

Thursday, 07 Mar, 2024

Slightly Positive From The Fed's Statements

Market Review

Malaysia: The FBM KLCI (-0.36%) ended lower, in line with the mixed performance in the regional stock markets, dragged by selected Telco, Utilities and Healthcare heavyweights. On the broader market, the Plantation sector (+0.58%) was the leading sector, while the Energy sector (-1.26%) declined.

Global markets: Wall Street ended higher after Jerome Powell stated that interest rates are at its peak but it is too soon for rate cuts, meanwhile traders will be eyeing the upcoming nonfarm payroll data this week. The European stock market ended higher, while Asia ended mixed.

The Day Ahead

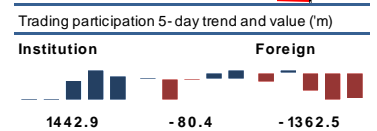
The FBM KLCI traded lower for another session with profit taking amongst selected heavyweights. In the US, Wall Street traded on a positive note as Jerome Powell commented that the interest rates are at its peak and will need to have some confidence that inflation is heading towards 2% before cutting, while the number of cuts may differ from earlier expectations of 3 times. On the commodity markets, Brent oil trended along USD82-83/bbl zone after EIA data showed a smaller-than-expected increase in US weekly crude stocks, while the Gold price charged towards a fresh intraday high of USD2152 level, in view of looser monetary policies. Besides, the FCPO surged above the significant trendline and closed at RM4071.

Sectors focus: On the local front, we expect buying support to be seen within the commodities sectors like the O&G, Gold and Plantation sectors firmer underlying commodities prices in view of potential interest rate cuts going forward, albeit timing is not confirmed. Besides, we favour selected Technology stocks with solid balance sheets and high dividend yield counters, while the Consumer sector will be favourable under this cautious environment.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,661.05	0.20
S&P 500	5,104.76	0.51
NASDAQ	16,031.54	0.58
FBM KLCI	1,531.51	-0.36
FBM Small Cap	16,692.54	0.19
FBM ACE	4,681.44	-0.38
Construction	207.40	-0.39
Consumer	570.41	-0.07
Energy	895.87	-1.26
Financial Services	17,231.82	-0.34
Healthcare	1,887.45	-0.22
Ind Products	174.41	-0.03
Plantation	7,220.04	0.58
Property	907.78	-0.47
REITs	809.87	-0.32
Technology	63.31	-0.94
Telco & Media	593.69	-0.70
Transport & Logisti	949.02	-0.54
Utilities	1,508.71	-0.38
Trading Vol (m)	3,654.63	-4.17
Trading Val (RM m)	2,666.28	-4.94
Gainers/ Losers rat	73%	
FKLI	15,150.00	0.23
FCPO (RM)	4,071.00	-0.25
Brent oil (USD)	82.04	1.05
Gold (USD)	2,148.18	0.95
USD	4.7323	0.06
GBP	6.0249	-0.30
EURO	5.147	-0.17
SGD	3.529	-0.17



Source: Bloomberg, Bursa Market Place

FBMKLCI Technical Outlook



Bloomberg

After forming a hammer candle on the FBM KLCI, the key index continued to trade lower for another session. The technical readings on the key index were negative, with the MACD Histogram extending another negative bar, while the RSI approaching 50. The resistance is envisaged around 1,545-1,555 and the support is set at 1,515-1,520.



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Company Brief

Permodalan Nasional Bhd's (PNB) wholly owned unit Projek Lintasan Kota Holdings Sdn Bhd is listing its four highway concessions via a business trust, **Prolintas Infra Business Trust** (Prolintas Infra Trust), to raise RM445.3m. The trust has begun taking orders from investors for its IPO and is set to be the country's first listing of a business trust. Priced at 95 sen per unit, the listing values the four toll highways – Ampang-Kuala Lumpur Elevated Highway (Akleh), Guthrie Corridor Expressway (GCE), Lebuhraya Kemuning-Shah Alam (LKSA), and Sistem Lingkaran Lebuhraya Kajang (Silk) – at RM1.05bn. Set to be listed on March 25, the trust intends to distribute yearly distributions of at least 90% of its distributable amount. (The Edge)

Calcium carbonate producer **Zantat Holdings Bhd** has begun taking orders from investors for its IPO to raise up to RM18.2m. The IPO, priced at 25 sen per share, involves a public issue of 56m new shares, representing 20% of the enlarged share capital of Zantat, and an offer for sale of 16.8m existing shares by way of private placement to selected investors. (The Edge)

