

## Positive sentiment may persist

### Market Review

**Malaysia:** Bucking the regional losses, the FBM KLCI (+0.3%) closed higher after oscillating between positive and negative territories and the key index extended its winning rally. The lower liners trended higher, while the healthcare sector (+0.9%) outperforming the positive-biased broader market.

**Global markets:** The US stockmarkets finished mixed as the Dow (+0.3%) closed at record high as year-end rally continued, but Nasdaq (-0.1%) edged down after hovering mostly in the negative territory. Both the European and Asia stock markets ended lower.

### The Day Ahead

Another positive day for the FBM KLCI lifted by the window dressing activities on selected telco heavyweights. Meanwhile, the Omicron fears are returning, which has dampened the sentiment on the global equities. Hence, tracking the mixed situation on the global front, we expect profit taking activities may emerge. Nevertheless, we expect the downside risk to be limited on local equities as our current valuation is below the 10Y average PE, our vaccination rate is relatively high as compared to other nations as well as window dressing activities should be supporting the stocks at least for the near term.

**Sector focus:** With the returning concerns on Covid-19 Omicron variant, traders may focus on healthcare or glove related stocks for the near term trades. Meanwhile, traders are advised to look out for technology and telco related stocks on the back of 5G related trading ideas.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI managed to hold above the daily EMA120 level after closing at its intraday high. Technical indicators remained positive as the MACD Histogram has extended a positive bar, while the RSI is hovering above the 50 level. The resistance is set at 1,560, while the support is pegged along 1,520-1,530.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	36,488.63	0.25
S&P 500	4,793.06	0.14
NASDAQ	15,766.22	-0.10
FBM KLCI	1545.04	0.33
FBM Small Cap	15,746.83	0.18
FBM ACE	6,362.97	0.62
Construction	154.27	-0.22
Consumer	576.22	0.25
Energy	699.68	0.63
Financial Services	15,621.06	0.31
Healthcare	2,284.50	0.92
Ind Products	202.08	0.52
Plantation	6,544.78	-0.50
Property	698.17	0.30
REITs	788.33	-0.26
Technology	96.80	0.06
Telco & Media	623.28	0.40
Transport	857.11	-0.13
Utilities	862.53	-0.04
Trading Vol (m)	2,405.24	11.58
Trading Val (RM m)	1,832.18	10.81
Advance/ Decline	19%	
FKLI	1542.00	-0.03
FCPO (RM)	4,716.00	0.45
Brent oil (USD)	79.23	0.37
Gold (USD)	1,804.71	-0.08
USD	4,180.3	0.15
GBP	5,6135	-0.35
EURO	4,7154	-0.45
SGD	3,0882	-0.01

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
5.6	-181.5	175.9

Source: Bloomberg, Bursa Market Place

## Company Brief

**Vertice Bhd** and Consortium Zenith Sdn Bhd have mutually agreed to terminate the Package 2 contract of the Penang Mega Infrastructure Project worth RM815.0m undertaken by Buildmarque Construction Sdn Bhd. Buildmarque is a 50:50 joint venture company formed between Vertice's wholly-owned unit Vertice Construction Sdn Bhd and Vizione Construction Sdn Bhd, a wholly-owned subsidiary of Vizione Holdings Bhd, for the construction of a bypass connecting Bandar Baru Ayer Itam connecting to Lebuhraya Tun Dr Lim Chong Eu. (The Star)

**Gagasan Nadi Cergas Bhd's** wholly-owned subsidiary, Nadi Cergas Sdn Bhd has received a Letter of Award from Paramount Corporation Bhd to build 1,076 high-rise residential units in Greenwood Salak Perdana, Sepang worth RM195.2m. The construction works will commence in 4Q22 and the project is expected to take 48 months to complete. (The Star)

**Impiana Hotels Bhd** has proposed to acquire a 30.0% stake in Accuventures Sdn Bhd for RM4.2m and Impiana will be implementing digitalisation solutions for the group to manage its hospitality business operations. (The Star)

**Senheng New Retail Bhd** (Senheng) plans to raise RM267.5m in net proceeds from its initial public offering (IPO) on the Main Market of Bursa Securities to fund its next transformation phase and shape the nation's new retail landscape. Senheng is expected to list on the local bourse on 25th January 2022, and its IPO exercise entails the public issue of 250.0m new shares and an offer-for-sale of 139.5m existing shares at an issue price of RM1.07 per share. (The Star)

