

Wednesday, 20 Mar, 2024

FOMC Meeting Will Be The Key Focus

Market Review

Malaysia: The FBM KLCI (-0.56%) ended lower, in line with the negative performance in the regional stock markets, dragged by selected Telco, Banking and Industrial Product heavyweights. On the broader market, the Property sector (+1.03%) was the leading sector, while the Utilities sector (-0.58%) declined.

Global markets: Wall Street ended higher led by Energy and Utilities stocks, meanwhile traders will be eyeing the upcoming FOMC meeting this week. The European stock markets ended higher, while Asia ended mostly lower. The Nikkei ended higher despite The Bank of Japan raising interest rates.

The Day Ahead

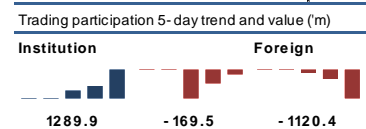
The FBM KLCI closed lower for the session with the profit taking activities seen within selected Banking heavyweights. In the US, we noticed trading activities had slowed down ahead of the conclusion of the FOMC meeting as the market is looking forward to the Fed's statement in order to understand the timing of the interest rate cut. Similarly, we opine that the overall market conditions on the local front will turn softer with profit taking activities emerging after recent rebound on small caps. On the commodity markets, Brent oil has traded positively for the fifth session, breaching above the USD87/bbl mark. For the FCPO, it has pulled back, but trading above the RM4,200 level.

Sectors focus: Given the recent upward trend on Brent oil above the USD87 level, we believe the traders will be focusing on the O&G sector at least for the near term in view of higher capex from Petronas this year as well. Besides, we noticed consumer stocks were having an increase in trading activities following Apollo's strong dividend payout, this may provide upside opportunities within the sector. Also, we favour the Telco, Finance, Property, Solar as well as Packaging industries.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	39,110.76	0.83
S&P 500	5,178.51	0.56
NASDAQ	16,166.79	0.39
FBM KLCI	1544.96	-0.56
FBM Small Cap	16,952.15	0.04
FBM ACE	4,751.09	0.72
Construction	216.98	-0.06
Consumer	573.98	0.15
Energy	925.41	-0.32
Financial Services	17,281.38	-0.33
Healthcare	1921.94	0.50
Ind Products	177.35	0.06
Plantation	7,278.76	-0.09
Property	962.21	1.03
REITs	816.19	0.27
Technology	63.27	0.00
Telco & Media	593.77	-0.48
Transport & Logist	968.08	-0.27
Utilities	1540.77	-0.58
Trading Vol (m)	4,055.42	-4.40
Trading Val (RM m)	3,085.16	10.59
Gainers/ Losers rat	104%	
FKLI	1548.00	0.10
FCPO (RM)	4,218.00	0.40
Brent oil (USD)	87.38	0.56
Gold (USD)	2,157.59	0.04
USD	4.737	-0.40
GBP	6.0025	0.10
EURO	5.1333	0.18
SGD	3.5265	0.00



Source: Bloomberg, Bursa Market Place

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI index ended lower. The technical readings on the key index were mixed, with the MACD Histogram hovering flattish along 0, while the RSI is above 50. The resistance is envisaged around 1,555-1,560 and the support is set at 1,525-1,530.



JOIN OUR OFFICIAL TELEGRAM
TO GET THE LATEST MARKET UPDATES

M+Online
Equipping Traders For The Win

Global
Winning The World

Company Brief

YTL Power International has set up YTL AI Cloud, a specialised provider of massive-scale graphics processing unit (GPU)-based accelerated computing, to deploy and manage one of the world’s most advanced supercomputers on Nvidia Grace Blackwell-powered DGX Cloud, an artificial intelligence (AI) supercomputer for accelerating the development of generative AI. YTL Power said it is among the first companies to adopt the Nvidia GB200 NVL72, which is a multi-node, liquid-cooled, rack-scale system with fifth-generation NVLink. The supercomputer will be interconnected by the Nvidia Quantum InfiniBand networking platform. (The Edge)

