

## Return of volatility

### Market Review

**Malaysia:** The FBM KLCI (+1.5%) rebounded to halt a three-day losing streak as gains were in tandem with the positive sentiment across regional peers with foreign funds turning net buyer for the first time in 8 trading days. The lower liners also trended higher, while the broader market ended mostly on a positive note, led by the technology sector (+5.5%).

**Global markets:** US stockmarkets suffered another rout as the Dow sank 1.8%, while the S&P 500 (-2.4%) tumbled after treasury yields spiked to one-year high which resulted in mounting concern over inflationary pressure. European stockmarkets closed mildly lower, but Asia stockmarkets ended higher yesterday.

### The Day Ahead

The FBM KLCI has rebounded strongly amid bargain hunting activities as steel-related and technology stocks were traded higher following several strong sets of results under the respective sectors. Meanwhile, healthcare sector was the sole decliner in the broader market. We believe the market will be pricing in Covid-19 vaccination progress and market may trend on an upward bias tone, focusing on recovery theme stocks. On the commodity side, the crude palm oil price has climbed above RM3,700, while Brent oil price is firmly trading above USD65.

**Sector focus:** We reckon the aviation and tourism will still be favourable to trade, while defensive sector such as furniture and consumer products may be favoured by market players. We may watch out for plantation and energy sector given the firm crude palm oil and Brent oil prices recently. Also, selected technology stocks are likely to rebound higher ahead of the release of reports.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI bounced back to close marginally above 1,580. Technical indicators turned mixed as the MACD Histogram has turned green, while the RSI remained below 50. We reckon the key index will trade sideways with an upside bias tone within 1,570-1,620 over the near term.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	31,402.01	-1.75
S&P 500	3,829.25	-2.45
NASDAQ	13,199.43	-3.52
FBM KLCI	1,581.54	1.54
FBM Small Cap	16,632.54	2.69
FBM ACE	10,963.20	1.31
Construction	172.38	0.44
Consumer	619.09	0.96
Energy	938.14	1.56
Financial Services	14,985.79	1.85
Healthcare	3,224.09	-0.73
Ind Products	187.57	3.35
Plantation	723.03	0.73
Property	699.89	0.47
REITs	82.39	0.13
Technology	90.86	5.48
Telco & Media	702.84	1.23
Transport	788.87	0.57
Utilities	946.72	0.51
Trading Vol (m)	10,442.38	-17.84
Trading Val (RM m)	6,579.77	-6.25
Advance/ Decline	2.14	
FKLI	1,565.00	1.44
FCPO (RM)	3,651.00	3.64
Brent oil (USD)	67.04	-0.18
Gold (USD)	1,805.06	-0.04
USD	4.04	0.04
GBP	5.7214	0.08
EURO	4.9299	-0.29
SGD	3.0662	-0.15

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-387.0	862.4	-475.4

Source: Bloomberg, Bursa Market Place

## Company Brief

**Public Bank Bhd's** 4QFY20 net profit declined 18.3% YoY to RM1.15bn, mainly due to higher loan impairment allowance made by RM513.3m due to pre-emptive allowance set aside in anticipation of the potential effect of Covid-19 pandemic. Revenue for the quarter slipped 13.4% YoY to RM4.92bn. A dividend of 13 sen per share, payable on 22nd March 2021 was declared. (The Star)

**Axiata Group Bhd's** 4QFY20 net loss stood at RM256.0m vs. a net profit of RM332.6m recorded in the previous corresponding quarter, impacted by accelerated depreciation and write off of assets, mainly for 3G assets amounting to RM1.06bn. Revenue for the quarter declined marginally by 0.1% YoY to RM6.26bn. A second interim dividend of five sen per share was proposed. (The Star)

**Genting Bhd's** 4QFY20 net profit plunged 95.3% YoY to RM25.0m, on lower revenue from its leisure and hospitality segment caused by the Covid-19 outbreak. Revenue for the quarter dropped 45.5% YoY to RM5.30bn. (The Edge)

**Genting Malaysia Bhd's** (GENM) 4QFY20 net loss stood at RM240.9m vs. a net profit of RM299.7m on lower revenue from its leisure and hospitality segments. Revenue for the quarter slid 57.0% YoY to RM1.04bn. (The Edge)

