

Tuesday, 02 Jan, 2024

Awaiting Fresh Catalysts

Market Review

Malaysia: The FBM KLCI (-0.19%) closed lower amid the mixed regional markets, as investors ramped up profit taking activities towards the end of the session offsetting the earlier session window dressing gains. On the broader market, the Utilities sector (+1.39%) gained momentum, while the Telco & Media sector (-0.56%) declined.

Global markets: Wall Street ended lower as profit taking activities emerged to end the year-end rally, while investor may be awaiting fresh leads to resume buying activities this year. The European stock markets ended higher, while the Asian ended mostly lower with China being the sole gainer supported by the tech sector gains.

The Day Ahead

The FBM KLCI ended slightly lower on the final day of 2023 amid profit taking activities. For the year, it has dropped 2.7%, extending the losses for the 3rd year in a row. However, the US stock markets ended with a bang as 3 of the major indices charged strongly for the year, despite weaker closing towards the final day of the day; the Dow is closing near all-time-high, while the S&P500 and Nasdaq are just shy of 1% and 8% from their respective all-time-high levels. Closer to home, PMX will be launching the PADU system, which will consist of individual profile and household details. This could provide a comprehensive view towards crafting the subsidies for the population. On the commodity markets, Brent oil traded around USD77/bbl mark, closing the year with a 10.4% drop as demand concerns outweighed the geopolitical tension risk.

Sector focus: With the US trading near the all-time-high zone, we expect buying interest to emerge on the local front within the Technology sector. Meanwhile, with the PADU system being launched, there might be follow up in the targeted subsidies going forward, which may affect the Consumer and Utilities sectors. Also, should there be any revival of the KL-SG HSR, it may provide an upside boost towards the Construction, Building Material, and Property sectors.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	37,689.54	-0.05
S&P 500	4,769.83	-0.28
NASDAQ	15,011.35	-0.56
FBM KLCI	1,454.66	-0.19
FBM Small Cap	16,353.38	-0.45
FBM ACE	5,322.03	0.95
Construction	191.93	0.31
Consumer	553.68	-0.43
Energy	87.73	-0.27
Financial Services	16,303.04	0.03
Healthcare	1,903.93	-0.26
Ind Products	172.99	0.07
Plantation	7,007.96	-0.13
Property	862.11	-0.24
REITs	782.22	-0.12
Technology	63.39	-0.25
Telco & Media	569.07	-0.56
Transport & Logist	930.39	0.17
Utilities	1,319.73	1.39
Trading Vol (m)	4,666.40	10.09
Trading Val (RM m)	2,959.17	23.58
Gainers/ Losers rat	122%	
FKLI	1,452.00	-0.55
FCPO (RM)	3,721.00	-0.48
Brent oil (USD)	77.04	-0.14
Gold (USD)	2,062.98	-0.13
USD	4.594	0.33
GBP	5.8369	1.03
EURO	5.0757	1.06
SGD	3.4781	0.62

Trading participation 5-day trend and value (m)

Institution	Foreign
-235.0	54.0
	181.0

Source: Bloomberg, Bursa Market Place

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended lower. However, the technical readings on the key index were slightly positive, with the MACD Histogram forming a rounding bottom formation, while the RSI maintains 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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Company Brief

Malaysia Airports Holdings Bhd (MAHB) is said to be mulling over hiring an IJM Corp Bhd-led consortium to carry on with the aerotrain replacement project that was halted in August, according to sources familiar with the matter. The other consortium members are said to be Pestech International Bhd and French rolling stock maker Alstom, both of which are the original contractors. The 25-year-old aerotrain was suspended in March this year, after a major breakdown that resulted in 114 passengers being stranded midway on the track. (The Edge)

Kuchai Development Bhd is injecting RM275.47m worth of assets and liabilities into Sungei Bagan Rubber Co (M) Bhd in a share deal, as part of efforts to consolidate the assets of two sister companies linked to Kluang Rubber Company (M) Bhd (KRCB). The deal will see Kuchai holding 29.37% in Sg Bagan in exchange for the asset injection, after which the shares will be distributed to Kuchai shareholders for them to have direct exposure to Sg Bagan. This would be the second time Kuchai distributed its shares in Sg Bagan – it distributed its entire 26.51% stake in Sg Bagan to shareholders back in Sept 2022. (The Edge)

Kumpulan Perangsang Selangor Bhd (KPS) is streamlining its business operation in China amid larger trade diversion and supply chain diversification trends within the industry. This involves the voluntary winding-up of a China unit, Toyoplas Manufacturing (Shanghai) Co Ltd (TMS), while it grows its presence in Vietnam where Toyoplas has opened a new factory. (The Edge)

Harn Len Corp Bhd has proposed to acquire an aquaculture outfit which owns 30 ponds on a 300-acre piece of land in Pekan, Pahang from its substantial shareholder, Mohamed Nizam Jakel, through a RM42.5m share deal. The deal will be satisfied through the issuance of 47.22m new Harn Len shares, constituting 7.71% of its enlarged share base, which will raise Nizam's stake to 12.8%. Harn Len will also issue Class A Islamic Redeemable Convertible Preference Shares (RCPS-i A) at 45 sen per share. (The Edge)

