

Thursday, 28 Dec, 2023

Window Dressing Activities To Persist

Market Review

Malaysia: The FBM KLCI (+0.24%) closed higher as the market sentiment was positive supported by the strong overnight Wall Street performance, coupled with mild window dressing activities. On the broader market, the Utilities sector (+0.57%) gained on the back of YTL related counters, while the REIT sector (-0.25%) fell.

Global markets: Wall Street ended higher extending the Santa Claus rally as the market may be fuelled by window dressing activities before the year ends as well as the expectation of the Fed to cut rates in 2024 as the inflation eases. Meanwhile, both the European and Asian stock market ended higher.

The Day Ahead

The FBM KLCI snapped a 5-day retracement and rebounded on the back of the window dressing activities towards year end. Meanwhile, Wall Street trended higher overnight with the expectation of a more dovish stance from the Fed and potentially cutting the interest rate in 2024. Do note that the Fed's interest rate hiking process had tamed the inflationary pressure without igniting the recession is likely to push the markets higher in the near term. The dollar continues to fall, while the US 10-year bond yield declines further. We believe the positive sentiment on Wall Street could spillover towards stocks on the local front, pushing the FBM KLCI higher. On the commodity markets, Brent oil prices inched lower below the USD80/bbl mark as oil inventories rose this week by 1.84m barrels.

Sector focus: With the ongoing window dressing activities, we believe buying interest could emerge further within the index heavyweights at least for the rest of the week. Meanwhile, we believe the Johor-theme, easing requirements of MM2H programme, coupled with the potential revival of KL-SG HSR would bode well for the Construction, Property, Building Material as well as the Utilities sectors. Also, we believe the Consumer sector may gain more attention next year with the focus on subsidy rationalisation programmes next year.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended higher, rebounding from a 5-day consolidation. However, the technical readings on the key index were mixed, with the MACD Histogram extending another negative bar, while the RSI hooked above the 50 level. The resistance is envisaged around 1,470-1,480 and the support is set at 1,440-1,450.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	37,656.52	0.30
S&P 500	4,781.58	0.14
NASDAQ	15,099.18	0.16
FBM KLCI	1454.22	0.24
FBM Small Cap	16,382.96	0.27
FBM ACE	5,209.38	-0.18
Construction	19133	0.16
Consumer	556.82	0.24
Energy	822.18	0.34
Financial Services	16,215.08	0.15
Healthcare	1913.71	0.10
Ind Products	172.62	0.05
Plantation	7,018.33	0.29
Property	864.52	0.07
REITs	780.16	-0.25
Technology	63.08	-0.11
Telco & Media	568.97	-0.13
Transport & Logisti	929.77	0.47
Utilities	1302.26	0.57
Trading Vol (m)	3,293.52	12.25
Trading Val (RM m)	2,064.95	4.91
Gainers/ Losers rat	93%	
FKLI	1457.50	0.14
FCPO (RM)	3,755.00	-0.40
Brent oil (USD)	81.07	-2.13
Gold (USD)	2,077.49	0.47
USD	4.6302	0.19
GBP	5.8899	-0.05
EURO	5.1185	-0.18
SGD	3.5023	0.06
Trading participation 5-day trend and value (m)		
Institution	-33.0	
Foreign	5.0	28.0

Source: Bloomberg, Bursa Market Place



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Company Brief

AwanBiru Technology Bhd (Awantech) has secured a three-year contract worth RM4.88m from the Ministry of Education for the procurement of Learning Management System licence subscription services. The contract represents Awantech's first major success in providing a digital learning platform, the group said. The three-year contract seeks to meet the requirements of the digital competence improvement course for education service officers, the group added. (The Edge)

Ekovest Bhd is teaming up with Zhejiang Communications Investment Group Co Ltd (CICO), the largest state-owned enterprise established by the Zhejiang provincial government in China, for the joint exploration and development of infrastructure and other projects in Malaysia. The groups will participate in infrastructure concession assets, large-scale infrastructure projects, food security and trading initiatives, retailing ventures and transit-oriented development projects. (The Edge)

Jentayu Sustainables Bhd said the Telekosang Hydro 2 hydropower plant in Sabah, with a capacity of 16 megawatts (MW), has attained the feed-in-tariff commencement date (FiTCD) as of Monday. This marks the completion of the 40MW Telekosang Hydro run-of-river project as a whole, the group said in a statement on Wednesday. Telekosang Hydro 1, with a capacity of 24MW, achieved its FiTCD in February. Jentayu executive chairman Datuk Beroz Nikman Mirdin said that the required submissions to the Sustainable Energy Development Authority and Sabah Electricity Sdn Bhd have been made, and both entities will review the test results before issuing the relevant certification in around three months. (The Edge)

Sime Darby Property Bhd's sukuk musharakah programme was accorded an AA+ rating with a stable outlook by MARC Ratings Bhd for the third consecutive year. The property company said that the outstanding sukuk under the rated programme stood at RM1.4bn as of Nov 30, 2023. It further stated that with unbilled sales of RM3.7bn as at end-September 2023, the group had strong earnings visibility through 2026. (The Edge)

