

Wednesday, 27 Mar, 2024

## 52-Week High In FBM Small Cap

### Market Review

**Malaysia:** The FBMKLCI (+0.06%) ended flat, in line the mixed performance in the regional stock markets, as gains in Banking and Healthcare heavyweights was offset by losses in Utilities heavyweights. On the broader market, the Healthcare sector (+0.88%) gained, while the Utilities sector (-0.50%) declined.

**Global markets:** Wall Street ended lower dragged by the poor performance of technology stocks, meanwhile investors are eyeing the upcoming jobless claims data, GDP and Consumer sentiment data. The European stock market ended higher, while Asia ended mixed with the KOSPI hitting 2-year highs.

### The Day Ahead

The FBM KLCI traded flat but the FBM Small Cap surged 0.47% to another 52-week high. In the US, the Dow Jones and S&P500 closed lower for the third session as profit taking extended following the release of Consumer Confidence Index by the Conference Board; the index came in at 104.7 vs. consensus of 106.9. Meanwhile, we believe the market may look into the Baltimore bridge accident, as it might cause some spike in inflationary pressure following the halt in coal shipments. Closer to home, we think the focus will be on the Small Cap segment as it surged to 52-week high. On the commodity markets, Brent oil pulled back below USD86/bbl despite another attack on Russian oil refineries.

**Sectors focus:** Although the US ended on a weaker tone, we expect buying support to extend on the local front, with the attention shifting towards Construction, Property, and Building Materials on the back of anticipation of more infrastructure projects to be dished out, while Healthcare sector could be heading higher in view of stronger demand in healthcare tourism. Also, traders could focus on shipping related stocks after the Baltimore bridge accident.

### FBMKLCI Technical Outlook



Bloomberg

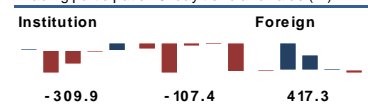
The FBM KLCI index ended flat and still consolidating around the 1535 level. The technical readings on the key index were negative, with the MACD Histogram extending a negative bar, and the RSI hovering around 50. The resistance is envisaged around 1,550-1,555 and the support is set at 1,520-1,525.

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

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	39,282.33	-0.08
S&P 500	5,203.58	-0.28
NASDAQ	16,316.70	-0.42
FBM KLCI	1538.42	0.06
FBM Small Cap	17,316.54	0.47
FBM ACE	4,910.02	0.60
Construction	222.19	0.65
Consumer	573.05	-0.02
Energy	938.25	-0.12
Financial Services	17,220.04	0.24
Healthcare	1,952.47	0.88
Ind Products	179.52	0.50
Plantation	7,344.52	0.38
Property	1,004.97	0.79
REITs	811.06	0.33
Technology	64.58	0.19
Telco & Media	594.67	-0.32
Transport & Logist	992.84	0.59
Utilities	1,535.44	-0.50
Trading Vol (m)	3,828.49	180
Trading Val (RM m)	3,039.09	18.89
Gainers/ Losers rat	127%	
FKLI	1,539.50	-0.10
FCPO (RM)	4,222.00	-0.33
Brent oil (USD)	86.25	-0.58
Gold (USD)	2,178.80	-0.01
USD	4.7205	0.07
GBP	5.9722	-0.22
EURO	5.1233	-0.26
SGD	3.512	-0.11

Trading participation 5-day trend and value (m)



Source: Bloomberg, Bursa Market Place



JOIN OUR OFFICIAL TELEGRAM  
TO GET THE LATEST MARKET UPDATES

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

**Global**  
Winning The World

## Company Brief

**Yinson Holdings Bhd**'s major shareholder has triggered an unconditional mandatory takeover offer to acquire the remaining shares it does not own in Icon Offshore after purchasing a 50.2% stake in Icon Offshore Bhd for RM172.2m cash, or 63.5 sen per share. Following the acquisition, Lim Han Weng – Yinson group executive chairman – through Liannex also extended its offer to acquire the remaining shares it does not own, consisting of a cash offer of 63.5 sen for a 49.8% stake in Icon Offshore and 100% of its warrants or 130.9m warrants for 0.1 sen. He acquired the 50.2% stake in Icon Offshore from Ekuiti Nasional Bhd, the state-owned private equity firm also known as Ekuinas. Following the transaction, Ekuinas' shareholding in Icon Offshore is set to reduce to about 5.83%. The new shareholder intends to maintain Icon Offshore's listing status. (The Edge)

