

Wednesday, 24 Apr, 2024

## Positive Sentiment To Persist

### Market Review

**Malaysia:** The FBMKLCI (+0.13%) ended higher, supported by banking and healthcare heavyweights as the sentiment is still lifted by China keeping benchmark lending rates unchanged and stronger medical demand, respectively. On the broader market, the Healthcare sector (+1.48%) was the leading sector.

**Global markets:** Wall Street closed firmer with more companies beating consensus. Also, Tesla jumped in post market trades after Elon Musk guided towards “more affordable” EV by 2025 despite missing estimates. Both the European and Asian stock market ended higher, as business activity was positive in Japan and India.

### The Day Ahead

The FBM KLCI ended higher for the fifth session, supported by banking heavyweights and broke above the 1,560 level for the key index. Similarly, positive sentiment was observed in the US stock markets as geopolitical tension faded in the Middle East and traders shifted their attention to the more positive corporate earnings season. Post market, Tesla gapped up despite results that came in weaker-than-expectation as Elon Musk aims to start producing affordable new EV by 2025. With the rebound in Wall Street, buying interest may spillover towards stocks on the local front. On the commodity markets, Brent oil rebounded above USD88, while gold price maintained around USD2320. Besides, the CPO rebounded for the second session and traded nearer to the RM4000 level.

**Sectors focus:** Following the KL20 summit, buying interest were noticed and we expect the momentum could sustain at least for the near term within the Technology sectors with the aim that Malaysia will become the chip powerhouse in the SEA region, while the attention may spill over towards Construction, Property, Utilities and Building Materials segment. Meanwhile, traders may look into aviation and hospitality themes as MAHB passenger traffic continued to recover in 1Q24.

### FBMKLCI Technical Outlook



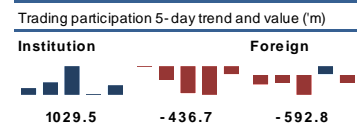
Bloomberg

The FBM KLCI index ended higher for the fifth consecutive day. The technical readings on the key index were positive, with the MACD Histogram extending the first positive bar, while the RSI maintains above 50. The resistance is envisaged around 1,575-1,580 and the support is set at 1,540-1,545.

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

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	38,503.69	0.69
S&P 500	5,070.55	1.20
NASDAQ	15,696.64	1.59
FBM KLCI	1,561.64	0.13
FBM Small Cap	17,476.03	0.58
FBM ACE	4,958.15	0.58
Construction	218.51	1.08
Consumer	585.04	0.41
Energy	969.16	-0.30
Financial Services	17,355.35	0.50
Healthcare	1,982.15	1.48
Ind Products	185.56	0.26
Plantation	7,383.95	-0.43
Property	993.12	0.17
REITs	8217.3	0.25
Technology	63.18	0.78
Telco & Media	585.59	-0.19
Transport & Logist	1,011.33	-0.20
Utilities	1,585.24	0.16
Trading Vol (m)	3,729.99	6.74
Trading Val (RM m)	2,792.09	10.36
Gainers/ Losers rat	16%	
FKLI	1,563.00	0.13
FCPO (RM)	3,992.00	0.53
Brent oil (USD)	88.42	1.63
Gold (USD)	2,322.02	-0.01
USD	4,780.3	-0.07
GBP	5,908.6	-0.19
EURO	5,095.5	-0.16
SGD	3,507.8	-0.07



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

**KomarkCorp Bhd**, which lost its defamation suit against The Edge Communications Sdn Bhd in the High Court last month, is appealing against the court's decision, which found that the media company had not defamed it in an article about the manipulation of penny stocks that was published nearly three years ago. It said it had filed a notice of appeal on April 22. (The Edge)

Newly-listed **Topmix Bhd** marked a premium of 11 sen or 35.48% against its initial public offering (IPO) price of 31 sen to close at 42 sen, with 124.78m shares traded on its maiden trading day. At 42 sen apiece, the surface decorative company's market capitalisation stood at RM165.42m. Looking ahead, the company expects its expansion in the northern region of Peninsular Malaysia to boost its earnings growth. (The Edge)

