

Arrival of Covid-19 vaccine

Market Review

Malaysia: The FBM KLCI (+0.6%) snapped a three-day pullback as the key index hovered largely in the positive territory, boosted by gains in selected banking and telco heavyweights; the latter took a boost from the launch of MyDigital blueprint. The lower liners advanced, while the broader market was mostly higher with the telecommunications & media sector (+4.3%) taking the lead.

Global markets: US stockmarkets ended mixed as the Dow closed flat after squaring off almost all its intraday gains, while the S&P 500 (-0.2%) retreated on weakness in communication services sector (-1.0%). European stockmarkets rebounded on expectation to cut the time to develop new vaccines by two-thirds to 100 days, while Asia stockmarkets closed mixed.

The Day Ahead

Bucking the regional trend, the FBM KLCI snapped three-day losing streak to close higher on bargain hunting. Sectors such as telecommunication and technology were headed higher following the launch of MyDigital initiative and the Malaysia Digital Economy Blueprint. Whereas the key index is subject to further consolidation, we believe the earlier-than-scheduled national vaccine rollout on coming Wednesday and the declining number of Covid-19 cases should lift the market sentiment and traders may focus on recovery theme again.

Sector focus: We opine that the launch of MyDigital initiative and the Malaysia Digital Economy Blueprint would continue boosting the technology sector as well as the telecommunication counters. Meanwhile, sectors with high earning certainties such as furniture and plantation will be under the limelight.

FBMKLCI Technical Outlook



The FBM KLCI closed above the EMA120 level after three consecutive losing sessions. Meanwhile, technical indicators turned are mixed as the MACD Histogram extended another red bar, but the RSI climbed above 50. Hence, despite the rebound move last week, we expect the FBM KLCI should consolidate along 1,560-1,620 over the near term.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	31494.32	0.00
S&P 500	3,906.71	-0.19
NASDAQ	13,874.46	0.07
FBM KLCI	1584.93	0.58
FBM Small Cap	16,568.43	0.29
FBM ACE	11,248.62	1.45
Construction	168.90	0.53
Consumer	605.82	0.80
Energy	946.95	-2.78
Financial Services	14,872.78	0.47
Healthcare	3,451.54	-0.46
Ind Products	162.27	0.67
Plantation	7,189.05	0.18
Property	700.50	-0.31
REITs	811.35	0.48
Technology	89.91	2.04
Telco & Media	75.88	4.28
Transport	810.13	1.16
Utilities	939.29	0.73
Trading Vol (m)	14,366.04	-0.89
Trading Val (RM m)	6,361.25	-5.62
Advance/ Decline	0.90	
FKLI	1582.00	0.19
FCPO (RM)	3,522.00	0.95
Brent oil (USD)	62.91	-1.60
Gold (USD)	1784.25	0.48
USD	4.0422	0.01
GBP	5.6601	-0.62
EURO	4.9061	-0.53
SGD	3.0547	-0.27

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
- 232.6	699.1	- 466.4

Source: Bloomberg, Bursa Market Place

Company Brief

Muda Holdings Bhd is buying a corrugated cartons and boards factory near Ipoh, Perak from **Yee Lee Corp Bhd** for RM22.0m cash. The purchase of South East Asia Paper Products Sdn Bhd is to further expand its corrugated carton business. (The Star)

The High Court has granted leave for budget airline **AirAsia X Bhd** (AAX) to hold meetings with its creditors. The court has also separated the 14 creditors into three different classifications – the first being **Malaysia Airports Holdings Bhd** (MAHB), the second consists of the other creditors, and the third being aircraft maker Airbus. The court also noted that AAX has failed to demonstrate that they are capable of reviving its financial health. (The Edge)

Careplus Group Bhd's 4QFY20 net profit skyrocketed 53.9x YoY to RM42.2m, boosted by higher selling prices and strong demand. Revenue for the quarter grew 18.9% YoY to RM129.3m. A special dividend of two sen per share, payable on 24th March 2021 was declared. (The Edge)

Petronas Dagangan Bhd's (PetDag) 4QFY20 net profit dropped 29.5% YoY to RM89.2m, due to decrease in sales volume and lower average prices during the quarter following the sharp decline in Means of Platts Singapore (MOPS) prices. Revenue for the quarter fell 43.6% YoY to RM4.40bn. An interim dividend of 17 sen per share, payable on 19th March 2021 was declared. (The Edge)

Malakoff Corp Bhd's 4QFY20 net profit dropped 60.9% YoY to RM41.6m, primarily due to the absence of one-off gain from the disposal of the group's investment in Malakoff Australia Pty Ltd (MAPL) in December 2019. Revenue for the quarter declined 13.2% YoY to RM1.51bn. (The Edge)

Malaysia Smelting Corp Bhd's 4QFY20 net profit stood at RM15.9m vs. a net loss of RM16.0m recorded in the previous corresponding quarter, on higher tin prices and the reversal of written down inventories worth RM21.1m. Revenue for the quarter grew 27.3% YoY to RM232.6m. A dividend of one sen per share was announced. (The Edge)

Luxchem Corp Bhd's 4QFY20 net profit rose 68.5% YoY to RM16.1m, on the back of an improved manufacturing segment. Revenue for the quarter grew 17.7% YoY to RM220.2m. A single tier interim dividend of two sen per share, payable on 12th May 2021 was declared. (The Edge)

Genetec Technology Bhd has announced that it had secured RM56.0m of new orders, of which RM53.7m came from customers in the electric vehicle and battery industry while the remaining RM2.3m orders were from the automotive, electronics, semiconductors and hard disk drive industries. (The Edge)

