

Monday, 15 Apr, 2024

Geopolitical Tension May Dampen Sentiment

Market Review

Malaysia: The FBMKLCI (-0.16%) ended lower, in line with the negative performance across the regional stock markets, as the index was dragged by Utilities and Telco heavyweights. On the broader market, the Property sector (+1.74%) gained, while the Utilities sector (-0.42%) declined.

Global markets: Wall Street closed lower as geopolitical tensions in the middle east dragged investors sentiment, coupled with the uncertainty on rate cuts due to persistent inflation levels and a selloff in Banking stocks. The European stock markets ended higher, while Asia declined as China's export levels in March fell.

The Day Ahead

Last Friday, more selling was seen in the FBM KLCI, contributing to the 2-day decline, but the FBM Small Cap made a fresh 52-week high as the buying interest extended on small cap stocks after a 2-day break. However, the US stock markets ended on a negative tone across the board amid persistent inflationary pressure and rising geopolitical tensions. This week, we believe the market could turn weaker amid concerns over Iran, which might retaliate further and may provide uncertainty towards the stock markets. On the commodity front, Brent oil price traded along USD90, while gold price traded along USD2300-2400 on the back of heightened geopolitical risk. The CPO price managed to form a rebound along RM4230 zone.

Sectors focus: Given the flattish earnings from the US Banking corporates, we believe the focus could be on the inflationary pressure and Middle East worries. The traders could shift their attention towards defensive sectors such as Utilities and Consumer. Meanwhile, the commodity-related such as O&G, Plantation and Gold may extend their upward trend for now. Besides, we like the ongoing domestic catalysts that are revolving along the infrastructure-theme and this may provide upside towards the Construction, Building Material and Property sectors.

FBMKLCI Technical Outlook



Bloomberg

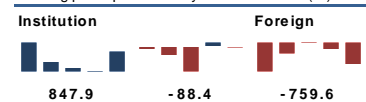
The FBM KLCI index ended lower for the 2nd consecutive day. However, the technical readings on the key index were positive, with the MACD Histogram extending another positive bar, while the RSI maintains above 50. The resistance is envisaged around 1,565-1,570 and the support is set at 1,535-1,540.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	37,983.24	-1.24
S&P 500	5,123.41	-1.46
NASDAQ	16,175.09	-1.62
FBM KLCI	1551.04	-0.16
FBM Small Cap	17,771.26	0.63
FBM ACE	5,100.12	1.78
Construction	223.25	0.37
Consumer	585.45	-0.14
Energy	969.09	-0.19
Financial Services	17,271.80	0.16
Healthcare	1986.97	-0.12
Ind Products	184.66	0.46
Plantation	7,470.69	-0.11
Property	1033.72	1.74
REITs	817.73	-0.18
Technology	64.96	0.54
Telco & Media	595.18	-0.22
Transport & Logist	1017.95	0.43
Utilities	1559.72	-0.42
Trading Vol (m)	3,880.56	12.05
Trading Val (RM m)	2,996.10	45.18
Gainers/ Losers rat	116%	
FKLI	1550.50	-0.32
FCPO (RM)	4,282.00	-0.83
Brent oil (USD)	90.45	-0.24
Gold (USD)	2,344.37	0.64
USD	4.7705	-0.48
GBP	5.9624	0.93
EURO	5.0856	1.35
SGD	3.5118	0.57

Trading participation 5-day trend and value (m)



Source: Bloomberg, Bursa Market Place



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Company Brief

Bahvest Resources Bhd's subsidiary, Wullersdorf Resources Sdn Bhd, has obtained approval from the federal government's mining regulator, the Department of Mineral and Geoscience Malaysia (JMG), for its gold mining operations in Tawau, Sabah. This approval, granted under Section 10 of the Mineral Development Act 1994 (MDA), complements the previous approval from the Sabah state government under Section 18(d) of the Sabah Mining Ordinance 1960. (The Edge)