Perdana Petroleum Bhd's wholly owned subsidiary Perdana Nautika Sdn Bhd has secured extensions for four vessel charter contracts plus one new contract from Petronas Carigali Sdn Bhd that is worth an aggregate of RM68m. The extensions are for three anchor handling tug and supply (AHTS) contracts and an accommodation work barge (AWG) contract. Meanwhile the new contract worth RM17.1m to provide AHTS for up to 238 days, which will commence on the vessel's on-hire certificate date. (The Edge)

Piling and foundation specialist **Econpile Holdings Bhd** has bagged a contract worth RM65.5m to undertake road upgrade works for a project in the Cameron Highlands, Pahang. The contract won from Ahmad Zaki Resources Bhd was awarded to its subsidiary, Econpile (M) Sdn Bhd. The project is slated to be completed within 33 months, commencing from Jan 2, 2024. (The Edge)

Awanbiru Technology Bhd's (Awantec) wholly owned unit has secured a RM4.96m contract from the National Water Research Institute of Malaysia's (Nahrim) computing solutions and services for climate change research and development. The contract focuses on the implementation of high-performance computing solutions to run Weather Research and Forecasting (WRF) models in the cloud computing environment. The contract spans 30 months, running from March 8 this year until its expiry on Sept 7, 2026. (The Edge)

Jati Tinggi Group Bhd's wholly owned subsidiary Jati Tinggi Holding Sdn Bhd has secured a RM22.06m job from Worktime Engineering Sdn Bhd to lay underground cables for a data centre in the southern region of Peninsular Malaysia. The contract is to span a 13-month period commencing March 27, 2024. (The Edge)

Ekovest Bhd managing director Tan Sri Lim Keng Cheng has been redesignated as non-executive director with immediate effect, while his alternate director Lim Ding Shyong also stepped down, citing "other commitment". Keng Cheng, 62, is nephew to Ekovest's executive chairman Tan Sri Lim Kang Hoo, who controls about 28% stake in the construction group. (The Edge)

Construction company **Lim Seong Hai Capital Bhd** (LSH Capital) is proposing a public offering that could potentially raise RM168.08m as part of its listing transfer to the ACE Market from the LEAP Market. The share sale involves the issuance of 132m new shares and an offer for sale of up to 59m existing shares. At an illustrative price of 88 sen per share, LSH will raise RM116.16m for construction projects and debt repayment. (The Edge)



Niche Capital Emas Holdings Bhd said it has obtained approval from the Department of Environment of Malaysia (DOE) to develop gold mining processing facilities on 547ha of land in Kelantan. The company expects to commence commercial production by the third quarter this year. (The Edge)

A subsidiary of MMAG Aviation Consortium Sdn Bhd (MAC), the aviation division of **MMAG Holdings Bhd**, has formed a strategic joint venture with Macau's Asia Express Ltd and Suniao Supply Chain Sdn Bhd for a seafood transshipment hub in the Cainiao Aeropolis eWTP Hub at KLIA. MMAG expects the entry of the JV partners to enhance the hub's capacity to meet surging seafood demands in Asia, particularly in China. (The Edge)

Globetronics Technology Bhd has secured a contract worth US\$7.59m (RM35.9m) to provide technical services related to outsourced semiconductor assembly and testing from Kaynes Semicon Private Ltd. Of the total contract award of US\$7.59m, ISO Technology will reinvest US\$5.28m (net of taxes) back into the securities of Kaynes Semicon. (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	2.040	-8.9%	Cut Loss on 4/3/2024
5	INARI	14-Feb	3.220	3.500	3.550	3.600	3.150	3.100	3.100	-3.7%	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	3.750	2.5%	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	1.72	3.6%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	0.95	13.1%	Initiate on 26/12/2023
3	INARI	26-Dec	3.000	3.300	3.450	-	2.860	2.750	3.1	3.3%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.810	1.950	2.000	-	1.760	1.700	2.3	27.1%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.47	30.1%	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	1.37	-11.6%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.41	14.6%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.250	4.410	4.500	-	4.170	4.060	4.3	1.2%	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	2.55	29.4%	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	5.93	6.7%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	1	7.5%	Initiate on 26/12/2023
Average Return										9.6%	

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)	13.9%
Accuracy (2023)	48.1%
FBM KLCI (Since 30/12/2022)	2.4%
FBM Small Cap (Since 30/12/2022)	11.8%
Malaysia GDP Growth (1H23)	4.2%



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