

Tuesday, 13 Feb, 2024

Buying Support To Return After CNY Breaks

Market Review

Malaysia: The FBM KLCI (-0.01%) closed flat, despite the mostly positive regional markets, as selected Banking heavyweights dragged the sentiment on the index. On the broader market, the Energy sector (+0.82%) was the leading sector, while the Financial Services sector (-0.21%) fell.

Global markets: Wall Street ended mixed as investors were trading cautiously ahead of the January CPI report due later tonight, which could greatly influence the Fed's potential timing of the rate cuts. The European stock market ended higher, while Asia ended mixed.

The Day Ahead

The FBM KLCI traded in a rangebound mode throughout the past two weeks as sentiment was mixed prior to the Chinese New Year break. Meanwhile, the US stock markets ended on a mixed note with the Dow charged towards a fresh high, but both S&P500 and Nasdaq declined ahead of the 2 US inflation reports this week, which could affect the Fed's policy outcome and the pace of the cut in the Fed funds rate going forward. Other than CPI and PPI inflation data, the market will be focusing on the US retail sales and US unemployment claims. On the commodity markets, Brent oil price maintained above USD80/bbl as another ship attack in the Red Sea was reported, signalling prevailing risk in the region.

Sectors focus: Overall, we expect the buying support to return after the long break within the Construction, Property and Utilities sector supported by the trading catalysts namely (i) potential revival of the KL-SG HSR mega project, (ii) data centre investment in this region over the near term. Also, the market will be focusing on earnings where Consumer may provide upside in earnings potential amid cost normalisation, while the Energy sector may be lifted by healthy Brent oil price.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,797.38	0.33
S&P 500	5,021.84	-0.09
NASDAQ	15,942.55	-0.30
FBM KLCI	1512.28	-0.01
FBM Small Cap	16,745.57	0.62
FBM ACE	4,822.21	1.06
Construction	212.49	0.45
Consumer	566.12	0.18
Energy	887.96	0.82
Financial Services	16,880.97	-0.21
Healthcare	1959.87	-0.13
Ind Products	172.69	0.27
Plantation	7,192.16	-0.08
Property	912.35	0.80
REITs	818.66	0.36
Technology	62.51	0.42
Telco & Media	601.95	0.75
Transport & Logist	959.73	0.03
Utilities	1551.59	0.29
Trading Vol (m)	1862.77	-42.60
Trading Val (RM m)	1095.75	-45.12
Gainers/ Losers rat	17/1%	
FKLI	1516.50	-0.16
FCPO (RM)	3,884.00	0.26
Brent oil (USD)	82.19	-0.15
Gold (USD)	2,020.05	-0.21
USD	4.765	0.16
GBP	6.0094	0.31
EURO	5.1307	0.31
SGD	3.5387	0.28

Trading participation 5-day trend and value (m)

Institution	Foreign
-276.6	400.7

Source: Bloomberg, Bursa Market Place

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended flat and still hovering within the consolidation phase. The technical readings on the key index were mixed, with the MACD Histogram extending another negative 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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Company Brief

Reneuco Bhd, whose latest annual report saw a disclaimer of opinion by its external auditor, said its special independent review (SIR) found that the sales transactions and costs with identified customers and suppliers “were sufficiently supported” by relevant documentation. The SIR, conducted by Messrs UHY FLVS Sdn Bhd, also “received confirmation from the respective parties” for the sales transactions and cost of sales transactions. The SIR was conducted upon the request of its external auditor Messrs Al Jafree Salihin Kuzaimi PLT, which flagged trade receivables balances of RM321.26m from July 1, 2019 to June 30, 2023. Al Jafree Salihin Kuzaimi PLT also flagged RM196.31m in trade payables balances. The two items were included in the communicated scope of the SIR. (The Edge)

EVD Bhd's suspended executive director of operations and largest shareholder Mah Seong Huak has filed a RM25m lawsuit against the transport system solutions company, claiming it had made a defamatory statement against him in a filing with Bursa Malaysia last month. The Jan 11 filing referred to the board's decision to temporarily relieve Mah's operational duties in his capacity as an employee of the company overseeing the day-to-day executive management functions with immediate effect, and was not accompanied by any reason for the suspension. Meanwhile, on Jan 24, Mah sought an extraordinary general meeting to remove four of the company's directors – chairman Datuk Dr Syed Muhamad Syed Abdul Kadir, EVD's co-founder cum executive director of corporate Gan Wee Peng, and directors Hon Hin See and Lee Chi Hoe – and replace them with three others – Kvin Lim Chun Keat, Ibrahim Maidin and Tee Chun Yeh. (The Edge)

