

Volatility beckons

Market Review

Malaysia: The FBM KLCI (+0.1%) managed to hold onto its intraday gains as the key index snapped a six-day pullback with the rebound was largely anchored by bargain hunting in gloves heavyweights. The lower liners also trended higher on the back of rotational play in healthcare and technology sector, while the broader market ended mixed.

Global markets: US stockmarkets finished lower as the Dow slipped 0.6% amid the rising Covid-19 cases, which is threatening the pace of the economic recovery, whilst the US\$1.9tn stimulus bill may face a tough stance from the Congress. Meanwhile, European stockmarkets were downbeat, while Asia stockmarkets ended mostly lower.

The Day Ahead

Tracking a mixed performance on Wall Street last Friday, we think the mild rebound on the FBM KLCI last Friday could further fizzle off today and market sentiment is expected to be cautious ahead of the first US Federal Reserve meeting under the Biden's administration as well as the holiday-shortened week. As we are heading into the reporting season, investors may turn to selected sectors with high earnings certainty while the Covid-19 cases continued to rise.

Sector focus: Based on the upcoming reporting season, we reckon the technology, plantation and furniture sectors to be the potential winner and will be on traders' radar. Meanwhile, investors may switch from banking sector to glove makers after the rebound last week as well as anticipating a strong result from Harta today.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI snapped a six-day losing streak and closed mildly higher last Friday, but still hovering below the EMA 60 level. The key index is expected to move sideways below 1,620 amid investors' mixed sentiment. Meanwhile, Indicators turned mixed as the MACD Histogram has turned into a green bar, while the RSI remains below 50. Support is pegged at 1,590. Followed by 1,570. The resistance is envisaged around 1,620-1,640.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	30,996.98	-0.57
S&P 500	3,841.47	-0.30
NASDAQ	13,543.06	0.09
FBM KLCI	1596.74	0.12
FBM Small Cap	15,544.75	0.75
FBM ACE	10,758.01	0.31
Construction	17138	0.68
Consumer	59194	-0.12
Energy	834.07	-0.48
Financial Services	14,885.66	-0.01
Healthcare	3,549.79	1.79
Ind P Products	177.35	-0.30
Plantation	7,223.16	-0.11
Property	698.15	-0.29
REITs	813.15	-0.05
Technology	80.64	3.44
Telco & Media	667.83	0.75
Transport	760.04	0.45
Utilities	934.75	0.05
Trading Vol (m)	6,634.25	-1.24
Trading Val (RM m)	4,810.21	12.25
Advance/ Decline	111	
FKLI	1596.50	-0.09
FCPO (RM)	3,282.00	-0.06
Brent oil (USD)	55.41	-1.23
Gold (USD)	1855.61	-0.77
USD	4.0433	-0.35
GBP	5.5342	0.00
EURO	4.923	-0.68
SGD	3.0484	-0.12

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-138.1	426.2	-288.2

Source: Bloomberg, Bursa Market Place

Company Brief

Dagang Nexchange Bhd (DNeX) will pay RM314.0m (US\$78.0m) for an additional 60.0% stake in Ping Petroleum Ltd, raising its stake in the oil and gas company to 90.0%. Ping has proven to be a strategic fit with DNeX's energy division and has contributed positively to the Group's earnings over the past few years. (The Star)

Tenaga Nasional Bhd's (TNB) foreign shareholding fell to 12.9% as at 31st December 2020 from 13.8% as at end-November 2020. The December and November 2020 updates, which were published on TNB's website showed that its latest foreign shareholding figures had fallen from 17.6% as at end-February 2020. (The Edge)

Supermax Corp Bhd spent RM53.9m to buy back its own shares on 22nd January 2021, its first share buyback exercise this year. The glove manufacturer bought back 8.2m shares at between RM6.24 and RM6.70 apiece. It now holds 103.0m cumulative net outstanding treasury shares, which is equivalent to 3.8% of its total share capital of 2.72bn shares. (The Edge)

