

Wednesday, 06 Mar, 2024

## Market Sells Off Ahead of Powell's Statements

### Market Review

**Malaysia:** The FBM KLCI (-0.15%) ended lower, in line with the negative performance in the regional stock markets, dragged by selected Industrial Products and Plantation heavyweights. On the broader market, the Technology sector (+0.41%) was the leading sector, while the Plantation sector (-1.61%) declined.

**Global markets:** Wall Street ended lower dragged by AAPL after a report stated that iPhone sales in China plunged in the first 6 weeks of 2024, meanwhile traders will be eyeing the upcoming January job openings, manufacturing data and nonfarm payroll data this week. Both the European and Asian stock market ended lower.

### The Day Ahead

The FBM KLCI reversed significantly from an intra-day low with the help from Genting-related and Banking heavyweights. Meanwhile, on Wall Street, major indices were dragged lower by most of Magnificent 7 companies except for Nvidia as AI-theme is still in focus. Besides the jobs data, traders will be monitoring closely on Jerome Powell's speech later tonight. Closer to home, there might be a shift in sentiment following the weaker tone in the US stock markets, upside reward might be limited. On the commodity markets, Brent oil traded slightly lower at USD82/bbl level as demand concerns offset extension of voluntary production cuts by OPEC+ members, while the Gold price closed at record high above the USD2120 level in anticipation of potential interest rate cut going forward.

**Sectors focus:** Still, we expect traders to focus on commodities segment such as the O&G, Gold and Plantation sectors as their underlying commodities prices were traded higher for the session. Under this cautious environment, we reckon traders to look for opportunities within companies with solid balance sheet and high dividend yield. Meanwhile, we like selected Banking, Construction and Property stocks.

**Research Team**  
[research@msec.com.my](mailto:research@msec.com.my)  
(603) 2201 2100

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,585.19	-1.04
S&P 500	5,078.65	-1.02
NASDAQ	15,939.59	-1.65
FBM KLCI	1536.98	-0.15
FBM Small Cap	16,661.58	-0.24
FBM ACE	4,699.16	-1.08
Construction	208.22	0.27
Consumer	570.79	-0.16
Energy	907.27	-0.71
Financial Services	17,290.13	0.21
Healthcare	1,891.53	-0.24
Ind Products	174.47	-0.69
Plantation	7,178.29	-1.61
Property	912.11	-0.25
REITs	812.43	0.20
Technology	63.91	0.41
Telco & Media	597.87	-0.32
Transport & Logist	954.21	-0.31
Utilities	1,514.50	-0.77
Trading Vol (m)	3,813.50	14.62
Trading Val (RM m)	2,804.88	9.57
Gainers/ Losers rat	58%	
FKLI	1,512.00	-0.03
FCPO (RM)	3,999.00	0.33
Brent oil (USD)	82.80	-0.85
Gold (USD)	2,128.04	0.64
USD	4.7352	-0.27
GBP	6.0069	-0.33
EURO	5.1385	-0.29
SGD	3.5231	-0.21



Source: Bloomberg, Bursa Market Place

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended lower, but managed to rebound and formed a hammer candle. The technical readings on the key index were negative, 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.



JOIN OUR OFFICIAL TELEGRAM  
TO GET THE LATEST MARKET UPDATES

**M+Online**  
Equipping Traders For The Win

**Global**  
Winning The World

## Company Brief

Australia and New Zealand Banking Group Ltd (ANZ) is putting up 297.72m shares in **AMMB Holdings Bhd** for sale, at an indicative price of RM3.80 to RM3.85 per share, according to the term sighted by *The Edge*. The offer size ranges between RM1.13bn and RM1.15bn representing an 8.3% to 9.5% discount to AMMB's closing price of RM4.20 on Tuesday. The sale would reduce ANZ's shareholding in AMMB to 12.7% from 21.7%. (The Edge)

Iskandar Waterfront Holdings Sdn Bhd (IWH) and **PLS Plantations Bhd**, two entities linked to tycoon Tan Sri Lim Kang Ho are in talks with a China state-owned company to develop an industrial park and innovation hub in Johor. The two companies inked a memorandum of understanding (MOU) with Shenzhen provincial government-owned Shenzhen Shenyue Joint Investment Co Ltd (SSJI) on Tuesday, for the proposed development of a 1,000-acre Johor-Shenzhen Industrial Park in Ulu Sedili, together with a 50-acre Johor-Shenzhen Innovation Development Hub in Johor Bahru, according to a statement from IWH. (The Edge)

