

Tuesday, 14 May, 2024

Positive Sentiment Could Stay On Bursa Exchange

Market Review

Malaysia: The FBMKLCI (+0.14%) ended marginally higher as gains in gaming heavyweights were partially offset by losses in utilities heavyweights. GENTING (+21.0 sen) rose after its Singaporean counterpart reported stronger earnings. Meanwhile, the Transportation & Logistics sector (+1.89%) was the leading sector.

Global markets: Wall Street ended mixed as investors are awaiting the release of the upcoming PPI and CPI data for the next potential catalyst. Meanwhile, the European stock market ended mixed, while Asia ended lower as investors assessed China's higher than expected CPI data.

The Day Ahead

The FBMKLCI has snapped a 3-day pullback, in tandem with the FBM70 and FBM Small Cap indices, marking fresh 52-week highs yesterday supported by the overall bullish environment. Meanwhile, the US stock markets traded mixed for the session awaiting the US inflation data (CPI, PPI) that will be released this week. Also, the jobs data and retail sales in the US will be crucial for the Fed to determine the interest rate directions going forward. On the commodity markets, Brent oil managed to trade within the support zone around USD82-84, while the gold price maintained above USD2330 zone. The FCPO observed a rebound above the trendline, ending near the RM3,900 level in view of potentially improved demand from China.

Sectors focus: Despite the market turning sideways in the US, we expect the buying support to stay healthy on the local front. Also, the recent release of results from selected Technology companies that were above market's expectations, coupled with the narratives of (i) increased demand from AI-driven activities as well as higher investments within the data centers should provide upside opportunities within the Technology sector. Besides, we favour stocks within the Construction, Property, Building Materials, Utilities and Consumers on the back of local driven catalysts such as NETR, NIMP and potential revival of KL-SG HSR.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI index ended marginally hovering above the 1600 level. The technical readings on the key index were still positive with the MACD Histogram extending another positive bar, while the RSI maintains above 50. The resistance is envisaged around 1,615-1,620 and the support is set at 1,580-1,585.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	39,431.51	-0.21
S&P 500	5,221.42	-0.02
NASDAQ	16,388.24	0.29
FBM KLCI	1602.91	0.14
FBM Small Cap	18,631.66	0.71
FBM ACE	5,267.49	1.95
Construction	228.63	0.74
Consumer	602.65	0.59
Energy	977.85	-0.74
Financial Services	17,555.64	0.19
Healthcare	2,153.50	0.51
Ind Products	192.66	0.20
Plantation	7,424.17	0.00
Property	1066.67	1.50
REITs	831.60	-0.02
Technology	68.01	1.64
Telco & Media	603.29	-0.27
Transport & Logist	1098.21	1.89
Utilities	1730.62	-0.73
Trading Vol (m)	4,528.40	-2.03
Trading Val (RM m)	3,008.82	-7.97
Gainers/ Losers rat	135%	
FKLI	1606.00	-0.12
FCPO (RM)	3,893.00	0.65
Brent oil (USD)	83.36	0.69
Gold (USD)	2,336.32	0.07
USD	4.7295	0.22
GBP	5.9254	0.22
EURO	5.0998	0.19
SGD	3.4939	0.26

Trading participation 5-day trend and value (m)

Institution	Foreign
- 618.4	739.1

Source: Bloomberg, Bursa Market Place



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Company Brief

PTT Synergy Group Bhd (PTT) has secured two contracts worth a total of RM169.85m from Sime Darby Property Bhd (SIMEPROP). The first is a RM96.61m contract for the proposed construction and completion of earthworks and ancillary works for Stage 1 (Section 1 and Section 2) at Lagong Mas, Gombak, Selangor. The group, via its wholly-owned Pembinaan Tetap Teguh Sdn Bhd, received the letter of award for the project from Sime Darby Property (Lagong) Sdn Bhd, a wholly owned unit of Sime Darby Property. (The Edge)