CIMB Group Holdings Bhd has appointed Paul Wong Chee Kin as president and CEO of CIMB Thai effective 1st February 2021, succeeding acting president and CEO Sutee Losoponkul after the departure of the previous CEO, Adisorn Sermchaiwong. Losoponkul will remain with CIMB Thai and assume the role of advisor to the president and CEO, until 31st December 2021. (The Edge)

SC Estate Builder Bhd has proposed to undertake a private placement of up to 20.0% of the total number of issued shares to third-party investors at an issue price to be determined later. Based on the indicative issue price of 5.5 sen per placement share, the proposed private placement is expected to raise gross proceeds of RM10.5m. (The Edge)

Serba Dinamik Holdings Bhd proposed private placement involving 336.8m new shares was oversubscribed by 1.9x. In conjunction with the completion of the private placement's book-building exercise, the oil and gas service provider reported that the issue price of the private placement shares was fixed at RM1.51 per share, and that it is expected to raise gross proceeds of RM508.6m from the exercise. (The Edge)

HB Global Ltd has proposed to raise RM12.2m via a private placement to repay creditors, and for use in future investments and working capital. It would be issuing 93.6m placement shares or 20.0% of its total share capital, at an indicative issue price of 13 sen to third-party investors. (The Edge)

PLS Plantations Bhd has proposed to place out 19.0m new shares in the durian planter to CIMB Group Holdings Bhd's ex-chairman Datuk Seri Nazir Razak at 95 sen each under a private placement of up to 10.0% of the total number of issued shares in the company to improve its public shareholding spread and raise money to finance the expansion of its existing business. The placement will also enable the company to raise funds to partially repay the group's bank borrowings, which stood at about RM121.5m as at 31st December 2020. (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	PENERGY	31-Dec	1.110	1.170	1.250	1.500	1.000	0.940	0.945	-14.9%	On going
2	SERBADK	31-Dec	1.800	1.810	1.890	2.000	1.690	1.630	1.630	-9.4%	Cut loss on 18-Jan
3	FPGROUP	18-Jan	0.970	1.030	1.110	1.230	0.925	0.920	1.110	14.4%	Take profit at R2 on 20-Jan
4	PADINI	20-Jan	2.810	3.000	3.170	3.300	2.740	2.730	2.730	-2.8%	Cut loss on 21-Jan
5	TGUAN	25-Jan	2.500	2.700	2.880	3.260	2.410	2.400	2.500	0.0%	Initiate position

1Q21 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	14-Dec	0.920	1.080	1.100	1.200	0.840	0.820	0.720	-21.7%	On-going
2	KML00NG	14-Dec	1.597	1.750	1.800	1.900	1.550	1.520	1.440	-9.8%	On-going
3	TNLOGIS	14-Dec	0.970	1.150	1.200	1.300	0.900	0.880	0.855	-11.9%	On-going
4	OKA	14-Dec	0.710	0.770	0.810	1.000	0.670	0.650	0.640	-9.9%	On-going
5	MASTER	14-Dec	1.821	2.770	3.000	3.150	1.560	1.500	1.890	3.8%	On-going
6	SOLUTN	14-Dec	1.720	2.000	2.200	2.500	1.340	1.300	1.150	-33.1%	On-going
7	ECONBHD	14-Dec	0.540	0.625	0.705	0.840	0.500	0.480	0.405	-25.0%	On-going
8	OPTIMAX	14-Dec	0.835	1.000	1.080	1.200	0.730	0.700	1.050	25.7%	On-going

