

Monday, 18 Dec, 2023

## Santa Rally May Be Continuing After a Breather

### Market Review

**Malaysia:** The FBM KLCI (+0.53%) closed higher with a 5-day winning streak after the US inflation data came in within expectations, coupled with the dovish comments from The Fed. On the broader market, the Energy sector (+1.50%) gained, while the Healthcare sector (-0.87%) fell from profit taking in glove counters.

**Global markets:** Wall Street ended mixed as investors took mild profits on S&P500 after the recent rally, but the Dow and Nasdaq extended the rally for the seventh session. The European stock market ended marginally higher, while Asia ended higher, after China showed an industrial output expansion.

### The Day Ahead

The FBM KLCI revisited the resistance along 1,465, ending on a positive note for the fifth session coupled with the effective addition of YTL and YTLPOWER into the FBM KLCI. Meanwhile, the US stock markets were relatively positive on the Triple Witching event last Friday. Given the (i) more positive retail sales in November, (ii) dovish tone from the Fed in the most recent FOMC meeting and (iii) anticipation of 3 rate cuts by 2024, we believe there could be more upside potential to the stock markets going forward. Also, a softer dollar would support and lift the emerging markets higher. Thus, we opine that the market may be acquiring fundamentally solid companies in Hong Kong exchange for long term rewards. On the commodity markets, Brent oil prices extended the rebound for another session above USD76/bbl.

**Sector focus:** Given the addition of YTL and YTLPOWER into the FBM KLCI, the Utilities sector may be worth trading in the near term. Meanwhile, we like the Johor theme with the ongoing developments such as JB-SG RTS as well as the potential revival of KL-SG HSR. Thus, we believe buying support may be extending within the Construction, Property, Building Material and Solar-related sectors. Also, we favour the Technology sector amid the bullish US stock markets environment.

### FBMKLCI Technical Outlook



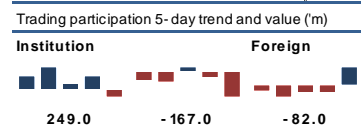
Bloomberg

The FBM KLCI extended another bullish candle after experiencing a breakout move on Thursday. The technical readings on the key index were positive, with the MACD Histogram extending the first positive bar, while the RSI shot above the 60 level. The resistance is envisaged around 1,465-1,470 and the support is set at 1,430-1,440.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	37,305.16	0.15
S&P 500	4,719.19	-0.01
NASDAQ	14,813.92	0.35
FBM KLCI	1462.45	0.43
FBM Small Cap	16,267.09	0.36
FBM ACE	5,180.67	0.80
Construction	188.22	1.01
Consumer	555.91	0.43
Energy	816.29	1.50
Financial Services	16,436.96	0.04
Healthcare	1882.75	-0.87
Ind Products	172.47	0.43
Plantation	7,046.57	0.65
Property	838.59	-0.54
REITs	780.81	0.20
Technology	63.16	0.41
Telco & Media	558.12	0.85
Transport & Logist	923.44	0.63
Utilities	1298.86	1.32
Trading Vol (m)	3,770.43	-11.22
Trading Val (RM m)	3,406.01	22.59
Gainers/ Losers rat	164%	
FKLI	1467.00	0.62
FCPO (RM)	3,711.00	-0.03
Brent oil (USD)	76.55	-0.08
Gold (USD)	2,019.62	-0.82
USD	4.6698	0.05
GBP	5.9652	-0.78
EURO	5.183	-0.47
SGD	3.5148	-0.04



Source: Bloomberg, Bursa Market Place



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## Company Brief

**KNM Group Bhd** has denied claims that its premises were raided by the police recently, saying the authorities had only sought its assistance for an investigation. KNM also noted that the Bukit Aman Commercial Crime Investigation Department director Datuk Seri Ramli Mohamed Yoosuf had likewise rubbished claims of such a raid taking place. Such rumours, which had circulated on WhatsApp, also claimed that the police had seized "many documents pertaining to KNM", according to news reports. Ramli was quoted as saying in one report that the police "went there only to collect documents for our investigation. No one was arrested". (The Edge)

