

Monday, 04 Mar, 2024

## US Still In The Cloud Nine After Earnings Season

### Market Review

**Malaysia:** The FBM KLCI (-0.86%) ended lower, despite the positive performance in the regional stock markets, dragged by Banking heavyweights. On the broader market, the Plantation sector (+0.41%) was the leading sector, while the Construction sector (-2.68%) declined.

**Global markets:** Wall Street ended higher as the investors are looking towards mega cap technology stocks growth potential from AI to outrun inflation. Both the European and Asian stock markets ended higher, the latter ended higher after China's manufacturing PMI data came in line with consensus estimates.

### The Day Ahead

After the corporate earnings season, and the FBM KLCI hitting the resistance along 1,559 last week, profit taking activities have emerged after the MSCI rebalancing activities. Meanwhile, on Wall Street, the 3 major indices have surged again; the S&P500 rose towards new highs after the Core PCE data came in within expectations and investors were focusing on the AI trend and sustainable earnings going forward. We believe the positive sentiment may spillover towards stocks on the local front this week. On the commodity market, the Brent oil price turned higher above USD83/bbl ahead of the OPEC meeting this week, while the Gold price has experienced a solid breakout above USD2050 after softer factory sector output.

**Sectors focus:** This week, we expect traders to look at the commodities sectors after a firmer trend on Brent oil and Gold prices; the O&G may continue to charge higher, while Gold-related stocks may trend positively this week. Also, the Plantation sector may ride higher in tandem with the FCPO price hitting the RM4000 range. Meanwhile, we like the Furniture sector in view of the weak ringgit position – LIHEN's prospective dividend yield stood more than 6%.

### FBMKLCI Technical Outlook



Bloomberg

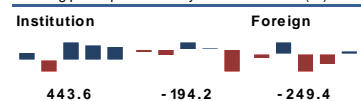
The FBM KLCI ended lower after hitting resistance along 1,559 level. The technical readings on the key index were mixed, with the MACD Histogram extending another negative bar, while the RSI has declined below 70. The resistance is envisaged around 1,545-1,555 and the support is set at 1,520-1,530.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	39,087.38	0.23
S&P 500	5,137.08	0.80
NASDAQ	16,274.94	1.14
FBM KLCI	1538.02	-0.87
FBM Small Cap	16,760.48	-0.12
FBM ACE	4,760.36	-0.16
Construction	205.60	-2.68
Consumer	573.68	-0.78
Energy	909.65	-1.63
Financial Services	17,175.22	-0.82
Healthcare	1902.77	0.18
Ind Products	175.78	-0.28
Plantation	7,223.86	0.41
Property	909.63	-1.31
REITs	813.58	0.00
Technology	64.15	-0.68
Telco & Media	604.46	-0.97
Transport & Logisti	960.77	-0.13
Utilities	1524.64	-0.93
Trading Vol (m)	4,818.72	-9.77
Trading Val (RM m)	3,085.76	-56.00
Gainers/ Losers rat	59%	
FKLI	1518.50	-1.36
FCPO (RM)	3,966.00	-0.10
Brent oil (USD)	83.55	2.00
Gold (USD)	2,082.92	0.02
USD	4.746	-0.07
GBP	5.9947	0.21
EURO	5.133	0.26
SGD	3.5246	0.09

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



Source: Bloomberg, Bursa Market Place



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## Company Brief

**Hibiscus Petroleum Bhd** plans to write off RM27m in capital cost estimates for its South Furious Merah exploration well, after an initial assessment found that the hydrocarbon volumes seen in the well may not achieve commercially viable economic thresholds. The well is part of Hibiscus' drilling programme by its indirect wholly owned subsidiary, SEA Hibiscus Sdn Bhd, to drill three exploration wells to evaluate prospective near-field exploration locations within the boundaries of the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract. (The Edge)

