

Monday, 19 Feb, 2024

## Uptrend Move To Sustain On KLCI

### Market Review

**Malaysia:** The FBM KLCI (+0.34%) ended higher, in line with the positive performance in the regional stock markets, boosted by selected Telco, Consumer Products and Transportation heavyweights. On the broader market, the Transportation & Logistics sector (+0.87%) was the leading sector, while the Utilities sector (-0.88%) declined.

**Global markets:** The US stock markets ended lower as the PPI data came in hotter-than-consensus expectations, reinforcing the fear of potential delay in interest rate cut. Both the European and Asian stock markets ended higher, the latter due to expectations of Japan's recession to maintain the relaxed monetary policies.

### The Day Ahead

The FBM KLCI continued to charge higher for the week and closed firmly above 1,530 led by buying support within selected Banking and Transportation & Logistics heavyweights. However, the US stock markets took a beating after the PPI data came in hotter-than-expected, which pushed back hopes for an imminent interest rate cut by the Fed. Nevertheless, we expect buying interest to prevail within the local front, supported by the upcoming earnings season. On the commodity market, the Brent oil price closed higher for the session with the ongoing concerns over geopolitical tension.

**Sectors focus:** As we are heading into a busy corporate earnings season, we expect traders to look for opportunities within the fundamentally growing companies, we like the Consumer and O&G sectors. Meanwhile, trading themes such as the potential revival of KL-SG HSR and several construction projects may bode well for the Construction, Property, Utilities as well as Renewable Energy sectors. Besides, the calling for proposals to design, implement and maintain the NIISe last year may expect trading interest within the Technology sector as more than 10 companies have submitted their proposals.

### FBMKLCI Technical Outlook



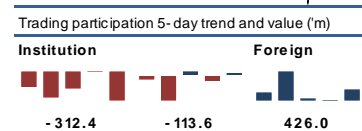
Bloomberg

The FBM KLCI ended higher after a two-bar consolidation. 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 1,540-1,550 and the support is set at 1,500-1,510.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,627.99	-0.37
S&P 500	5,005.57	-0.48
NASDAQ	15,775.65	-0.82
FBM KLCI	1533.55	0.34
FBM Small Cap	17,129.86	0.62
FBM ACE	4,905.29	0.18
Construction	213.49	-0.64
Consumer	572.91	0.39
Energy	895.08	0.65
Financial Services	17,216.55	0.44
Healthcare	1987.06	-0.30
Ind Products	176.11	0.61
Plantation	7,254.23	0.53
Property	928.88	0.81
REITs	820.34	0.35
Technology	63.13	0.22
Telco & Media	618.83	0.06
Transport & Logist	973.32	0.87
Utilities	1547.54	-0.88
Trading Vol (m)	3,634.41	-121
Trading Val (RM m)	2,360.56	3.75
Gainers/ Losers rat	127%	
FKLI	1535.00	0.46
FCPO (RM)	3,809.00	-0.31
Brent oil (USD)	83.47	-0.43
Gold (USD)	2,013.59	0.00
USD	4.7793	0.07
GBP	6.0149	-0.18
EURO	5.1451	-0.23
SGD	3.5501	0.00



Source: Bloomberg, Bursa Market Place



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## Company Brief

**KPJ Healthcare Bhd**'s net profit rose nearly 16% in the fourth quarter ended Dec 31, 2023 from a year earlier thanks to higher patient numbers and tax writeback. Net profit for the quarter was RM73.39m compared with RM63.41m. Revenue rose 19% year-on-year to RM911.5m from RM765.8m as patient numbers gained 4%. The company declared a single-tier interim dividend of 1 sen per share. For the full year, net profit surged 57.75% to RM263.4m from RM166.98m in FY2022 as revenue increased to RM3.42bn from RM2.87bn. At a press conference, president and managing director Chin Keat Chyuan said the group's major shareholder Johor Corp has set a 40% revenue contribution target for its health tourism segment within the next four years, from 8.5% currently. (The Edge)

The proposed disposal of **Boustead Heavy Industries Corp Bhd** (BHIC)'s 20.77% stake in the troubled Boustead Naval Shipyard Sdn Bhd (BNS) to the Ministry of Finance (Inc) for RM1 has been extended for the fifth time, to March 31. The original deadline for the fulfilment of conditions precedent under the deal was Oct 3, 2023, which was subsequently extended to Jan 31, 2024. BHIC said the agreement for the extension has been agreed upon by both parties as additional time is needed to fulfill the conditions precedent for the RM1 deal. BHIC's disposal of shares in BNS is part of the government's plan to assume full control of the RM9.13bn littoral combat ship (LCS) project, which BNS failed to deliver on time. (The Edge)

**Malaysian Resources Corp Bhd** (MRCB) confirmed it was appointed by Menteri Besar Selangor Inc (Selangor MBI) to undertake the demolition works of the Shah Alam Stadium at a provisional contract value of RM35m. Selangor Menteri Besar Datuk Seri Amirudin Shari had said earlier this month that the stadium is expected to be fully demolished by mid-2025. However, the group is still negotiating with MBI to finalise the terms of the definitive agreement for the stadium's redevelopment of the stadium, which is separate from the demolition contract. (The Edge)

**KNM Bhd** received binding and irrevocable offers to acquire the entire stake in its Italian unit FBM Hudson Italiana SpA for a total amount of 16.5m euros (approximately RM84.99m). The potential purchasers are Milan-based BM Carpenterie Oil & Gas SRL, which is offering to acquire 60% of the stake in FBM Hudson for 9.9m euros, and Verona-based Officine Piccoli SpA, which seeks to acquire the remaining 40% stake for 6.6m euros. The offers came after the Italian government had in November 2023 rejected the proposed disposal by KNM Bhd's wholly-owned subsidiary KNM Europa BV of its entire stake in FBM Hudson to the United Arab Emirates' Petro MAT FZCO. Notably, the new offers would value FBM Hudson lower than Petro MAT's previous offer of 22m euros. (The Edge)