Technical Focus Tracker Summary	
Total recommendations	83
Total winners	45
Total losers	37
Portfolio performance (2020)	258.5%
Accuracy (2020)	53.3%
Portfolio performance (2021)	46.3%
Accuracy (2021)	71.4%
FBM KLCI (Since 4/1/2021)	-1.9%
FBM Small Cap (Since 4/1/2020)	-0.1%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
BONIA (9288)	Stock Dividend	2:25	11/1/2021	25/1/2021	RM0.90	RM0.90	-	0.6
ALLIANZ (1163)	Interim	RM0.580	29/12/2020	25/1/2021	RM14.52	RM14.52	4.0	0.0
PBBANK (1295)	Bonus	4:1	8/12/2020	26/1/2021	RM18.46	RM21.66	-	17.3
EITA (5208)	Bonus-Options	1:3	18/11/2020	27/1/2021	RM1.34	RM3.30	-	146.5
EITA (5208)	Bonus	1:1	18/11/2020	27/1/2021	RM1.34	RM3.30	-	146.5
ECOWLD (8206)	Interim	RM0.020	14/1/2021	27/1/2021	RM0.46	RM0.56	3.6	20.7
VC (0060)	Stock Split	1:4	18/1/2021	2/2/2021	RM0.05	RM0.05	-	0.0
INSAS (3379)	Preferred Right	1:5	18/1/2021	2/2/2021	RM0.99	RM0.95	-	-3.6
SCIB (9237)	Bonus-Options	1:2	15/1/2021	2/2/2021	RM1.70	RM2.14	-	25.9
SMILE (03023)	Interim	RM0.001	20/1/2021	3/2/2021	RM0.24	RM0.24	0.4	0.0
FOCUSP (0157)	Bonus	1:2	30/11/2020	3/2/2021	RM0.69	RM1.37	-	98.3
RHONEMA (5278)	Bonus-Options	2:5	18/1/2021	3/2/2021	RM0.81	RM0.85	-	5.6
AXREIT (5106)	Distribution	RM0.023	20/1/2021	4/2/2021	RM1.93	RM2.00	1.1	3.6
KIPREIT (5280)	Distribution	RM0.016	19/1/2021	4/2/2021	RM0.82	RM0.83	1.9	1.2
NIHSIN (7215)	Preferred Right	2:1	19/1/2021	4/2/2021	RM0.26	RM0.26	-	0.0
SENTRAL (5123)	Distribution	RM0.037	19/1/2021	4/2/2021	RM0.91	RM0.93	3.9	1.6
TWRREIT (5111)	Distribution	RM0.01	21/1/2021	8/2/2021	RM0.57	RM0.58	1.8	1.8
PA (7225)	Stock Split	1:2	21/1/2021	8/2/2021	RM0.17	RM0.18	-	5.9
ATRIUM (5130)	Distribution	RM0.03	22/1/2021	9/2/2021	RM1.21	RM1.21	2.5	0.0
PESTECH (5219)	Special Cash	RM0.01	19/1/2021	9/2/2021	RM0.90	RM0.91	0.5	1.7
ZHULIAN (5131)	4th Interim & Special Cash	RM0.08	20/1/2021	16/2/2021	RM1.65	RM1.78	4.5	7.9
VS (6963)	Interim	RM0.01	17/12/2020	17/2/2021	RM2.62	RM2.73	0.4	4.1
HOMERIZ (5160)	Final	RM0.02	28/10/2020	17/2/2021	RM0.86	RM0.68	2.2	-21.1
POHKONG (5080)	Regular Cash	RM0.01	23/11/2020	18/2/2021	RM0.81	RM0.85	1.4	5.0
BKAWAN (1899)	Final	RM0.40	9/12/2020	19/2/2021	RM17.84	RM17.96	2.2	0.7
KLK (2445)	Final	RM0.35	9/12/2020	19/2/2021	RM23.70	RM23.48	1.5	-0.9
HAIQ (7668)	Interim	RM0.04	13/1/2021	24/2/2021	RM2.16	RM2.15	1.9	-0.5
ASTINO (7162)	Final	RM0.02	27/11/2020	9/3/2021	RM0.72	RM0.90	1.7	24.3
MELATI (5129)	Final	RM0.01	27/10/2020	9/3/2021	RM0.40	RM0.47	2.1	17.5
PANTECH (5125)	3rd Interim	RM0.01	21/1/2021	30/3/2021	RM0.47	RM0.42	1.2	-9.7