

On a better footing

Market Review

Malaysia: After lingering in the positive territory for the entire trading session, the FBM KLCI (+0.3%) rebounded with close to two-third of the key index components finished in the positive note. The lower liners extended their gains, while the broader market closed mostly higher with the technology sector (+3.1%) remain in the driving seat.

Global markets: US stockmarkets rebounded from the previous session slump as the Dow rose 1.0% after trading restrictions imposed in certain companies following the surge in Game Stop in the prior day. European stockmarkets ended mostly higher, while Asia stockmarkets finished in the red.

The Day Ahead

The FBM KLCI outperformed its regional peers to end mildly higher on Wednesday following the announcement by the Health Ministry on the supply of 18.4m doses Covid-19 vaccines by Pharmaniaga and Dpharma in March 2021. Given the rebound on Wall Street overnight, coupled with the relaxation of MCO to allow all businesses to operate until 10pm which may contribute to some positive impact to the market, albeit rising Covid-19 cases may still dampen the economic recovery. Meanwhile, the lower liners are seeing some rebound signs.

Sector focus: We continue to favour the consumer products & services sector for its earning certainties during the reporting season. Besides, traders may look out for plantation counters following the surge in crude palm oil price, while technology stocks may still be in the uptrend mode but subject to profit taking activities after strong gains.

FBMKLCI Technical Outlook



Bloomberg

Following the modest gain on Wednesday, the FBM KLCI seems to have found some stability above the EMA120 level. However, indicators turned mixed as the MACD Histogram has turned into a green bar, while the RSI remains below 50. The resistance will be envisaged at 1,600-1,610, while the support will be set along 1,550-1,560.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	30,603.36	0.99
S&P 500	3,787.38	0.98
NASDAQ	13,337.16	0.50
FBM KLCI	1580.62	0.34
FBM Small Cap	15,370.19	0.86
FBM ACE	11,165.84	3.40
Construction	164.79	-0.05
Consumer	585.83	0.34
Energy	810.33	0.24
Financial Services	14,746.24	0.33
Healthcare	3,528.19	-0.81
Ind Products	171.14	0.40
Plantation	7,147.16	-0.52
Property	680.16	0.42
REITs	806.96	0.45
Technology	83.43	3.11
Telco & Media	667.54	1.92
Transport	752.12	0.58
Utilities	923.69	0.07
Trading Vol (m)	5,641.26	-4.88
Trading Val (RM m)	4,984.31	5.26
Advance/ Decline	121	
FKLI	1579.00	0.13
FCPO (RM)	3,388.00	3.74
Brent oil (USD)	55.53	-0.50
Gold (USD)	1843.17	-0.04
USD	4.046	0.04
GBP	5.5161	0.73
EURO	4.892	0.44
SGD	3.0332	0.60

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
61.6	725.4	-787.0

Source: Bloomberg, Bursa Market Place

Company Brief

Digi.com Bhd's 4QFY20 net profit declined 18.3% YoY to RM280.2m on the back of weakened consumer and business spend due to ongoing Conditional Movement Control Order (CMCO) in certain states since October 2020. Revenue for the quarter fell 6.6% YoY to RM1.56bn. A fourth interim tax exempt (single-tier) dividend of 3.6 sen per ordinary share, which will be paid on 26th March 2021 was declared. (The Star)

Fraser & Neave Holdings Bhd's (F&N) 1QFY21 net profit rose 6.6% YoY to RM136.8m as tax incentives enjoyed in Thailand boosted the group's bottomline. Revenue for the quarter however, fell 2.7% YoY to RM1.08bn. (The Star)

See Hup Consolidated Bhd has bagged a RM99.0m contract from China Communications Construction (ECRL) Sdn Bhd to construct part of the subgrade works for the East Coast Rail Link project. The 28-month project will commence 1st March 2021. (The Star)

Pasukhas Group Bhd has secured a RM58.9m job from **Fintec Global Bhd** to build a glove factory near Ipoh, Perak. The contract to design, build and deliver on a turnkey basis a 10,000 sqm glove manufacturing factory with the capacity to house up to 14 glove-dipping lines to produce medical grade nitrile gloves. Construction work was tentatively scheduled to start on 1st February 2021 with the target for completion within eight months. (The Star)

Power Root Bhd has reported that two of its subsidiaries have voluntarily shut operations of its instant powder (IP) production facility in Johor for a week in order to carry out sanitisation after an employee tested positive for Covid-19 on 24th January 2021. The two subsidiaries – Power Root (M) Sdn Bhd and Power Root Manufacturing Sdn Bhd have halted operations from 25th January 2021 to 1st February 2021. (The Edge)

