

Friday, 12 Jan, 2024

Mild Bargain Hunting Activities to Emerge

Market Review

Malaysia: The FBM KLCI (-0.26%) closed lower despite the positive rebound in regional markets; the index was dragged by selling pressure in selected gaming and industrial product heavyweights. On the broader market, the Energy sector (+1.46%) was the top gainer, while the Property sector (-0.92%) declined.

Global markets: Wall Street flat as investors cautiously assessed the hotter-than-expected CPI data, while eyeing the upcoming PPI data and the earnings of major banks. The European stock markets ended lower, while Asia ended mostly higher, with Nikkei extending its record rally and the Bank of Korea holding interest rates.

The Day Ahead

The FBM KLCI ended the session with a two-day pullback as profit taking activities were noted within the gaming heavyweights after Genting plans another round of US\$100m equity injection into Empire Resorts. Meanwhile, the Wall Street had a volatile move after the release of CPI data, which is hotter-than-expected, while the unemployment claims came in below-the-expectation, suggesting that the labour market is rather strong at this juncture. With that, investors will be eyeing closely on the PPI numbers and banks earnings releases later tonight. Nonetheless, we expect bargain hunting activities to emerge in Malaysia's market. On the commodity, the Brent oil price inched higher with elevated geopolitical tension in the Middle East.

Sectors focus: Given the stabilised move in the US, we believe the buying interest may emerge in the Technology sector. Also, following the visit of PM Lee to Malaysia, signing of the JB-SG SEZ agreement and RTS Link ceremony, we believe trading interest may increase going forward within the Johor-related companies. We favour the Construction, Property, Building Material, Renewable Energy, as well as Utilities sectors. Meanwhile, the O&G sector could stay attractive with higher capex spending from Petronas in 2024.

FBMKLCI Technical Outlook



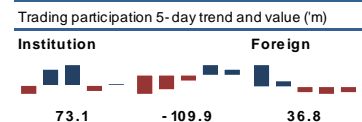
Bloomberg

The FBM KLCI ended lower for the 2nd consecutive day. The technical readings on the key index were mixed, with the MACD Histogram extending a less positive bar, while the RSI maintains above the 50 level. The resistance is envisaged around 1,500-1,510 and the support is set at 1,470-1,480.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	37,711.02	0.04
S&P 500	4,780.24	-0.07
NASDAQ	14,970.18	0.00
FBM KLCI	1,483.00	-0.26
FBM Small Cap	6,917.27	-0.13
FBM ACE	5,414.62	-0.34
Construction	206.36	0.23
Consumer	560.94	-0.61
Energy	862.62	1.46
Financial Services	16,536.65	-0.07
Healthcare	1,979.03	0.33
Ind Products	175.03	-0.81
Plantation	7,130.62	0.89
Property	888.14	-0.92
REITs	794.71	0.14
Technology	64.21	0.60
Telco & Media	577.19	-0.51
Transport & Logisti	954.71	0.09
Utilities	1,455.58	-0.74
Trading Vol (m)	4,637.47	-6.66
Trading Val (RM m)	3,004.51	5.78
Gainers/ Losers rat	72%	
FKLI	148100	-0.34
FCPO (RM)	3,796.00	0.05
Brent oil (USD)	77.41	0.79
Gold (USD)	2,028.91	0.12
USD	4.644	-0.04
GBP	5.9163	-0.15
EURO	5.0917	-0.19
SGD	3.4914	-0.13



Source: Bloomberg, Bursa Market Place



JOIN OUR OFFICIAL TELEGRAM
TO GET THE LATEST MARKET UPDATES

M+Online
Equipping Traders For The Win

Global
Winning The World

Company Brief

Sabah-based gold miner **Borneo Oil Bhd** has ended its gold-mining venture with Syarikat Ratna Pura Sdn Bhd (SRP) and Ricco Mining Sdn Bhd in Mukim Keratong, Rompin, Pahang, as part of its plans to downsize its mining operations in the state. Borneo Oil said it has entered into a deed of cancellation and novation with Lum Har Chi @ Lum Kong Fatt, Lum Kong Sun and Zainab Mohd Taib (vendors) to acquire a 90% stake in SRP for RM1.8m cash. SRP is the concession owner of a mining area measuring 194.22ha in Rompin, with a validity period of five years expiring on March 16, 2025. (The Edge)