Plantation outfit **United Malacca Bhd** has recorded a 49% jump in net profit for the third financial quarter, lifted by an improvement in its Indonesian operations as well as lower investment losses. Net profit for the three months ended Jan 31, 2024 rose to RM18.97m from RM12.71m in the previous year as its Kalimantan operation posted a RM3.5m profit against a RM1.7m loss a year earlier on higher fresh fruit bunches (FFB) production as well as average crude palm oil and palm kernel prices and higher milling margin. Moving forward, the group expects FFB production to grow in the financial year ending April 30, 2024 (FY2024) due to better age profile improvement in its Indonesian operations (Kalimantan and Sulawesi). (The Edge)

Plantation firm **Kim Loong Resources Bhd**'s net profit for the fourth quarter ended Jan 31, 2024 (4QFY2024) fell 32.09% to RM24.87m, from RM36.61m a year ago on weaker palm oil prices. Quarterly revenue also dropped 15.44% to RM365.16m from RM431.82m a year before. The planter declared a second interim single tier dividend of 5 sen per share, payable on May 15, 2024. Moving forward, the management targets to achieve at least 5% higher FFB production for the current financial year ending Jan 31, 2025 (FY2025), after taking into account the better age profile of young palm productive area and on-going replanting programme. (The Edge)

Malaysian property developer and packaging company **Scientex Bhd**'s net profit climbed 33% in the second quarter from a year earlier thanks to higher progress in billings and sales from new launches. Net profit for the three months ended Jan 31, 2024, rose to RM141.01m from RM106.29m a year earlier. Revenue for the quarter increased by 12% to RM1.09bn from RM978.39m. Looking ahead, Scientex remains optimistic about the resilient demand for affordable homes in FY2024, as the group aims to achieve the completion of 50,000 affordable homes by 2028 across seven states. Scientex's ongoing implementation of solar photovoltaic systems across its factories will help off-set high energy costs while advancing its sustainability efforts. (The Edge)

**MCE Holdings Bhd**, through its wholly-owned unit Multi-Code Electronics Industries (M) Bhd, has secured contracts to supply electronic and mechatronics parts for a Proton car model. The supply of these parts is slated to commence in the second quarter of the financial year ending July 31, 2025 (2QFY2025), spanning a duration of 84 months. The project is anticipated to generate a total revenue of RM55.19m for the MCE Group throughout the 84-month period, with an estimated total investment cost of RM650,000. (The Edge)

Furniture retailer **SSF Home Group Bhd** announced its maiden dividend of 0.5 sen per share or RM4m, as the group returned to profit in its third quarter ended Jan 31, 2024 (3QFY2024) on better revenue. Quarterly net profit came in at RM2m or 0.25 sen per share, on revenue of RM37.71m – up 20% QoQ from RM31.32m in 2QFY2024 – on higher sales during festive seasons. The latest quarter pushed SSF back to profit for the nine-month period ended Jan 31 (9MFY2024), with a bottom line of RM988,000 or 0.15 sen on revenue of RM108.34m. (The Edge)



**Glomac Bhd**'s net profit jumped by over 800% to RM3.81m for its third quarter ended Jan 31, 2024 (3QFY2024), from RM419,000 a year earlier, driven by higher revenue from its property development and property investment business. Quarterly revenue increased 35.38% to RM89.35m from RM66m last year. Moving forward, Glomac said it is cautiously optimistic about improvement in the property market. It will remain focused on the affordable and mid-market residential segments, where it has successfully built a strong brand with quality, innovative and digital lifestyle concepts products. (The Edge)

