MARKET PULSE

Malacca Securities
Building Wealth Together

Friday, 02 Feb, 2024

Buying Support May Return Within Bursa

Market Review

Malaysia: The FBM KLCI (+0.02%) closed flat, in line with the mixed performance of the regional markets, with mixed sentiment seen within the Utilities heavyweights as TENAGA rose while the YTL counters fell. On the broader market, the Energy sector (+1.81%) was the leading sector, while the Technology sector (-1.59%) declined.

Global markets: Wall Street closed higher, rebounding from the broad selloff after the Fed held interest rates unchanged, but signalled that a rate cut in March is unlikely. Meanwhile, traders will be eyeing the upcoming job reports on Friday. The European stock markets ended lower, while Asia ended mixed.

The Day Ahead

The FBM KLCI and FBM Small Cap pulled back for another session as profit taking activities kicked in prior to the Federal Territory holiday break. Meanwhile, the US stock markets had a volatile move after the Fed concluded the FOMC, keeping the interest rates unchanged, affirming that the interest rate is at its peak, but commented that a March rate cut is unlikely. Hence, the market is pricing in rate cuts that may happen in 2H24 and will monitor closely on the corporate earnings and employment report later today. On the commodity markets, Brent oil fell below USD80/bbl level as the market could be pricing in a ceasefire between Israel and Hamas war.

Sectors focus: Given the overall positive tone from the US stock markets, we believe the buying support may return within the Technology sector. We think the market should focus on the upcoming February earnings season, coupled with the trading themes such as the (i) potential revival of KL-SG HSR, (ii) easing requirements of the MM2H and (iii) Johor-theme. Meanwhile, the O&G sector may take a breather with the decline in crude oil prices. Also, the recent LSS5 announcement would bode well for solar companies.

FBMKLCI Technical Outlook

Bloomberg

The FBM KLCI ended flat. The technical readings on the key index were positive, with the MACD Histogram extending a positive bar, while the RSI maintains above the 50 level. The resistance is envisaged around 1,520-1,530 and the support is set at 1,490-1,480.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,519.84	0.97
S&P 500	4,906.19	1.25
NASDAQ	15,361.64	1.30
FBM KLCI	1,512.98	0.02
FBM Small Cap	16,721.01	-0.13
FBM ACE	4,755.03	-0.63
Construction	210.00	-0.58
Consumer	557.55	-0.58
Energy	895.10	1.81
Financial Services	16,942.99	-0.05
Healthcare	1,983.05	0.68
Ind Products	173.11	-0.52
Plantation	7,170.86	-0.52
Property	920.88	-0.56
REITs	810.59	0.85
Technology	61.99	-1.59
Telco & Media	593.40	-0.04
Transport & Logist	959.39	-0.06
Utilities	1,547.43	-0.70
Trading Vol (m)	3,672.57	-2.76
Trading Val (RM m	2,853.97	8.15
Gainers/ Losers rat	65%	
FKLI	1,518.00	0.00
FCPO (RM)	3,798.00	-1.15
Brent oil (USD)	80.55	-2.21
Gold (USD)	2,054.99	0.00
USD	4.7302	0.06
GBP	6.003	-0.11
EURO	5.1151	0.15
SGD	3.531	0.04

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

Institution		Foreign
-96.3	-155.5	251.8

Source: Bloomberg, Bursa Market Place

Company Brief

CTOS Digital Bhd saw its net profit surge fourfold to RM56.28m for the fourth quarter ended Dec 31, 2023 (4QFY2023), from RM14m in the previous year's corresponding quarter, largely due to the recognition of a tax credit and higher revenue. This is the credit reporting agency's highest quarterly earnings since its listing on the Main Market of Bursa Malaysia in July 2021. Revenue for the quarter jumped 38.69% to RM73.15m from RM52.74m in 4QFY2022. With the jump in its 4QFY2023 profit, CTOS achieved a record-breaking net profit of RM118.37m for FY2023, up 65.05% from FY2022's RM71.72m, while revenue grew 34.22% to RM261.44m from RM194.78m. (The Edge)