Telekom Malaysia Bhd (TM) said on Monday that it had signed deals with the Home Ministry relating to two contracts worth RM120.5m, at the recent Defence Services Asia (DSA) Exhibition and Conference 2024 and National Security (Natsec) Asia 2024. TM said the contracts were awarded to its wholly owned unit TM Technology Services Sdn Bhd. "These contracts are in the ordinary course of TM's business, and not material to TM Group," added the group in response to an article in the latest edition of *The Edge Malaysia* weekly. (The Edge)

Aurelius Technologies Bhd (ATECH) said it plans to invest RM450m over the next five years to build a new manufacturing hub on an industrial land spanning 571,908 sq ft in the Kulim Hi-Tech Park, Kedah. Aurelius said its wholly owned subsidiary BCM Electronics Corp Sdn Bhd held a ground-breaking ceremony to mark the commencement of the new hub's construction. The first phase of the development will involve a manufacturing plant, dubbed P5, that will span over 243,977 sq ft of advanced manufacturing and research and development space with 12,945 sq ft of clean room facilities. The plant is slated for completion by the end of 2024. (The Edge)

AME Elite Consortium Bhd (AME) is selling 11 plots of freehold land measuring over 34.91 acres in Pulai, Johor Bahru, for RM209.84m cash to Hong Kong-based data centre operator Digital Hyperspace Malaysia Sdn Bhd (DHM). The property developer said the plots of land are located in i-TechValley – a 170-acre industrial park at the Southern Industrial and Logistics Cluster (SILC) and is subject to approvals from the Johor State Government Office and other relevant authorities if the relevant land registry requires a no-objection letter from the Economic Planning Unit. (The Edge)

Mulpha International Bhd (MULPHA) on Monday said its indirect wholly owned Australian subsidiary Mulpha Norwest Pty Ltd had accepted a cash advance facility of A\$100m (equivalent to approximately RM313.07m) from National Australia Bank Ltd to refinance borrowings and for working capital. The cash advance comprises a revolving facility of A\$90m and a bank guarantee facility of A\$10m. Mulpha Norwest's principal activity is property development. (The Edge)

Uzma Bhd (UZMA) said on Monday it has secured a contract valued at US\$9.27m (RM43.9m) to undertake standard and special application of coiled tubing and pumping services. The contract under the Zawtika gas field project from PTTEP International Ltd commenced on May 1, 2024 until June 30, 2026. The contract is Uzma's sixth win since the start of 2024, including from Shell to provide integrated production and integrity chemical and associated services. (The Edge)

Dialog Group Bhd (DIALOG) said on Monday that its third-quarter net profit rose 19% from a year earlier, thanks to higher upstream output. Net profit for the three months ended March 31, 2024 (3QFY2024) was RM156.16m compared to RM130.81m over the same period a year earlier. Revenue for the quarter fell 13% year-on-year to RM702.2m, from RM802.79m. The group declared an interim dividend of 1.5 sen, against 1.3 sen for the previous corresponding period. (The Edge)



GuocoLand (Malaysia) Bhd (GUOCO) saw its net profit tumble 66.3% for the third quarter ended March 31, 2024 (3QFY2024), due to lower revenue from its property development division. Nonetheless, this was partially offset by a better performance of the hospitality division, thanks to higher occupancy and better average room rates. It posted a net profit of RM2.94m for the quarter under review, from RM8.71m a year earlier, on the back of a 20.8% decline in revenue to RM88.97m from RM112.36m. (The Edge)

Swift Haulage Bhd's (SWIFT) net profit more than doubled in the first quarter from a year earlier, thanks to one-off gain from a stake sale, as well as higher revenue. Net profit for the three months ended March 31, 2024 (1QFY2024) was RM21.14m compared to RM10.13m over the same period last year. Revenue for the quarter was up 8.9% year-on-year to RM179.35m from RM164.75m, due to the increase in fleet capacity for land transportation, as well as expansion of warehouse in auto logistics and the increase in depot business. (The Edge)

