

Swift rebound

Market Review

Malaysia: The FBM KLCI (+0.9%) was driven by the optimism over the potential slower rate hike from the US Federal Reserve, while foreign funds turned net buyers for the first time in 9 days. The lower liners also advanced, while the energy sector (+1.4%) outperformed the mostly positive sectorial peers.

Global markets: The US stockmarkets retreated in the final trading hour with the Dow falling 0.4% after the US Fed Chairman Jerome Powell announced a 50 basis points of rate hike and signal more rate hikes on the table. The European stockmarkets also closed lower, but Asia stockmarkets finished mostly positive.

The Day Ahead

The FBM KLCI ended on a positive note along with most of the regional peers as investors cheered positively after the cooler US inflation data, while foreign funds turned net buyer after 9-day of selling activities. However, cautious sentiment may return following the negative performance on Wall Street overnight as the US Fed Chair's remarks on further tightening of monetary policy in 2023, coupled with the expected terminal rate of 5.1% going forward to fight inflation. Investors may watch for UK and Europe's interest rate decision moving forward. Commodities wise, the Brent crude oil price rose above USD82 per barrel mark, while the CPO price hovered above RM3,950.

Sector focus: The oil & gas sector should remain its uptrend move given the firmer crude oil price. Investors may favour the banking sector amid the prolonged interest rate upcycle environment. On the other hand, the technology sector may stage a pullback following the cautious sentiment on Wall Street.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI rebounded from recent losses to close above its daily EMA9 level. Technical indicators turned mildly positive with the MACD Histogram forming a rounding bottom, while the RSI is hovering above 50. Support is envisaged along 1,450-1,460, while the resistance is located at 1,500-1,510.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,966.35	-0.42
S&P 500	3,995.32	-0.61
NASDAQ	11,70.89	-0.76
FBM KLCI	1483.17	0.89
FBM Small Cap	15,222.27	0.34
FBM ACE	5,510.99	0.29
Construction	15186	-0.48
Consumer	583.79	0.67
Energy	795.36	1.36
Financial Services	16,669.57	0.59
Healthcare	1648.70	0.19
Ind Products	18138	0.43
Plantation	6,740.89	0.82
Property	656.30	0.05
REITs	769.86	-0.11
Technology	66.69	1.03
Telco & Media	593.39	-0.16
Transport	836.55	0.56
Utilities	864.26	0.61
Trading Vol (m)	2,514.56	-6.39
Trading Val (RM m)	1,904.02	3.61
Advance/ Decline	14%	
FKLI	148150	-0.17
FCPO (RM)	3,965.00	0.38
Brent oil (USD)	82.70	2.50
Gold (USD)	1,807.32	-0.19
USD	4.3927	-0.16
GBP	5.4442	-0.30
EURO	4.6838	-0.22
SGD	3.2631	-0.01

Trading participation 5-day trend and value ('m)

Institution	Retail	Foreign
269.8	-17.3	-252.5

Source: Bloomberg, Bursa Market Place

Company Brief

Top Glove Corp Bhd's 1QFY23 net loss stood at RM168.2m vs. a net profit of RM185.7m recorded in the previous corresponding quarter, due to ongoing glove supply/demand imbalance which saw customers holding off restocking activity as they continued to deplete existing glove inventory, coupled with a lack of urgency to place orders in light of excess production capacity within the glove industry. Revenue for the quarter dropped 60.7% YoY to RM632.5m. (The Star)

Axiata Group Bhd has reported that its interim dividend of 5.0 sen per share and special dividend of 4.0 sen per share will be payable on 20th January 2023. The special tax-exempt dividend was announced on Dec 6 following the completion of the Celcom-Digi merger on 30th November 2022. (The Edge)

Telekom Malaysia Bhd has announced an internal reorganisation, which involves the transfer of its business in Malaysia to a single operating entity named TM Technology Services Sdn Bhd (TM Tech), and is expected to complete by 31st December 2023. The reorganisation includes unifi, TM One and TM Wholesale and is aimed at improving its operational efficiencies, streamlining processes and simplifying customer touchpoints. (The Edge)

Capital A Bhd's logistics venture Teleport has raised new growth capital of USD50.0m (RM220.0m) from large institutional credit investors to extend its delivery capabilities in Southeast Asia. The funds will be used to induct additional freighters, build critical hubs in Indonesia, the Philippines and Malaysia, and further invest in technology that allows anyone to teleport it in 24 hours across Southeast Asia. The logistics venture of Capital A is also currently serving Shopee, Lazada and Zalora. (The Edge)