Nextgreen IOI Pulp Sdn Bhd (NIP), a joint venture between **Nextgreen Global Bhd** and **IOI Corp Bhd**, is partnering with Chinese firm Xiamen C&D Paper & Pulp Group Co Ltd (Xiamen C&D), a wholly-owned subsidiary of Xiamen C&D Inc under Xiamen C&D Corp Ltd, a Fortune 500 company, to develop a RM600m paper pulp plant in Pekan, Pahang. Under the MOU, NIP and Xiamen C&D will establish a joint venture company (JVco), with NIP holding a 75% stake. The facility, utilizing Nextgreen Global's patented technology, will produce 100,000 tonnes of paper pulp annually from oil palm empty fruit bunches. NIP will lead feasibility studies and project preparation, while Xiamen C&D will support business development and manage off-take. (The Edge)

Amanahraya Trustees Bhd, the trustee of Amanah Saham Bumiputera (ASB), reduced its stake in property developer **S P Setia Bhd** by selling 100m shares on April 8, cutting its stake from 24.54% to 22.37%. The off-market trade was executed at RM1.41 per share, representing a 2.76% discount compared with the closing price on April 8. ASB remains the second-largest shareholder in S P Setia, behind Permodalan Nasional Bhd. ASB has been trimming its stake since the beginning of the year, with net disposals totaling 100.92m shares. Additionally, ASB converted some of its Class C Islamic Redeemable Convertible Preference shares into ordinary shares on April 5. (The Edge)

Yinson Holdings Bhd, an oil-and-gas services firm, is considering a potential bond issue of up to US\$500m (RM2.37bn). The company has enlisted Nordic investment banks DNB Markets and Pareto Securities, along with ABG Sundal Collier ASA, to arrange meetings with fixed-income investors. The proceeds from the proposed bond issue will be utilized for refinancing existing debt and general corporate purposes. Yinson's total borrowings stood at RM16.32bn as of end-January, with a net gearing ratio of 1.66 times, up from 1.23 times a year ago. (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	3.980	8.7%	Initiate on 4/3/2024
2	UZMA	15-Mar	1.210	1.270	1.350	1.410	1.140	1.120	1.280	5.8%	Initiate on 15/3/2024
3	DIALOG	22-Mar	2.250	2.400	2.450	2.550	2.140	2.120	2.320	3.1%	Initiate on 22/3/2024
4	KGB	27-Mar	2.740	2.900	2.950	3.000	2.620	2.600	2.670	-2.6%	Initiate on 27/3/2024
5	TRC	3-Apr	0.510	0.530	0.540	0.560	0.465	0.460	0.510	0.0%	Initiate on 3/4/2024
6	OCK	5-Apr	0.605	0.660	0.670	0.690	0.580	0.570	0.610	0.8%	Initiate on 5/4/2024
7	TAANN	8-Apr	4.120	4.450	4.500	4.600	4.000	3.950	4.260	3.4%	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	1.80	2.9%	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	1.05	0.0%	Initiate on 1/4/2024
4	GASMSIA	1-Apr	3.470	3.720	3.860	-	3.260	3.130	3.58	3.2%	Initiate on 1/4/2024
5	HSSEB	1-Apr	1.160	1.270	1.370	-	1.090	1.010	0.99	-14.7%	Initiate on 1/4/2024
6	MBMR	1-Apr	4.640	4.990	5.180	-	4.470	4.340	4.86	4.7%	Initiate on 1/4/2024
7	MBSB	1-Apr	0.800	0.905	0.950	-	0.780	0.750	0.78	-2.5%	Initiate on 1/4/2024
8	MPI	1-Apr	31.180	34.000	36.000	-	30.000	28.300	31.38	0.6%	Initiate on 1/4/2024
9	PIE	1-Apr	3.560	3.900	4.100	-	3.480	3.350	3.82	7.3%	Initiate on 1/4/2024
10	SPRITZER	1-Apr	2.240	2.390	2.490	-	2.170	2.100	2.30	2.7%	Initiate on 1/4/2024
11	TAANN	1-Apr	4.030	4.310	4.500	-	3.910	3.730	4.26	5.7%	Initiate on 1/4/2024
12	TDM	1-Apr	0.280	0.325	0.355	-	0.240	0.215	0.31	8.9%	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										1.4%	