Tasco Bhd's 3QFY21 net profit jumped 199.0% YoY to RM11.6m, driven by higher revenue that was seen across all of its operating segments. Revenue for the quarter grew 27.6% YoY to RM242.7m. (The Edge)

Pavilion REIT's 4QFY20 net property income (NPI) decreased 25.0% YoY to RM68.5m, on lower revenue. Revenue for the quarter fell 10.4% YoY to RM130.8m. A final distribution per unit of 2.52 sen, was declared. (The Edge)

Chin Hin Group Property Bhd is buying five parcels of land in Hulu Selangor for RM54.5m to expand its property development activity. The group is buying the freehold land located in Serendah from Frazel World Sdn Bhd and Frazel Icon Sdn Bhd. The acquisition is expected to be funded via a combination of internally-generated funds, bank borrowings and fund-raising exercise. (The Edge)

Lotte Chemical Titan Holdings Bhd's 4QFY20 net profit fell 19.5% YoY to RM151.2m as plant utilisation rate fell to 85% due to plant maintenance. Revenue for the quarter dropped 2.5% YoY to RM1.92bn. (The Edge)

Pimpinan Ehsan Bhd (PEB) is proposing to undertake a capital repayment exercise that involves a pro-rata cash distribution of approximately RM66.7m – on the basis of 96 sen per share on an entitlement date to be determined later. Upon completion of the capital repayment exercise, the company proposes to delist from the official list of Bursa Securities. (The Edge)

KLCC Stapled Group's 4QFY20 net loss stood at RM41.8m vs. a net profit of RM244.4m recorded in the previous corresponding quarter, due to fair value loss on investment properties of RM142.3m and an RM81.4m impairment of its ongoing development of Kompleks Dayabumi Phase 3. Revenue for the quarter declined 16.5% YoY to RM304.7m. An income distribution of 6.7 sen per staple security (5.7 sen from KLCC REIT and one sen from KLCC Property Holdings) was declared. (The Edge)

Guocoland (Malaysia) Bhd's 2QFY21 net loss narrowed to RM11.4m, from a net loss of RM14.9m recorded in the previous corresponding quarter, on lower expenses and finance costs. Revenue for the quarter increased 1.3% YoY to RM91.3m. (The Edge)

KPower Engineering Sdn Bhd (KPEng), a wholly-owned subsidiary of **KPower Bhd**, has entered into a memorandum of agreement today with Public Islamic Bank Bhd (PIBB) on the financing and installation of solar photovoltaic (PV) systems for PIBB's customers in relation to the net energy metering (NEM) scheme. (The Edge)

The takeover offer for **TA Enterprise Bhd** by major shareholder Datuk Tony Tiah has been extended to 5th March 2021, from 25th January 2021. The extended closing day is to give the holders more time to accept the offer. Earlier on 15th December 2020, Tiah announced he would acquire all the remaining shares in TA Enterprise at an offer price of 65.5 sen. (The Edge)

Technical Focus Tracker

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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	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
2	PADINI	20-Jan	2.810	3.000	3.170	3.300	2.740	2.730	2.730	-2.8%	Cut loss on 21-Jan
3	TGUAN	25-Jan	2.500	2.700	2.880	3.260	2.410	2.400	2.400	-4.0%	Cut loss on 27-Jan
4	ASTINO	27-Jan	0.915	0.970	1.000	1.040	0.850	0.820	0.885	-3.3%	On going

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	0.680	-26.1%	On-going
2	KMLOONG	14-Dec	1.630	1.750	1.800	1.900	1.550	1.520	1.380	-15.3%	On-going
3	TNLOGIS	14-Dec	0.970	1.150	1.200	1.300	0.900	0.880	0.860	-11.3%	On-going
4	OKA	14-Dec	0.710	0.770	0.810	1.000	0.670	0.650	0.625	-12.0%	On-going
5	MASTER	14-Dec	1.840	2.770	3.000	3.150	1.560	1.500	1.900	3.3%	On-going
6	SOLUTN	14-Dec	1.720	2.000	2.200	2.500	1.340	1.300	1.240	-27.9%	On-going
7	ECONBHD	14-Dec	0.540	0.625	0.705	0.840	0.500	0.480	0.380	-29.6%	On-going
8	OPTIMAX	14-Dec	0.835	1.000	1.080	1.200	0.730	0.700	1.000	19.8%	On-going

Technical Focus Tracker Summary	
Total recommendations	84
Total winners	45
Total losers	39
Portfolio performance (2020)	184.1%
Accuracy (2020)	53.3%
Portfolio performance (2021)	39.0%
Accuracy (2021)	55.6%
FBM KLCI (Since 4/1/2021)	-2.9%
FBM Small Cap (Since 4/1/2021)	-1.3%