPO (RM)	3,740.00	1.03
Brent oil (USD)	75.84	2.42
Gold (USD)	2,004.67	-1.17
USD	4.664	0.24
GBP	5.8569	0.47
EURO	5.0272	0.23
SGD	3.4833	0.22



Source: Bloomberg, Bursa Market Place

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI drifted lower for the fifth session. The technical readings on the key index were negative, with the MACD Histogram turned negative, while the RSI dipped further below the 50 level. The resistance is pegged around 1,460-1,465 and the support is at 1,430-1,440.



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Company Brief

EcoFirst Consolidated Bhd, which is facing a RM20m lawsuit for withdrawing a RM404.35m contract it had issued to Kerjaya Prospek Group Bhd, said the group will be contesting the matter. EcoFirst said the lawsuit was filed against its wholly-owned subsidiary BCM Holdings Bhd by Kerjaya Prospek's wholly-owned unit Kerjaya Prospek (M) Sdn Bhd (KPM) on Wednesday. The suit was over a contract for the construction of a residential development in Kuala Lumpur issued by BCM to KPM in June. (The Edge)

Chin Hin Group Property Bhd (CHGP) is acquiring a freehold plot in Penang measuring about 1.218 acres from Ivory Properties Group Bhd for RM40m to build a multi-storey serviced residence. As part of the deal, CHGP will award construction works of the development to a member company of the Ivory group as the turnkey builder. CHGP said it has on Friday signed a binding term sheet with Ivory Properties' wholly-owned Ivory Gleneary Sdn Bhd for the proposed land acquisition. (The Edge)

Westports Holdings Bhd has secured a 58-year extension until 2082 to its concession agreement with the government. The group's wholly-owned subsidiary, Westports Malaysia Sdn Bhd (WMSB) had on Friday entered into a third supplemental privatisation agreement with the government and Port Klang Authority (PKA) for the extension of the concession. Previously, the Westports privatisation agreement between the government, PKA and WMSB was signed for a period of 30 years ending on Aug 31, 2024. (The Edge)

YTL Power International Bhd has confirmed that it is going to collaborate with Nvidia Corp to build an artificial intelligence (AI) infrastructure that will be powered by the US-based chip giant's technology, with the first phase of the data centre expected to commence operations by the middle of next year. YTL Power said the data centre, which will provide AI computing services to the country, will be owned and managed by YTL Power's 60%-owned subsidiary YTL Communications Sdn Bhd and be hosted in YTL Power's 500MW solar-powered Green Data Centre Park in Johor. (The Edge)

Central Global Bhd has proposed to split each of its shares into four shares in a move to reward its shareholders and improve the trading liquidity of the shares. Following the share split, the crepe paper masking tape manufacturer also plans to issue up to 275.17m free warrants (Warrants B) on the basis of one warrant for every three split shares held. The share split and issuance of free warrants will take place on an entitlement date to be determined later, and is expected to be completed by the second quarter of 2024. (The Edge)

Aeon Credit Service (M) Bhd said it has fully redeemed its RM100m sukuk in nominal value that was callable on Friday. The group said it had issued the unrated subordinated perpetual sukuk on Dec 10, 2018. A week ago, Aeon Credit issued a senior sukuk with a nominal amount of RM300m and a tenure of five years. That issuance is the fourth and final tranche of the financial services provider's sukuk wakalah programme of RM2bn in nominal value. (The Edge)

Serba Dinamik Holdings Bhd has finally released its quarterly results for the fiscal quarter ended Sept 30, 2023 (1QFY2024) on Friday, a day later than its self-set deadline of Thursday, after failing to comply with the stock exchange's requirement to publish it no later than Nov 30. The latest set of quarterly results unveiled a net loss of RM80.67m, 23% less than RM104.6m a year ago, as it recorded lower administrative and other operating expenses, as well as lower finance costs, the group's stock exchange filing on Friday showed. Revenue fell by 93.6% to RM13.75m for 1QFY2024, largely contributed by the Practice Note 17 (PN17) company's equipment repair and maintenance services. This compared to a revenue of RM213.58m in the previous year's corresponding quarter. (The Edge)