**FGV Holdings Bhd** has upsized its sukuk murabahah programme to up to RM3bn in nominal value, from the initial sum of RM500m two years ago. The tenure of the sukuk programme will also be extended from eight years to perpetual, with each tranche having a minimum tenure of one year. The sukuk issued under the upsized limit of the programme may be rated, unrated or a combination of both. FGV has also received preliminary confirmation of a AA-IS rating from MARC Ratings Bhd on Dec 11. (The Edge)

**Bintai Kinden Corp Bhd** has filed a police report against IFZ Oil & Gas (M) Sdn Bhd after the latter denied receiving an initial advance amounting to RM4.5m for a project back in May 2022. The advance payment was handed to IFZ via Kejuruteraan Bintai Kindenko Sdn Bhd. Bintai Kinden has also initiated a lawsuit against IFZ to recover the sum, which was given as an advance to IFZ, as a facilitator, to help Bintai Kinden procure or tender for projects. (The Edge)

Agrochemical businessman Datuk Eddie Ong Choo Meng, who has been very active in the local corporate scene, has injected Hextar Mitai Sdn Bhd (HMT) – an engineering solutions company controlled by his family – into ACE Market-listed **Hextar Industries Bhd** in a related party transaction (RPT). Hextar Industries said it is expanding its presence in the industrial products division by acquiring a 70% stake in the Klang-based HMT from its major shareholder Hextar Holdings Sdn Bhd for RM4.55m cash. Hextar Holdings, which controls a 55.69% stake in Hextar Industries, is a private vehicle that is jointly-owned by Eddie Ong and his parents. (The Edge)

**Marine & General Bhd**'s net profit fell 50.68% to RM8.22m for the second quarter ended Oct 31, 2023 (2QFY2024) compared with RM16.67m a year ago, after a non-recurring depreciation adjustment was made. Quarterly revenue, however, rose 11.9% to RM91.82m from RM82.09m in 2QFY2023, thanks to higher fleet utilisation and charter rates for both OSVs and tankers in line with the continued increase in oil drilling activities and the general economic recovery in the region, the group said. (The Edge)

Tunku Datuk Mahmood Fawzy Muhiyiddin has resigned as the non-executive chairman of **AirAsia X Bhd** (AAX) after nearly 1½ years with the medium-haul, low-cost affiliate of Capital A Bhd. Mahmood Fawzy, 65, was resigning to "concentrate on areas of specific interest". Deputy chairman Datuk Fam Lee Ee will take over as acting chairman until the board of directors formalises the appointment of a new chairman. Fawzy was appointed as AAX's independent non-executive director in June 2022, before being redesignated as chairman on Aug 1 that same year, replacing Tan Sri Rafidah Aziz. (The Edge)

**Petronas Chemicals Group Bhd** (PetChem), which is 64.35%-owned by Petroliaam Nasional Bhd (Petronas), has named Mazuin Ismail as its new managing director and chief executive officer, effective from Jan 1, 2024. Mazuin, currently serving as the senior vice-president (SVP) of corporate strategy at Petronas, will succeed Mohd Yusri Mohamed Yusof, who was appointed as the MD and CEO in January 2022. (The Edge)



Confectionery manufacturer **Apollo Food Holdings Bhd**, whose share price has climbed 40% since the start of the year, has requested for a trading suspension of its shares, which has been granted and will take effect next Monday, pending the release of "a material announcement". Apollo sought for the suspension under a listing rule – Paragraph 3.1(b)(iv) of Practice Note 2 (PN2) on Requests for Suspension of the Main Market Listing Requirements – that provides for companies to make such a request if they intend to make an announcement about a "notice of take-over being served" that is not known to the public. (The Edge)