Bintai Kinden Corp Bhd has secured an agreement to settle RM3m of debt with MBSB Bank Bhd, which will see the bank withdraw a legal suit arising from Bintai Kinden's default in March this year. The conditional relief indulgence (CRI) agreement involves a six-month relief period for Optimal Property Management Sdn Bhd (OPM), a 100% subsidiary of Bintai Kinden, with monthly loan repayment of RM500,000. Bintai Kinden was classified as a Practice Note 17 (PN17) entity on March 28, 2023, after defaulting on a loan repayment to MBSB. (The Edge)

Boustead Heavy Industries Corp Bhd (BHIC) has received the nod from shareholders to proceed with a debt settlement proposal with three lenders and its 64.99% parent Boustead Holdings Bhd (BHB) totalling RM417m. The partial debt settlement will see BHB's stake in BHIC raised to 72.38%, followed by Affin Bank Bhd (4.96%), MBSB Bank Bhd (4.92%) and AmBank Islamic Bhd (2.33%). They will also obtain preference shares in BHIC. (The Edge)

Maxis Bhd announced that its unit will make a final settlement of RM73m in relation to additional assessments with penalties imposed by the Inland Revenue Board, two years after it was given the assessments for the 2016-2020 period of RM477m. (The Edge)

Syarikat Takaful M Keluarga Bhd has declared an interim single-tier dividend of 14 sen per ordinary share for the financial year ending Dec 31, 2023, which will be paid on Feb 2, 2024. The total dividend payout amounts to RM117.22m for the financial year. The declared dividend translates into a dividend yield of 3.8% based on the closing market price of the group's share of RM3.70 as at Dec 28, 2023. (The Edge)



Berjaya Corp Bhd (BCorp) is seeking an extension of the deadline to complete the transfer of its shares in its waste management unit, Berjaya Enviro Holdings Sdn Bhd (BEnviro), to Naza Corp Holdings Bhd. BCorp said BEnviro had sought from the Public Private Partnership Unit in the Prime Minister's Department and Sustainable Energy Development Authority Malaysia (SEDA) an extension of time from Dec 31 to a later date, or after obtaining approval from the Energy Commission of Malaysia. (The Edge)

Kanger International Bhd intends to undertake a private placement of up to 129.97m shares, or 20% of its issued share capital, to raise gross proceeds of up to RM10.46m in the maximum scenario, based on an illustrative issue price of 5.8 sen per share. The group said the proceeds would be primarily used for general working capital, the construction of shoplots in its Ijok development and working capital. (The Edge)

Citaglobal Bhd updated that it is still in "active discussion" towards a joint collaboration agreement with Petronas Global Technical Solutions Sdn Bhd (PGTSSB), a wholly-owned subsidiary of Petroliam Nasional Bhd, for deployment of a Battery Energy Storage System, six months after both signed the Memorandum of Understanding on June 27. The discussion is especially in the area of deployment of its Generation Two Battery Energy Storage System (Gen2 MYBESS) at various Petronas' upstream, midstream and downstream businesses such as production platforms, processing plants, and retail stations and outlets, it said. (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	0.995	-0.5%	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
4	MYEG	12-Dec	0.825	0.855	0.860	0.900	0.785	0.780	0.815	-1.2%	Initiate on 12/12/2023
5	SCGBHD	14-Dec	0.375	0.395	0.400	0.450	0.350	0.340	0.420	12.0%	Initiate on 14/12/2023
6	SDS	27-Dec	0.730	0.785	0.790	0.825	0.680	0.670	0.715	-2.1%	Initiate on 27/12/2023
7	HUPSENG	28-Dec	0.815	0.860	0.880	0.900	0.760	0.750	0.785	-3.7%	Initiate on 28/12/2023

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	0.830	-1.2%	Initiate on 26/12/2023
3	INARI	26-Dec	3.000	3.300	3.450	-	2.860	2.750	3.010	0.3%	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	1.110	-1.8%	Initiate on 26/12/2023
6	MYEG	26-Dec	0.815	1.000	1.080	-	0.805	0.750	0.815	0.0%	Initiate on 26/12/2023
7	NATGATE	26-Dec	1.550	1.760	1.850	-	1.480	1.350	1.510	-2.6%	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	4.290	0.9%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.420	-1.2%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.970	2.150	2.250	-	1.920	1.850	1.940	-1.5%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.545	0.9%	Initiate on 26/12/2023
13	TM	26-Dec	5.560	6.000	6.250	-	5.350	5.210	5.550	-0.2%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	1.020	9.7%	Initiate on 26/12/2023
Average Return										0.3%	