**UMW Holdings Bhd's** net profit fell 31.5% YoY to RM137.4m on higher operating expenses. Revenue for the quarter, however, rose 3.8% YoY to RM3.24bn. A first and final dividend of four sen per share, payable on 30th April 2021 was declared. (The Edge)

**Malayan Banking Bhd's** (Maybank) 4QFY20 net profit fell 37.1% YoY to RM1.54bn, on higher impairment losses. Revenue for the quarter fell 5.8% YoY to RM12.24bn. A final single-tier dividend of 38.5 sen per share, comprising an electable portion of 21.0 sen per share under its dividend reinvestment plan was proposed. (The Edge)

**Sime Darby Bhd's** 2QFY21 net profit jumped 124.5% YoY to RM633.0m, due to the RM272.0m gain on disposal from its 30.0% stake in Tesco Malaysia. Revenue for the quarter increased 10.1% YoY to RM11.24bn. A first interim dividend of two sen per share and a special dividend of four sen per share, both payable on 11th May 2021 was declared. (The Edge)

**Sime Darby Property Bhd's** 4QFY20 net loss stood at RM55.9m vs. a net profit of RM14.2m recorded in the previous corresponding quarter, due to losses in its property development, investment and asset management as well as leisure segments attributed to disruptions brought about by the Covid-19 pandemic. Revenue for the quarter dropped 20.7% YoY to RM705.2m. (The Edge)

**Unisem (M) Bhd's** 4QFY20 net profit stood at RM60.92m vs. a net loss of RM26.9m recorded in the previous corresponding quarter, was mainly due to a higher sales volume achieved. Revenue for the quarter gained 28.6% YoY to RM366.4m. A third interim dividend of two sen per share was announced. (The Edge)

**MSM Malaysia Holdings Bhd's** 4QFY20 net profit stood at RM56.2m vs. a net loss of RM40.3m recorded in the previous corresponding quarter, due to higher overall margin and lower finance cost. Revenue for the quarter rose 22.1% YoY to RM630.3m. (The Edge)

**Kerjaya Prospek Group Bhd's** 4QFY20 net profit dropped 23.3% YoY to RM27.8m, on lower revenue recorded. Revenue for the quarter declined 7.3% YoY to RM248.9m. (The Edge)

**S P Setia Bhd's** 4QFY20 dropped 24.0% YoY to RM55.5m on higher operational expenses. Revenue for the quarter, however, grew 39.9% YoY to RM1.11bn. (The Edge)

**Matrix Concepts Holdings Bhd's** 3QFY21 net profit rose 15.3% YoY to RM75.3m, due to reduced administrative and general expenses, higher share of results from the group's joint venture company in Indonesia, and adjustment in tax provision. Revenue for the quarter gained 13.1% YoY to RM315.4m. A dividend of 3.0 sen per share, payable on 8th April 2021 was declared. (The Edge)

**Dutch Lady Milk Industries Bhd's** 4QFY20 net profit fell 24.4% YoY to RM20.2m, no thanks to higher global dairy raw material prices. Revenue for the quarter, however, grew 2.6% YoY to RM289.1m. (The Edge)

**TSH Resources Bhd's** 4QFY20 net profit rose 76.7% YoY to RM33.0m, thanks to higher crude palm oil (CPO) and palm kernel prices, partially offset by lower sales contribution from other segments. Revenue for the quarter improved marginally by 0.1% YoY to RM195.2m. An interim dividend of 1.5 sen per share, payable on 1st April 2021 was declared. (The Edge)

**Dagang NeXchange Bhd's** (DNEX) 4QFY20 net profit stood at RM15.1m vs. a net loss of RM3.7m recorded in the previous corresponding quarter, helped by an impairment reversal. Revenue for the quarter, however, declined 27.4% YoY to RM63.3m. (The Edge)

**Malaysia Building Society Bhd's** (MBSB) 4QFY20 net profit fell 72.9% YoY to RM96.8m, mainly due to higher allowance for impairment. Revenue for the quarter declined 4.1% YoY to RM752.2m. (The Edge)

**Malaysian Pacific Industries Bhd's** (MPI) 2QFY21 net profit rose 48.6% YoY to RM67.0m, due to higher revenue across its entire business segment. Revenue for the quarter grew 17.0% YoY to RM483.9m. (The Edge)

**IJM Plantations Bhd's** 3QFY21 net profit surged 232.0% YoY to RM66.6m, on higher commodity prices. Revenue for the quarter gained 14.4% YoY to RM272.0m. (The Edge)

