

Monday, 22 Jan, 2024

## Positive Trend Remains Intact

### Market Review

**Malaysia:** The FBM KLCI (+0.49%) closed higher, in line with the mostly positive regional markets, due to buying pressure in selected banking and utilities heavyweights. On the broader market, both the Construction sector (+1.66%) and the Healthcare sector (+1.38%) were the top performing sectors.

**Global markets:** Wall Street ended higher with the S&P500 hitting an all-time high, supported by stronger than expected consumer sentiment data, suggesting that there is no threat of a recession. The European stock market ended lower, while Asia ended higher after Japan's inflation data came in within consensus expectations.

### The Day Ahead

The FBM KLCI rebounded after a 3-day pullback amid buying support in the Banking and Utilities segments. Meanwhile, the US stock markets ended stronger led by the chipmakers fuelled by optimism around the Artificial Intelligence theme; S&P 500 hit fresh record highs after 2 years. This rally was followed by TSMC commenting that the outlook is encouraging with the booming demand for high-end chips used in AI. Currently the US 10-year Treasury yield stood at 4.126%, while the probability of a rate cut is declining. On the commodity markets, the Brent oil price continues to traded sideways, ranging around US78-79/bbl, despite the ongoing tension in the Middle East.

**Sectors focus:** With the strong sustaining rally in the US, we expect buying interest to build up on the local exchange within the Technology sector. Also, we expect the small cap and lower liners to see bargain hunting activities in the near term after a few rounds of limit-down situations last week. The focus will be on investment catalysts such as the revival of KL-SG HSR mega projects, rising focus on the Johor-region theme as well as easing requirements of MM2H going forward. Thus, traders should focus on the Construction, Property and Building Material segments.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	37,863.80	+1.05
S&P 500	4,839.81	+1.23
NASDAQ	15,310.97	+1.70
FBM KLCI	1,486.37	+0.49
FBM Small Cap	16,380.27	+0.35
FBM ACE	4,790.15	+0.09
Construction	205.26	+1.66
Consumer	556.52	+0.29
Energy	843.32	+0.39
Financial Services	16,613.52	+0.40
Healthcare	1,942.96	+1.38
Ind Products	172.92	+0.30
Plantation	7,163.09	+0.54
Property	890.97	+1.28
REITs	798.86	+0.22
Technology	63.26	+1.28
Telco & Media	588.82	+0.15
Transport & Logist	946.24	+0.74
Utilities	1,497.39	+0.34
Trading Vol (m)	5,391.71	-11.55
Trading Val (RM m)	2,734.37	-24.37
Gainers/ Losers rat	184%	
FKLI	1,487.50	+0.37
FCPO (RM)	3,939.00	+1.13
Brent oil (USD)	78.56	-0.18
Gold (USD)	2,029.49	-0.09
USD	4.785	+0.01
GBP	5.9847	-0.06
EURO	5.185	+0.03
SGD	3.5196	-0.22
Trading participation 5-day trend and value (m)		
Institution	214.4	
Foreign	-148.4	
	-66.0	

Source: Bloomberg, Bursa Market Place

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI rebounded after the 3 days of consecutive losses. The technical readings on the key index were however mixed, with the MACD Histogram extending another negative bar, while the RSI maintains above the 50 level. The resistance is envisaged around 1,510-1,520 and the support is set at 1,460-1,470.



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## Company Brief

**Capital A Bhd** now has up till June 30, 2024 to submit its proposal to regularise its Practice Note 17 (PN17) condition after getting Bursa Malaysia's approval for another six-month extension – its fourth extension in a row. The group was placed in Bursa's PN17 list of financially-distressed entities in January 2022. It was initially supposed to submit the plan by Jan 7, 2023, but the deadline was extended thrice – first to July 7, then to Oct 7 and subsequently to Dec 31, 2023. (The Edge)

Property developer **Eupe Corp Bhd** is purchasing two additional parcels of freehold land in Sungai Petani, located in the Kuala Muda district of Kedah, for RM40.68m, which will increase the land area around its proposed township for investment. It is buying the freehold plots, totalling 221,238 sq m, from Sing Na Tian Development Sdn Bhd. The plots are also contiguous with two other parcels that Eupe bought in 2022 from SNTDSB for a total of RM55.31m and measuring a collective 300,762 sq m. (The Edge)

**Silver Ridge Holdings Bhd**, whose shares price hit limit down again for a second consecutive day on Friday, revealed that the group is discussing several business proposals in its response to the unusual market activity query issued by Bursa Securities. Other than these discussions, which are in the preliminary stages, the company said it was unaware of any corporate development related to the group's business and affairs that may account for the sharp fall in its share price. The company is in compliance with the Bursa Securities Listing Requirement on immediate disclosure obligations, it added. (The Edge)