**Serba Dinamik Holdings Bhd** chief executive officer Datuk Dr Mohd Abdul Karim Abdullah, who could not be located on Tuesday (28th December 2021), turned up at the Sessions Court on Wednesday to be charged in relation to the group's submission of a false statement to Bursa Malaysia. Meanwhile, the group's vice-president of accounts and finance, Muhammad Hafiz Othman, was slapped with an additional charge at the Shah Alam Sessions Court for allegedly creating fictitious sales, causing falsified revenue to be recorded in Serba Dinamik's earnings report for the quarter and year ended 31st December 2020. (The Edge)

**Permodalan Nasional Bhd's** unit trust fund, Amanah Saham Bumiputera (ASB), has disposed of its entire 9.6% stake in Hock Seng Lee Bhd. ASB sold the stake comprising 52.5m shares on Monday (27th December 2021). Based on Bloomberg data, ASB was the second largest shareholder of Hock Seng Lee, after the company's investment holding firm Hock Seng Lee Enterprise Sdn Bhd, which holds a 58.5% stake. (The Edge)

**AirAsia Group Bhd** will complete its renounceable rights issue to its existing shareholders upon listing of the redeemable convertible unsecured Islamic debt securities and warrants on Friday (31st December 2021). The group will be able to raise RM974.5m – a strong injection to support the group's overall fundraising strategy. (The Edge)

According to Tycoon Tan Sri Lee Kim Yew, **SC Estate Builder Bhd's** (SCBuild) existing 10 directors can be criminally liable for rejecting the nominations made by two SCBuild shareholders - Valuevest Ventures Sdn Bhd and Datuk Eric Tan Chwee Kuang - for the eight candidates to be elected to the company's board at the annual general meeting on 31st December 2021. Lee, who is Country Heights Holdings Bhd executive chairman, is among the eight nominated candidates. (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	ECOWLD	6-Dec	0.860	0.940	1.000	1.100	0.805	0.800	0.885	2.9%	On-going
2	KSL	10-Dec	0.645	0.665	0.690	0.735	0.605	0.600	0.660	2.3%	On-going
3	FGV	13-Dec	1.500	1.550	1.670	1.800	1.410	1.400	1.490	-0.7%	On-going
4	TASCO	20-Dec	1.170	1.230	1.270	1.400	1.100	1.090	1.170	0.0%	On-going
5	NADIBHD	22-Dec	0.340	0.365	0.400	0.450	0.300	0.295	0.370	8.8%	On-going
6	RESINTC	27-Dec	0.880	0.955	1.050	1.200	0.790	0.785	0.885	0.6%	On-going

4Q21 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	29-Sep	1.030	1.110	1.120	-	0.890	0.850	0.815	-20.9%	On-going
2	JAKS	29-Sep	0.470	0.565	0.600	-	0.460	0.440	0.395	-16.0%	On-going
3	OKA	29-Sep	0.780	0.870	0.945	-	0.720	0.700	0.825	5.8%	On-going
4	SCGBHD	29-Sep	0.450	0.500	0.545	-	0.410	0.390	0.405	-10.0%	On-going
5	OMH	29-Sep	3.130	4.200	4.690	-	2.550	2.500	2.930	-6.4%	On-going
6	KGB	29-Sep	1.740	2.000	2.200	-	1.530	1.500	1.750	0.6%	On-going
7	KRONO	29-Sep	0.650	0.745	0.795	-	0.585	0.575	0.615	-5.4%	On-going
8	OCK	29-Sep	0.495	0.575	0.620	-	0.440	0.420	0.460	-7.1%	On-going
9	OPTIMAX	29-Sep	1.380	1.520	1.640	-	1.180	1.150	1.270	-8.0%	On-going

Technical Focus Tracker Summary	
Total recommendations	185
Total winners	112
Total losers	72
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	302.2%
Accuracy (2021)	65.5%
FBM KLCI (Since 4/1/2021)	-5.0%
FBM Small Cap (Since 4/1/2021)	1.2%
Malaysia GDP Growth (3Q21)	-4.5%