While the opening of The Exchange TRX is anticipated to intensify competition in the malls sector, **Pavilion Real Estate Investment Trust** (PavREIT) said footfalls at its malls nearby – Pavilion KL and the connected Pavilion Elite – remain unaffected, and they are still enjoying over 95% occupancy rates. Pavilion KL and the Pavilion Elite remained PavREIT's largest earnings contributors, accounting for about 77% and 10.3% respectively of its full FY2023 net property income (NPI) of RM459.11m. (The Edge)

**Axis Real Estate Investment Trust** (Axis REIT) reported a 39.5% surge in its net trust income for the first quarter ended March 31, 2024 to RM42.27m from RM30.3m a year earlier, attributable to post-development contributions from Bukit Raja Distribution Centre 2, and new tenancies in its Shah Alam Distribution Centre 3. Property income climbed 7.6% year-on-year to RM75.54m from RM70.17m. It declared a distribution of 2.3 sen per unit for the quarter.

**KIP Real Estate Investment Trust** (KIP REIT) said its net property income (NPI) for the third quarter ended March 31, 2024 (3QFY2024) rose 10.1% to RM18.1m from RM16.43m a year ago, mainly due to stronger performance from its retail properties. Revenue rose 12.5% year-on-year to RM24.55m from RM21.82m, on the back of higher contributions from the group's four malls in the central region. A distribution per unit of 1.6 sen was declared for 3QFY2024, payable on May 28. (The Edge)

**Cypark Resources Bhd** said its 100MW Large Scale Solar 3 (LSS3) hybrid solar plant project in Merchang, Terengganu, will transition to full commercial operations by next month, as it has achieved initial operations as of April 21. The group said the plant consists of 83MWac (megawatt, alternating current) ground-mounted solar photovoltaics and 32MWac floating solar photovoltaics. In an interview with *The Edge* last year, Cypark executive chair Datuk Ami Moris said the LSS3 project is a 21-year concession asset that would generate recurring revenue streams for the group. (The Edge)

Construction and engineering contractor **Crest Builder Holdings Bhd** said it has secured a condominium project valued at RM486m in Mont Kiara. The project, awarded by Kiaramas Development Sdn Bhd, involves the construction of three condominium blocks with car park podiums in Jalan Desa Kiara. The contract period is 42 months starting from May 2. (The Edge)

**Capital A Bhd** unit AirAsia Consulting Sdn Bhd is still in the pre-qualification stage for the acquisition of Sri Lankan Airlines. However, AirAsia Consulting has yet to submit a bid with due diligence yet to be carried out, its chief executive officer Subashini Silvadas told *The Edge*. *Reuters* reported on Monday that the AirAsia group is among six bidders for Sri Lanka's state-run carrier, as the nation looks to reduce losses incurred by government-owned enterprises under a US\$2.9bn (RM13.8bn) International Monetary Fund programme. (The Edge)



**Gadang Holdings Bhd** said it will appeal to the Economic Planning Unit (EPU) for a waiver of the Bumiputera equity requirement to facilitate its acquisition of a 21.08-acre land in Kwasa Damansara. It said the EPU had on Monday rejected its proposed acquisition as it did not meet the 30% Bumiputera equity ownership requirement. Gadang had in November 2023 entered into an agreement with Kwasa Development (3) Sdn Bhd (KD3) to acquire the land for RM114.78m, to be developed into a residential project. (The Edge)

**Haily Group Bhd** has secured a RM109.5m contract to undertake the construction and completion of 332 units of double-storey terrace houses in Pontian, Johor. The contract was awarded to its wholly-owned unit Haily Construction Sdn Bhd from Mandy Corp Sdn Bhd, a wholly-owned subsidiary of Gadang Holdings Bhd. The value of the latest contract is higher than Haily's market value of RM93.62m. Including the latest win, Haily has announced four contractor project awards since the start of 2024, with contract value totalling approximately RM247.09m. (The Edge)

**DXN Holdings Bhd** posted a 43.23% rise in net profit to RM79.02m for its fourth quarter ended Feb 29, 2024 (4QFY2024), from RM55.17m a year ago. Quarterly revenue grew 16.21% to RM470.64m from RM405m in 4QFY2023, primarily attributed to increased revenue contributions from Latin America and India. For the full year, the group's net profit increased 12.9% to RM310.99m from RM275.4m in FY2023, while revenue expanded 12.6% to RM1.8bn from RM1.6bn. It declared a dividend of one sen per share, payable on May 30. (The Edge)

