

Thursday, 04 Jan, 2024

Malaysia Market Charged Higher

Market Review

Malaysia: The FBM KLCI (+0.64%) closed higher despite the poor regional markets performance, supported by strong buying interest seen in the Utilities and Industrial Product heavyweights. On the broader market, the Property sector (+3.88%) was the top gainer, while the Technology sector (-0.41%) was the sole decliner.

Global markets: Wall Street ended lower as investors were still wary of the overoptimism from the expectations of when the rate cuts will come. Both the European and Asian stock markets ended lower, the latter after the downgrading of Apple causing the poor performance of some chip manufacturers.

The Day Ahead

The FBMKLCI managed to close higher as traders were bullish on the stock markets with buying interest flown into several index heavyweights, contributing to a healthy market breadth. Meanwhile, Wall Street ended on a negative tone for the second consecutive day on the back of profit taking activities, despite the Fed's meeting minutes showing progress that the inflation was under control and rate cuts may only happen in March this year. On the commodity markets, Brent oil price climbed more than 3% amid rising tensions in the Middle East as Libya's top oilfield production was halted following a protest.

Sector focus: Given the sell-down on Wall Street, we expect the Technology sector will cap the upside for now. From the trading activities in the market, we noticed that the water-related stocks were traded strongly higher, it might be due to the (i) potential water tariff revision and (ii) the high usage of upcoming data centre boom. Meanwhile, we expect the (i) Johor-theme, (ii) potential revival of the KL-SG HSR, (iii) ongoing RTS link and (iii) easing of MM2H requirements to boost the attention for the Construction, Building Material, Property and Utilities sectors.

FBMKLCI Technical Outlook



Bloomberg

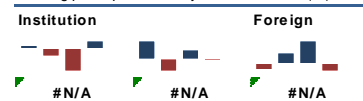
The FBM KLCI ended higher after experiencing a flag breakout. The technical readings on the key index were positive, with the MACD Histogram nearly turning positive, forming a rounding bottom, while the RSI swung above the 50 level. The resistance is envisaged around 1,470-1,480 and the support is set at 1,440-1,450.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	37,430.19	-0.76
S&P 500	4,704.81	-0.80
NASDAQ	14,592.21	-1.18
FBM KLCI	1462.37	0.64
FBM Small Cap	16,620.24	1.38
FBM ACE	5,367.50	0.24
Construction	198.06	2.18
Consumer	554.79	0.36
Energy	820.84	0.18
Financial Services	16,310.54	0.15
Healthcare	1,971.51	3.36
Ind Products	176.44	1.19
Plantation	7,012.64	0.64
Property	897.91	3.88
REITs	787.90	0.45
Technology	62.85	-0.41
Telco & Media	574.71	0.96
Transport & Logist	956.95	2.06
Utilities	1,397.61	3.01
Trading Vol (m)	5,635.81	14.72
Trading Val (RM m)	3,120.52	55.52
Gainers/ Losers rat	205%	
FKLI	1466.00	-0.07
FCPO (RM)	3,658.00	1.02
Brent oil (USD)	78.25	3.11
Gold (USD)	2,041.49	0.07
USD	4.6328	-0.58
GBP	5.85	0.13
EURO	5.0666	0.13
SGD	3.4911	-0.27

Trading participation 5-day trend and value ('m)



Source: Bloomberg, Bursa Market Place



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Company Brief

YTL Power International Bhd jumped as much as 9.7% to hit a fresh high on Wednesday, extending last year's rally driven by strong earnings from its Singapore power business and data centre prospects. YTL Power's gains also boosted its 55.6%-parent YTL Corp Bhd to a new record high of RM2.01, up nine sen or 4.5%, pushing its market capitalisation to RM22.04bn. The stock has more than tripled over the past 12 months. YTL Power closed at RM2.80, up 23 sen or 8.9%, with 43.36m shares traded. At current price, its market capitalisation has swelled to RM22.69bn. Over the last 12 months, the counter has more than quadrupled. (The Edge)

Minetech Resources Bhd has appointed Abang Abdillah Izzarim Abang Abdul Rahman Zohari as the company's new executive chairman. Abang Abdillah, 45, is the son of Sarawak Premier Tan Sri Abang Abdul Rahman Zohari Abang Openg, more popularly known as Abang Johari or Abang Jo. Prior to this appointment, Abang Abdillah acquired a 15.58% stake in Minetech comprising 240m shares, making him a substantial shareholder in the company. (The Edge)

Kerjaya Prospek Group Bhd has bagged a contract worth RM170.94m from Persada Mentari Sdn Bhd, an indirect subsidiary of Eastern & Oriental Bhd, for the development of a 45-storey building on Andaman Island, Penang. The project entails the construction and execution of main building works for a 45-storey structure, including a 38-storey serviced apartment block comprising 380 units, a two-storey basement carpark, and a five-storey elevated car park. The completion deadline is set at 35 months from Jan 18, 2024. (The Edge)

Datuk Fad'l Mohamed has resigned as CEO of Maybank Investment Bank Bhd (Maybank IB), the investment subsidiary of **Malayan Banking Bhd**. The investment bank said its chief operating officer Tengku Ariff Azhar Tengku Mohamed has been appointed its officer-in-charge effective Wednesday after Fad'l stepped down. Fad'l joined the investment bank as its deputy CEO back in 2015 before being promoted to CEO in 2018. (The Edge)