Bursa Malaysia Securities Bhd has put a freeze on the lower limit share price for **Jentayu Sustainables Bhd** after the stock hit the limit down circuit breaker for two days in a row. The lower limit freeze is set at 50 sen where the stock last settled, which is also its lowest in 16 months. The loss-making renewable energy player's counter, which continued to succumb to heavy selldown on Friday, lost 30 sen or 37.5% from Thursday's close of 80 sen. At 50 sen, the stock is valued at RM219m. (The Edge)

**Betamek Bhd** said investigations by the Malaysian Anti-Corruption Commission (MACC), which summoned its managing director Mirzan Mahathir for questioning, have nothing to do with the company. "As such, Betamek operates its business as usual without any interruption in our production and delivery of Betamek's products to our customers," it said in a bourse filing on Friday. On Wednesday, MACC summoned Mirzan, the son of former two-time prime minister Tun Dr Mahathir Mohamad, to assist with an ongoing investigation based on information from the Panama Papers, as well as into his business activities involving the sale and purchase of government-linked companies (GLCs). (The Edge)

Sustainable energy specialist **Kinergy Advancement Bhd** (KAB) will team up with the Philippines' LCS Holdings Inc to jointly develop and operate a 20 megawatts-peak (MWp) solar photovoltaic (PV) plant in Santa, Ilocos Sur, the Philippines. KAB said the proposed project aligns with its strategic objectives to broaden business opportunities within its diverse portfolio of sustainable energy solutions. This will further expedite the expansion of KAB's footprint into other renewable energy (RE) projects in the Philippines and Southeast Asia, it added, but it did not disclose the value of the project. KAB said its wholly-owned subsidiary KAB Energy Holdings Sdn Bhd (Kabeh) has entered into a non-binding Heads of Agreement (HOA) with LCS for the joint development. LCS holds a solar energy service contract (SESC) issued by the Department of Energy (DOE) of the Philippines. (The Edge)



**Edelteq Holdings Bhd** has signed Memoranda of Understanding (MOU) with a Chinese company and a Malaysian outfit to start semiconductor-related businesses locally and abroad. According to a bourse filing on Friday, it had inked one MOU with China-based CYG Semiconductor Equipment (Zhuhai) Co Ltd to set up two companies – one in China and another in Malaysia – that will be involved in semiconductor-related businesses. In a separate filing, Edelteq said it also inked an MOU with local optical inspection system firm Halo Technologies Sdn Bhd (HTSB) to set up a business involved in semiconductor design, manufacturing, and selling of substrate automatic optical inspection (AOI) system. (The Edge)

**TSA Group Bhd**, which is scheduled to make its ACE Market debut on Feb 2, said its initial public offering (IPO) was oversubscribed by 8.62 times by the Malaysian public. The manufacturer of industrial hardware products, stainless steel pipes and metal products said the IPO received 4,304 applications for 148.78m shares valued at RM81.83m for the 15.465 shares made available to the Malaysian public. The Bumiputera portion was oversubscribed 7.75 times – with 2,329 applications for 67.69m shares received – while the public portion was oversubscribed 9.49 times – with 1,975 applications for 81.09m shares received. (The Edge)

**LB Aluminium Bhd** is acquiring two factories and an office on a 4.56-acre freehold parcel of land in Beranang, Selangor, for RM30.42m cash. The group said it has entered into a sale and purchase agreement with Puspajaya Realty Sdn Bhd for the proposed land acquisition. PRSB is principally involved in the property development and management segments. According to the group, it is buying the property, which is sited next to its manufacturing operations and factories, to grow its warehouse capacity in Beranang, relocate its operations and cater for any future expansion plans. (The Edge)

While **Tanco Holdings Bhd**'s share price had been on a downward spiral, a total of 6.07m warrants were converted at the exercise price of 31 sen per share, the company's filing with Bursa Malaysia showed. The conversion of this block of warrants cost RM1.88m. These are warrants issued under Tanco's bonus issue in August 2022 involving up to 1.47bn free warrants on the basis of one warrant for every two existing shares held by entitled shareholders. According to Tanco's annual report, the largest warrant holder is currently its major shareholder Datuk Seri Andrew Tan Jun Suan with 92.45m warrants or 12.11% held as at Oct 5 last year. (The Edge)

Selling pressure has struck technology services provider **Heitech Padu Bhd** on Friday, as its share price plunged 29.9% to hit limit-down. Last Friday (Jan 12), the stock hit its one-year high at RM1.17 sen. The last time the stock fell below 80 sen was on Nov 27 last year. Prior to hitting its limit-down, the counter had risen over 30% year to date. At 75 sen, the company has a market capitalisation of RM75.92m, down RM42.51m from RM118.43m last Friday. (The Edge)