**Marine & General Bhd** (M&G) sold its oil products tanker, JM Sutera 5, to Kalianda Permata Transport Pte Ltd for US\$5.55m (about RM26.21m), to partly finance its fleet optimisation strategy. M&G, which owns 70% in vessel operator Jasa Merin (M) Sdn Bhd, said the cost of investment for the 16-year-old JM Sutera 5 – built in 2008 – was US\$5.42m, with the net carrying value recorded at US\$4.36m. (The Edge)

**TIME dotCom Bhd** said its chief financial officer (CFO) Shahnaz Farouque Jammal Ahmad is resigning from the position effective May 15 "to pursue other career opportunities". Shahnaz, 49, was appointed as the internet services group's CFO in October 2021. Prior to that he served as the CEO of CIMB group's wholesale banking, and before that as the banking group's CFO. TIME said it has appointed its deputy CFO, Karen Ding Ming Nyuk, as the group's acting CFO, effective May 15 "to ensure continuity of the office". (The Edge)

Oil and gas (O&G) services firm **Keyfield International Bhd**, which primarily charters accommodation vessels, has begun taking orders from investors for its Main Market initial public offering (IPO) that will raise up to RM188.06m. The IPO is priced at 90 sen apiece and comprises entirely of new shares. The company allocated 40m shares to the public, 24m shares to eligible persons and 144.96m shares to Bumiputera and selected investors through private placement. Applications for the IPO will close on April 3 and listing has been scheduled for April 22. Additionally, it plans to acquire new vessels to ride on the growing demand from local oil and gas firms and aims to strengthen its market share through the expansion of its fleet. (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	3.850	5.2%	Initiate on 4/3/2024
2	SUNCON	12-Mar	2.580	2.730	2.750	2.850	2.480	2.450	2.910	12.8%	Take profit on 22/3/2024
3	UZMA	15-Mar	1.210	1.270	1.350	1.410	1.140	1.120	1.270	5.0%	Initiate on 15/3/2024
4	DIALOG	22-Mar	2.250	2.400	2.450	2.550	2.140	2.120	2.260	0.4%	Initiate on 22/3/2024

## 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	1.75	5.4%	Initiate on 26/12/2023
2	CCK	26-Dec	0.840	0.950	1.000	-	0.805	0.760	1.03	22.6%	Initiate on 26/12/2023
3	INARI	26-Dec	2.979	3.300	3.450	-	2.860	2.750	3.23	8.4%	Initiate on 26/12/2023
4	ITMAX	26-Dec	1.801	1.950	2.000	-	1.760	1.700	2.29	27.2%	Initiate on 26/12/2023
5	KSL	26-Dec	1.130	1.210	1.300	-	0.995	1.070	1.49	31.9%	Initiate on 26/12/2023
6	MYEG	26-Dec	0.815	1.000	1.080	-	0.805	0.750	0.79	-3.1%	Initiate on 26/12/2023
7	NATGATE	26-Dec	1.550	1.760	1.850	-	1.480	1.350	1.61	3.9%	Initiate on 26/12/2023
8	OSK	26-Dec	1.230	1.300	1.350	-	1.150	1.100	1.49	21.1%	Initiate on 26/12/2023
9	PBBANK	26-Dec	4.151	4.410	4.500	-	4.170	4.060	4.25	2.4%	Initiate on 26/12/2023
10	SCGBHD	26-Dec	0.425	0.475	0.500	-	0.400	0.380	0.52	22.4%	Initiate on 26/12/2023
11	SUNCON	26-Dec	1.948	2.150	2.250	-	1.920	1.850	2.90	48.9%	Initiate on 26/12/2023
12	SWIFT	26-Dec	0.532	0.600	0.635	-	0.515	0.495	0.51	-4.1%	Initiate on 26/12/2023
13	TM	26-Dec	5.462	6.000	6.250	-	5.350	5.210	6.03	10.4%	Initiate on 26/12/2023
14	WCEHB	26-Dec	0.930	1.000	1.070	-	0.880	0.820	1.00	7.5%	Initiate on 26/12/2023
Average Return										14.6%	



## Technical Focus Tracker Summary

Total recommendations	372
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)	15.8%
Accuracy (2023)	46.3%
FBM KLCI (Since 30/12/2022)	2.9%
FBM Small Cap (Since 30/12/2022)	16.0%
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.