The value of **Fajarbaru Builder Group Bhd**'s contract for the planning phase of the redevelopment of military facilities at the Royal Malaysian Air Force base in Butterworth, Penang has been revised to a higher sum of RM16.26m from RM7.36m previously. The revision was to provide for "the 50% schematic design report to be a planning phase milestone", and to defer the date for the delivery phase approval. Parties to the contract have agreed to the revision and entered into a deed of amendment on Dec 22, 2023 to amend the contract. The contract was awarded by the Australian Department of Defence in July last year, which hired an unincorporated joint venture between Fajarbaru's unit and Avionics Pty Ltd, which is wholly owned by Avionics Holdings Pty Ltd. Avionics Holdings is 60%-owned by the Nick Brumley Family Trust with the other 40% stake held by the S&R Webb Family Trust. (The Edge)

Autoparts maker and duty-free goods trader **Atlan Holdings Bhd**'s net profit rose 9.48% to RM6.47m in the third quarter ended Nov 30 (3QFY2024) from RM5.91m a year ago on the back of higher revenue from the automotive segment. Quarterly revenue grew by 19.12% to RM117.19m compared with RM98.38m in the previous corresponding period, resulting in an improved earnings per share of 2.55 sen, up from 2.33 sen. The group declared a second interim dividend of four sen, payable on Feb 22. (The Edge)

Hume Cement Industries Bhd (HCIB), a member of the Hong Leong Group, has accepted an offer to sell its plot of land in the Prai Industrial Estate in Penang for RM39.8m cash that will bring it an estimated net gain of RM32m. The offer for the leasehold industrial land together with the buildings built on it was made by Skygate Technology (KL) Sdn Bhd. The size of the plot, held under its wholly-owned Hume Concrete Sdn Bhd, was not disclosed in the filing. A check with its annual report based on the address given showed that the plot measures about 653,400 sq ft and was acquired in 1982 with a net book value of RM1.32m as of June 30, 2023. No reason for the disposal was given. (The Edge)

UEM Sunrise Bhd unveiled an enhanced version of its virtual concierge app named hUb prop at Kiara Bay Sales Gallery, Kepong here on Thursday. The updates include enhancement of the app's user interface, partnering with more merchants through the Tresor Partnership Program for the benefit of the Tressorian community (member of UEM Sunrise's customer loyalty programme), and the ability to personalise the app according to needs, said UEM Sunrise director of digital technology and innovation department Hasniza Mohamed. (The Edge)

JAG Capital Holdings Bhd's mandatory general offer (MGO) for **KUB Malaysia Bhd** is not due to any valuation issues, according to Plantation and Commodities Minister Datuk Seri Johari Abdul Ghani. JAG is controlled by Johari, who is a shareholder with a 98.75% stake. On Tuesday, JAG raised its stake in KUB to above the 33% threshold, triggering the MGO. JAG said it does not intend to keep KUB's listing status should it secure 90% of all KUB shares. He also stressed that the corporate exercise had been announced prior to his appointment as minister. (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	1.070	7.0%	Initiate on 8/11/2023
2	SLVEST	21-Nov	1.290	1.350	1.360	1.400	1.230	1.210	1.360	5.4%	Closed on 8/1/2024
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	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	0.425	13.3%	Closed on 8/1/2024
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
7	SEALINK	10-Jan	0.210	0.230	0.240	0.250	0.190	0.185	0.210	0.0%	Initiate on 10/1/2024

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	1.790	7.8%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	0.890	6.0%	Initiate on 26/12/2023
3	INARI	26-Dec	3.000	3.300	3.450	-	2.860	2.750	3.190	6.3%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.810	1.950	2.000	-	1.760	1.700	1.820	0.6%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.300	15.0%	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	1.540	-0.6%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.400	13.8%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.250	4.410	4.500	-	4.170	4.060	4.300	1.2%	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	2.190	11.2%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.605	12.0%	Initiate on 26/12/2023
13	TM	26-Dec	5.560	6.000	6.250	-	5.350	5.210	5.750	3.4%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	1.060	14.0%	Initiate on 26/12/2023
Average Return										6.2%	

Technical Focus Tracker Summary

Total recommendations	360
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)	7.4%
Accuracy (2023)	54.3%
FBM KLCI (Since 30/12/2022)	-0.8%
FBM Small Cap (Since 30/12/2022)	13.4%
Malaysia GDP Growth (1H23)	4.2%

Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.