PA Resources Bhd's (PA) net profit for the third financial quarter ended March 31, 2024 leaped by more than 51 times year-on-year, mostly contributed by its main extrusion and fabrication segment. The aluminium extruder reported a net profit of RM12.43m, up from RM239,000 for the previous year's corresponding quarter, while revenue was up 62.4% to RM137.77m from RM84.81m. (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	4.140	13.7%	Take Profit on 6/5/2024
2	UZMA	15-Mar	1.210	1.270	1.350	1.410	1.140	1.120	1.200	-0.8%	Initiate on 15/3/2024
3	DIALOG	22-Mar	2.250	2.400	2.450	2.550	2.140	2.120	2.480	10.2%	Initiate on 22/3/2024
4	TRC	3-Apr	0.510	0.530	0.540	0.560	0.465	0.500	0.500	-2.0%	Initiate on 3/4/2024
5	OCK	5-Apr	0.605	0.660	0.670	0.690	0.580	0.570	0.635	5.0%	Initiate on 5/4/2024
6	TAANN	8-Apr	4.120	4.450	4.500	4.600	4.000	3.950	3.880	-5.8%	Cut Loss on 6/5/2024
7	PANTECH	17-Apr	1.000	1.080	1.100	1.120	0.950	0.940	1.060	6.0%	Initiate on 17/4/2024
8	MISC	22-Apr	8.040	8.400	8.500	8.600	7.700	7.650	8.140	1.2%	Initiate on 22/4/2024
9	FFB	24-Apr	1.490	1.600	1.620	1.650	1.410	1.400	1.460	-2.0%	Initiate on 24/4/2024
10	DAYANG	3-May	2.590	2.750	2.800	2.900	2.500	2.400	2.580	-0.4%	Initiate on 3/5/2024
11	CLOUDPT	9-May	0.690	0.730	0.740	0.780	0.650	0.645	0.695	0.7%	Initiate on 9/5/2024

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	1.78	1.7%	Initiate on 1/4/2024
2	CSCSTEL	1-Apr	1.350	1.470	1.570	-	1.320	1.270	1.47	8.9%	Initiate on 1/4/2024
3	E&O	1-Apr	1.050	1.230	1.300	-	0.970	0.900	1.13	7.6%	Initiate on 1/4/2024
4	GASMSIA	1-Apr	3.470	3.720	3.860	-	3.260	3.130	3.53	1.7%	Initiate on 1/4/2024
5	HSSEB	1-Apr	1.160	1.270	1.370	-	1.090	1.010	1.02	-12.1%	Initiate on 1/4/2024
6	MBMR	1-Apr	4.640	4.990	5.180	-	4.470	4.340	5.00	7.8%	Initiate on 1/4/2024
7	MBSB	1-Apr	0.800	0.905	0.950	-	0.780	0.750	0.79	-1.3%	Initiate on 1/4/2024
8	MPI	1-Apr	31.180	34.000	36.000	-	30.000	28.300	32.08	2.9%	Initiate on 1/4/2024
9	PIE	1-Apr	3.560	3.900	4.100	-	3.480	3.350	5.91	66.0%	Initiate on 1/4/2024
10	SPRITZER	1-Apr	2.240	2.390	2.490	-	2.170	2.100	2.39	6.7%	Initiate on 1/4/2024
11	TAANN	1-Apr	4.030	4.310	4.500	-	3.910	3.730	3.92	-2.7%	Initiate on 1/4/2024
12	TDM	1-Apr	0.280	0.325	0.355	-	0.240	0.215	0.26	-8.9%	Initiate on 1/4/2024
13	UNISEM	1-Apr	3.840	4.100	4.350	-	3.700	3.550	3.85	0.3%	Initiate on 1/4/2024
Average Return										6.0%	



Technical Focus Tracker Summary

Total recommendations	382
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)	18.5%
Accuracy (2023)	41.3%
FBM KLCI (Since 30/12/2022)	7.2%
FBM Small Cap (Since 30/12/2022)	24.8%
Malaysia GDP Growth (1H23)	4.2%

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