At the same time, Apollo reported that its net profit grew 5.15% to RM9.95m for the second quarter ended Oct 31, 2023 (2QFY2024) from RM9.46m a year earlier, on higher gross profit margin. However, quarterly revenue dipped 6.13% to RM65.99m from RM70.3m, mainly due to a decrease in export sales. On a quarter-on-quarter basis, the group's net profit has climbed 30% from RM7.64m in 1QFY2024, while revenue increased 13% from RM58.34m. (The Edge)

**Petra Energy Bhd**'s unit Petra Marine Sdn Bhd is divesting an accommodation work barge for US\$3.95m (RM18.45m) to Great Sky Investments Corp, a company nominated by Star Chance Ltd. The vessel, named Petra Lyra, was built in 2009 and is currently sailing under the flag of Malaysia. Petra Energy disclosed that Star Chance is a Seychelles company, principally involved in the business of vessel owning and chartering that service the oil and gas industry. It also declared a special dividend of four sen per share for its FY2023, payable on Feb 14 next year. (The Edge)

**Impiana Hotel Bhd** has proposed to change its corporate name to Magma Group Bhd, effective immediately. The group was in the spotlight in August this year after it saw Datuk Seri Lee Hock Seng and his spouse Datin Seri Joanne Yew Hong Im emerge as the group's largest substantial shareholders following the duo's acquisition of 120.8m shares or 19.9% stake in the company. Lee is the group chairman of HYM Group, which owns and operates WOLO Kuala Lumpur and Gold3 Boutique Hotel in Jalan Bukit Bintang here. (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	1.020	2.0%	Initiate on 8/11/2023
2	SLVEST	21-Nov	1.290	1.350	1.360	1.400	1.230	1.210	1.270	-1.6%	Initiate on 21/11/2023
3	ITMAX	8-Dec	1.800	1.900	1.920	2.000	1.680	1.650	1.820	1.1%	Initiate on 8/12/2023
4	NATGATE	11-Dec	1.380	1.440	1.450	1.510	1.300	1.280	1.470	6.5%	Initiate on 11/12/2023
5	MYEG	12-Dec	0.825	0.855	0.860	0.900	0.785	0.780	0.835	1.2%	Initiate on 12/12/2023
5	SCGBHD	14-Dec	0.375	0.395	0.400	0.450	0.350	0.340	0.385	2.7%	Initiate on 14/12/2023

## 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	1.800	16.1%	Initiate on 2/10/2023
2	HIAPTEK	2-Oct	0.435	0.500	0.535	0.400	0.365	0.355	0.425	-2.3%	Initiate on 2/10/2023
3	HSSEB	2-Oct	0.805	0.895	0.940	0.725	0.670	0.660	0.960	19.3%	Initiate on 2/10/2023
4	LHI	2-Oct	0.555	0.610	0.640	0.520	0.500	0.490	0.595	7.2%	Initiate on 2/10/2023
5	MUHIBAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.785	7.5%	Initiate on 2/10/2023
6	PECCA	2-Oct	1.200	1.400	1.450	1.100	1.050	1.030	1.340	11.7%	Initiate on 2/10/2023
7	PWF	2-Oct	0.655	0.950	1.000	0.825	0.790	0.780	0.715	9.2%	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	1.270	-3.8%	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	0.400	-8.0%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.510	1.750	1.900	1.420	1.330	1.310	1.520	0.7%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.670	12.1%	Initiate on 2/10/2023
Average Return										2.9%	