**PPB Group Bhd's** 4QFY20 net profit increased 10.1% YoY to RM385.4m, partly helped by profit contribution from 18.5%-owned Singapore-listed Wilmar International Ltd. Revenue for the quarter, however, fell 4.2% YoY to RM1.13bn. A 38.0 sen of total dividend per share, comprising a final dividend of 22.0 sen and special payout of 16.0 sen was declared. (The Edge)

**Kenanga Investment Bank Bhd's** net profit soared 351.1% YoY to RM39.3m, supported by higher contributions from its stockbroking, investment management businesses and higher share of profit through its joint venture with Rakuten Trade. Revenue for the quarter grew 66.6% YoY to RM276.8m. (The Edge)

**YTL Corp Bhd's** net profit fell 8.2% YoY to RM16.1m, on lower revenue. Revenue for the quarter declined 17.2% YoY to RM4.59bn. (The Edge)

**Malaysian Resources Corp Bhd** (MRCB)'s 4QFY20 net profit surged 345.9% YoY to RM26.9m, on lower expenses and income taxes, as well as higher share of results from associates and joint ventures. Revenue for the quarter, however, fell 34.5% YoY to RM308.9m. (The Edge)

**Mah Sing Group Bhd**'s 4QFY20 net profit fell 37.5% YoY to RM28.1m, on higher cost of sales. Revenue for the quarter, however, rose 6.8% YoY to RM472.8m. A first and final dividend of 1.66 sen per share was proposed. (The Edge)

The Federal Land Development Authority (Felda) has raised its equity interest in **FGV Holdings Bhd** to 2.78bn shares or 76.3% stake via its takeover offer. Felda and persons acting in concert with it have received valid acceptances for another 821.1m shares or 22.5% stake in FGV as of yesterday. Felda has now extended the closing date for the acceptance of the takeover offer to 15th March 2021, stressing that this is the final extension. (The Edge)

**VS Industry Bhd** plans to undertake a bonus issue with free warrants, on the basis of one bonus share for every one VS share (1-for-1) held at an entitlement date to be fixed, followed by one free warrant for every five VS shares (1-for-5) held. The proposed bonus issue is an alternative avenue for the group to reward its shareholders, aside from dividends, and will improve the marketability and trading liquidity of the group's shares. (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	ASTINO	27-Jan	0.915	0.970	1.000	1.040	0.850	0.820	1.040	13.7%	Take profit at LT on 23-Feb
2	GDB	17-Feb	0.950	0.965	1.080	1.200	0.880	0.875	0.875	-7.9%	Cut loss on 22-Feb
3	KRONO	22-Feb	0.905	0.925	1.000	1.100	0.820	0.815	0.925	2.2%	Take profit at R1 on 22-Feb
4	PPHB	24-Feb	1.100	1.080	1.170	1.250	0.980	0.975	1.180	7.3%	Take profit at R2 on 24-Feb

1Q21 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	AIRASIA	14-Dec	0.920	1.080	1.100	1.200	0.840	0.820	0.920	0.0%	On-going
2	KMLOONG	14-Dec	1.597	1.750	1.800	1.900	1.550	1.520	1.470	-8.0%	On-going
3	TNLOGIS	14-Dec	0.970	1.150	1.200	1.300	0.900	0.880	0.840	-13.4%	On-going
4	OKA	14-Dec	0.710	0.770	0.810	1.000	0.670	0.650	0.715	0.7%	On-going
5	MASTER	14-Dec	1.821	2.770	3.000	3.150	1.560	1.500	1.920	5.4%	On-going
6	SOLUTN	14-Dec	1.720	2.000	2.200	2.500	1.340	1.300	1.430	-16.9%	On-going
7	ECONBHD	14-Dec	0.540	0.625	0.705	0.840	0.500	0.480	0.435	-19.4%	On-going
8	OPTIMAX	14-Dec	0.835	1.000	1.080	1.200	0.730	0.700	1.360	62.9%	On-going

Technical Focus Tracker Summary	
Total recommendations	92
Total winners	52
Total losers	39
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	103.7%
Accuracy (2021)	76.5%
FBM KLCI (Since 4/1/2021)	-2.8%
FBM Small Cap (Since 4/1/2021)	6.9%
Malaysia GDP Growth (2020)	-5.6%