Having missed the Feb 29, 2024 deadline to release its fourth quarter ended Dec 31, 2023 results, **Country Heights Holdings Bhd** (CHHB) is likely to be slapped with a trading suspension. CHHB said the results were delayed as the Malaysian Department of Insolvency is still in the midst of verifying the claims amount between the creditors and Mines Waterfront Business Park Sdn Bhd, an indirect wholly owned subsidiary of the company that is in liquidation, due to non-substantiated claims. The management is also in the midst of negotiation with a bank on the defaulted loan. (The Edge)

**YNH Property Bhd**, whose lapses in governance raised eyebrows recently after several delayed disclosures, has redesignated its senior independent, non-executive director Khong Kam Hou as chairman of its audit committee to help the group in fulfilling its oversight and fiduciary duties. Khong will lead a three-member team to help the board to, among others, assess its processes relating to risks, oversee the group's financial reporting, and evaluate the group's internal and external audit processes. (The Edge)

**KUB Malaysia Bhd**'s wholly owned subsidiary KUB Agro Holdings Sdn Bhd (Kubah) is acquiring the 40% equity interest in KUB Sepadu Sdn Bhd (KUBS) not in its control from Medan Sepadu Sdn Bhd and Lembaga Amanah Kebajikan Kaum Melanau Sarawak for RM60m. KUB Malaysia said the acquisition is being undertaken to regain control of KUBS, which is in liquidation. (The Edge)

**Sapura Energy Bhd** said a Mexican unit of the group has been declared bankrupt, after it had failed to restructure its debts with creditors within the stipulated time frame given by a court in that country. The unit, Sapura Energy Mexicana Sociedad Anónima Promotora de Inversión de Capital Variable (SEM), is a wholly owned subsidiary of Sapura Offshore Sdn Bhd and SapuraMex Pte Ltd, which are both ultimately wholly owned subsidiaries of Sapura Energy. However, the group said SEM is challenging the court's decision and is preparing an appeal against the bankruptcy declaration. (The Edge)

**Kumpulan Jetson Bhd** has initiated a legal action against requisitionists of a failed attempt to call for an extraordinary general meeting to remove the entire board of directors of the construction group. Kumpulan Jetson said it had through its solicitors filed a lawsuit against the 10 individuals at the High Court. The group is seeking a declaration that the shareholders' notices to remove the directors are defective and inconsistent with the law, specifically Kumpulan Jetson's constitutional rights. Kumpulan Jetson is also seeking damages for alleged defamation resulting from the notices, claiming that the shareholders have damaged the group's image, reputation and interests. (The Edge)

**Pekat Group Bhd** is selling an industrial freehold land, measuring 12,813.89 sq m, for RM21m cash, to realise the value of the unused property, with proceeds from the sale to be used for working capital. The proposed disposal is expected to net the group a gain of about RM1.82m, based on the net book value of the freehold plot of RM17.82m as of end-2023, after deducting estimated expenses for the sale and an estimated real property gains tax of RM630,000. Besides working capital, it will use the proceeds to repay the land's financing. (The Edge)



**Orgabio Holdings Bhd** has appointed Ean Yong Hian Wah, the chairman of the Port Klang Authority (PKA), as its executive chairman with immediate effect. Ean Yong succeeds Teh Chee Ghee, who was redesignated as the company's independent and non-executive director. Ean Yong, 44, has served as a DAP state assemblyman for 15 years and as Selangor state executive councilor from 2008 to 2018. He was appointed as PKA chairman in 2023. His father, Datuk Ean Yong Tin Sin, is the founder of Orgabio and is currently its executive deputy chairman. The senior Ean Yong holds an indirect stake of 62.04% in the company via Ean Yong & Sons Sdn Bhd and a 0.21% direct stake. (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	DELEUM	23-Jan	1.070	1.140	1.150	1.200	0.980	0.970	1.240	15.9%	Take Profit on 1/3/2024
2	PWRWELL	26-Jan	0.255	0.275	0.280	0.290	0.240	0.230	0.300	17.6%	Take Profit on 1/3/2024
4	SPRITZER	5-Feb	2.240	2.400	2.450	2.500	2.140	2.100	2.120	-5.4%	Initiate on 5/2/2024
5	INARI	14-Feb	3.220	3.500	3.550	3.600	3.150	3.100	3.110	-3.4%	Initiate on 14/2/2024
6	MBMR	19-Feb	4.660	4.950	5.000	5.100	4.450	4.400	4.470	-4.1%	Initiate on 19/2/2024
7	CTOS	28-Feb	1.490	1.600	1.610	1.660	1.420	1.400	1.480	-0.7%	Initiate on 28/2/2024

