

Tuesday, 09 Apr, 2024

Softer Trading Activities Ahead Of Public Holiday

Market Review

Malaysia: The FBMKLCI (+0.30%) ended higher, in line with the positive performance across the regional stock markets, as the index was led by Utilities and Banking heavyweights. On the broader market, the Utilities sector (+1.01%) gained, while the Energy sector (-0.62%) declined.

Global markets: Wall Street ended flat as investors awaiting fresh catalysts from the upcoming CPI data and first quarter earnings. Both the European and Asian stock markets ended higher, the latter with CSI being the sole loser as investors traded cautiously ahead of the Chinese inflation data due on Friday.

The Day Ahead

The FBM KLCI started another week on a solid tone supported by the buying interest within the Utilities heavyweight, while the FBM Small Cap hovered around its 52-week high zone. However, Wall Street closed mixed as the US Treasury yield hit 4-month high and the market is trading cautiously ahead of a few significant economic data such as (i) CPI (Tue), (ii) PPI (Thu), (iii) jobs data (Thu) as well as the FOMC meeting minutes (Wed). These data will likely to shape the interest rate direction going forward. On the commodity front, Brent oil price fluctuate along USD88-91, steadied near USD91 zone. Meanwhile, CPO price ended slightly below RM4,280, while gold price is hovering above USD2,300.

Sectors focus: Given the mixed sentiment from Wall Street, trading activities will be softer at least for this week amid a shortened trading week. Nevertheless, we believe traders will focus on the Utilities as the data centre investments could drive electricity demand going forward. Meanwhile, we like the Construction, Building Material and Property sectors with the expectations of more mega infrastructure projects to be announced this year. Also, we favour commodity-related stocks under the Plantation, O&G and Gold segments.

FBMKLCI Technical Outlook



Bloomberg

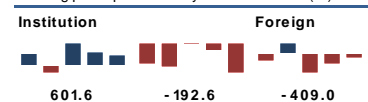
The FBM KLCI index ended higher for the 3rd consecutive day. The technical readings on the key index were positive, with the MACD Histogram extending another positive bar, while the RSI maintains above 50. The resistance is envisaged around 1,565-1,570 and the support is set at 1,540-1,545.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,892.80	-0.03
S&P 500	5,202.39	-0.04
NASDAQ	16,253.96	0.03
FBM KLCI	1559.98	0.30
FBM Small Cap	17,632.02	-0.01
FBM ACE	4,980.84	-0.02
Construction	223.58	0.54
Consumer	584.94	0.47
Energy	96148	-0.62
Financial Services	17,304.97	0.38
Healthcare	2,001.6	0.43
Ind Products	184.41	-0.35
Plantation	7,481.05	0.28
Property	1018.98	1.00
REITs	87.41	-0.17
Technology	64.46	-0.09
Telco & Media	596.03	-0.18
Transport & Logist	1010.79	-0.48
Utilities	1573.33	1.01
Trading Vol (m)	3,968.52	-199
Trading Val (RM m)	2,330.88	-13.04
Gainers/ Losers rat	108%	
FKLI	1560.50	0.00
FCPO (RM)	4,280.00	-0.35
Brent oil (USD)	90.38	-0.87
Gold (USD)	2,339.03	0.00
USD	4.7525	-0.11
GBP	6.0008	-0.04
EURO	5.1464	-0.02
SGD	3.5222	0.00

Trading participation 5-day trend and value (m)



Source: Bloomberg, Bursa Market Place



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Company Brief

Sunzen Biotech Bhd has initiated the closure of its loss-making animal health division to reduce costs and bolster profitability, focusing instead on its human health and loan financing segments. Despite management efforts, the animal health division has faced persistent losses due to challenging market conditions. While the division recorded revenue of RM4.78m, it suffered a loss before tax of RM4.76m in the 12-month financial period ended Dec 31, 2023 (12MFY2024). The group emphasised that the discontinuation of its animal health division is necessary for the company's financial health and in the best interest of shareholders. (The Edge)

NationGate Holdings Bhd, an electronic manufacturing services company listed on the ACE Market since January 2023, intends to transfer its listing status to the Main Market of Bursa Malaysia. Meeting requirements set by the Securities Commission Malaysia, including equity and public shareholdings, along with demonstrating a healthy financial performance, NationGate aims to enhance its prestige and reputation, garnering greater recognition and acceptance among investors, particularly institutional ones. (The Edge)

After winning RM231.55m in its lawsuit against the government over the termination of the RM3.5bn National Immigration Control System (SKIN) project, **AwanBiru Technology Bhd's** (Awantec) wholly-owned unit Prestaring Skin Sdn Bhd (PSKIN) has filed an appeal against the High Court's decision. This latest appeal contrasts with Awantec's stance following the court win in March, as the group had expressed closure on the matter. However, when approached, the group declined to comment, citing limitations on information it can disclose beyond the official announcement. (The Edge)

Inta Bina Group Bhd has secured a contract worth RM348.92m for a mixed development project in Shah Alam, Selangor. The project, named Maya Integrated Development, will be undertaken by Inta Bina Sdn Bhd, a wholly-owned subsidiary of the company. The project's first phase will include the construction of commercial shop lots, an office tower, a podium car park and facilities deck for Tower A, while the second phase will involve the construction of serviced apartments in Towers A and B, along with facilities deck for Tower B. The company plans to finance the project through a combination of internally generated funds and external borrowings. (The Edge)