Technical Focus Tracker Summary

Total recommendations	359
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)	6.1%
Accuracy (2023)	53.6%
FBM KLCI (Since 30/12/2022)	▲ -2.7%
FBM Small Cap (Since 30/12/2022)	▲ 9.6%
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 (%)
TAANN (5012)	Interim	RM0.15	28/11/2023	2/1/2024	RM3.37	RM3.66	4.1	8.7
SCIENTX (4731)	Final	RM0.05	20/9/2023	2/1/2024	RM3.63	RM3.81	1.3	4.9
ECOWLD (8206)	Final	RM0.02	14/12/2023	2/1/2024	RM0.98	RM1.05	1.9	7.0
SCIPACK (8125)	Final	RM0.03	19/9/2023	2/1/2024	RM2.22	RM2.23	1.1	0.5
IMASPRO (7222)	Final	RM0.04	23/8/2023	2/1/2024	RM5.60	RM3.83	0.9	-31.6
HIBISCS (5199)	Final	RM0.01	4/10/2023	3/1/2024	RM2.65	RM2.54	0.5	-4.3
MAG (0095)	Final	RM0.00	30/8/2023	3/1/2024	RM0.21	RM0.19	0.5	-7.3
NTPM (5066)	Interim	RM0.01	18/12/2023	3/1/2024	RM0.40	RM0.38	2.1	-5.0
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	RM0.87	0.9	15.3
TDM (2054)	Interim	RM0.00	20/12/2023	5/1/2024	RM0.18	RM0.18	1.0	2.9
RHONEMA (5278)	Interim	RM0.01	15/12/2023	5/1/2024	RM0.69	RM0.69	1.4	0.0
MCEHLDG (7004)	Bonus	1:1	10/10/2023	8/1/2024	RM1.68	RM2.88	-	71.2
BABA (03012)	Interim	RM0.00	29/12/2023	9/1/2024	RM0.44	RM0.44	0.4	0.0
AT (0072)	Stock Split	33333:1000000	26/12/2023	10/1/2024	RM0.01	RM0.01	-	0.0
BIOHLDG (0179)	Rights Issue	3:8	22/12/2023	10/1/2024	RM0.11	RM0.11	-	4.8
BJCORP (3395)	Stock Dividend	3:50	29/11/2023	10/1/2024	RM0.30	RM0.29	-	-3.3
GPHAROS (5649)	Interim	RM0.02	27/12/2023	10/1/2024	RM0.34	RM0.33	5.3	-2.1
MCEHLDG (7004)	Bonus-Options	1:2	10/10/2023	11/1/2024	RM1.68	RM2.88	-	71.2
RVIEW (2542)	Interim	RM0.05	8/12/2023	11/1/2024	RM3.20	RM3.28	1.5	2.5
LHI (6633)	Interim	RM0.01	28/11/2023	11/1/2024	RM0.69	RM0.57	2.1	-18.1
PENERGY (5133)	Special Cash	RM0.04	15/12/2023	15/1/2024	RM0.90	RM0.95	4.2	5.5
EDARAN (5036)	Interim	RM0.03	28/12/2023	16/1/2024	RM0.86	RM0.87	3.4	1.2
TAKAFUL (6139)	Interim	RM0.14	29/12/2023	17/1/2024	RM3.70	RM3.70	3.8	0.0
SCBUILD (0109)	Rights Issue	RM2.00	26/12/2023	17/1/2024	RM0.04	RM0.04	-	0.0
KESM (9334)	Final	RM0.06	26/10/2023	17/1/2024	RM7.01	RM7.07	0.8	0.9
ASIAFLE (7129)	Interim	RM0.04	30/11/2023	17/1/2024	RM2.05	RM2.08	1.7	1.5
F&N (3689)	Final	RM0.33	7/11/2023	18/1/2024	RM25.82	RM28.16	1.2	9.1
F&N (3689)	Special Cash	RM0.17	7/11/2023	18/1/2024	RM25.82	RM28.16	0.6	9.1
UMCCA (2593)	Interim	RM0.05	18/12/2023	18/1/2024	RM4.93	RM5.06	1.0	2.6
VS (6963)	Final	RM0.01	26/9/2023	18/1/2024	RM1.02	RM0.82	0.6	-19.7
PTRANS (0186)	Interim	RM0.01	15/11/2023	24/1/2024	RM1.24	RM1.14	0.7	-8.1
KMLOONG (5027)	Special Cash	RM0.03	28/12/2023	24/1/2024	RM2.01	RM2.02	1.5	0.5
HOMERIZ (5160)	Final	RM0.02	27/10/2023	15/2/2024	RM0.52	RM0.51	3.1	-1.9
BKAWAN (1899)	Final	RM0.40	8/12/2023	16/2/2024	RM20.50	RM20.60	1.9	0.5
VS (6963)	Interim	RM0.00	20/12/2023	22/2/2024	RM0.83	RM0.82	0.4	-1.2
POHKONG (5080)	Final	RM0.02	26/9/2023	28/2/2024	RM0.87	RM0.87	2.3	-0.6
ASTINO (7162)	Final	RM0.01	29/9/2023	7/3/2024	RM0.58	RM0.54	1.9	-6.9
MELATI (5129)	Final	RM0.01	27/10/2023	7/3/2024	RM0.54	RM0.55	1.8	2.8

■ Denotes >5% Dividend Yield

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