## 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	1.67	0.6%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	0.975	16.1%	Initiate on 26/12/2023
3	INARI	26-Dec	3.000	3.300	3.450	-	2.860	2.750	3.11	3.7%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.810	1.950	2.000	-	1.760	1.700	2.33	28.7%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.5	32.7%	Initiate on 26/12/2023
6	MYEG	26-Dec	0.815	1.000	1.080	-	0.805	0.750	0.81	-0.6%	Initiate on 26/12/2023
7	NATGATE	26-Dec	1.550	1.760	1.850	-	1.480	1.350	1.38	-11.0%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.4	13.8%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.250	4.410	4.500	-	4.170	4.060	4.36	2.6%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.455	7.1%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.970	2.150	2.250	-	1.920	1.850	2.49	26.4%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.55	1.9%	Initiate on 26/12/2023
13	T	26-Dec	5.560	6.000	6.250	-	5.350	5.210	5.99	7.7%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	0.975	4.8%	Initiate on 26/12/2023
Average Return										9.6%	

### Technical Focus Tracker Summary

Total recommendations	368
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)	14.2%
Accuracy (2023)	48.7%
FBM KLCI (Since 30/12/2022)	2.8%
FBM Small Cap (Since 30/12/2022)	12.3%
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 (%)
VOLCANO (0232)	Interim	RM0.01	21/2/2024	5/3/2024	RM0.70	RM0.68	0.7	-2.9
VSOLAR (0066)	Rights Issue	4:1	20/2/2024	6/3/2024	RM0.16	RM0.17	-	3.1
PTRANS (0186)	Bonus	1:2	5/1/2024	6/3/2024	RM1.15	RM1.29	-	12.2
LUXCHEM (5143)	Interim	RM0.01	22/2/2024	6/3/2024	RM0.51	RM0.52	1.6	2.0
KPJ (5878)	Interim	RM0.01	16/2/2024	6/3/2024	RM1.63	RM1.67	0.6	2.5
YTLREIT (5109)	Distribution	RM0.04	23/2/2024	6/3/2024	RM1.24	RM1.22	3.4	-1.6
CRG (03016)	Interim	RM0.01	28/2/2024	7/3/2024	RM0.21	RM0.21	2.4	0.0
ASTINO (7162)	Final	RM0.01	29/9/2023	7/3/2024	RM0.58	RM0.53	1.9	-8.6
SIME (4197)	Interim	RM0.03	21/2/2024	7/3/2024	RM2.63	RM2.68	1.1	1.9
DPHARMA (7148)	Interim	RM0.02	22/2/2024	7/3/2024	RM1.21	RM1.21	1.5	0.0
MI (5286)	Interim	RM0.02	23/2/2024	7/3/2024	RM2.04	RM1.86	1.1	-8.8
CGB (8052)	Stock Split	4:1	22/2/2024	7/3/2024	RM3.25	RM3.27	-	0.6
PENERGY (5133)	Interim	RM0.04	22/2/2024	7/3/2024	RM1.03	RM1.27	3.1	23.3