**SNS Network Technology Bhd** (SNS Network) secured a contract from Esri Malaysia Sdn Bhd to offer geographical information system (GIS) solutions for an undisclosed value. SNS Network will mainly market, distribute and sell the GIS solutions to Esri's existing and potential customers from small and medium enterprises, public companies and government agencies in Malaysia. (The Edge)

**ICT Zone Asia Bhd** is considering transferring from the LEAP Market to the ACE Market on Bursa Malaysia, following a letter of request from its 72.85%-shareholder ICT Zone Holding Bhd. Pursuant to the proposal letter, ICT Zone Holding proposed to undertake a cash exit offer together with Datuk Seri Ng Thien Phing, which will be extended through a pre-conditional voluntary general offer for all the remaining ordinary shares and irredeemable convertible preference shares in ICT Zone Asia. It added that the board, excluding chairman Thien Phing, MD and CEO Lim Kok Kwang, and COO Vincent Ng Soon Kiat who are the interested directors of ICT Zone Asia, will deliberate on the matter. (The Edge)



**MyEG Services Bhd's** (MyEG) joint venture company MYEG Philippines Inc (MYEG PH) has partnered with the Social Security System of Philippines (SSS PH) to facilitate online payment of loans and contributions. Through the partnership, SSS PH members will have access to payment options via the platform [www.myeg.ph](http://www.myeg.ph), such as e-wallets, credit/debit cards, bank transfers and cash payments via over-the-counter channels. Additionally, members will be able to generate their Payment Reference Number on the same platform, streamlining the payment process. (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	0.790	8.2%	Initiate on 27/12/2023
2	AVALAND	16-Jan	0.270	0.285	0.290	0.325	0.245	0.240	0.270	0.0%	Initiate on 16/1/2024
3	DELEUM	23-Jan	1.070	1.140	1.150	1.200	0.980	0.970	1.050	-1.9%	Initiate on 23/1/2024
4	PWRWELL	26-Jan	0.255	0.275	0.280	0.290	0.240	0.230	0.265	3.9%	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	2.160	-3.6%	Initiate on 5/2/2024
7	INARI	14-Feb	3.220	3.500	3.550	3.600	3.150	3.100	3.230	0.3%	Initiate on 14/2/2024

## 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	1.780	7.2%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	0.915	8.9%	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	2.160	19.3%	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	0.795	-2.5%	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	1.540	25.2%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.250	4.410	4.500	-	4.170	4.060	4.410	3.8%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.465	9.4%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.970	2.150	2.250	-	1.920	1.850	2.550	29.4%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.565	4.6%	Initiate on 26/12/2023
13	TM	26-Dec	5.560	6.000	6.250	-	5.350	5.210	5.800	4.3%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	1.040	11.8%	Initiate on 26/12/2023
Average Return										11.0%	


### Technical Focus Tracker Summary

Total recommendations	366
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)	9.0%
Accuracy (2023)	50.0%
FBM KLCI (Since 30/12/2022)	2.5%
FBM Small Cap (Since 30/12/2022)	14.8%
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 (%)
WPRTS (5246)	Interim	RM0.09	2/2/2024	19/2/2024	RM3.78	RM3.83	2.3	1.3
AEM (7146)	Stock Split	1:10	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	RM9.02	1.7	-0.7
AMERBIT (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	RM1.55	2.6	-5.5
CLMT (5180)	Distribution	RM0.02	30/1/2024	21/2/2024	RM0.57	RM0.65	3.4	14.0
KLCC (5235SS)	Interim	RM0.14	7/2/2024	21/2/2024	RM7.31	RM7.65	1.9	4.7
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	RM1.75	1.1	14.4
CTOS (5301)	Interim	RM0.02	31/1/2024	27/2/2024	RM1.41	RM1.48	1.2	5.0
PWF (7134)	Interim	RM0.01	14/2/2024	27/2/2024	RM0.97	RM1.04	1.0	7.2
SYMLIFE (1538)	Rights Issue	1:2	14/2/2024	27/2/2024	RM0.34	RM0.34	-	0.0
BESHOM (7668)	Interim	RM0.02	21/12/2023	28/2/2024	RM0.94	RM0.91	1.6	-3.2
PANTECH (5125)	Interim	RM0.02	18/1/2024	28/2/2024	RM0.90	RM0.96	1.6	6.7
POHKONG (5080)	Final	RM0.02	26/9/2023	28/2/2024	RM0.87	RM0.86	2.3	-1.7
HIGHTEC (7033)	Interim	RM0.01	29/1/2024	28/2/2024	RM0.88	RM0.90	1.1	2.3
CVIEW (5049)	Interim	RM0.03	30/1/2024	29/2/2024	RM1.26	RM1.20	2.1	-4.8
KPJ (5878)	Interim	RM0.01	16/2/2024	6/3/2024	RM1.63	RM1.63	0.6	0.0
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	RM0.52	1.9	-2.8
UMS (7137)	Final + Special Cash	RM0.10	27/11/2023	22/3/2024	RM2.02	RM2.23	4.5	10.4
CAB (7174)	Final	RM0.01	30/11/2023	3/4/2024	RM0.70	RM0.74	0.7	5.0
POHUAT (7088)	Final	RM0.02	6/2/2024	18/4/2024	RM1.41	RM1.43	1.4	1.4
VIS (0120)	Final	RM0.01	21/12/2023	9/5/2024	RM0.41	RM0.40	2.5	-1.2

 Denotes >5% Dividend Yield

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