## Technical Focus Tracker Summary

Total recommendations	356
Total winners	217
Total losers	135
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)	57.6%
FBM KLCI (Since 30/12/2022)	-2.2%
FBM Small Cap (Since 30/12/2022)	9.0%
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 (%)
CAMRES (7128)	Interim	RM0.01	30/11/2023	18/12/2023	RM0.40	RM0.42	2.4	3.7
VSTECs (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	RM2.36	5.3	3.5
EG (8907)	Bonus-Options	1:2	17/10/2023	19/12/2023	RM1.54	RM1.58	2.7	2.6
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	RM2.59	1.5	-1.1
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	RM18.02	0.8	2.3
FAREAST (5029)	Interim	RM0.05	24/11/2023	19/12/2023	RM3.60	RM3.60	1.4	0.0
HIBISCS (5199)	Interim	RM0.02	22/11/2023	20/12/2023	RM2.69	RM2.45	0.8	-8.9
MMAG (0034)	Rights Issue	6:1	7/12/2023	20/12/2023	RM0.08	RM0.09	-	12.5
RKI (7006)	Final	RM0.03	24/8/2023	20/12/2023	RM1.27	RM1.24	2.4	-2.4
EFORCE (0065)	Final	RM0.01	30/8/2023	20/12/2023	RM0.38	RM0.39	1.3	4.0
ICON (5255)	Interim	RM0.05	29/11/2023	20/12/2023	RM0.51	RM0.66	7.6	30.7
YOCB (5159)	Final	RM0.04	24/8/2023	20/12/2023	RM1.40	RM1.71	2.3	22.1
MATRIX (5236)	Interim	RM0.03	23/11/2023	21/12/2023	RM1.62	RM1.65	1.5	1.9
MIKROMB (0112)	Final	RM0.00	30/8/2023	21/12/2023	RM0.22	RM0.25	0.2	16.3
SWKPLNT (5135)	Interim	RM0.05	27/11/2023	21/12/2023	RM2.14	RM2.16	2.3	0.9
PENERGY (5133)	Interim	RM0.03	24/11/2023	21/12/2023	RM0.87	RM0.93	3.2	6.9
MKH (6114)	Interim	RM0.04	29/11/2023	22/12/2023	RM1.42	RM1.45	2.8	2.1
FBMKLCI-EA (0820EA)	Income	RM0.01	1/12/2023	22/12/2023	RM1.54	RM1.55	0.7	0.3
GFM (0039)	Interim	RM0.01	28/11/2023	26/12/2023	RM0.23	RM0.26	2.2	15.6
KAREX (5247)	Interim	RM0.01	24/11/2023	26/12/2023	RM0.67	RM0.71	0.7	6.0
SIMPLET (5285)	Special Cash	RM0.06	27/10/2023	26/12/2023	RM4.24	RM4.56	1.3	7.6
GCB (5102)	Interim	RM0.02	27/11/2023	26/12/2023	RM2.02	RM1.82	1.1	-9.9
AXJ-REITSETF (0837EA)	Income	RM0.01	11/12/2023	26/12/2023	RM0.75	RM0.78	0.7	4.4
BAUTO (5248)	Interim	RM0.05	12/12/2023	27/12/2023	RM2.30	RM2.39	2.1	3.9
SUPREME (03018)	Interim	RM0.02	30/11/2023	28/12/2023	RM0.67	RM0.67	3.1	0.0
RGB (0037)	Interim	RM0.01	29/11/2023	28/12/2023	RM0.30	RM0.28	2.1	-6.7
SPTOTO (1562)	Stock Dividend	RM0.02	21/11/2023	28/12/2023	RM1.49	RM1.50	1.3	0.7
PAANTECH (5125)	Interim	RM0.02	19/10/2023	28/12/2023	RM0.88	RM0.90	1.7	1.7