HEXIND (0161)	Interim	RM0.01	22/2/2024	7/3/2024	RM0.38	RM0.37	2.7	-1.3
SPTTECH (0251)	Interim	RM0.00	23/2/2024	8/3/2024	RM0.92	RM0.85	0.2	-7.1
CGB (8052)	Bonus-Options	333333:1000000	22/2/2024	8/3/2024	RM3.25	RM3.27	-	0.6
SDS (0212)	Interim	RM0.00	23/2/2024	8/3/2024	RM0.82	RM0.80	0.4	-3.0
MRDIY (5296)	Interim	RM0.01	23/2/2024	8/3/2024	RM1.53	RM1.57	0.6	2.6
IOICORP (1961)	Interim	RM0.05	23/2/2024	8/3/2024	RM3.99	RM4.00	1.1	0.3
MGB (7595)	Interim	RM0.01	19/2/2024	8/3/2024	RM0.88	RM0.83	1.0	-5.7
MAXIS (6012)	Interim	RM0.04	22/2/2024	8/3/2024	RM3.81	RM3.68	1.1	-3.4
D&O (7204)	Interim	RM0.00	26/2/2024	11/3/2024	RM3.49	RM3.13	0.1	-10.3
PA (7225)	Interim	RM0.01	27/2/2024	11/3/2024	RM0.35	RM0.35	1.4	-1.4
LPI (8621)	Interim	RM0.40	26/2/2024	11/3/2024	RM12.36	RM12.80	3.1	3.6
LIHEN (7089)	Interim	RM0.02	23/2/2024	11/3/2024	RM0.99	RM1.00	2.0	0.5
DAYANG (5141)	Final	RM0.03	22/2/2024	11/3/2024	RM2.23	RM2.27	1.3	1.8
KPPROP (7077)	Interim	RM0.01	23/2/2024	11/3/2024	RM0.76	RM0.74	1.4	-2.0
SCICOM (0099)	Interim	RM0.02	26/2/2024	11/3/2024	RM1.11	RM1.10	1.8	-0.9
KOTRA (0002)	Interim	RM0.13	21/2/2024	11/3/2024	RM4.92	RM4.80	2.6	-2.4
INNO (6262)	Interim	RM0.03	23/2/2024	11/3/2024	RM1.48	RM1.50	2.0	1.4
PETGAS (6033)	Interim	RM0.22	27/2/2024	11/3/2024	RM18.06	RM17.82	1.2	-1.3
PETDAG (5681)	Interim	RM0.27	26/2/2024	11/3/2024	RM22.72	RM22.42	1.2	-1.3
WELLCAL (7231)	Interim	RM0.02	23/2/2024	12/3/2024	RM1.79	RM1.73	1.2	-3.4
CENGLD (0243)	Interim	RM0.00	27/2/2024	12/3/2024	RM0.29	RM0.29	1.3	-1.7
MAGNUM (3859)	Interim	RM0.02	28/2/2024	12/3/2024	RM1.15	RM1.13	1.8	-1.7
GTRONIC (7022)	Interim + Special Cash	RM0.02	23/2/2024	12/3/2024	RM1.51	RM1.46	1.4	-3.3
UCHITEC (7100)	Interim	RM0.05	27/2/2024	12/3/2024	RM4.10	RM3.96	1.3	-3.4
ATECH (5302)	Final	RM0.03	28/2/2024	12/3/2024	RM2.61	RM2.69	0.9	3.1
PARAMON (1724)	Interim	RM0.04	28/2/2024	12/3/2024	RM1.02	RM1.07	3.7	4.9
OCC (0172)	Interim	RM0.01	28/2/2024	12/3/2024	RM0.59	RM0.58	1.7	-0.9
DOMINAN (7169)	Interim	RM0.01	27/2/2024	12/3/2024	RM0.77	RM0.76	1.3	-1.3
TM (4863)	Interim	RM0.11	23/2/2024	12/3/2024	RM5.91	RM5.99	1.8	1.4
DELEUM (5132)	Interim	RM0.04	26/2/2024	12/3/2024	RM1.31	RM1.24	3.0	-5.3
ULICORP (7133)	Interim	RM0.02	27/2/2024	12/3/2024	RM1.50	RM1.34	1.5	-10.7