Chin Hin Group Bhd made its second issuance of perpetual medium-term notes (MTN) of RM10m, under its RM500m perpetual MTN programme. Proceeds from the issuance will be allocated for Chin Hin's capital expenditure, refinancing existing and future financing, working capital needs, and covering costs and expenses associated with the programme. AmInvestment Bank Bhd is the principal adviser, lead arranger, lead manager and facility agent for the perpetual MTN programme. The RM10m in nominal value of perpetual MTNs issued by Chin Hin were subscribed by **Tex Cycle Technology (M) Bhd**, which said the perpetual MTNs are offering a higher return of 7.5% per annum and provide a steady and predictable income stream for the group, as they pay regular interest payments until the redemption of the MTNs. (The Edge)

MNRB Holdings Bhd has increased its sukuk programme from RM320m to RM420m in nominal value, after obtaining approval from the Securities Commission Malaysia. The upsized sukuk programme is intended to support the growth of the financial services group's shariah-compliant general re/takaful and family re/takaful business. AmInvestment Bank is the principal adviser, lead arranger and lead manager for the sukuk programme, while AmBank Islamic Bhd is the shariah adviser. (The Edge)

Zecon Bhd, which provides civil engineering and building construction services, has secured Tawarruq Asset Financing Facilities totalling RM851.94m from Bank Pembangunan Malaysia Bhd. Zecon Medicare Sdn Bhd (ZMSB) accepted a banking facility of RM616.94m, with RM482m designated for settling an existing structured Islamic term financing facility provided by MBSB Bank Bhd to ZMSB. The remaining RM134.94m will be allocated for payment to contractors for escalation costs incurred in the children's specialist hospital project, and also as working capital. Meanwhile, ServeCo Sdn Bhd received a banking facility of RM235m, earmarked for full settlement of the group's existing facilities with respective financial institutions and working capital. (The Edge)



Construction group **Tuju Setia Bhd** has appointed Tee Huei Tsy as its new chief executive officer (CEO) and Seon Yen Kong as its new chief operating officer (COO). Tee has been with Tuju Setia since 2011, backed by more than 22 years of experience in project and construction management. Tee was previously the group's COO and currently assists the group's managing director in overseeing the construction division and pursuing business development opportunities. Meanwhile, Seon also has extensive experience – 29 years – in project and construction management involving civil and infrastructure works. He has held multiple senior positions, including CEO of a construction company, and has led teams, coordinated construction activities, developed strategies and managed tenders. (The Edge)

Euro Holdings Bhd's former group managing director and major shareholder Datuk Seri Steven Lim Teck Boon disposed of another 2.38% stake in the furniture maker, trimming his equity interest in the group to 40.84%. Teck Boon and his father Datuk Lim Chaw Teng's investment vehicle SPA Furniture (M) Sdn Bhd sold 30.5m shares on Feb 7, slashing its shareholding to 522.56m shares or a 40.7% stake of the group's base. (The Edge)

Uzma Bhd's managing director-cum-group chief executive officer (CEO) Datuk Kamarul Redzuan Muhamed has sold 12m shares or 3.01% of his stake in the oil and gas (O&G) services provider for RM13.58m. According to a filing with Bursa Malaysia on Friday, the shares were held by Tenggiri Tuah Sdn Bhd, a company owned by Kamarul Redzuan. The disposals were via an off-market transaction at RM1.13 per share. Prior to the disposal, Kamarul Redzuan had an indirect interest of 110.53m ordinary shares, representing 28.54% of the total issued shares of Uzma. Following the disposal, he owns 98.53m shares or 25.44% of the total share base of Uzma. (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	SDS	27-Dec	0.730	0.785	0.790	0.825	0.680	0.670	0.770	5.5%	Initiate on 27/12/2023
2	AVALAND	16-Jan	0.270	0.285	0.290	0.325	0.245	0.240	0.255	-5.6%	Initiate on 16/1/2024
3	DELEUM	23-Jan	1.070	1.140	1.150	1.200	0.980	0.970	1.070	0.0%	Initiate on 23/1/2024
4	PWRWELL	26-Jan	0.255	0.275	0.290	0.240	0.230	0.275	0.275	7.8%	Initiate on 26/1/2024
5	MNHLDG	30-Jan	0.620	0.655	0.660	0.680	0.590	0.580	0.660	6.5%	Initiate on 30/1/2024
6	SPRITZER	5-Feb	2.240	2.400	2.450	2.500	2.140	2.100	2.130	-4.9%	Initiate on 5/2/2024

