

## Back below 1,600

### Market Review

**Malaysia:** The FBM KLCI (-0.7%) succumbed to further profit taking activities after languishing in the negative territory for the entire trading session with more than two-third of the key index components finished in the red. The lower liners were traded largely on a mixed tone, while the broader market trended mostly lower amid the negative market breadth.

**Global markets:** US stockmarkets ended mixed again as the Dow added 0.3%, but the S&P 500 and Nasdaq shed 0.03% and 0.6% respectively dragged down by the weaknesses in technology sector. European stockmarkets extended their losses, while Asia stockmarkets were mostly downbeat.

### The Day Ahead

Following the announcement of MCO extension in several states, the local bourse endured a rough ride as economic recovery progress took another backseat. The weakness was also largely in line with the negative performance across regional peers which we reckon that the pullback is deemed to be healthy to allow the recent gains to be digested. While the market liquidity has yet to taper, we think the rotational play amongst the lower liners may prolong with the on-going batch of corporate earnings release largely in focus.

**Sector focus:** In view of the recent downturn in gloves manufacturer stocks, we think that valuations have now turned more appealing. Vaccine-related stocks are also in the limelight amid the roll-out of national vaccination plan. CPO price recapturing RM3,600/MT may garner some trading interests within the plantation sector, while energy stocks may continue to ride on the higher crude oil prices.

### FBMKLCI Technical Outlook



#### Bloomberg

The FBM KLCI has formed a bearish candle as the key index has slipped below the 1,600 level. Although the pullback stance is still largely in place, we think that the downside risk will be cushioned towards the support at 1,580, followed by 1,560. On the flipside, a breakout above 1,600 may indicate that recovery is back on track towards the next resistances at 1,620-1,650. Indicators have turned weaker as the MACD Histogram has turned red, while the RSI has slipped below 50.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	3163.02	0.29
S&P 500	3,931.33	-0.03
NASDAQ	13,965.50	-0.58
FBM KLCI	1595.29	-0.68
FBM Small Cap	16,473.71	0.89
FBM ACE	11,266.56	-0.75
Construction	168.95	-0.44
Consumer	602.16	-0.70
Energy	941.85	2.92
Financial Services	15,095.68	-0.62
Healthcare	3,492.18	1.23
Ind Products	182.58	-0.93
Plantation	7,109.70	-0.06
Property	708.49	0.27
REITs	814.03	-0.55
Technology	88.49	-1.32
Telco & Media	691.42	0.04
Transport	803.60	0.37
Utilities	942.05	-0.20
Trading Vol (m)	10,143.69	-19.47
Trading Val (RM m)	5,228.40	-9.62
Advance/ Decline	0.90	
FKLI	1591.00	-1.15
FCPO (RM)	3,632.00	2.74
Brent oil (USD)	64.34	1.56
Gold (USD)	1,776.13	-1.02
USD	4.0375	-0.23
GBP	5.6092	0.00
EURO	4.8768	0.36
SGD	3.0414	0.09

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-222.8	346.4	-123.6

Source: Bloomberg, Bursa Market Place

## Company Brief

**Datasonic Group Bhd** has announced that the government has ordered six additional electronic-gate system (e-gate) from the company for an extra RM1.7m. This is on top of the original RM7.0m contract, announced on 3rd February 2021, to supply 16 units of foreigner e-gate with facial recognition system at the Malaysia-Singapore entry/exit point to the Immigration Department. (The Star)

**Kuala Lumpur Kepong Bhd's** (KLK) 1QFY21 net profit jumped 113.8% YoY to RM357.4m, driven by a jump in plantation earnings. Revenue for the quarter rose 5.5% YoY to RM4.30bn. (The Edge)

**Mr DIY Group (M) Bhd's** 4QFY20 net profit increased 19.1% YoY to RM108.3m, on the rise in average monthly sales per store, as well as sales contribution from the 141 net new stores added during the year. Revenue for the quarter grew 24.5% YoY to RM768.3m. An interim dividend of 0.7 sen per share, payable on 8th April 2021 was declared. (The Edge)

**Uzma Bhd's** unit has bagged two licences from the Energy Commission to import liquefied natural gas (LNG) for regasification in the country. The licences allow Uzma to bring LNG into a regasification terminal by any means other than by transshipment, and to transport or distribute natural gas via regasification terminal or pipelines to consumer premises within Malaysia, pursuant to the implementation of Third-Party Access system. (The Edge)

**MGB Bhd** has bagged a RM442.8m contract to construct affordable home projects in Dengkil and Ijok in Selangor. Its wholly-owned subsidiary MGB Construction & Engineering Sdn Bhd was awarded the contract by Seloka Sinaran Sdn Bhd (SSSB) and Kemudi Ehsan Sdn Bhd (KESB). Both SSEB and KESB are subsidiaries of **LBS Bina Group Bhd** whom also owns the majority of MGB shares. (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	ASTINO	27-Jan	0.915	0.970	1.000	1.040	0.850	0.820	0.940	2.7%	On going
2	SDS	2-Feb	0.250	0.270	0.290	0.335	0.230	0.225	0.290	16.0%	Take profit at R2 on 16-Feb
3	OPENSYS	8-Feb	0.545	0.580	0.610	0.685	0.505	0.500	0.550	0.9%	On going
4	TCS	10-Feb	0.570	0.590	0.605	0.650	0.525	0.505	0.650	14.0%	Take profit at LT on 16-Feb
5	VSTECs	15-Feb	2.580	2.650	2.760	3.000	2.320	2.310	2.760	7.0%	Take profit at R2 on 16-Feb
6	GDB	17-Feb	0.950	0.965	1.080	1.200	0.880	0.875	0.955	0.5%	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	0.805	-12.5%	On-going
2	KMLOONG	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	0.925	-4.6%	On-going
4	OKA	14-Dec	0.710	0.770	0.810	1.000	0.670	0.650	0.710	0.0%	On-going
5	MASTER	14-Dec	1.821	2.770	3.000	3.150	1.560	1.500	1.880	3.2%	On-going
6	SOLUTN	14-Dec	1.720	2.000	2.200	2.500	1.340	1.300	1.380	-19.8%	On-going
7	ECONBHD	14-Dec	0.540	0.625	0.705	0.840	0.500	0.480	0.440	-18.5%	On-going
8	OPTIMAX	14-Dec	0.835	1.000	1.080	1.200	0.730	0.700	1.420	70.1%	On-going

# Market Pulse

Thursday, 18 Feb, 2021

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Technical Focus Tracker Summary	
Total recommendations	90
Total winners	52
Total losers	38
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	86.2%
Accuracy (2021)	73.3%
FBM KLCI (Since 4/1/2021)	-2.0%
FBM Small Cap (Since 4/1/2021)	5.8%
Malaysia GDP Growth (2020)	-5.6%

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