**Solarvest Energy Sdn Bhd**, a subsidiary of clean energy expert Solarvest Holdings Bhd, has been appointed by Gentari Renewables Sdn Bhd to install solar power systems at over 300 Petronas stations across Malaysia. The project aimed to commence in April 2024 will see the installation of more than 5.4-megawatt peak (MWp) of solar capacity across more than 300 Petronas stations. The solar power systems are expected to be operational by 2027. Once energised, it is estimated to offset around 5,035 tonnes of carbon dioxide emissions per year. (The Edge)

**Crest Builder Holdings Bhd**'s order book has reached a record high of RM1.8bn after the group bagged a commercial development in Kuala Lumpur from Sunway Velocity Three Sdn Bhd for a total contract value of RM448.5m. The construction will consist of 1,604 units of serviced apartments in two 60-storey blocks. (The Edge)

**Paramount Corp Bhd** aims to sell RM1.4bn worth of properties in the financial year ending Dec 31, 2024 (FY2024), as the company ramps up launches worth RM2.4bn in gross development value for the year, including some delayed projects. Last year, Paramount sold properties worth RM1.12bn, a record high, with products launched worth RM886m, compared with RM1.21bn in 2022. Despite this, the management flagged rising costs following an increase in the sales and service tax to 8% effective last Friday, and the company may consider raising prices to protect its margins. (The Edge)

**PPB Group Bhd**, which operates Golden Screen Cinemas (GSC), said it expects a tough year ahead for its film exhibition and distribution business, as the Hollywood writers' guild strike has affected supply of content in the medium term. The company is shifting its focus to local and regional movies, including participating in local film production, to gain better control over the content at its cinemas. GSC is working on co-producing local movies on profit-sharing, with costs ranging between RM8m and RM20m for each production. (The Edge)

**Petroliam Nasional Bhd** (Petronas) and CIMB Islamic Bank Bhd have signed an inaugural Tahawwut Master Agreement (TMA) for shariah-compliant commodity derivatives. The TMA is a multi-product framework agreement drafted by the International Swaps and Derivatives Association in collaboration with the International Islamic Financial Market Association. The TMA provides the market with globally accepted and standardised terms for Islamic hedging products, which is expected to spur the growth of Islamic hedging products in the international market. (The Edge)



**Nextgreen Global Bhd** has proposed a private placement of up to 102.57m shares, representing 10% of its issued share capital, to yet-to-be-identified third-party investors with the issue price to be determined later. The exercise is expected to raise some RM89.62m, at most RM92.32m. Out of these, RM70m of the placement proceeds will be used to fund its green technology park projects, while the remainder will be allocated for working capital, and to defray the proposed private placement expenses. (The Edge)

**Fajarbaru Builder Group Bhd** has won a RM120.82m contract to build a clubhouse and a driving range complex in Johor Bahru. The Johor Golf and Country Club project was awarded by Tanjung Nakhoda (M) Sdn Bhd. The contract period is 90 weeks from March 11, 2024, to Nov 30, 2025. (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	2.050	-8.5%	Cut Loss on 4/3/2024
5	INARI	14-Feb	3.220	3.500	3.550	3.600	3.150	3.100	3.120	-3.1%	Cut Loss on 4/3/2024
6	MBMR	19-Feb	4.660	4.950	5.000	5.100	4.450	4.400	4.380	-6.0%	Cut Loss on 5/3/2024
7	CTOS	28-Feb	1.490	1.600	1.610	1.660	1.420	1.400	1.470	-1.3%	Initiate on 28/2/2024
8	FRONTKN	4-Mar	3.660	3.820	3.900	4.050	3.550	3.520	3.800	3.8%	Initiate on 4/3/2024

## 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	1.78	7.2%	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	3.12	4.0%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.810	1.950	2.000	-	1.760	1.700	2.28	26.0%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.54	36.3%	Initiate on 26/12/2023
6	MYEG	26-Dec	0.815	1.000	1.080	-	0.805	0.750	0.8	-1.8%	Initiate on 26/12/2023
7	NATGATE	26-Dec	1.550	1.760	1.850	-	1.480	1.350	1.37	-11.6%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.42	15.4%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.250	4.410	4.500	-	4.170	4.060	4.32	1.6%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.47	10.6%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.970	2.150	2.250	-	1.920	1.850	2.54	28.9%	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	5.96	7.2%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	1.05	12.9%	Initiate on 26/12/2023
Average Return										11.0%	

Technical Focus Tracker Summary	
Total recommendations	369
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)	14.3%
Accuracy (2023)	48.1%
FBM KLCI (Since 30/12/2022)	2.8%
FBM Small Cap (Since 30/12/2022)	11.6%
Malaysia GDP Growth (1H23)	4.2%

## Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.

