

Monday, 05 Feb, 2024

## Strong Buying Support Within The US Tech Giants

### Market Review

**Malaysia:** The FBM KLCI (+0.24%) closed higher, in line with the mostly positive performance of the regional markets, with buying interest seen within selecting Banking and Utilities heavyweights. On the broader market, the Consumer Products sector (+0.70%) was the leading sector, while the Energy sector (-1.58%) declined.

**Global markets:** Wall Street closed higher, boosted by strong tech stock earnings, despite the stronger jobs data which may delay the timing of the rate cuts but also indicated strong economic activities. Both the European and Asian stock markets ended mixed, as the latter is dragged by the poor performance of Chinese stocks.

### The Day Ahead

The FBM KLCI maintained its upward tone after a two-day consolidation and we expect buying support to continue this week. On Wall Street, the overall sentiment was boosted by stronger-than-expected earnings from META which announced its first quarterly dividend following robust ad sales in the holiday shopping period. Also, we like Apple Inc for the release of Vision Pro headgear which may provide the next phase of growth for the technology space going forward. This week, the market will monitor the (i) US ISM Services PMI and (ii) unemployment claims data on Thursday. On the commodity markets, Brent oil fell below USD80/bbl level amid stronger dollar after US added 353k jobs in January.

**Sectors focus:** With the bullish tone seen in the US stock markets, we expect buying interest to emerge within the Technology sector. Given the REIT and Transportation & Logistic sectors momentum was decent last week, there might be continued buying support this week; the former could be due to stable OPR at this juncture. Meanwhile, other trading catalysts such as the (i) potential revival of KL-SG HSR as well as (ii) Johor-region investments could bode well for the Construction, Property, Utilities and Building Materials sectors.

### FBMKLCI Technical Outlook



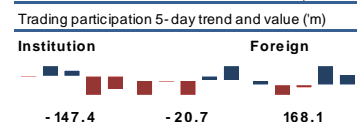
Bloomberg

The FBM KLCI ended higher. However, the technical readings on the key index were mixed, with the MACD Histogram forming a rounding top formation, 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	38,654.42	0.35
S&P 500	4,958.61	1.07
NASDAQ	15,628.95	1.74
FBM KLCI	1518.58	0.24
FBM Small Cap	16,567.52	-0.92
FBM ACE	4,698.21	-1.19
Construction	209.37	-0.30
Consumer	56143	0.70
Energy	880.96	-1.58
Financial Services	17,004.93	0.37
Healthcare	1972.33	-0.54
Ind Products	17187	-0.72
Plantation	7,169.21	-0.02
Property	910.85	-1.09
REITs	812.97	0.29
Technology	6191	-0.13
Telco & Media	588.94	-0.75
Transport & Logist	96165	0.24
Utilities	1524.01	-1.51
Trading Val (m)	3,655.47	-0.47
Trading Val (RM m)	3,002.88	5.22
Gainers/ Losers rat	47%	
FKLI	1518.50	0.03
FCPO (RM)	3,764.00	-0.90
Brent oil (USD)	77.33	0.79
Gold (USD)	2,039.76	0.00
USD	4.717	0.28
GBP	6.0778	-0.25
EURO	5.1371	-0.43
SGD	3.5322	-0.03



Source: Bloomberg, Bursa Market Place



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## Company Brief

**Iskandar Waterfront City Bhd** (IWCity) has failed in its bid to strike out a RM76.56m lawsuit by **Tenaga Nasional Bhd** (TNB) over alleged damage to the utility giant's undersea cable in Johor. The High Court dismissed the applications by IWCity and its wholly-owned units, Tebrau Bay Construction Sdn Bhd and Tebrau Bay Sdn Bhd, to strike out the suit and awarded costs of RM8,000 per application to TNB. As such, the case will proceed for a full trial. (The Edge)

**Jiankun International Bhd's** wholly owned unit JKI Development Sdn Bhd (JKID) has been hit with another lawsuit by former joint venture (JV) partner Fivestar Development (Puchong) Sdn Bhd, which is demanding RM14.21m in alleged unpaid sums. The latest suit against JKID concerns the same JV agreements signed between the two parties in 2015 and 2016 to co-develop a residential property project in Puchong. Previously, JKID received a notice of demand from Fivestar for RM12.98m in December 2022, but this was declared by a court as "an abuse of court's process" in April 2023. (The Edge)

**TRC Synergy Bhd** unit Trans Resources Corporation Sdn Bhd (TRCSB) has won a RM358m contract to carry out refurbishment and infrastructure works at the Subang Airport from Khazanah Nasional Bhd. The contract is for the proposed refurbishment of main building and infrastructure works at Subang Engineering Complex A. (The Edge)

**T7 Global Bhd** marked its foray into Thailand waters with a RM400m contract for its latest mobile offshore production unit (Mopu) named TSeven Shirley, which will be leased to Valeura Energy Inc, operator of the Nong Yao oil field, in support of its Nong Yao C development. The Mopu will begin its charter in 2024 for the next five years. (The Edge)