WEGMANS (0197)	Interim	RM0.01	27/2/2024	12/3/2024	RM0.19	RM0.19	2.6	0.0
LTKM (7085)	Special Cash	RM0.10	22/2/2024	12/3/2024	RM1.42	RM1.56	6.4	9.9
PCHEM (5183)	Interim	RM0.05	26/2/2024	12/3/2024	RM6.99	RM6.93	0.7	-0.9
ITMAX (5309)	Interim	RM0.01	26/2/2024	13/3/2024	RM2.22	RM2.33	0.5	5.0
OPENSYS (0040)	Interim	RM0.00	26/2/2024	13/3/2024	RM0.37	RM0.37	1.2	0.0
PBBANK (1295)	Interim	RM0.10	28/2/2024	13/3/2024	RM4.43	RM4.36	2.3	-1.6
ABLEGLOB (7167)	Interim	RM0.02	26/2/2024	13/3/2024	RM1.57	RM1.71	1.2	8.9
PMETAL (8869)	Interim	RM0.02	28/2/2024	13/3/2024	RM4.65	RM4.67	0.4	0.4
KOSSAN (7153)	Interim	RM0.02	22/2/2024	13/3/2024	RM2.02	RM1.89	1.1	-6.4
PRESTAR (9873)	Interim	RM0.02	27/2/2024	13/3/2024	RM0.44	RM0.44	3.4	1.1
MAYBANK (1155)	Interim	RM0.31	28/2/2024	13/3/2024	RM9.51	RM9.45	3.3	-0.6
HSPLANT (5138)	Interim	RM0.05	27/2/2024	13/3/2024	RM1.85	RM1.86	2.8	0.5
INTA (0192)	Interim	RM0.01	26/2/2024	13/3/2024	RM0.29	RM0.29	1.7	0.0
MISC (3816)	Interim	RM0.12	27/2/2024	13/3/2024	RM7.50	RM7.53	1.6	0.4
MFLOUR (3662)	Interim	RM0.02	29/2/2024	14/3/2024	RM0.65	RM0.64	2.3	-1.5
INARI (0166)	Interim	RM0.02	26/2/2024	14/3/2024	RM3.16	RM3.11	0.7	-1.6
N2N (0108)	Interim	RM0.01	26/2/2024	14/3/2024	RM0.53	RM0.49	2.1	-7.6
DSONIC (5216)	Interim	RM0.01	29/2/2024	14/3/2024	RM0.45	RM0.45	1.1	1.1
ARREIT (5127)	Distribution	RM0.00	1/3/2024	14/3/2024	RM0.38	RM0.38	1.0	0.0
JTIASA (4383)	Interim	RM0.03	29/2/2024	14/3/2024	RM1.20	RM1.28	2.0	6.7
TIMECOM (5031)	Interim + Special Cash	RM0.15	29/2/2024	14/3/2024	RM5.50	RM5.30	2.9	-3.6
PADINI (7052)	Interim	RM0.03	27/2/2024	14/3/2024	RM3.48	RM3.41	0.7	-2.0
APM (5015)	Interim	RM0.11	27/2/2024	14/3/2024	RM2.95	RM2.97	3.7	0.7
HLBANK (5819)	Interim	RM0.25	28/2/2024	14/3/2024	RM19.62	RM19.60	1.3	-0.1
OFI (7107)	Interim	RM0.02	28/2/2024	14/3/2024	RM1.85	RM1.87	1.1	1.1
HARBOUR (2062)	Interim	RM0.03	27/2/2024	14/3/2024	RM1.22	RM1.25	2.4	2.5
BPPLAS (5100)	Interim	RM0.02	27/2/2024	14/3/2024	RM1.26	RM1.26	1.2	0.0
QL (7084)	Interim	RM0.03	29/2/2024	14/3/2024	RM5.81	RM5.93	0.5	2.1
TALIWRK (8524)	Interim	RM0.01	27/2/2024	14/3/2024	RM0.87	RM0.79	1.3	-9.8
GENP (2291)	Final + Special Cash	RM0.13	28/2/2024	14/3/2024	RM6.16	RM6.09	2.1	-1.1

Denotes >5% Dividend Yield

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