Market Chat Tracker – 1Q24 Stock Picks

1Q24 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	1.880	13.3%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	0.905	7.7%	Initiate on 26/12/2023
3	INARI	26-Dec	3.000	3.300	3.450	-	2.860	2.750	3.220	7.3%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.810	1.950	2.000	-	1.760	1.700	2.060	13.8%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.500	32.7%	Initiate on 26/12/2023
6	MYEG	26-Dec	0.815	1.000	1.080	-	0.805	0.750	0.795	-2.5%	Initiate on 26/12/2023
7	NATGATE	26-Dec	1.550	1.760	1.850	-	1.480	1.350	1.430	-7.7%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.510	22.8%	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	0.435	2.4%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.970	2.150	2.250	-	1.920	1.850	2.650	34.5%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.560	3.7%	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	1.060	14.0%	Initiate on 26/12/2023
Average Return										10.7%	



Technical Focus Tracker Summary	
Total recommendations	365
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)	7.6%
Accuracy (2023)	50.7%
FBM KLCI (Since 30/12/2022)	1.1%
FBM Small Cap (Since 30/12/2022)	12.2%
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 (%)
ALSREIT (5269)	Distribution	RM0.00	26/1/2024	13/2/2024	RM0.45	RM0.44	0.2	-2.2
ALAQAR (5116)	Distribution	RM0.02	26/1/2024	13/2/2024	RM1.26	RM1.30	1.5	3.2
KIPREIT (5280)	Distribution	RM0.02	30/1/2024	13/2/2024	RM0.89	RM0.90	1.7	1.7
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	RM0.34	1.5	4.6
ANCOMMY (4758)	Stock Dividend	1:100	17/1/2024	15/2/2024	RM1.09	RM1.08	-	-0.9
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	RM1.64	2.9	3.8
IGBREIT (5227)	Regular Cash	RM0.03	31/1/2024	15/2/2024	RM1.76	RM1.78	1.5	1.1
BURSA (1818)	Final	RM0.14	31/1/2024	16/2/2024	RM7.50	RM7.54	1.9	0.5
TEOSEN (7252)	Interim	RM0.03	18/1/2024	16/2/2024	RM1.86	RM2.05	1.5	10.2
BKAWAN (1899)	Final	RM0.40	8/12/2023	16/2/2024	RM20.50	RM20.38	2.0	-0.6
CEKD (0238)	Interim	RM0.01	30/1/2024	16/2/2024	RM0.48	RM0.51	1.5	6.3
WPRTS (5246)	Interim	RM0.09	2/2/2024	19/2/2024	RM3.78	RM3.89	2.2	2.9
AEM (7146)	Stock Split	1:100	17/10/2023	20/2/2024	RM0.01	RM0.02	-	50.0
BAT (4162)	Interim	RM0.15	6/2/2024	20/2/2024	RM9.08	RM8.87	1.7	-2.3
AMERREIT (5307)	Distribution	RM0.02	6/2/2024	20/2/2024	RM1.30	RM1.31	1.4	0.8
ZHULIAN (5131)	Interim + Special Cash	RM0.04	24/1/2024	20/2/2024	RM1.64	RM1.54	2.6	-6.1
CLMT (5180)	Distribution	RM0.02	30/1/2024	21/2/2024	RM0.57	RM0.64	3.5	12.3
KLCC (5235SS)	Interim	RM0.14	7/2/2024	21/2/2024	RM7.31	RM7.40	1.9	1.2
VS (6963)	Interim	RM0.00	20/12/2023	22/2/2024	RM0.82	RM0.73	0.4	-11.6
ANALABS (7083)	Interim	RM0.02	28/12/2023	23/2/2024	RM1.53	RM1.73	1.2	13.1
CTOS (5301)	Interim	RM0.02	31/1/2024	27/2/2024	RM1.41	RM1.53	1.1	8.5
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	RM0.97	1.5	7.8
POHKONG (5080)	Final	RM0.02	26/9/2023	28/2/2024	RM0.87	RM0.85	2.4	-2.3
HIGHTEC (7033)	Interim	RM0.01	29/1/2024	28/2/2024	RM0.88	RM0.88	1.1	0.0
CVIEW (5049)	Interim	RM0.03	30/1/2024	29/2/2024	RM1.26	RM1.23	2.0	-2.4
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	1.9
UMS (7137)	Final + Special Cash	RM0.10	27/11/2023	22/3/2024	RM2.02	RM2.18	4.6	7.9
CAB (7174)	Final	RM0.01	30/11/2023	3/4/2024	RM0.70	RM0.73	0.7	3.6
POHUAT (7088)	Final	RM0.02	6/2/2024	18/4/2024	RM1.41	RM1.43	1.4	1.4

Denotes >5% Dividend Yield

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