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)	3.7%
FBM Small Cap (Since 30/12/2022)	19.1%
Malaysia GDP Growth (1H23)	4.2%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
FRONTKN (0128)	Interim	RM0.02	22/2/2024	15/4/2024	RM3.72	RM3.98	0.6	7.0
VS (6963)	Interim	RM0.00	27/3/2024	15/4/2024	RM0.83	RM0.89	0.3	6.4
SUPERLN (7235)	Interim	RM0.01	22/3/2024	15/4/2024	RM0.93	RM1.15	1.1	23.7
RKI (7006)	Interim	RM0.01	21/2/2024	15/4/2024	RM1.29	RM1.37	0.7	6.1
CEPAT (8982)	Final + Special Cash	RM0.04	22/3/2024	9/4/2024	RM0.75	RM0.82	4.9	9.4
HANDAL (7253)	Bonus-Options	1:2	29/3/2024	15/4/2024	RM0.09	RM0.10	-	11.8
JAYCORP (7152)	Interim	RM0.02	21/3/2024	15/4/2024	RM0.71	RM0.76	2.6	6.9
MCEHLDG (7004)	Interim	RM0.02	26/3/2024	15/4/2024	RM1.68	RM1.61	0.9	-4.4
CETECH (03024)	Interim	RM0.00	29/3/2024	15/4/2024	RM1.15	RM1.15	0.0	0.0
KPS (5843)	Special Cash	RM0.05	26/3/2024	15/4/2024	RM0.73	RM0.81	5.6	10.0
SIMEPROP (5288)	Interim	RM0.02	23/2/2024	15/4/2024	RM0.78	RM0.95	1.6	20.8
GHLSYS (0021)	Final	RM0.02	27/3/2024	15/4/2024	RM0.62	RM0.66	3.1	6.3
UMSNGB (7227)	Interim + Special Cash	RM0.13	26/2/2024	15/4/2024	RM0.94	RM1.20	10.8	27.7
PTRB (0260)	Interim	RM0.01	27/3/2024	16/4/2024	RM0.45	RM0.52	1.3	16.9
BAUTO (5248)	Interim	RM0.04	13/3/2024	17/4/2024	RM2.48	RM2.46	1.7	-0.8
MHC (5026)	Interim + Special Cash	RM0.06	29/3/2024	17/4/2024	RM1.03	RM1.08	5.6	4.9
JIANKUN (8923)	Bonus-Options	1:2	1/4/2024	17/4/2024	RM0.18	RM0.18	-	0.0
LAGENDA (7179)	Interim	RM0.04	28/2/2024	17/4/2024	RM1.45	RM1.52	2.3	4.8
NESTLE (4707)	Interim	RM1.28	27/2/2024	17/4/2024	RM121.50	RM122.90	1.0	1.2
POHUAT (7088)	Final	RM0.02	6/2/2024	18/4/2024	RM1.41	RM1.51	1.3	7.1
RHBBANK (1066)	Interim	RM0.25	3/4/2024	18/4/2024	RM5.66	RM5.77	4.3	1.9
MASTER (7029)	Interim	RM0.08	29/3/2024	19/4/2024	RM3.62	RM3.75	2.1	3.6
SSB8 (0045)	Interim	RM0.01	3/4/2024	19/4/2024	RM0.36	RM0.38	2.6	5.6
HAILY (0237)	Interim	RM0.01	27/3/2024	19/4/2024	RM0.44	RM0.57	1.2	29.9
OSK (5053)	Final	RM0.04	22/2/2024	22/4/2024	RM1.53	RM1.53	2.6	0.0
TSH (9059)	Final	RM0.03	22/2/2024	22/4/2024	RM1.11	RM1.17	2.1	5.4
VSTEC5 (5162)	Interim	RM0.04	27/2/2024	23/4/2024	RM1.50	RM2.73	1.5	82.0
VELESTO (5243)	Interim	RM0.00	27/2/2024	24/4/2024	RM0.27	RM0.28	0.9	3.8
KMLOONG (5027)	Interim	RM0.05	26/3/2024	24/4/2024	RM2.17	RM2.27	2.2	4.6