**Inta Bina Group Bhd** has bagged a contract worth RM169.67m from Next Delta Sdn Bhd to develop a serviced apartment project in Country Heights. The job scope involves the development of two blocks of serviced apartments, one podium block comprising parking lots and facilities, as well as a guard house in Tropicana Metropark, Country Heights. The construction period would be 33 months from the commencement date, it added. (The Edge)

**Comfort Gloves Bhd** said a fire took place at its three-storey warehouse and packing department in Taiping, Perak Tuesday morning. While the cause of the fire and the actual extent of the damage remained unknown, the company said the fire outbreak did not result in any death or casualty and its production line was unaffected. "Preliminary assessment reveals that the fire incident would not have a material impact on the financials and operations of the group," said Comfort Gloves. (The Edge)

Office furniture maker **AHB Holdings Bhd's** planned acquisition of a 51% stake valued in automotive distributor CAF Motor Sdn Bhd was mutually terminated due to unfulfilled precedent conditions. AHB in July 2023 announced that it had entered a non-binding term sheet with CAF Motors' sole shareholder, CAF Global Tech Sdn Bhd for the acquisition. The 51% stake in CAF Motors was valued at RM10m. "The termination of the term sheet does not have any financial impact on the company and its subsidiaries," it added. (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	3.640	3.820	3.900	4.050	3.550	3.520	3.840	5.5%	Initiate on 4/3/2024
2	UZMA	15-Mar	1.210	1.270	1.350	1.410	1.140	1.120	1.230	1.7%	Initiate on 15/3/2024
3	DIALOG	22-Mar	2.250	2.400	2.450	2.550	2.140	2.120	2.410	7.1%	Initiate on 22/3/2024
4	TRC	3-Apr	0.510	0.530	0.540	0.560	0.465	0.460	0.470	-7.8%	Initiate on 3/4/2024
5	OCK	5-Apr	0.605	0.660	0.670	0.690	0.580	0.570	0.590	-2.5%	Initiate on 5/4/2024
6	TAANN	8-Apr	4.120	4.450	4.500	4.600	4.000	3.950	4.190	1.7%	Initiate on 8/4/2024
7	PANTECH	17-Apr	1.000	1.080	1.100	1.120	0.950	0.940	1.000	0.0%	Initiate on 17/4/2024
8	MFCB	18-Apr	4.370	4.550	4.650	4.800	4.150	4.100	4.800	9.8%	TP on 19Apr @ LT Target RM4.80
9	MISC	22-Apr	8.040	8.400	8.500	8.600	7.700	7.650	7.870	-2.1%	Initiate on 22/4/2024



## 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	1.69	-3.4%	Initiate on 1/4/2024
2	CSCSTEL	1-Apr	1.350	1.470	1.570	-	1.320	1.270	1.37	1.5%	Initiate on 1/4/2024
3	E&O	1-Apr	1.050	1.230	1.300	-	0.970	0.900	1.00	-5.2%	Initiate on 1/4/2024
4	GASMSIA	1-Apr	3.470	3.720	3.860	-	3.260	3.130	3.55	2.3%	Initiate on 1/4/2024
5	HSSEB	1-Apr	1.160	1.270	1.370	-	1.090	1.010	0.99	-15.1%	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	29.98	-3.8%	Initiate on 1/4/2024
9	PIE	1-Apr	3.560	3.900	4.100	-	3.480	3.350	5.90	65.7%	Initiate on 1/4/2024
10	SPRITZER	1-Apr	2.240	2.390	2.490	-	2.170	2.100	2.26	0.9%	Initiate on 1/4/2024
11	TAANN	1-Apr	4.030	4.310	4.500	-	3.910	3.730	4.19	4.0%	Initiate on 1/4/2024
12	TDM	1-Apr	0.280	0.325	0.355	-	0.240	0.215	0.26	-7.1%	Initiate on 1/4/2024
13	UNISEM	1-Apr	3.840	4.100	4.350	-	3.700	3.550	3.53	-8.1%	Initiate on 1/4/2024
Average Return										2.6%	

Technical Focus Tracker Summary	
Total recommendations	379
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)	15.3%
Accuracy (2023)	42.7%
FBM KLCI (Since 30/12/2022)	4.6%
FBM Small Cap (Since 30/12/2022)	17.1%
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