Malaysia Airports Holdings Bhd's (MAHB) said its total passenger movement surpassed the 100m mark in 2023 — marking the first time since 2020 — at 120m passengers. This represents a substantial recovery rate of 84.6% against 2019 levels. (The Edge)

Bursa Malaysia Bhd reported a 21.5% year-on-year growth in net profit for the fourth quarter ended Dec 31, 2023 (4QFY2023), driven by trading revenue from the securities market amid higher average daily trading value (ADV). Net profit rose to RM59.55m or 7.4 sen per share for 4QFY2023, from RM49m or 6.1 sen per share a year ago. The group declared a final dividend of 14 sen. Although full year FY2023 ADV for the securities market's on-market trades grew by a meagre 0.5% to RM2.1bn, Bursa Malaysia's net profit for the year increased 11.4% to RM252.38m from RM226.57m in FY2022, thanks to lower operating expenses. (The Edge)

Construction services firm **GDB Holdings Bhd** has clinched a RM306m project to develop a private hospital at Bukit Jalil, Kuala Lumpur. The project includes execution, performance, design, construction, completion, commissioning of machinery and equipment and maintenance of the private hospital building. The construction of the hospital will be carried out over a period of 25 months, commencing on March 16. (The Edge)

Minetech Resources Bhd has secured a contract extension worth RM230m for waste removal, ore deliveries and associated works for the Selinsing Gold Mine project in Pahang. The group entered into an agreement with Able Return Sdn Bhd and Damar Consolidated Exploration Sdn Bhd for the renewal of the contract for a three-year period until Dec 31, 2026. (The Edge)

Kimlun Corp Bhd has secured a construction project in Johor Bahru, worth RM133.6m, from Sunway Parkview Sdn Bhd, the 60%-owned subsidiary of Sunway Bhd. The project, which is expected to be completed in the third quarter of 2026, involves main building works for houses, ancillary buildings and amenities in a development located in Johor Bahru. (The Edge)

Shares of **UMW Holdings Bhd** will be suspended by Bursa Securities on Feb 9, 2024, following the expiry of five market days from the extended closing date of the takeover offer by Sime Darby Bhd on Jan 31. As at Jan 31, Sime Darby already held 98.86% of the total shares in UMW. To complete the takeover, Sime Darby will invoke the provisions of Subsection 222(1) of the Capital Markets and Services Act 2007 (CMSA) to compulsorily acquire any remaining UMW shares from the dissenting shareholders. (The Edge)

Yong Tai Bhd has reinstated Datuk Wira Boo Kuang Loon as its chief executive officer (CEO), nearly nine months after his initial resignation on May 10, 2023, effective immediately. The 51-year-old is a substantial shareholder in the company, with a 5.012% stake. Meanwhile, Datuk Leong Sir Ley has relinquished her role as Yong Tai managing director cum CEO after being redesignated as non-independent and non-executive director. (The Edge)

Lambo Group Bhd's auditor Messrs ChengCo PLT expressed a qualified opinion on its audited financial statements for the financial year ended Sept 30, 2023 (FY2023). The external auditor noted in its audit report that it was unable to ascertain the accuracy, completeness and validity of the comparative figure on Fujian Accsoft Technology Development Co Ltd's income statement. This is because prior to the audit of the current financial year, Fujian Accsoft was wound up on May 16, 2022, rendering its financial statements from June 1, 2021 up to the deregistration date unavailable for the auditors to audit. (The Edge)

Mah Sing Group Bhd plans to purchase 185 acres of land in Sepang for RM100.72m as it looks to develop an industrial development called the Mah Sing Business Park, with an estimated gross development value of RM728m. A conditional sale and purchase agreement was inked for the land to be purchased from Premier Land Resources Sdn Bhd at RM12.50 per sq ft by Fusion Heights Development Sdn Bhd, a wholly-owned unit of its 70%-owned joint venture Mah Sing South Sea Industrial Development Sdn Bhd. (The Edge)