CRESNDO (6718)	Interim + Special Cash	RM0.18	27/3/2024	24/4/2024	RM2.81	RM3.65	4.9	29.9
EDGENTA (1368)	Interim	RM0.02	28/2/2024	24/4/2024	RM1.00	RM0.97	2.1	-3.0
CHINWEL (5007)	Omitted	RM0.00	27/2/2024	25/4/2024	RM1.22	RM1.21	0.0	-0.8
UTDPLT (2089)	Final	RM1.10	26/2/2024	26/4/2024	RM20.92	RM24.80	4.4	18.5
WILLOW (0008)	Final	RM0.02	28/2/2024	29/4/2024	RM0.35	RM0.38	4.0	7.1
UEMS (5148)	Interim	RM0.01	27/2/2024	29/4/2024	RM1.04	RM1.17	0.6	12.5
MALAKOF (5264)	Final	RM0.02	25/3/2024	29/4/2024	RM0.63	RM0.64	2.3	1.6
MRCB (1651)	Final	RM0.01	29/2/2024	30/4/2024	RM0.59	RM0.72	1.4	22.2
ASIAFL (7129)	Interim	RM0.04	29/2/2024	30/4/2024	RM2.20	RM2.26	1.5	2.7
SNS (0259)	Interim	RM0.00	26/3/2024	2/5/2024	RM0.28	RM0.41	0.6	49.1
PTRANS (0186)	Interim	RM0.01	22/2/2024	2/5/2024	RM0.84	RM0.76	1.0	-9.5
IDEAL (9687)	Interim	RM0.02	29/2/2024	2/5/2024	RM3.50	RM3.10	0.6	-11.4
SIMPLET (5285)	Final	RM0.06	22/2/2024	3/5/2024	RM4.50	RM4.51	1.3	0.2
MAHSING (8583)	Final	RM0.04	27/2/2024	9/5/2024	RM0.96	RM1.31	3.1	37.2
VIS (0120)	Final	RM0.01	21/12/2023	9/5/2024	RM0.41	RM0.39	2.6	-4.9
OKA (7140)	Interim	RM0.01	28/2/2024	10/5/2024	RM0.74	RM0.71	1.6	-4.1
SENHENG (5305)	Interim	RM0.01	5/4/2024	14/5/2024	RM0.32	RM0.31	1.6	-1.6
AHEALTH (7090)	Final + Special Cash	RM0.23	21/2/2024	15/5/2024	RM3.01	RM3.04	7.4	1.0
YXPM (0250)	Final	RM0.01	2/4/2024	16/5/2024	RM0.28	RM0.29	2.8	5.5
PPB (4065)	Final	RM0.30	28/2/2024	20/5/2024	RM15.32	RM15.80	1.9	3.1
DUFU (7233)	Final	RM0.02	27/2/2024	29/5/2024	RM1.83	RM2.22	0.9	21.3
GASMSIA (5209)	Final	RM0.09	25/3/2024	30/5/2024	RM3.40	RM3.58	2.4	5.3
KSENG (3476)	Final + Special Cash	RM0.10	5/4/2024	31/5/2024	RM5.84	RM5.76	1.7	-1.4
KPS (5843)	Final	RM0.01	26/3/2024	31/5/2024	RM0.73	RM0.81	1.2	10.0
MSNIAGA (5011)	Final	RM0.03	29/2/2024	5/6/2024	RM1.49	RM1.51	1.7	1.3
CARLSBG (2836)	Final	RM0.31	21/3/2024	7/6/2024	RM18.62	RM18.84	1.6	1.2
SHANG (5517)	Final	RM0.07	28/2/2024	13/6/2024	RM2.18	RM2.28	3.1	4.6
OSKVI (0053)	Final	RM0.02	26/2/2024	14/6/2024	RM0.59	RM0.64	3.1	8.5
LEONFB (5232)	Final	RM0.02	9/4/2024	27/6/2024	RM0.55	RM0.56	2.7	0.9
NATGATE (0270)	Final	RM0.00	29/2/2024	2/7/2024	RM1.41	RM1.60	0.2	13.5
AEONCR (5139)	Final	RM0.14	8/4/2024	4/7/2024	RM6.61	RM6.95	2.0	5.1
GOPENG (2135)	Final	RM0.01	4/4/2024	16/7/2024	RM0.34	RM0.35	2.9	1.5

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