Eversendai Corp Bhd has agreed to scrap a planned injection of a liftboat business into the group, proposed almost four years ago. Eversendai said the mutual termination was due to the inability of Vahana Offshore (M) Sdn Bhd to satisfy the schedule of conditions precedent set in the share sale agreement dated June 30, 2020, to obtain the new financing facility upon the terms and conditions satisfactory to Eversendai (the purchaser). Eversendai does not expect the termination of the deal to have any material financial impact on the group or its subsidiaries. (The Edge)

Digital marketing and advertising services provider **JcbNext Bhd** has disposed of a total of 581,225 shares, representing a 1.8% stake, in Taiwan-listed company 104 Corp between June 21, 2023 to Jan 3, 2024 for TW\$119.86m (approximately RM17.67m). Following the sale, the group's shareholding in 104 Corp has been reduced to 6.17m shares or an 18.6% stake. "Based on the disposal consideration, the expected net gain arising from the disposals is RM9.51m," it said. (The Edge)

Lembaga Tabung Angkatan Tentera (LTAT) is not extending the closing date for its RM1.55 per share privatisation offer for **Boustead Plantations Bhd** (BPlant) beyond Jan 5, 2024. Since LTAT does not intend to maintain the listing status of BPlant, Bursa Securities will suspend the trading of the plantation company's shares within five market days from the final closing date, per listing requirements, which will make it difficult for holders to trade their unlisted BPlant shares. LTAT said it has accumulated more than 90% of BPlant's total issued shares. As at Jan 3, it owns a 92.2% stake or 2.07bn shares. (The Edge)



EP Manufacturing Bhd (EPMB) announced that its subsidiary PEPS-JV (Melaka) Sdn Bhd (PJVM) has been appointed as the contract vehicle assembler for the Malaysian unit of China's Great Wall Motor Co Ltd (GWM), making it a key player in the assembly and production of selected GWM models in Malaysia for the next eight years. As part of the vehicle assembly agreement, EPMB will initially focus on assembling and producing the Haval H6, a mid-size sports utility vehicle (SUV) model, and the Haval Jolion, a compact SUV model. The assembly and production activities will be centred at the group's automotive manufacturing facility located at the Hicom Pegoh Industrial Park in Melaka. EPMB aims to achieve an annual output of 20,000 units by 2028. (The Edge)

PGF Capital Bhd plans to develop a self-sustaining integrated township with an estimated gross development value (GDV) of RM3bn adjacent to the Automotive High-Tech Valley (AHTV) in Proton City, Tanjung Malim, Perak. The development, comprising over 6,000 residential and commercial units, would take place over 10 to 15 years on 161.87 hectares (ha) of land. The project also includes 99.27 ha for agriculture plantations, 21.61 ha for aquaculture activities, 119.58 ha for eco-tourism, 23.55 ha for an eco-retreat, and 29.02 ha for lifestyle communities, including a retirement and wellness village. The first phase of the project, with an estimated GDV of RM600m, is expected to be launched by 2024. (The Edge)

Meta Bright Group Bhd's conditional invitation for the Majlis Perbandaran Kemaman (MPK) to participate in the Solar PV Without Capex Program at Kijal Mall, Terengganu, has been accepted by the municipal council. The group's conditional offer letter to the municipality encompasses the design, financing, installation, construction, commissioning, operation, and maintenance of the 407.8 kilowatts peak (kWp) solar photovoltaic (PV) generating plants on the premises owned by the municipal council. The programme has a 20-year duration from the operational date of the solar PV generating plants, and the municipal council will purchase the renewable electricity generated by the plants at a fixed solar tariff rate of 36 sen per kWh. The offer letter would increase the group's order book related to sustainable renewable energy solutions to 3.81MW, marking a 12% increase in the total order book size. (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	0.990	-1.0%	Initiate on 8/11/2023
2	SLVEST	21-Nov	1.290	1.350	1.360	1.400	1.230	1.210	1.310	1.6%	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	0.790	-4.2%	Initiate on 12/12/2023
5	SCGBHD	14-Dec	0.375	0.395	0.400	0.450	0.350	0.340	0.445	18.7%	Initiate on 14/12/2023
6	SDS	27-Dec	0.730	0.785	0.790	0.825	0.680	0.670	0.710	-2.7%	Initiate on 27/12/2023
7	HUPSENG	28-Dec	0.815	0.860	0.880	0.900	0.760	0.750	0.770	-5.5%	Cut Loss on 2/1/2024

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	1.720	3.6%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	0.825	-1.8%	Initiate on 26/12/2023
3	INARI	26-Dec	3.000	3.300	3.450	-	2.860	2.750	2.970	-1.0%	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	1.240	9.7%	Initiate on 26/12/2023
6	MYEG	26-Dec	0.815	1.000	1.080	-	0.805	0.750	0.790	-3.1%	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	1.310	6.5%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.250	4.410	4.500	-	4.170	4.060	4.270	0.5%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.445	4.7%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.970	2.150	2.250	-	1.920	1.850	2.000	1.5%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.580	7.4%	Initiate on 26/12/2023
13	TM	26-Dec	5.560	6.000	6.250	-	5.350	5.210	5.660	1.8%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	1.140	22.6%	Initiate on 26/12/2023
Average Return										3.5%	



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)	6.5%
Accuracy (2023)	53.6%
FBM KLCI (Since 30/12/2022)	-2.2%
FBM Small Cap (Since 30/12/2022)	11.4%
Malaysia GDP Growth (1H23)	4.2%

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