

Heading towards 1,500

Market Review

Malaysia: The FBM KLCI (+0.1%) inched marginally higher after re-tested the 1,500 level, buying interested was noted in Petronas-related heavyweights. The lower liners marched higher, while the financial services sector (-0.2%) pulled back after Bank Negara maintained OPR at 2.75%.

Global markets: The US stockmarkets remained downbeat as the Dow (-0.8%) slipped after the US hit its debt limit, which weighed on potential default that may derail the economic growth and the Treasury market. The European stockmarkets endured their worst day of the year, while the Asia stockmarkets ended mixed.

The Day Ahead

The FBM KLCI eked out marginal gains following the decision by Bank Negara Malaysia to maintain the overnight policy rate (OPR) at 2.75%. Nevertheless, we expect the sideways trend on the local bourse may turn into a negative biased environment prior to the Lunar New Year holiday after Wall Street extended its slide amid increasing concerns on softer economic activities going forward and the expectation of the Fed's tone to remain hawkish. Commodities wise, the Brent crude oil traded above USD86, while the CPO price stayed above RM3,850.

Sector focus: The Bank Negara's decision to pause the OPR hike may trigger further profit taking activities on the banking sector. Besides, the technology sector may tick lower following the decline on Wall Street. On the other hand, investors may favour the energy sector amid firmer crude oil price, while the consumer, tourism, aviation and REIT could be taken as a proxy towards the recovery theme following reopening of China's borders.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI booked modest gains, heading towards the key 1,500 level. Technical indicators remained positive as the MACD Histogram trended higher, while the RSI is hovering above 50. Should the key index crossed above 1,500, the next resistance is envisaged around 1,510-1,520, support is located at 1,450-1,460.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,044.56	-0.76
S&P 500	3,898.85	-0.76
NASDAQ	10,852.27	-0.96
FBM KLCI	1496.22	0.05
FBM Small Cap	16,634.80	0.53
FBM ACE	5,449.00	0.04
Construction	166.76	-0.51
Consumer	599.32	0.38
Energy	839.97	1.98
Financial Services	16,482.01	-0.21
Healthcare	1,701.25	0.47
Ind Products	187.84	-0.01
Plantation	6,825.58	-0.64
Property	665.37	0.80
REITs	808.31	0.87
Technology	67.02	-0.31
Telco & Media	589.35	-0.34
Transport	922.81	-0.14
Utilities	868.12	0.44
Trading Vol (m)	2,498.28	-7.60
Trading Val (RM m)	1,900.74	-5.15
Advance/Decline	105%	
FKLI	1497.00	-0.07
FCPO (RM)	3,892.00	0.08
Brent oil (USD)	86.16	1.39
Gold (USD)	1,932.24	1.48
USD	4.3075	0.19
GBP	5.3164	0.35
EURO	4.6633	0.60
SGD	3.2503	0.95

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
331.9	-211.7	-120.2

Source: Bloomberg, Bursa Market Place

Company Brief

Digi.com Bhd has appointed Tengku Datuk Seri Azmil Zahrudin Raja Abdul Aziz as chairman, succeeding Tan Sri Dr Halim Shafie. Prior to this appointment, he was the chief investment officer at Khazanah Nasional Bhd responsible for Khazanah's entire investment portfolio. (The Star)

Ecobuilt Holdings Bhd's wholly-owned subsidiary, Rexallent Construction Sdn Bhd, has bagged a construction contract from ADM Design and Management Sdn Bhd worth RM92.5m. The project is expected to be completed within 8 months by 4th September 2023. (The Star)

IGB Real Estate Investment Trust (IGB REIT)'s 4QFY22 net property income (NPI) rose 12.8% YoY to RM105.6m, mainly due to lower rental support provided to tenants arising from the economic reopening and improving retail sales of tenants. Revenue for the quarter increased 24.6% YoY to RM148.7m. A distribution per unit (DPU) of 2.46 sen, payable on 27th February 2023 was declared. (The Edge)

IGB Commercial REIT's 4QFY22 net property income dropped 14.1% YoY to RM27.3m on higher operational costs. Revenue for the quarter, however, rose 6.9% YoY to RM49.4m. A distribution per unit of 1.49 sen, payable on 27th February 2023 was declared. (The Edge)

Axis Real Estate Investment Trust (Axis REIT)'s 4QFY22 net property income rose 12.7% YoY to RM62.0m, on the back of income from new acquisitions, new tenancies from existing properties, and positive rental revisions. Revenue for the quarter rose 12.4% YoY to RM70.7m. A distribution per unit of 2.33 sen, payable on 28th February 2023 was declared. (The Edge)