**YNH Property Bhd**, in which prominent investor Datuk Dr Yu Kuan Chon is the largest shareholder with a 32.6% stake, shared details of a turnkey construction contract (TCA) in relation to a RM150m land deal in Desa Sri Hartamas in response to a query from Bursa Malaysia. In addition, YNH said it had also implemented an internal control policy to govern all transactions, in a bid to rectify its oversight in not disclosing the Desa Sri Hartamas land deal, and ensure that similar issues will not recur. (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	1.050	5.0%	Initiate on 8/11/2023
2	ITMAX	8-Dec	1.800	1.900	1.920	2.000	1.680	1.650	1.780	-1.1%	Initiate on 8/12/2023
3	SDS	27-Dec	0.730	0.785	0.790	0.825	0.680	0.670	0.710	-2.7%	Initiate on 27/12/2023
4	AVALAND	16-Jan	0.270	0.285	0.290	0.325	0.245	0.240	0.260	-3.7%	Initiate on 16/1/2024

## 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	1.830	10.2%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	0.925	10.1%	Initiate on 26/12/2023
3	INARI	26-Dec	3.000	3.300	3.450	-	2.860	2.750	3.230	7.7%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.810	1.950	2.000	-	1.760	1.700	1.780	-1.7%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.400	23.9%	Initiate on 26/12/2023
6	MYEG	26-Dec	0.815	1.000	1.080	-	0.805	0.750	0.775	-4.9%	Initiate on 26/12/2023
7	NATGATE	26-Dec	1.550	1.760	1.850	-	1.480	1.350	1.390	-10.3%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.480	20.3%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.250	4.410	4.500	-	4.170	4.060	4.350	2.4%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.400	-5.9%	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	0.600	11.1%	Initiate on 26/12/2023
13	TM	26-Dec	5.560	6.000	6.250	-	5.350	5.210	5.850	5.2%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	0.995	7.0%	Initiate on 26/12/2023
Average Return										6.2%	

### Technical Focus Tracker Summary

Total recommendations	361
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)	6.8%
Accuracy (2023)	53.5%
FBM KLCI (Since 30/12/2022)	-0.6%
FBM Small Cap (Since 30/12/2022)	9.8%
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 (%)
SAM (9822)	Rights Issue	1:4	9/1/2024	22/1/2024	RM3.98	RM3.93	-	-1.3
ALLIANZ (1163)	Interim	RM0.69	9/1/2024	23/1/2024	RM18.70	RM20.06	3.4	7.3
PTRANS (0186)	Interim	RM0.01	15/1/2024	24/1/2024	RM1.24	RM1.17	0.6	-5.6
KMLOONG (5027)	Special Cash	RM0.03	28/12/2023	24/1/2024	RM2.01	RM2.10	1.4	4.5
FAST (0084)	Rights Issue	1:1	16/1/2024	30/1/2024	RM0.12	RM0.10	-	-13.0
GAMUDA (5398)	Interim	RM0.06	7/12/2023	30/1/2024	RM4.45	RM4.98	1.2	11.9
KLK (2445)	Final	RM0.40	8/12/2023	30/1/2024	RM21.52	RM22.46	1.8	4.4
ATLAN (7048)	Interim	RM0.04	11/1/2024	30/1/2024	RM2.77	RM2.78	1.4	0.4
CBIP (7076)	Interim	RM0.02	28/11/2023	5/2/2024	RM1.21	RM1.33	1.5	9.9
ANCOMNY (4758)	Stock Dividend	1:100	17/1/2024	15/2/2024	RM1.09	RM1.09	-	0.0
HOMERIZ (5160)	Final	RM0.02	27/10/2023	15/2/2024	RM0.52	RM0.52	3.1	0.0
TEOSEN (7252)	Interim	RM0.03	18/1/2024	16/2/2024	RM1.86	RM1.84	1.6	-1.1
BKAWAN (1899)	Final	RM0.40	8/12/2023	16/2/2024	RM20.50	RM20.34	2.0	-0.8
V5 (6963)	Interim	RM0.00	20/12/2023	22/2/2024	RM0.82	RM0.78	0.4	-4.9
ANALABS (7083)	Interim	RM0.02	28/12/2023	23/2/2024	RM1.53	RM1.68	1.2	9.8
PANTECH (5125)	Interim	RM0.02	18/1/2024	28/2/2024	RM0.90	RM0.88	1.7	-2.2
POHKONG (5080)	Final	RM0.02	26/9/2023	28/2/2024	RM0.87	RM0.85	2.4	-2.3
ASTINO (7162)	Final	RM0.01	29/9/2023	7/3/2024	RM0.58	RM0.53	1.9	-8.6
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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