

Mild recovery

Market Review

Malaysia: The FBM KLCI (+0.3%) rebounded, spurred by the final hour buying support amongst selected banking and Petronas-related heavyweights yesterday. The lower liners also advanced, while only the utilities (-0.5%) and plantation (-0.1%) underperformed their sectorial peers.

Global markets: Wall Street turned volatile as the Dow (-1.6%) sank over the persisting concern over the progress of the tension between Ukraine and Russia, while crude oil prices tumbled after US President Joe Biden plans to release 1.0m barrels of oil reserves a day for 6 months. The European stock markets also turned lower, but Asia stock markets ended mostly negative.

The Day Ahead

The FBM KLCI outperformed the regional peers on the back of improving sentiment prior to the reopening of travel borders and the positive sentiment should remain at least for today. However, uncertainties remained on the global front as Russia threatened to halt gas contracts supply and the tension between Ukraine and Russia still persisted. On the commodity markets, crude oil prices retraced after US President Biden decided to carry out oil release from the nation's petroleum reserve, while the CPO price trended lower, hovering around RM5,700.

Sector focus: Selected O&G stock may see a pullback following the US decision to release its oil reserve. The technology sector may take cue from the negative performance in Nasdaq overnight. Meanwhile, we reckon the airport, aviation, tourism, consumer and banking stocks could remain upbeat as border reopen bodes well for economic recovery.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI notched marginally higher following a 3-day consolidation and closed above EMA20. Technical indicators are mixed with the Histogram extending a negative bar, while the RSI is hovering above the 50 level. Resistance is envisaged at 1,600-1,620, while the support is set at 1,550-1,560.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,678.35	-1.56
S&P 500	4,530.41	-1.57
NASDAQ	14,220.52	-1.54
FBM KLCI	1587.36	0.26
FBM Small Cap	16,292.46	0.95
FBM ACE	5,619.82	0.31
Construction	16121	0.71
Consumer	581.12	0.16
Energy	717.44	0.44
Financial Services	16,778.59	0.50
Healthcare	2,119.46	0.55
Ind Products	205.44	0.71
Plantation	7,952.98	-0.11
Property	716.23	0.60
REITs	788.23	1.40
Technology	77.39	0.12
Telco & Media	647.89	1.04
Transport	853.65	0.61
Utilities	851.64	-0.45
Trading Vol (m)	2,860.25	-5.89
Trading Val (RM m)	2,362.61	9.35
Advance/ Decline	43%	
FKLI	1584.00	0.09
FCPO (RM)	5,786.00	1.42
Brent oil (USD)	113.45	-4.88
Gold (USD)	1937.44	0.24
USD	4.204	0.01
GBP	5.5185	0.12
EURO	4.6705	0.33
SGD	3.1065	0.04

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
- 451.8	- 4.2	456.0

Source: Bloomberg, Bursa Market Place

Company Brief

KPJ Healthcare Bhd has appointed Datuk Md Arif Mahmood as chairman effective 1st April 2022, succeeding Tan Sri Dr Ali Hamsa. The healthcare group has also appointed Datuk Mohd Shukrie Mohd Salleh as its new president and managing director effective 1st April 2022. (The Star)

KPower Bhd has appointed Amirul Afif Abd Aziz as group chief executive officer (GCEO) succeeding group managing director Mustakim Mat Nun with immediate effect. Prior to the appointment, Amirul Afif had been its group chief financial officer. Mustakim has been re-designated as executive chairman from his previous position as executive chairman cum group managing director. (The Star)

Barakah Offshore Petroleum Bhd and its subsidiary PBJV Group Bhd have failed in their RM1.02bn claim in the High Court against Petronas and its exploration arm Petronas Carigali Sdn Bhd. Barakan had announced in August 2019 that it was demanding the RM1.02bn as compensation from Petronas and Petronas Carigali over what it claims to be an unwarranted suspension notice. The sum is, among others, based on the loss of future profits, reputation and market share prices, as a result of the three-year suspension notice issued by Petronas on PBJV's licence. (The Edge)

Computer Forms (M) Bhd has received a notice of an unconditional mandatory takeover offer from major shareholder Datuk Seri Pang Chow Huat to acquire the remaining shares in Computer Forms not owned by Pang for 60.0 sen per share. The offer is at a discount of 22.0 sen or 26.8% to Computer Forms' last closing share price of 82.0 sen. The offer for the company was triggered on 31st March 2022 after Pang acquired the entire 65.0% stake owned by major shareholder Tan Sri Tan Hua Choon in Computer Forms. (The Edge)