Integrated palm oil milling services provider **Ecoscience International Bhd** is partnering with Netherland renewable energy firm Maatschappij Wilhelmina NV (Wilhelmina), to build and manage Wilhelmina’s TG2 black pellet plant in Kuantan, Pahang at an estimated cost of US\$60m (RM283.65m). Wilhelmina will finance, own and operate the TG2 black pellet plant. Meanwhile, Ecoscience will undertake the engineering, procurement and construction (EPC) work for the plant. (The Edge)

Eita Resources Bhd said its 60%-owned unit has won a RM47.96m contract from Tenaga Nasional Bhd to supply a new outdoor transmission substation in Ayer Puteh, Perak. The scope of work includes the erection, testing and commissioning of the 132kV conventional substation, as well as civil, transmission lines and remote ends relay retrofits by which the two-year contract is effective from March 8. (The Edge)

FGV Holdings Bhd said it has been granted a further six-month extension until Sept 2 by Bursa Securities to comply with the public shareholding spread requirement. This marks the sixth time the plantation group has received an extension from the regulator to comply with the requirement. FGV said its public shareholding spread remained at 13.09% as of Feb 16, compared to the minimum requirement of 25%. (The Edge)

Datuk Farhash Wafa Salvador, who recently emerged as a substantial shareholder in **HeiTech Padu Bhd** with a 15.91% stake, has clarified that he shares ownership of the shareholding in the company, held via private vehicle Rosetta Partners Sdn Bhd, with Kelantan's Sultan Muhammad V. He emerged as a substantial shareholder in HeiTech Padu after Rosetta Partners bought 6.16m shares on March 11 and 9.69m shares on March 12, resulting in a 15.91% stake in the company. Rosetta Partners is wholly-owned by Mfivesouthsea Sdn Bhd, which is in turn jointly-owned by the sultan and Farhash. (The Edge)

South Malaysia Industries Bhd (SMI) has decided against tabling Datuk Au Yee Boon-related company Honsin Apparel Sdn Bhd’s resolutions to appoint two new directors at the group’s annual general meeting next week. SMI said this is pursuant to Rule 15.01 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions (Take-over Rules), stipulating that no nominee of an offeror or persons acting in concert shall be appointed to the board, nor may an offeror and persons acting in concert exercise voting shares or voting rights in the offeree, until the offer document has been dispatched. (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	FRONTKN	4-Mar	3.660	3.820	3.900	4.050	3.550	3.520	3.730	1.9%	Initiate on 4/3/2024
2	SUNCON	12-Mar	2.580	2.730	2.750	2.850	2.480	2.450	2.760	7.0%	Initiate on 12/3/2024
3	UZMA	15-Mar	1.210	1.270	1.350	1.410	1.140	1.120	1.250	3.3%	Initiate on 15/3/2024



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	1.70	2.4%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	1.01	20.2%	Initiate on 26/12/2023
3	INARI	26-Dec	2.979	3.300	3.450	-	2.860	2.750	3.11	4.4%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.801	1.950	2.000	-	1.760	1.700	2.32	28.8%	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	0.80	-1.8%	Initiate on 26/12/2023
7	NATGATE	26-Dec	1.550	1.760	1.850	-	1.480	1.350	1.47	-5.2%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.47	19.5%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.151	4.410	4.500	-	4.170	4.060	4.28	3.1%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.48	12.9%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.948	2.150	2.250	-	1.920	1.850	2.76	41.7%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.540	0.600	0.635	-	0.515	0.495	0.52	-3.7%	Initiate on 26/12/2023
13	TM	26-Dec	5.462	6.000	6.250	-	5.350	5.210	6.02	10.2%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	1.01	8.6%	Initiate on 26/12/2023
Average Return										12.2%	

Technical Focus Tracker Summary	
Total recommendations	371
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)	15.2%
Accuracy (2023)	46.9%
FBM KLCI (Since 30/12/2022)	3.3%
FBM Small Cap (Since 30/12/2022)	13.6%
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.