T7 Global Bhd and Siemens Logistics Pte Ltd have won a contract to update the baggage handling system at Terminal 1 of KLIA. The new system will feature Siemens Logistics' VarioBelt belt conveyor with a higher storage capacity of 2,500 bag positions. T7 Kemuncak Sdn Bhd and Siemens Logistics will execute the project, awarded by Malaysia Airports (Sepang) Sdn Bhd, in 3 sections while the airport is in operation. (The Edge)

Nylex (Malaysia) Bhd has signed a Letter of Intent (LOI) with a unit of CRRC Corp Ltd, CRRC Changchun Railway Vehicles Co Ltd, on the construction of a light rail transport system in Johor Bahru. Under the LOI, CRRC Changchun agrees to undertake the project as turnkey contractor and recommends the use of the straddle monorail system for the project. (The Edge)

K-One Technology Bhd unit, K-One MediTech Sdn Bhd has secured approval from the Ministry of Health's Medical Device Authority (MDA) to distribute acne patches primarily used for quick healing and reducing redness or inflammation of acne. MDA approved the distribution and sale of the patches for a 5-year period from 13th December 2022. (The Edge)

Pestech International Bhd through its subsidiary Pestech (Cambodia) Plc has signed a Memorandum of Understanding (MOU) with Cambodia-based Attwood Investment Group Co Ltd to produce 2 feasibility studies pertaining to the construction or ownership of solar-based assets in Cambodia. Under the MOU, the 2 companies will cooperate to complete the feasibility studies, and formulate the licence and approval strategy, while embedding the requirements of clean energy-

generation. (The Edge)

Kein Hing International Bhd's 2QFY23 net profit jumped 122.2% YoY to RM10.0m, mainly due to higher revenue from Vietnam operation and foreign exchange gains. Revenue for the quarter added 34.2% YoY to RM100.8m. (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	EPMB	7-Dec	1.120	1.180	1.230	1.350	1.050	1.040	1.070	-4.5%	On-going
2	RAMSSOL	9-Dec	0.405	0.445	0.480	0.520	0.360	0.355	0.445	9.9%	Take profit at R1 on 14-Dec
3	CENGILD	12-Dec	0.490	0.495	0.520	0.575	0.425	0.420	0.465	-5.1%	On-going
4	RANHILL	14-Dec	0.440	0.465	0.485	0.515	0.415	0.410	0.440	0.0%	On-going

4Q22 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	ATECH	3-Oct	1.869	2.180	2.280	-	1.740	1.660	1.940	3.8%	On-going
2	PECCA	3-Oct	0.880	1.000	1.080	-	0.795	0.740	0.795	-9.7%	On-going
3	KGB	3-Oct	1.290	1.520	1.630	-	1.260	1.150	1.460	13.2%	On-going
4	SCOMNET	3-Oct	1.665	1.890	2.050	-	1.390	1.240	1.700	2.1%	On-going
5	OPTIMAX	3-Oct	0.734	0.910	1.000	-	0.695	0.625	0.770	4.9%	On-going
6	SAMAIDEN	3-Oct	0.755	0.835	0.915	-	0.670	0.605	0.805	6.6%	On-going
7	TIMECOM	3-Oct	4.620	5.000	5.250	-	4.400	4.210	5.080	10.0%	On-going
8	HEXTAR	3-Oct	1.760	2.000	2.150	-	1.620	1.510	2.370	34.7%	On-going
9	TGUAN	3-Oct	2.560	2.870	3.030	-	2.470	2.320	2.370	-7.4%	On-going
10	GAMUDA	3-Oct	3.542	4.470	4.680	-	3.760	3.600	3.590	1.4%	On-going
11	MYEG	3-Oct	0.837	1.000	1.080	-	0.785	0.715	0.905	8.1%	On-going
12	CCK	3-Oct	0.650	0.720	0.760	-	0.580	0.550	0.670	3.1%	On-going
13	SIGN	3-Oct	1.730	2.000	2.150	-	1.610	1.440	2.720	57.2%	On-going
Average Return										9.8%	

Technical Focus Tracker Summary	
Total recommendations	287
Total winners	174
Total losers	112
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	10.8%
Accuracy (2022)	59.8%
FBM KLCI (Since 31/12/2021)	-5.4%
FBM Small Cap (Since 31/12/2021)	-3.4%
Malaysia GDP Growth (9M22)	9.3%