POHUAT (7088)	Interim	RM0.02	4/12/2023	28/12/2023	RM1.36	RM1.35	1.5	-0.7
SAMCHEM (5147)	Interim	RM0.01	8/12/2023	28/12/2023	RM0.54	RM0.59	1.0	9.3
GPHAROS (5649)	Interim	RM0.03	12/12/2023	28/12/2023	RM0.29	RM0.33	8.8	12.1
SEEHUP (7053)	Interim	RM0.03	30/11/2023	28/12/2023	RM0.90	RM0.89	3.0	-1.1
VITROX (0097)	Interim	RM0.01	1/12/2023	28/12/2023	RM6.98	RM7.21	0.2	3.3
KOBAY (6971)	Final	RM0.02	29/8/2023	28/12/2023	RM1.92	RM1.45	1.4	-24.5
PELIKAN (5231)	Return of Capital	RM0.75	14/12/2023	28/12/2023	RM0.91	RM0.91	-	-0.5
FACBIND (2984)	Final	RM0.02	23/8/2023	28/12/2023	RM1.45	RM1.25	1.4	-13.8
PTARAS (9598)	Final	RM0.03	21/9/2023	28/12/2023	RM1.56	RM1.55	1.9	-0.6
EWINT (5283)	Final	RM0.06	13/12/2023	28/12/2023	RM0.36	RM0.37	16.4	1.4
INSAS (3379)	Interim	RM0.03	22/11/2023	29/12/2023	RM0.89	RM0.89	2.8	0.0
TAANN (5012)	Interim	RM0.15	28/11/2023	2/1/2024	RM3.51	RM3.56	4.2	1.4
SCIENTX (4731)	Final	RM0.05	20/9/2023	2/1/2024	RM3.68	RM3.76	1.3	2.2
ECOWLD (8206)	Final	RM0.02	14/12/2023	2/1/2024	RM1.00	RM1.01	2.0	1.0
SCIPACK (8125)	Final	RM0.03	19/9/2023	2/1/2024	RM2.22	RM2.12	1.2	-4.5
IMASPRO (7222)	Final	RM0.04	23/8/2023	2/1/2024	RM5.65	RM4.23	0.8	-25.1
HIBISCS (5199)	Final	RM0.01	4/10/2023	3/1/2024	RM2.68	RM2.45	0.5	-8.4
MAG (0095)	Final	RM0.00	30/8/2023	3/1/2024	RM0.21	RM0.20	0.5	-4.9
HIAPTEK (5072)	Final	RM0.01	27/9/2023	4/1/2024	RM0.44	RM0.43	1.2	-2.3
SUPERLN (7235)	Interim	RM0.01	14/12/2023	5/1/2024	RM0.75	RM0.80	0.9	6.0
RHONEMA (5278)	Interim	RM0.01	15/12/2023	5/1/2024	RM0.69	RM0.69	1.4	0.0
BUCORP (3395)	Stock Dividend	RM0.06	29/11/2023	10/1/2024	RM0.30	RM0.29	-	-5.0
RVIEW (2542)	Interim	RM0.05	8/12/2023	11/1/2024	RM3.20	RM3.22	1.6	0.6
LHI (6633)	Interim	RM0.01	28/11/2023	11/1/2024	RM0.69	RM0.60	2.0	-13.8
PENERGY (5133)	Special Cash	RM0.04	15/12/2023	15/1/2024	RM0.93	RM0.93	4.3	0.0
KESM (9334)	Final	RM0.06	26/10/2023	17/1/2024	RM7.01	RM6.88	0.9	-1.9
ASIAFLE (7129)	Interim	RM0.04	30/11/2023	17/1/2024	RM2.05	RM2.04	1.7	-0.5
VS (6963)	Final	RM0.01	26/9/2023	18/1/2024	RM1.02	RM0.83	0.6	-18.2
PTRANS (0186)	Interim	RM0.01	15/11/2023	24/1/2024	RM1.24	RM1.13	0.7	-8.9
BKAWAN (1899)	Final	RM0.40	8/12/2023	16/2/2024	RM20.50	RM20.30	2.0	-1.0
POHKONG (5080)	Final	RM0.02	26/9/2023	28/2/2024	RM0.87	RM0.85	2.4	-2.9
ASTINO (7162)	Final	RM0.01	29/9/2023	7/3/2024	RM0.58	RM0.51	2.0	-12.1

Denotes >5% Dividend Yield



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