Sapura Energy Bhd has been slapped with another two winding-up petitions, this time over the failure to settle an aggregate sum of RM834,582. The oil and gas service provider units, Sapura Offshore Sdn Bhd and Sapura Geosciences Sdn Bhd, were served the petitions by VKI Marketing Sdn Bhd and Tumpuan Megah Development Sdn Bhd respectively. (The Edge)

Talam Transform Bhd's unit Europlus Bhd has inked a joint venture with Janajaya Murni Sdn Bhd (JMSB) to jointly develop two parcels of land owned by Europlus in Serendah, Selangor, into a residential project with a combined gross development value of RM388.2m. Europlus is entitled to get RM62.1m in return for granting JMSB the exclusive right to build homes on the plots. (The Edge)

Astro Malaysia Holdings Bhd's 4QFY22 net profit fell 24.6% YoY to RM126.6m, due to higher license, copyright and royalty fees, staff related and financing costs. Revenue for the quarter slipped 7.0% YoY to RM1.03bn. A fourth interim dividend of 1.5 sen per share and a final dividend of 0.75 sen was declared. (The Edge)

Cypark Resources Bhd's 1QFY23 net profit increased 5.6% YoY to RM15.8m, on lower recognition of deferred tax expenses. Revenue for the quarter grew 1.0% YoY to RM77.2m. (The Edge)

Teck Guan Perdana Bhd's 4QFY22 net profit surged 17.1x YoY to RM17.2m, mainly on the increased sales volume, higher selling prices and improved operating margin. Revenue for the quarter soared 332.3% YoY to RM325.2m. (The Edge)

JAG Bhd has entered into an agreement with Bank Negara Malaysia (BNM) for the purchase and meltdown of cupronickel and nickel raw metals as scrap from the Central Bank. Total value of the agreement was undisclosed but would be significant in terms of the procurement value. (The Edge)

MQ Technology Bhd plans to raise RM14.3m by placing out up to 357.5m new shares representing 40.0% of its total issued shares, at an issue price to be determined later. It plans to use RM11.6m of the proceeds to buy machinery for the planned expansion of its production capacity to produce larger parts, tools and fabricated precision products and components used in dies, moulding and other electronics-related industries. (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	OKA	7-Mar	0.815	0.850	0.875	0.920	0.770	0.765	0.825	1.2%	On-going
2	RGTECH	28-Mar	0.470	0.490	0.510	0.550	0.435	0.430	0.465	-1.1%	On-going
3	HEXTAR	30-Mar	1.600	1.710	1.770	1.870	1.480	1.470	1.590	-0.6%	On-going

2Q22 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	AIRPORT	1-Apr	6.950	7.470	7.970	-	6.320	5.900	6.950	0.0%	Initiate position
2	ECONBHD	1-Apr	0.290	0.350	0.435	-	0.235	0.190	0.290	0.0%	Initiate position
3	OCK	1-Apr	0.425	0.460	0.505	-	0.405	0.375	0.425	0.0%	Initiate position
4	JAKS	1-Apr	0.330	0.375	0.430	-	0.310	0.275	0.330	0.0%	Initiate position
5	KGB	1-Apr	1.370	1.600	1.780	-	1.290	1.150	1.370	0.0%	Initiate position
6	ELKDESA	1-Apr	1.330	1.450	1.510	-	1.270	1.230	1.330	0.0%	Initiate position
7	HARTA	1-Apr	4.850	5.530	6.220	-	4.530	4.150	4.850	0.0%	Initiate position
8	BPPLAS	1-Apr	1.500	1.640	1.760	-	1.340	1.220	1.500	0.0%	Initiate position
9	KMLOONG	1-Apr	1.930	2.050	2.210	-	1.850	1.740	1.930	0.0%	Initiate position
10	PANTECH	1-Apr	0.695	0.750	0.800	-	0.660	0.620	0.695	0.0%	Initiate position
Average Return										0.0%	

Technical Focus Tracker Summary	
Total recommendations	212
Total winners	130
Total losers	82
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	32.2%
Accuracy (2022)	63.0%
FBM KLCI (Since 31/12/2021)	1.3%
FBM Small Cap (Since 31/12/2021)	3.4%
Malaysia GDP Growth (2021)	3.1%