

Friday, 05 Apr, 2024

## Building Material Segment Charging Higher

### Market Review

**Malaysia:** The FBMKLCI (+1.06%) ended higher, in line with the positive performance across the regional stock markets, as the index was led by Industrial Products, Utilities and Plantation heavyweights. On the broader market, the Industrial Products sector (+1.78%) gained, while the Technology sector (-0.32%) declined.

**Global markets:** Wall Street ended lower as investor sentiment dipped after the cautious comments from the Feds on the timing of the rate cuts, meanwhile traders will be eyeing the upcoming nonfarm payroll data. Both the European and Asian stock markets ended higher.

### The Day Ahead

The FBM KLCI turned stronger after a one-day sell-down, with the help of Industrial Products heavyweight like PMETAL. Also, we believe the market is focusing on the small caps and lower liners given the fresh 52-week high seen in FBM Small Cap. The US stock markets extended its negative performance observed on 3 of the major indices, each ending more than 1% loss. The market is pricing in further delays in the Fed's interest rate cuts as the inflationary may remain elevated amid the spike in oil prices. On the commodity front, Brent oil charged above USD91 contributed by the heightened geopolitical tension in the Middle East region. Besides, the CPO price is hovering above RM4,300, while the gold price is hovering along the 52-week high.

**Sectors focus:** Given the massive profit taking on Wall Street, sentiment may turn weaker on the local front, especially on the Technology stocks. However, we believe the focus will gain within the commodity-related sectors such as O&G, Plantation and Gold-related sectors supported by their respective firm underlying commodity prices. Also, we noticed Aluminium and Steel stocks are gaining momentum in tandem with the recent bullish tone in the Construction and Property sectors.

### FBMKLCI Technical Outlook



Bloomberg

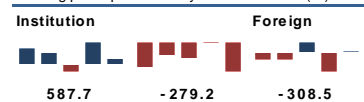
The FBM KLCI index ended higher. The technical readings on the key index were positive, with the MACD Histogram extending another positive bar, while the RSI broke above 50. The resistance is envisaged around 1,570-1,575 and the support is set at 1,535-1,540.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,596.98	-1.35
S&P 500	5,147.21	-1.23
NASDAQ	16,049.08	-1.40
FBM KLCI	1553.24	1.06
FBM Small Cap	17,673.50	0.97
FBM ACE	4,996.55	0.84
Construction	223.31	0.33
Consumer	582.08	0.45
Energy	980.73	1.52
Financial Services	17,295.77	0.84
Healthcare	1985.45	0.47
Ind Products	183.12	1.78
Plantation	7,406.49	1.30
Property	1004.11	0.75
REITs	85.32	0.12
Technology	64.69	-0.32
Telco & Media	593.79	0.11
Transport & Logist	10,15.68	0.76
Utilities	1565.44	0.44
Trading Vol (m)	3,362.20	-21.9
Trading Val (RM m)	2,683.86	-6.72
Gainers/ Losers rat	202%	
FKLI	1552.50	0.06
FCPO (RM)	4,356.00	-1.00
Brent oil (USD)	90.65	1.45
Gold (USD)	2,290.94	0.00
USD	4.7402	0.33
GBP	6.0033	-0.40
EURO	5.1472	-0.51
SGD	3.519	-0.05

Trading participation 5-day trend and value (m)



Source: Bloomberg, Bursa Market Place



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## Company Brief

Johor-based property developer **Crescendo Corp Bhd** said its wholly-owned subsidiary, Panoramic Industrial Development Sdn Bhd (PID) has entered into a conditional sale and purchase agreement with Microsoft Payments (Malaysia) Sdn Bhd for the sale of a vacant parcel of freehold land measuring 1.1m sq ft in Pulau, Johor, for RM132.47m, or RM120 per sq ft. This transaction follows Crescendo's prior disposal of three vacant pieces of land measuring 2.62m sq ft in the vicinity to Microsoft Payments for RM315.17m, cash, last November. Crescendo intends to utilise the net cash proceeds of RM127.7m for debt repayment, working capital and related exercise expenses. (The Edge)