CapitaLand Malaysia Trust's 4QFY22 net property income rose 23.0% YoY to RM40.8m, amid continued retail recovery and improved portfolio occupancy, coupled with write-back of provision for doubtful debts. Revenue for the quarter gained 4.3% YoY to RM68.9m. A distribution per unit of 2.06 sen, payable on 22nd February 2023 was declared. (The Edge)

RHB Bank Bhd has issued subordinated notes of RM500.0m at nominal value, under the bank's RM5.00bn multi-currency medium-term note programme. The notes mature in 10 years and are non-callable for the first 5 years. They have a coupon rate of 4.51% per annum, payable semi-annually in arrears throughout the entire tenure. Proceeds raised from the subordinated notes will be utilised for the company's general working capital and other corporate purposes. (The Edge)

Digistar Corp Bhd, via its subsidiary Panorama TV Asia Broadcast Sdn Bhd, has signed a cooperation agreement with Indonesian diversified group PT MNC Asia Holding Tbk to provide internet TV services. The pair is aiming to launch the service in May 2023, mainly targeting hospitality and healthcare centres. (The Edge)

Datuk Seri Amir Hamzah Azizan, the chief executive officer of the Employees Provident Fund (EPF), has been appointed as the chairman of **Malaysian Resources Corp Bhd** (MRCB), replacing Tan Sri Azlan Zainol who passed away on 12th January 2023. The appointment of Amir Hamzah is a redesignation from his previous post as a non-executive director of the group since 1st September 2021. (The Edge)

YTL Power International Bhd's wholly-owned unit has been granted a RM1.10bn Islamic term financing facility to fund the development of a data centre in Kulai, Johor. The facility was emplaced to YTL DC South Sdn Bhd for the development of the 48.0-MW IT load hyperscale data centre. The joint mandated lead arrangers are Malayan Banking Bhd (Maybank) and OCBC Bank (M) Bhd. (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	EG	16-Jan	0.580	0.600	0.620	0.670	0.540	0.535	0.565	-2.6%	On-going
2	FIAMMA	18-Jan	1.110	1.140	1.190	1.310	1.030	1.020	1.090	-1.8%	On-going
3	CMSB	20-Jan	1.160	1.240	1.270	1.350	1.100	1.090	1.160	0.0%	Initiate position

1Q23 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	BIMB	3-Jan	2.640	2.780	2.940	-	2.580	2.500	2.500	-5.3%	On-going
2	BJFOOD	3-Jan	1.020	1.110	1.200	-	0.975	0.935	1.040	2.0%	On-going
3	CMSB	3-Jan	1.070	1.130	1.250	-	1.000	0.915	1.160	8.4%	On-going
4	D&O	3-Jan	4.290	4.450	4.770	-	4.100	3.940	4.650	8.4%	On-going
5	DIALOG	3-Jan	2.400	2.550	2.720	-	2.320	2.230	2.570	7.1%	On-going
6	GENTING	3-Jan	4.480	4.750	4.850	-	4.290	4.180	4.940	10.3%	On-going
7	HEKTAR	3-Jan	0.740	0.750	0.795	-	0.665	0.645	0.805	8.8%	On-going
8	JTIASA	3-Jan	0.660	0.710	0.755	-	0.615	0.585	0.615	-6.8%	On-going
9	MAGNI	3-Jan	1.860	1.940	2.000	-	1.800	1.750	1.850	-0.5%	On-going
10	MISC	3-Jan	7.270	7.680	8.190	-	7.000	6.800	7.370	1.4%	On-going
11	MYEG	3-Jan	0.855	1.000	1.080	-	0.825	0.770	0.905	5.8%	On-going
12	SLVEST	3-Jan	0.815	0.915	0.995	-	0.795	0.705	1.070	31.3%	On-going
13	UMW	3-Jan	3.450	3.640	3.950	-	3.220	3.100	3.730	8.1%	On-going
Average Return										6.1%	

Technical Focus Tracker Summary	
Total recommendations	295
Total winners	181
Total losers	113
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	13.3%
Accuracy (2022)	62.9%
Portfolio performance (2023)	6.1%
Accuracy (2023)	40.0%
FBM KLCI (Since 30/12/2022)	0.0%
FBM Small Cap (Since 30/12/2022)	4.8%
Malaysia GDP Growth (9M22)	9.3%