

Volatility keeping gains in check

Market Review

Malaysia: The FBM KLCI (+0.5%) started off the week on a buoyant note, lifted by gains in gloves and selected banking heavyweights yesterday. The lower liners also trended higher, while the broader market closed mostly positive, led by the healthcare sector (+3.3%).

Global markets: Wall Street ended mixed as the Dow ended flat, but the S&P 500 and Nasdaq shed 0.3% and 0.6% respectively, dragged down by the selloff in technology shares. The European stockmarkets ended mostly higher, while Asia stockmarkets closed mixed.

The Day Ahead

The FBM KLCI bounced back from Monday's decline as buying interest was noticed in the glove and banking heavyweights. However, we believe the rebound in the healthcare sector might be short-lived as Omicron fears should subside given the hospitalisation rate is still under control. Meanwhile, overall market sentiment should remain positive as FBM Small Cap is on the rise. Commodities wise, the CPO price remained firm above RM5,500, while the crude oil price hovered above USD90 per barrel mark, suggesting uptrend cycle is still intact. Also, metal related commodities such as aluminium is trading at 13Y high, while steel rebar has been rebounding.

Sector focus: We believe traders may focus on commodity related sectors such as the O&G and plantation sectors as CPO price and Brent oil are rallying strongly in their uptrend cycle. Meanwhile, the building material segment may start to see trading activities amid the rebound in respective commodities.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI rebounded and closed above the immediate resistance at 1,530 and the daily EMA 60 level. Technical indicators turned positive as the MACD crossed above the zero level, while the RSI hovered above 50. The previous resistance level at 1,530 has turned support, while the next support is set around 1,520. The resistance is pegged around 1,545-1,570.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,091.13	0.00
S&P 500	4,483.87	-0.37
NASDAQ	14,015.67	-0.58
FBM KLCI	1,530.65	0.52
FBM Small Cap	1,941.13	0.79
FBM ACE	6,248.28	1.01
Construction	147.93	0.28
Consumer	565.21	0.07
Energy	785.44	-0.57
Financial Services	15,826.62	0.26
Healthcare	2,232.74	3.25
Ind Products	204.61	0.64
Plantation	6,611.77	1.04
Property	703.46	0.37
REITs	776.52	-0.29
Technology	82.46	1.19
Telco & Media	608.85	-0.22
Transport	865.85	0.43
Utilities	867.49	0.80
Trading Vol (m)	3,079.93	26.56
Trading Val (RM m)	2,303.14	39.64
Advance/ Decline	143%	
FKLI	1,532.50	0.03
FCPO (RM)	5,571.00	0.63
Brent oil (USD)	92.69	-0.62
Gold (USD)	1,820.47	0.67
USD	4.1842	-0.08
GBP	5.6645	0.13
EURO	4.7799	0.23
SGD	3.1122	-0.12

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
233.4	5.4	-238.8

Source: Bloomberg, Bursa Market Place

Company Brief

The High Court has yesterday ordered **Serba Dinamik Holdings Bhd** to make a public announcement on the Factual Findings Update (FFU) by Ernst & Young Consulting Sdn Bhd (E&Y Consulting), appointed to conduct a special independent review (SIR) on the company within two market days from the date of this order. The court also dismissed Serba Dinamik's application to expunge parts of Bursa Malaysia's affidavit relating to the FFU. (The Star)

Censoft Holdings Bhd's 3QFY22 net profit jumped 31.0% YoY to RM2.6m, capitalising on the industry's appetite in the adoption of digitalisation by the government and commercial sectors. Revenue for the quarter, however, fell 10.1% YoY to RM21.3m. (The Star)

LPI Capital Bhd's 4QFY21 net profit declined 23.3% YoY to RM73.1m, amid lower underwriting profit caused by higher net claims incurred. Revenue for the quarter, however, improved marginally by 1.5% YoY to RM429.0m. A second interim dividend of 45 sen per share, payable on 2nd March 2022 was declared. (The Edge)

Hong Seng Consolidated Bhd is in talks with Japanese global trading and investment firm Mitsui & Co Ltd's subsidiary Mitsui Co (Malaysia) Sdn Bhd to form a strategic partnership for Hong Seng's nitrile butadiene latex business at Kedah Rubber City and integrated logistics services business in Penang. (The Edge)

OpenSys (M) Bhd has received an additional order worth RM10.8m to supply cash recycling machines (CRMs) to Bank Simpanan Nasional (BSN) branches. With this latest order, BSN would commission more than 270 CRMs across branches nationwide by the end of 2022. (The Edge)

KPower Bhd's executive chairman and group managing director Mustakim Mat Nun has bought a 0.8% stake, or 4.3m shares, in the company at 34.5 sen apiece from his own investment vehicle Grand Deal Vision Sdn Bhd via a direct business transaction. The transaction raised Mustakim's direct interest in KPower to 40.7m shares or 7.5%, while he holds an indirect stake of 7.3% via his investment vehicle. (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	ANNJOO	17-Jan	1.990	2.110	2.240	2.450	1.770	1.760	2.050	3.0%	On-going
2	ABLEGLOB	24-Jan	1.600	1.670	1.730	1.840	1.530	1.520	1.570	-1.9%	On-going
3	MATRIX	26-Jan	2.210	2.300	2.350	2.500	2.090	2.080	2.200	-0.5%	On-going
4	VS	31-Jan	1.200	1.300	1.380	1.550	1.150	1.100	1.200	0.0%	On-going
5	HONGSENG	4-Feb	2.730	2.960	3.170	3.830	2.620	2.610	3.000	9.9%	On-going
6	HARBOUR	7-Feb	1.280	1.310	1.380	1.520	1.100	1.090	1.270	-0.8%	On-going

1Q22 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	KGB	5-Jan	1.820	2.000	2.200	-	1.530	1.500	1.490	-18.1%	On-going
2	BPPLAS	5-Jan	1.580	1.800	2.000	-	1.400	1.370	1.470	-7.0%	On-going
3	ELKDESA	5-Jan	1.310	1.430	1.500	-	1.230	1.200	1.320	0.8%	On-going
4	JAKS	5-Jan	0.415	0.455	0.490	-	0.360	0.345	0.395	-4.8%	On-going
5	KMLOONG	5-Jan	1.680	1.800	1.900	-	1.580	1.550	1.730	3.0%	On-going
6	OPTIMAX	5-Jan	1.310	1.520	1.640	-	1.250	1.180	1.180	-9.9%	On-going
7	OKA	5-Jan	0.835	0.910	0.945	-	0.760	0.745	0.800	-4.2%	On-going
8	KRONO	5-Jan	0.650	0.685	0.745	-	0.565	0.550	0.595	-8.5%	On-going
9	OPCOM	5-Jan	0.950	1.120	1.300	-	0.880	0.865	1.040	9.5%	On-going
10	RGTECH	5-Jan	0.480	0.515	0.565	-	0.415	0.400	0.435	-9.4%	On-going
Average Return										-4.9%	

Technical Focus Tracker Summary	
Total recommendations	197
Total winners	117
Total losers	79
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	-13.1%
Accuracy (2022)	33.3%
FBM KLCI (Since 31/12/2021)	-2.4%
FBM Small Cap (Since 31/12/2021)	1.1%
Malaysia GDP Growth (3Q21)	-4.5%

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