TSA Group Bhd is pricing its shares at 55 sen apiece, seeking to raise some RM42.53m through an initial public offering (IPO) on Bursa Malaysia's ACE Market. The industrial hardware products and stainless steel pipes and metal products manufacturer is expected to have a market capitalisation of RM170.12m after listing, valuing the company at about 4.23 times its price-earnings multiple – based on a net profit of RM39.85m for the financial year ended Dec 31, 2022 (FY2022). It plans to issue 77.33m new shares for the IPO, representing 25% of its expanded share capital of 309.3m shares. (The Edge)

Sime Darby Bhd's takeover bid to acquire the remaining 38.82% stake it does not own in UMW Holdings Bhd at RM5 per share has now become unconditional, after it received more than 50% of the voting shares. The offer will be available for acceptance until 5pm on Jan 17. The offer may be extended or revised in accordance with the rules. Sime Darby plans to acquire the remaining 38.82% stake in UMW, following a conditional share purchase agreement with Permodalan Nasional Bhd in August to buy a 61.18% stake in the automaker. (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	0.980	-2.0%	Initiate on 8/11/2023
2	SLVEST	21-Nov	1.290	1.350	1.360	1.400	1.230	1.210	1.300	0.8%	Initiate on 21/11/2023
3	ITMAX	8-Dec	1.800	1.900	1.920	2.000	1.680	1.650	1.790	-0.6%	Initiate on 8/12/2023
5	MYEG	12-Dec	0.825	0.855	0.860	0.900	0.785	0.780	0.810	-1.8%	Initiate on 12/12/2023
5	SCGBHD	14-Dec	0.375	0.395	0.400	0.450	0.350	0.340	0.430	14.7%	Initiate on 14/12/2023
6	SDS	27-Dec	0.730	0.785	0.790	0.825	0.680	0.670	0.730	0.0%	Initiate on 27/12/2023



Market Chat Tracker - 4Q23 Stock Picks

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	1.610	3.9%	Closed on 26/12/2023
2	HIAPTEK	2-Oct	0.435	0.500	0.535	0.400	0.365	0.355	0.430	-1.1%	Closed on 26/12/2023
3	HSSEB	2-Oct	0.805	0.895	0.940	0.725	0.670	0.660	0.955	18.6%	Closed on 26/12/2023
4	LHI	2-Oct	0.555	0.610	0.640	0.520	0.500	0.490	0.580	4.5%	Closed on 26/12/2023
5	MUHIBAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.770	5.5%	Closed on 26/12/2023
6	PECCA	2-Oct	1.200	1.400	1.450	1.100	1.050	1.030	1.310	9.2%	Closed on 26/12/2023
7	PWF	2-Oct	0.655	0.950	1.000	0.825	0.790	0.780	0.740	13.0%	Closed on 26/12/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.380	-23.2%	Closed on 26/12/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.290	-2.3%	Closed on 26/12/2023
10	T7GLOBAL	2-Oct	0.480	0.525	0.555	0.475	0.455	0.445	0.445	-7.3%	Closed on 26/12/2023
11	TUNEPRO	2-Oct	0.435	0.485	0.515	0.420	0.405	0.395	0.395	-9.2%	Closed on 26/12/2023
12	ULICORP	2-Oct	1.510	1.750	1.900	1.420	1.330	1.310	1.480	-2.0%	Closed on 26/12/2023
13	WELLCAL	2-Oct	1.465	1.600	1.680	1.380	1.310	1.290	1.660	13.3%	Closed on 26/12/2023
Average Return										1.8%	

Market Chat Tracker - 1Q24 Stock Picks

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	AME	26-Dec	1.660	1.920	2.050	-	1.630	1.550	1.670	0.6%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	0.850	1.2%	Initiate on 26/12/2023
3	INARI	26-Dec	3.000	3.300	3.450	-	2.860	2.750	3.000	0.0%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.810	1.950	2.000	-	1.760	1.700	1.790	-1.1%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.100	-2.7%	Initiate on 26/12/2023
6	MYEG	26-Dec	0.815	1.000	1.080	-	0.805	0.750	0.810	-0.6%	Initiate on 26/12/2023
7	NATGATE	26-Dec	1.550	1.760	1.850	-	1.480	1.350	1.530	-1.3%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.240	0.8%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.250	4.410	4.500	-	4.170	4.060	4.250	0.0%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.430	1.2%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.970	2.150	2.250	-	1.920	1.850	1.960	-0.5%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.540	0.0%	Initiate on 26/12/2023
13	TM	26-Dec	5.560	6.000	6.250	-	5.350	5.210	5.560	0.0%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	0.985	5.9%	Initiate on 26/12/2023
Average Return										0.3%	

Technical Focus Tracker Summary

Total recommendations	357
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)	6.2%
Accuracy (2023)	55.2%
FBM KLCI (Since 30/12/2022)	-2.8%
FBM Small Cap (Since 30/12/2022)	9.8%
Malaysia GDP Growth (1H23)	4.2%

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