**MN Holdings Bhd** (MNHB) has secured a contract valued at RM25.96m for engineering, procurement, construction and commissioning work for a large-scale solar photovoltaic plant in Kulim, Kedah. The contract was awarded to its wholly-owned subsidiary, MN Power Transmission Sdn Bhd, by Samaiden Sdn Bhd, a subsidiary of Samaiden Group Bhd. It involves establishing new step-up station interconnection facilities for the solar substation and extending 132kV interconnection facilities at the existing 132kV NUR power station for NUR Renewables Sdn Bhd. The contract is scheduled to last 11 months, commencing on April 1. (The Edge)

**Axiata Group Bhd**, Malaysia's largest wireless carrier by revenue, announced on Thursday its plan to sell its Myanmar tower business for US\$150m, approximately RM713m, as part of its exit strategy from the Southeast Asian country. Axiata's subsidiary, edotco Group Sdn Bhd, will sell its entire 87.5% stake in edotco Investments Singapore Pte Ltd, which serves as the investment holding company for its Myanmar ventures. The decision to divest was attributed to the worsening macroeconomic and operating conditions in Myanmar. However, the buyer of Axiata's Myanmar business was not disclosed. (The Edge)

**Sapura Energy Bhd** has secured a contract to provide pan-Malaysia underwater services for the Petronas group of companies and petroleum arrangement contractors. The contract, awarded by Sarawak Shell Bhd and Sabah Shell Petroleum Company Ltd to its subsidiary Sapura Subsea Services Sdn Bhd, is a call-out contract with agreed unit rates. Although the contract value was not disclosed, it is valid for five years from Jan 31, 2024. The scope of work includes providing diving support vessels, air and saturation diving systems, remotely operated vehicles and other underwater services. (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	3.830	4.6%	Initiate on 4/3/2024
2	UZMA	15-Mar	1.210	1.270	1.350	1.410	1.140	1.120	1.340	10.7%	Initiate on 15/3/2024
3	DIALOG	22-Mar	2.250	2.400	2.450	2.550	2.140	2.120	2.370	5.3%	Initiate on 22/3/2024
4	KGB	27-Mar	2.740	2.900	2.950	3.000	2.620	2.600	2.660	-2.9%	Initiate on 27/3/2024
5	TRC	3-Apr	0.510	0.530	0.540	0.560	0.465	0.460	0.500	-2.0%	Initiate on 3/4/2024



## Market Chat Tracker – 2Q24 Stock Picks

2Q24 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	1-Apr	1.750	1.920	2.050	-	1.690	1.630	1.77	1.1%	Initiate on 1/4/2024
2	CSCSTEL	1-Apr	1.350	1.470	1.570	-	1.320	1.270	1.39	3.0%	Initiate on 1/4/2024
3	E&O	1-Apr	1.050	1.230	1.300	-	0.970	0.900	1.04	-1.0%	Initiate on 1/4/2024
4	GASMSIA	1-Apr	3.470	3.720	3.860	-	3.260	3.130	3.49	0.6%	Initiate on 1/4/2024
5	HSSEB	1-Apr	1.160	1.270	1.370	-	1.090	1.010	1.04	-10.3%	Initiate on 1/4/2024
6	MBMR	1-Apr	4.640	4.990	5.180	-	4.470	4.340	4.88	5.2%	Initiate on 1/4/2024
7	MBSB	1-Apr	0.800	0.905	0.950	-	0.780	0.750	0.79	-1.9%	Initiate on 1/4/2024
8	MPI	1-Apr	31.180	34.000	36.000	-	30.000	28.300	31.70	1.7%	Initiate on 1/4/2024
9	PIE	1-Apr	3.560	3.900	4.100	-	3.480	3.350	3.69	3.7%	Initiate on 1/4/2024
10	SPRITZER	1-Apr	2.240	2.390	2.490	-	2.170	2.100	2.20	-1.8%	Initiate on 1/4/2024
11	TAANN	1-Apr	4.030	4.310	4.500	-	3.910	3.730	4.09	1.5%	Initiate on 1/4/2024
12	TDM	1-Apr	0.280	0.325	0.355	-	0.240	0.215	0.33	16.1%	Initiate on 1/4/2024
13	UNISEM	1-Apr	3.840	4.100	4.350	-	3.700	3.550	3.73	-2.9%	Initiate on 1/4/2024
Average Return										1.1%	

Technical Focus Tracker Summary	
Total recommendations	374
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)	15.6%
Accuracy (2023)	45.2%
FBM KLCI (Since 30/12/2022)	3.9%
FBM Small Cap (Since 30/12/2022)	18.4%
Malaysia GDP Growth (1H23)	4.2%

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