**KJTS Group Bhd** has bagged a RM16.77m contract from Thailand's Central World Hotel Co Ltd (Centara) to undertake retrofitting works as well as provide operation and maintenance (O&M) services and supply of chilled water at Centara Grand Hotel at Central World in Bangkok for 15 years. The retrofitting works are expected to commence on Feb 1, 2024 and to be completed on Nov 30, 2024. The O&M services and chilled water supply will commence on Dec 1, 2024 and be completed on Nov 30, 2039. The ownership interest in the chiller plant will be transferred to Centara at the end of the agreement. (The Edge)

**Westports Holdings Bhd's** net profit fell 12.3% to RM206.08m in the fourth quarter ended Dec 31, 2023 (4QFY2023) from RM235.04m a year earlier, due to a reduction in share of results of a joint venture which made a substantial write-back of impairment gain in 4QFY2022. Nevertheless, quarterly revenue rose 6.3% to RM554.06m from RM521.14m a year earlier on the back of higher container revenue. Westports announced a second interim dividend of 8.72 sen per share for FY2023, bringing total dividends for the year to 16.91 sen. For the full year FY2023, the group's net profit increased 11.4% to RM779.43m from RM699.58m in FY2022. Meanwhile, the group recorded its highest-ever revenue of RM2.15bn, a 4% increase from RM2.07bn in FY2022. (The Edge)

PN17 company **Perak Corp Bhd** is looking to raise RM63.5m by entering into an early settlement of its entitlement over a 247.85-acre joint development project with ARX-YSC Sdn Bhd at Muallim, Perak. The proposed early settlement is estimated to give rise to a gain on disposal of RM21.97m and reduce Perak Corp's gearing ratio by 15%. The proposal is expected to be completed by the fourth quarter this year. (The Edge)



**Paragon Globe Bhd** has signed a memorandum of understanding (MOU) with **Solarvest Holdings Bhd** to jointly develop a solar-ready factory and green industrial township in Johor Bahru. Upon completion, the project, located on 141 acres of industrial land in Desa Cemerlang, will be expected to yield 12.5 megawatt peak (MWp) in renewable energy capacity, making it one of Johor's greenest and most energy efficient industrial townships. (The Edge)

**MMAG Holdings Bhd** said its 95%-owned flagship entity MJets International Sdn Bhd has made full payment of the judgement sum awarded by the court in relation to a lawsuit by Comone International Logistics Co Ltd over alleged non-payment of monthly repayment instalments. In the lawsuit, Comone claimed two separate amounts of US\$120,000 (RM540,840) and US\$49,900 (RM224,899) along with liquidated damages of RM10,000 from MJets. (The Edge)

**ILB Group Bhd** has appointed Agromate Holdings Sdn Bhd chief executive officer Edward Tang Ming Yng as its new executive chairman effective Feb 5. This follows the resignation of its previous chairman Datuk R Karunakaran due to "personal reasons". Agromate is 81.55%-owned by Agrobulk Holdings Sdn Bhd, which is currently the single-largest shareholder of ILB, with 34.96m shares, or an 18.5% stake. (The Edge)

**TMC Life Sciences Bhd**, which made the news recently over the suspension of its group chief executive officer Wan Nadiah Wan Mohd Abdullah Yaakob, on Friday reported a sharp rise in year-on-year quarterly earnings amid a recovery of its fertility business. The group said the 164.55% jump in its net profit to RM14.52m for its second quarter ended Dec 31, 2023 (2QFY2024), from RM5.49m a year earlier, was also due to an increase in capacity at Thomson Hospital Kota Damansara (THKD) and higher interest income. Earnings per share rose to 0.83 sen from 0.32 sen, according to the healthcare group's bourse filing. Revenue increased 27.87% to RM93.78m, from RM73.34m in 2QFY2023. (The Edge)