Mah Sing Group Bhd has acquired a four-acre land with a total land cost of RM74.3m in Mukim Setapak, Kuala Lumpur. The developer will develop a transit-oriented development (TOD) called M Azura with a gross development value of RM508m. M Azura will comprise two blocks of serviced apartments with indicative built-ups of 700 sq ft, 850 sq ft and 1,000 sq ft based on preliminary plans and subject to authorities' approval. The indicative selling price starts from RM396,800. Registration of interest is targeted to open in 1Q2024. (The Edge)

Axis Real Estate Investment Trust (Axis-REIT) has proposed to acquire a two-storey shopping mall in Temerloh, Pahang, for RM25.75m cash. The REIT said the acquisition of Temerloh Mall in Taman Damai, from Amal Mewah Development Sdn Bhd, will be funded by its existing bank financing. The freehold property with a net lettable area of 93,854 sq ft will be leased to TF Value-Mart Sdn Bhd. (The Edge)

MSM Malaysia Holdings Bhd has extended the garden leave of its chief financial officer (CFO) Dr Mazatul 'Aini Shahar Abdul Malek Shahar by one month. Mazatul's garden leave, which was initially set for Oct 20 to Dec 15, 2023, will now continue until Jan 15, 2024, or until the board provides further notice. Mazatul's temporary leave of absence is necessary to facilitate an ongoing internal investigation, MSM stated last month. She assumed the role of group CFO on Dec 1, 2022. (The Edge)

Apex Equity Holdings Bhd said the Securities Commission Malaysia (SC) has withdrawn all "additional conditions and reporting requirements" that it imposed on the group's stockbroking arm Apex Securities Bhd, with immediate effect. Under the "additional conditions" that are now no longer in effect, Apex Securities was required to obtain the regulator's prior written approval for the transfers of monies, credit, provision of margins or any other considerations to Apex Equity and related parties, as well as a prior written approval for any change of Apex Securities bank accounts' signatories. (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	WASCO	8-Nov	1.000	1.050	1.090	1.150	0.960	0.950	0.975	-2.5%	Initiate on 8/11/2023
2	SLVEST	21-Nov	1.290	1.350	1.360	1.400	1.230	1.210	1.240	-3.9%	Initiate on 21/11/2023
3	ITMAX	8-Dec	1.800	1.900	1.920	2.000	1.680	1.650	1.800	0.0%	Initiate on 8/12/2023

Market Chat Tracker

4Q23 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	GTRONIC	2-Oct	1.550	1.700	1.820	1.450	1.360	1.340	1.690	9.0%	Initiate on 2/10/2023
2	HIAPTEK	2-Oct	0.435	0.500	0.535	0.400	0.365	0.355	0.420	-3.4%	Initiate on 2/10/2023
3	HSSEB	2-Oct	0.805	0.895	0.940	0.725	0.670	0.660	0.970	20.5%	Initiate on 2/10/2023
4	LHI	2-Oct	0.555	0.610	0.640	0.520	0.500	0.490	0.600	8.1%	Initiate on 2/10/2023
5	MUHIBAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.775	6.2%	Initiate on 2/10/2023
6	PECCA	2-Oct	1.200	1.400	1.450	1.100	1.050	1.030	1.350	12.5%	Initiate on 2/10/2023
7	PUF	2-Oct	0.655	0.950	1.000	0.825	0.790	0.780	0.765	16.8%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.385	-22.2%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.240	-6.1%	Initiate on 2/10/2023
10	T7GLOBAL	2-Oct	0.480	0.525	0.555	0.475	0.455	0.445	0.435	-9.4%	Initiate on 2/10/2023
11	TUNEPRO	2-Oct	0.435	0.485	0.515	0.420	0.405	0.395	0.395	-9.2%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.510	1.750	1.900	1.420	1.330	1.310	1.430	-5.3%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.760	18.1%	Initiate on 2/10/2023
Average Return										2.7%	