Sarawak Consolidated Industries Bhd (SCIB) has accepted a revised contract worth RM162m for the construction of high-rise residential units in Kota Bharu, Kelantan, under the PR1MA Corp Malaysia affordable homes scheme. The agreement follows the company's unit SCIB Properties Sdn Bhd's novation agreement with AUEI Teras Holding Sdn Bhd on April 5, appointing another unit, SCIB Industrialised Building System Sdn Bhd (SIBS), as the main contractor. SCIB anticipates positive contributions to future earnings from the revised contract. (The Edge)

Datuk Kang Pang Kiang, CEO of **EG Industries Bhd**, has acquired a 12.11% stake in **Eduspec Holdings Bhd**, making him a substantial shareholder. Kang purchased 24m shares of Eduspec, valued at approximately RM2.88m. With this acquisition, Kang now holds a total of 142.26m shares in Eduspec. Besides Kang, Datuk Seri Gan Chow Tee is the only other substantial shareholder in Eduspec, with a 7.65% stake. (The Edge)

Hong Seng Consolidated Bhd (HSCB) has appointed Francis Leong Seng Wui as executive director, effective immediately. Leong, 44, currently holds the position of executive director at Revenue Group Bhd and has previously served in similar roles at Green Packet Bhd and Classita Holdings Bhd. Additionally, Leong recently became a substantial shareholder in HSCB after acquiring 163.73m shares through a direct business transaction, resulting in a total stake of 5.09% in the company. (The Edge)



Meridian Bhd was designated as a Practice Note 17 (PN17) affected listed issuer due to a disclaimer of opinion expressed by its external auditor in the audited financial statements for the period ending Sept 30, 2023. The disclaimer indicated that the auditor cannot form an opinion on the company's financials. The auditor, Jamal, Amin & Partners, cited insufficient evidence in the cash flow projections made by Meridian's management regarding the company's ability to continue operating. (The Edge)

Aeon Credit Service (M) Bhd reported a 24.7% increase in net profit to RM118.92m for the fourth quarter ended Feb 29, 2024 (4QFY2024), driven by higher revenue, with earnings per share rising to 22.32 sen. Revenue rose 15.9% to RM501.58m, attributed to stronger loan and financing growth. A final dividend of 14 sen was declared, bringing the total dividend payout for FY2024 to 42.5 sen. However, full-year net profit showed only a marginal growth of 1.5%, reaching RM424.02m, while revenue increased by 16.6% to RM1.91bn. (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	3.910	6.8%	Initiate on 4/3/2024
2	UZMA	15-Mar	1.210	1.270	1.350	1.410	1.140	1.120	1.270	5.0%	Initiate on 15/3/2024
3	DIALOG	22-Mar	2.250	2.400	2.450	2.550	2.140	2.120	2.360	4.9%	Initiate on 22/3/2024
4	KGB	27-Mar	2.740	2.900	2.950	3.000	2.620	2.600	2.730	-0.4%	Initiate on 27/3/2024
5	TRC	3-Apr	0.510	0.530	0.540	0.560	0.465	0.460	0.490	-3.9%	Initiate on 3/4/2024
6	OCK	5-Apr	0.605	0.660	0.670	0.690	0.580	0.570	0.605	0.0%	Initiate on 5/4/2024
7	TAANN	8-Apr	4.120	4.450	4.500	4.600	4.000	3.950	4.290	4.1%	Initiate on 8/4/2024

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	1.76	0.6%	Initiate on 1/4/2024
2	CSCSTEL	1-Apr	1.350	1.470	1.570	-	1.320	1.270	1.38	2.2%	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	3.52	1.4%	Initiate on 1/4/2024
5	HSSEB	1-Apr	1.160	1.270	1.370	-	1.090	1.010	1.01	-12.9%	Initiate on 1/4/2024
6	MBMR	1-Apr	4.640	4.990	5.180	-	4.470	4.340	4.93	6.3%	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	31.32	0.4%	Initiate on 1/4/2024
9	PIE	1-Apr	3.560	3.900	4.100	-	3.480	3.350	3.79	6.5%	Initiate on 1/4/2024
10	SPRITZER	1-Apr	2.240	2.390	2.490	-	2.170	2.100	2.22	-0.9%	Initiate on 1/4/2024
11	TAANN	1-Apr	4.030	4.310	4.500	-	3.910	3.730	4.29	6.5%	Initiate on 1/4/2024
12	TDM	1-Apr	0.280	0.325	0.355	-	0.240	0.215	0.30	7.1%	Initiate on 1/4/2024
13	UNISEM	1-Apr	3.840	4.100	4.350	-	3.700	3.550	3.65	-4.9%	Initiate on 1/4/2024
Average Return										0.7%	

Technical Focus Tracker Summary

Total recommendations	376
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)	15.9%
Accuracy (2023)	44.2%
FBM KLCI (Since 30/12/2022)	4.3%
FBM Small Cap (Since 30/12/2022)	18.1%
Malaysia GDP Growth (1H23)	4.2%



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