**Pestech International Bhd's** executive director Lim Peir Shenq, son of the electrical power technology group's executive chairman and major shareholder Lim Ah Hock, has resigned effective Friday. In a bourse filing on Friday, Pestech said Peir Shenq resigned "to pursue other interests". He served as an executive director of the group for over three years since October 2020. Peir Shenq's resignation from the post comes nearly six months after his sudden U-turn in August last year, after announcing his resignation from the board then. On Aug 7, 2023, Peir Shenq had tendered his resignation letter, only to retract it the same day. (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	1.990	10.6%	Initiate on 8/12/2023
2	SDS	27-Dec	0.730	0.785	0.790	0.825	0.680	0.670	0.760	4.1%	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	1.100	2.8%	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	0.595	-4.0%	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	1.770	6.6%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	0.910	8.3%	Initiate on 26/12/2023
3	INARI	26-Dec	3.000	3.300	3.450	-	2.860	2.750	3.170	5.7%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.810	1.950	2.000	-	1.760	1.700	1.990	9.9%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.440	27.4%	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	1.320	-14.8%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.500	22.0%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.250	4.410	4.500	-	4.170	4.060	4.430	4.2%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.405	-4.7%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.970	2.150	2.250	-	1.920	1.850	2.450	24.4%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.610	13.0%	Initiate on 26/12/2023
13	TM	26-Dec	5.560	6.000	6.250	-	5.350	5.210	5.900	6.1%	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)	7.8%
Accuracy (2023)	51.4%
FBM KLCI (Since 30/12/2022)	1.4%
FBM Small Cap (Since 30/12/2022)	11.0%
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 (%)
CBIP (7076)	Interim	RM0.02	28/11/2023	5/2/2024	RM1.21	RM1.31	1.5	8.3
UOAREIT (5110)	Distribution	RM0.04	23/1/2024	6/2/2024	RM1.13	RM1.15	3.4	1.8
AXREIT (5106)	Distribution	RM0.02	23/1/2024	7/2/2024	RM1.77	RM1.76	1.4	-0.6
HEKTAR (5121)	Distribution	RM0.02	24/1/2024	8/2/2024	RM0.66	RM0.66	3.5	-0.8
SENTRAL (5123)	Distribution	RM0.01	23/1/2024	8/2/2024	RM0.80	RM0.81	0.8	1.3
BETA (0263)	Interim	RM0.02	24/1/2024	8/2/2024	RM0.41	RM0.42	4.8	1.2
TOYOVEN (7173)	Final	RM0.02	23/1/2024	8/2/2024	RM1.40	RM1.38	1.3	-1.4
PAVREIT (5212)	Distribution	RM0.05	26/1/2024	8/2/2024	RM1.27	RM1.31	3.5	3.1
TWRREIT (5111)	Distribution	RM0.00	26/1/2024	9/2/2024	RM0.35	RM0.37	0.6	4.3
DESTINI (7212)	Rights Issue	2:1	26/1/2024	9/2/2024	RM0.11	RM0.11	-	0.0
ALSREIT (5269)	Distribution	RM0.00	26/1/2024	13/2/2024	RM0.45	RM0.45	0.2	-1.1
ALAQAR (5116)	Distribution	RM0.02	26/1/2024	13/2/2024	RM1.26	RM1.26	1.6	0.0
KIPREIT (5280)	Distribution	RM0.02	30/1/2024	13/2/2024	RM0.89	RM0.89	1.7	0.6
ATRIUM (5130)	Distribution	RM0.02	30/1/2024	14/2/2024	RM1.39	RM1.38	1.2	-0.7
DNONCE (7114)	Rights Issue	1:1	29/1/2024	14/2/2024	RM0.11	RM0.10	-	-9.5
HPPHB (0228)	Interim	RM0.01	24/1/2024	14/2/2024	RM0.33	RM0.32	1.6	-1.5
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	RM0.54	3.0	3.8
IGBCR (5299)	Distribution	RM0.02	31/1/2024	15/2/2024	RM0.51	RM0.51	3.5	-1.0
SUNREIT (5176)	Distribution	RM0.05	31/1/2024	15/2/2024	RM1.58	RM1.58	3.0	0.0
IGBREIT (5227)	Regular Cash	RM0.03	31/1/2024	15/2/2024	RM1.76	RM1.76	1.5	0.0
BURSA (1818)	Final	RM0.14	31/1/2024	16/2/2024	RM7.50	RM7.49	1.9	-0.1
TEOSENG (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	RM20.22	2.0	-1.4
CEKD (0238)	Interim	RM0.01	30/1/2024	16/2/2024	RM0.48	RM0.49	1.5	2.1
WPRTS (5246)	Interim	RM0.09	2/2/2024	19/2/2024	RM3.78	RM3.78	2.3	0.0
AEM (7146)	Stock Split	RM0.10	17/10/2023	20/2/2024	RM0.01	RM0.02	-	50.0
ZHULIAN (5131)	Interim + Special Cash	RM0.04	24/1/2024	20/2/2024	RM1.64	RM1.61	2.5	-1.8
VS (6963)	Interim	RM0.00	20/12/2023	22/2/2024	RM0.82	RM0.73	0.4	-11.0
ANALABS (7083)	Interim	RM0.02	28/12/2023	23/2/2024	RM1.53	RM1.69	1.2	10.5
CTOS (5301)	Interim	RM0.02	31/1/2024	27/2/2024	RM1.41	RM1.48	1.2	5.0
BESHOM (7668)	Interim	RM0.02	21/12/2023	28/2/2024	RM0.94	RM0.92	1.6	-2.7
PANTECH (5125)	Interim	RM0.02	18/1/2024	28/2/2024	RM0.90	RM0.95	1.6	5.6
POHKONG (5080)	Final	RM0.02	26/9/2023	28/2/2024	RM0.87	RM0.87	2.3	-0.6
CVIEW (5049)	Interim	RM0.03	30/1/2024	29/2/2024	RM1.26	RM1.25	2.0	-0.8
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	RM0.52	1.9	-2.8
UMS (7137)	Final + Special Cash	RM0.10	27/11/2023	22/3/2024	RM2.02	RM2.17	4.6	7.4
CAB (7174)	Final	RM0.01	30/11/2023	3/4/2024	RM0.70	RM0.73	0.7	3.6

Denotes >5% Dividend Yield



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