Technical Focus Tracker Summary	
Total recommendations	354
Total winners	216
Total losers	136
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)	3.0%
Accuracy (2023)	57.8%
FBM KLCI (Since 30/12/2022)	-3.6%
FBM Small Cap (Since 30/12/2022)	7.5%
Malaysia GDP Growth (1H23)	4.2%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
SUNMOW (03050)	Interim	RM0.02	4/12/2023	11/12/2023	RM1.08	RM1.08	1.5	0.0
UCHITEC (7100)	Interim	RM0.09	24/11/2023	11/12/2023	RM3.47	RM3.70	2.4	6.6
IGBB (5606)	Interim + Special Cash	RM0.07	28/11/2023	11/12/2023	RM2.35	RM2.42	2.9	3.0
KPS (5843)	Interim	RM0.01	28/11/2023	11/12/2023	RM0.78	RM0.73	1.4	-6.5
MAXIM (4022)	Interim	RM0.02	23/11/2023	11/12/2023	RM0.41	RM0.40	5.0	-1.2
INTA (0192)	Interim	RM0.01	28/11/2023	11/12/2023	RM0.26	RM0.26	1.9	0.0
WELCAL (7231)	Interim + Special Cash	RM0.03	28/11/2023	12/12/2023	RM1.66	RM1.76	1.6	6.0
AMBANK (1015)	Interim	RM0.06	22/11/2023	12/12/2023	RM3.94	RM4.02	1.5	2.0
OCNCASH (0049)	Interim	RM0.01	27/11/2023	12/12/2023	RM0.31	RM0.31	1.6	-1.6
UNIMECH (7091)	Interim	RM0.02	27/11/2023	12/12/2023	RM1.80	RM1.82	1.1	1.1
KPJ (5878)	Interim + Special Cash	RM0.01	28/11/2023	12/12/2023	RM1.30	RM1.33	1.0	2.3
FIMACOR (3107)	Interim	RM0.05	22/11/2023	12/12/2023	RM1.80	RM1.89	2.6	5.0
REXIT (0106)	Interim	RM0.05	28/11/2023	12/12/2023	RM0.90	RM0.91	5.5	1.1
KLCC (5235SS)	Interim	RM0.09	28/11/2023	12/12/2023	RM6.95	RM7.00	1.3	0.7
BIPORT (5032)	Interim	RM0.03	24/11/2023	12/12/2023	RM5.22	RM5.14	0.6	-1.5
ABLEGLOB (7167)	Interim	RM0.02	29/11/2023	13/12/2023	RM1.29	RM1.41	1.4	9.3
FPGROUP (5277)	Interim	RM0.01	22/11/2023	13/12/2023	RM0.46	RM0.42	1.2	-8.7
BJFOOD (5196)	Stock Dividend	1:100	15/11/2023	13/12/2023	RM0.69	RM0.62	-	-9.5
SURIA (6521)	Interim	RM0.02	30/11/2023	13/12/2023	RM1.79	RM1.81	1.1	1.1
RCECAP (9296)	Interim	RM0.08	22/11/2023	13/12/2023	RM2.71	RM2.99	2.7	10.3
PWROOT (7237)	Interim	RM0.02	28/11/2023	13/12/2023	RM1.96	RM1.80	1.1	-8.2
GLOMAC (5020)	Final	RM0.01	21/6/2023	13/12/2023	RM0.31	RM0.36	3.5	14.5
ABMB (2488)	Interim	RM0.11	30/11/2023	14/12/2023	RM3.43	RM3.49	3.1	1.7
INARI (0166)	Interim	RM0.02	22/11/2023	14/12/2023	RM3.00	RM2.83	0.8	-5.7
LIHEN (7089)	Interim	RM0.02	30/11/2023	14/12/2023	RM0.92	RM0.94	1.6	2.2
DSOMIC (5216)	Interim	RM0.01	30/11/2023	14/12/2023	RM0.44	RM0.43	1.4	-1.1
SASBADI (5252)	Interim	RM0.00	30/10/2023	14/12/2023	RM0.17	RM0.17	1.5	-2.9
SCICOM (0099)	Interim	RM0.02	30/11/2023	14/12/2023	RM1.06	RM1.09	1.8	2.8
