

Tuesday, 12 Mar, 2024

Muted Trading Ahead Of Economic Data

Market Review

Malaysia: The FBM KLCI (+0.31%) ended higher, despite the mixed performance in the regional stock markets, led by selected Telco, Banking and Industrial Product heavyweights. On the broader market, the Construction sector (+0.93%) was the leading sector, while the Energy sector (-0.99%) declined.

Global markets: Wall Street ended mixed as investors could be cautious ahead of the upcoming February's jobs data, while awaiting a fresh catalyst. The European stock market ended lower, while Asia ended mixed with the CSI and HSI gaining after China's CPI beat expectations suggesting increased economic activity.

The Day Ahead

The FBM KLCI continues to rebound higher with buying support seen within selected Banking and Petronas-related heavyweights. In the US, Wall Street traded mixed prior to the data-heavy week as traders will be monitoring the (i) US CPI, (ii) US PPI, (iii) retail sales, (iv) unemployment claims, (v) Empire state manufacturing index and (vi) consumer sentiment. We believe the release of CPI and PPI data may sway the interest rate outlook. Given the neutral tone in the US, we believe buying interest on the local front may be mild. On the commodity markets, Brent oil is still trading sideways, ranging along USD81-83/bbl, while the Gold price has stagnated along USD2180 zone, but remains uptrend intact. For the FCPO, it has breached above the RM4,100 and the momentum is picking up.

Sectors focus: On the broader market, we expect buying support to persist on a milder tone. The iron ore futures plunges most since 2022 as inventories pile up in China and it may translate to potential buying support in iron and metal-related stocks. Meanwhile, we like selected O&G, Banking, Property, Construction, Consumer, Technology and Plantation could see buying support picking up. The Plantation sector will see firmer trading activities in view of stronger FCPO prices.

FBMKLCI Technical Outlook



Bloomberg

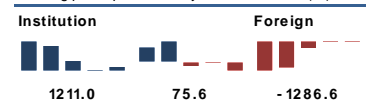
After forming a hammer candle on the FBM KLCI, the key index continued trending upwards. The technical readings on the key index, however were negative, with the MACD Histogram extending another negative bar, while the RSI approaching 50. The resistance is envisaged around 1,555-1,560 and the support is set at 1,525-1,530.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,769.66	0.12
S&P 500	5,117.94	-0.11
NASDAQ	16,019.27	-0.41
FBM KLCI	1544.71	0.31
FBM Small Cap	16,732.63	-0.17
FBM ACE	4,698.64	0.20
Construction	21131	0.93
Consumer	574.44	0.14
Energy	894.61	-0.99
Financial Services	17,404.65	0.21
Healthcare	1878.66	0.16
Ind Products	175.41	0.72
Plantation	7,302.94	-0.18
Property	913.00	-0.36
REITs	809.13	0.05
Technology	63.38	-0.55
Telco & Media	60195	0.23
Transport & Logist	957.80	0.41
Utilities	1495.15	0.19
Trading Vol (m)	3,647.95	20.50
Trading Val (RM m)	2,711.76	-0.67
Gainers/ Losers rat	112%	
FKLI	1529.00	0.13
FCPO (RM)	4,138.00	0.17
Brent oil (USD)	82.21	0.15
Gold (USD)	2,182.75	-0.01
USD	4.6818	0.04
GBP	6.0126	-0.08
EURO	5.1193	0.05
SGD	3.5208	-0.07

Trading participation 5-day trend and value (m)



Source: Bloomberg, Bursa Market Place



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Company Brief

MyEG Services Bhd has acquired a 14.4% stake in **HeiTech Padu Bhd** for RM31.25m via its unit MyEG Capital Sdn Bhd through the open market and direct business transactions. The 5.16m shares were first bought from the open market on March 7 for RM11m cash or RM2.134 sen per HeiTech share. Meanwhile the other 9.42m shares were acquired via direct business transactions for RM20.25m or RM2.15 per share on average. MyEG said the investment will allow the company to explore potential collaborations with HeiTech to create synergies by leveraging the respective expertise and experience of both parties as established e-government service providers. (The Edge)

Meanwhile, **HeiTech Padu** announced that it has secured a contract extension worth RM13.11m for the provision of maintenance services to the Malaysian Immigration System (MyIMMs). The contract extension is for a one-year period starting from Feb 18, and any further renewal or extension will be at the discretion of the government. (The Edge)

Rexit Bhd announced a few changes to its boardroom, with the appointment of Datuk Seow Gim Shen as its new chief executive officer effective Monday, succeeding Datuk Chung Hon Cheong who stepped down on the same day. Joining Seow is Wong Tack Heng, who was appointed as the chief operating officer following Si Tho Yoke Meng's resignation. (The Edge)

Integrated engineering solutions provider **Destini Bhd** announced the resignation of former Dewan Rakyat speaker Tan Sri Azhar Azizan Harun as its independent and non-executive chairman, after a nine-month tenure at the helm, due to his personal commitments. The group also redesignated its non-independent director Datuk Abd Aziz Sheikh Fadzir as the group's new chairman. (The Edge)

Rubber glove solution provider **Flexidynamic Holdings Bhd** has received a contract worth RM12.4m to supply and install mechanical and electrical works for the water treatment plant and intake in Jajahan Gua Musang, Kelantan. The contract was awarded to its wholly owned subsidiary Flexidynamic Engineering Sdn Bhd from Usaha Pammek Sdn Bhd, and the project is slated to be completed on March 20, 2025. Flexidynamic also said that Sea Capital Holdings Sdn Bhd has emerged as its substantial shareholder after subscribing to 15m shares or a 5% stake under a private placement exercise. (The Edge)

Perak Corporation Bhd has signed a development agreement to move forward with a housing project that will help rescue the financially troubled state-owned real estate developer. Development of the Teluk Dalam land, measuring 56.31 acres (22.78 hectare), involves a gated housing scheme with bungalows, semi-detached houses and terraced houses. (The Edge)

UMediC Group Bhd's net profit for the second quarter ended Jan 31, 2024 (2QFY2024) fell 14.8% to RM2.48m, from RM2.91m a year earlier, due mainly to decreased orders for the marketing and distribution segments. Revenue for the quarter rose to RM13.48m, from RM12.52m previously. For the cumulative six months, the company's net profit dipped to RM4.37m from RM4.91m, on the back of revenue of RM28m versus RM23.83m. (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	CTOS	28-Feb	1.490	1.600	1.610	1.660	1.420	1.400	1.450	-2.7%	Initiate on 28/2/2024
2	FRONTKN	4-Mar	3.660	3.820	3.900	4.050	3.550	3.520	3.710	1.4%	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	1.71	3.0%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	0.97	14.9%	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	2.30	27.1%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.46	29.2%	Initiate on 26/12/2023
6	MYEG	26-Dec	0.815	1.000	1.080	-	0.805	0.750	0.78	-4.3%	Initiate on 26/12/2023
7	NATGATE	26-Dec	1.550	1.760	1.850	-	1.480	1.350	1.32	-14.8%	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	4.30	1.2%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.50	16.5%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.970	2.150	2.250	-	1.920	1.850	2.59	31.5%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.54	0.0%	Initiate on 26/12/2023
13	TM	26-Dec	5.560	6.000	6.250	-	5.350	5.210	5.95	7.0%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	1.03	10.8%	Initiate on 26/12/2023
Average Return										10.0%	

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)	3.3%
FBM Small Cap (Since 30/12/2022)	12.1%
Malaysia GDP Growth (1H23)	4.2%

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