Yinson Holdings Bhd's green technologies arm is to expand use of its smart electric vehicle (EV) charging infrastructure application chargEV into Brunei. The app is set raise the number of chargers offered to motorists on the platform across Brunei, Malaysia and Singapore to over 1,000. This came after Yinson's subsidiary Yinson GreenTech inked an agreement with Brunei's leading charge point operator BEV Charging Company to integrate charge points across the nation into the chargEV app. (The Edge)

Baskin-Robbins ice cream brand franchisee Scoop Capital Sdn Bhd's major shareholder Datuk Cheah See Yeong has been appointed as executive chairman of **Apollo Food Holdings Bhd**, while his son Cheah Jia Ming has been made managing director. This comes after Singaporean brothers Liang Chiang Heng and Liang Kim Poh resigned from the two posts after disposing of their 51.31% stake under investment vehicle Keynote Capital Sdn Bhd to Scoop for RM238.08m, cash or RM5.80 per share. Under a subsequent unconditional mandatory takeover offer triggered to acquire the remaining stake in the group, Scoop acquired an additional 27.11% stake in Apollo by the close-date of Jan 29. Under the offer, Scoop said it intends to maintain the listing status of Apollo on the Main Market of Bursa Malaysia. (The Edge)

Semiconductor player **Inari Amertron Bhd** has appointed former OCBC Bank (Malaysia) Bhd chief executive officer (CEO) Datuk Ong Eng Bin as the company's independent non-executive director effective Wednesday. Ong, 60, had an expansive 35-year career at OCBC where he rose through the ranks from a corporate banking officer in 1988 to several leadership roles in different divisions of the bank, including as CEO for eight years from August 2014 until his retirement in December 2022, Inari said in its bourse filing. (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	ITMAX	8-Dec	1.800	1.900	1.920	2.000	1.680	1.650	2.000	11.1%	Initiate on 8/12/2023
2	SDS	27-Dec	0.730	0.785	0.790	0.825	0.680	0.670	0.770	5.5%	Initiate on 27/12/2023
3	AVALAND	16-Jan	0.270	0.285	0.290	0.325	0.245	0.240	0.265	-1.9%	Initiate on 16/1/2024
4	DELEUM	23-Jan	1.070	1.140	1.150	1.200	0.980	0.970	1.110	3.7%	Initiate on 23/1/2024
5	PWRWELL	26-Jan	0.255	0.275	0.280	0.290	0.240	0.230	0.245	-3.9%	Initiate on 26/1/2024
6	MNHLDG	30-Jan	0.620	0.655	0.660	0.680	0.590	0.580	0.605	-2.4%	Initiate on 30/1/2024

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	0.895	6.5%	Initiate on 26/12/2023
3	INARI	26-Dec	3.000	3.300	3.450	-	2.860	2.750	3.180	6.0%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.810	1.950	2.000	-	1.760	1.700	2.000	10.5%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.530	35.4%	Initiate on 26/12/2023
6	MYEG	26-Dec	0.815	1.000	1.080	-	0.805	0.750	0.780	-4.3%	Initiate on 26/12/2023
7	NATGATE	26-Dec	1.550	1.760	1.850	-	1.480	1.350	1.370	-11.6%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.520	23.6%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.250	4.410	4.500	-	4.170	4.060	4.390	3.3%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.415	-2.4%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.970	2.150	2.250	-	1.920	1.850	2.250	14.2%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.595	10.2%	Initiate on 26/12/2023
13	TM	26-Dec	5.560	6.000	6.250	-	5.350	5.210	5.920	6.5%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	0.990	6.5%	Initiate on 26/12/2023
Average Return										8.0%	

Technical Focus Tracker Summary	
Total recommendations	364
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)	8.1%
Accuracy (2023)	51.4%
FBM KLCI (Since 30/12/2022)	1.2%
FBM Small Cap (Since 30/12/2022)	12.0%
Malaysia GDP Growth (1H23)	4.2%

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