JAYCORP (7152)	Final	RM0.04	29/9/2023	14/12/2023	RM0.72	RM0.75	5.3	4.9
AME (5293)	Interim	RM0.02	23/11/2023	14/12/2023	RM1.58	RM1.56	1.3	-1.3
NSOP (2038)	Interim + Special Cash	RM0.10	29/11/2023	14/12/2023	RM3.21	RM3.26	3.1	1.6
ANNJOO (6556)	Interim	RM0.01	27/11/2023	14/12/2023	RM1.13	RM1.05	1.2	-7.1
BPPLAS (5100)	Interim	RM0.02	21/11/2023	14/12/2023	RM1.24	RM1.19	1.3	-4.0
FOCUSP (0157)	Interim	RM0.02	23/11/2023	14/12/2023	RM0.78	RM0.76	2.0	-2.6
KERJAYA (7161)	Interim	RM0.02	21/11/2023	14/12/2023	RM1.49	RM1.44	1.4	-3.4
INNO (6262)	Interim	RM0.03	27/11/2023	14/12/2023	RM1.29	RM1.30	2.1	0.8
OIB (5827)	Interim	RM0.05	26/10/2023	14/12/2023	RM1.21	RM1.31	3.8	8.3
SENFONG (5308)	Interim	RM0.01	29/11/2023	14/12/2023	RM0.76	RM0.76	1.3	0.7
TRIMODE (0199)	Interim	RM0.00	23/11/2023	14/12/2023	RM0.34	RM0.34	1.0	0.0
MATANG (0189)	Final	RM0.00	29/8/2023	15/12/2023	RM0.09	RM0.09	1.8	0.0
GKENT (3204)	Interim	RM0.01	30/11/2023	15/12/2023	RM0.48	RM0.47	1.6	-2.1
EIB (0255)	Bonus-Options	RM0.50	28/2/2023	15/12/2023	RM0.47	RM0.41	-	-12.9
IJM (3336)	Interim	RM0.02	30/11/2023	15/12/2023	RM1.81	RM1.88	1.1	3.9
PMETAL (8869)	Interim	RM0.02	28/11/2023	15/12/2023	RM4.85	RM4.80	0.4	-1.0
FAJAR (7047)	Interim	RM0.01	27/11/2023	15/12/2023	RM0.29	RM0.29	1.8	0.0
KLUANG (2453)	Final + Special Cash	RM0.01	5/10/2023	15/12/2023	RM3.81	RM3.70	0.3	-2.9
KUCHAI (2186)	Final + Special Cash	RM0.03	5/10/2023	15/12/2023	RM1.31	RM1.30	1.9	-0.8
PADINI (7052)	Interim	RM0.03	30/11/2023	15/12/2023	RM3.75	RM3.43	0.7	-8.5
EITA (5208)	Interim	RM0.01	22/11/2023	15/12/2023	RM0.79	RM0.82	1.2	4.5
BONIA (9288)	Interim	RM0.02	30/11/2023	15/12/2023	RM1.71	RM1.73	1.2	1.2
SBAGAN (2569)	Final + Special Cash	RM0.07	5/10/2023	15/12/2023	RM3.26	RM3.30	2.1	1.2
CAMRES (7128)	Interim	RM0.01	30/11/2023	18/12/2023	RM0.40	RM0.43	2.4	6.3
VSTEC (5162)	Interim	RM0.03	15/11/2023	18/12/2023	RM1.35	RM1.32	1.9	-2.2
BIMB (5258)	Interim	RM0.13	30/11/2023	18/12/2023	RM2.28	RM2.31	5.5	1.3
EG (8907)	Bonus-Options	RM0.50	17/10/2023	19/12/2023	RM1.54	RM1.65	-	7.1
OPTIMAX (0222)	Interim	RM0.01	29/11/2023	19/12/2023	RM0.67	RM0.63	1.0	-6.7
SOP (5126)	Interim	RM0.04	1/12/2023	19/12/2023	RM2.62	RM2.55	1.6	-2.7
MAGNI (7087)	Interim	RM0.02	5/12/2023	19/12/2023	RM1.95	RM1.91	1.2	-2.1
PANAMY (3719)	Interim	RM0.15	29/11/2023	19/12/2023	RM17.62	RM18.00	0.8	2.2

Denotes >5% Dividend Yield

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