Prestariang Systems Sdn Bhd, a unit of Main Market-listed **AwanBiru Technology Bhd** has been appointed as a managed service provider (MSP) to manage cloud services for the government. During the unveiling of the MyDigital blueprint earlier today, Prime Minister Tan Sri Muhyiddin Yassin has announced that the government had appointed Prestariang Systems, Enfrasys Solutions Sdn Bhd and Cloud Connect Sdn Bhd, which will manage services provided by cloud service providers (CSPs). The CSPs comprise Microsoft, Google, Amazon and **Telekom Malaysia Bhd** (TM), which have received conditional approvals from the government. (The Edge)

SMTrack Bhd has purchased an aircraft worth US\$6.7m (RM27.0m) from a management consultancy firm Cakerawala Solution International Sdn Bhd as the former ventures into cargo carriage services. The acquisition was funded using proceeds raised from the issuance of redeemable convertible notes that was approved by the shareholders at the company's extraordinary general meeting (EGM) held on 28th December 2020. (The Edge)

The new controlling shareholders of **Pimpinan Ehsan Bhd** (PEB), formerly known as Triplc Bhd, are planning to turn the cash-rich company into a renewable energy player. PEB has entered into Heads of Agreements (HOAs) with reNIKOLA Sdn Bhd and its owners (vendors) namely Boumhidi Abdelali and Tengku Zaiton Sultan Abu Bakar to acquire reNIKOLA via the issuance of new shares at a price to be revealed later. (The Edge)

MYEG Services Bhd (MyEG) has launched an online portal, SafeQ which offers an array of hotel accommodation and amenity options available to low-risk Covid-19 patients who wish to undergo mandatory quarantine requirements in more comfortable settings. The portal provides a selection of hotel accommodation of varying categories, ranging from three- star to five-star facilities to cater to all budgets. (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	0.925	1.1%	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	0.580	6.4%	Take profit at R1 on 19-Feb
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	0.915	-3.7%	On going
7	KRONO	22-Feb	0.890	0.925	1.000	1.100	0.820	0.815	0.890	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	0.770	-16.3%	On-going
2	KMLOONG	14-Dec	1.597	1.750	1.800	1.900	1.550	1.520	1.480	-7.3%	On-going
3	TNLOGIS	14-Dec	0.970	1.150	1.200	1.300	0.900	0.880	0.885	-8.8%	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	1.870	2.7%	On-going
6	SOLUTN	14-Dec	1.720	2.000	2.200	2.500	1.340	1.300	1.360	-20.9%	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	1.330	59.3%	On-going

Technical Focus Tracker Summary	
Total recommendations	91
Total winners	51
Total losers	39
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	85.9%
Accuracy (2021)	68.8%
FBM KLCI (Since 4/1/2021)	-2.6%
FBM Small Cap (Since 4/1/2021)	6.4%
Malaysia GDP Growth (2020)	-5.6%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
PENSONI (9997)	Interim	RM0.013	26/1/2021	22/2/2021	RM0.62	RM0.75	1.7	22.0
SLVEST (0215)	Bonus-Options	1:4	15/12/2020	22/2/2021	RM2.00	RM2.73	-	36.5
SPRING (0216)	Bonus-Options	2:5	10/11/2020	22/2/2021	RM0.30	RM0.42	-	38.3
OVERSEA (0153)	Stock Split	3:1	9/2/2021	23/2/2021	RM0.38	RM0.53	-	40.0
HAIIO (7668)	Interim	RM0.040	13/1/2021	24/2/2021	RM2.16	RM2.22	1.8	2.8
SUNREIT (5176)	Distribution	RM0.008	9/2/2021	24/2/2021	RM1.41	RM1.45	0.5	2.8
JFTECH (0146)	Interim	RM0.005	9/2/2021	24/2/2021	RM1.67	RM1.62	0.3	-3.0
ANALABS (7083)	Interim	RM0.020	29/1/2021	24/2/2021	RM1.13	RM1.20	1.7	6.2
BAT (4162)	1st Interim	RM0.270	10/2/2021	25/2/2021	RM13.16	RM13.42	2.0	2.0
NOVA (0201)	Interim & Special Cash	RM0.018	9/2/2021	25/2/2021	RM0.87	RM0.90	2.0	3.4
MFGROUP (03015)	1st Interim	RM0.003	16/2/2021	25/2/2021	RM0.24	RM0.24	1.1	0.0
POLY (8117)	Interim	RM0.010	25/1/2021	25/2/2021	RM0.59	RM0.61	1.7	2.5
DIGI (6947)	4th Interim	RM0.036	27/1/2021	26/2/2021	RM3.95	RM3.74	1.0	-5.3
OVERSEA (0153)	Stock Dividend	1:2	17/2/2021	2/3/2021	RM0.39	RM0.53	-	34.6
KOSSAN (7153)	2nd Interim & Special Cash	RM0.11	16/2/2021	3/3/2021	RM3.94	RM3.95	2.8	0.3
CARLSBG (2836)	Interim	RM0.10	18/2/2021	4/3/2021	RM22.50	RM23.38	0.4	3.9
MACPIE (0140)	Stock Split	2:1	19/2/2021	4/3/2021	RM0.32	RM0.32	-	0.0
MISC (3816)	4th Interim	RM0.12	18/2/2021	4/3/2021	RM6.40	RM6.59	1.8	3.0
RESINTC (7232)	Interim	RM0.01	18/2/2021	4/3/2021	RM0.53	RM0.48	2.6	-8.6
PETDAG (5681)	Interim	RM0.17	19/2/2021	4/3/2021	RM19.20	RM19.20	0.9	0.0
FBBD (03026)	Interim	RM0.02	17/2/2021	4/3/2021	RM0.33	RM0.33	7.0	0.0
CAREPLS (0163)	Special Cash	RM0.02	19/2/2021	5/3/2021	RM2.04	RM2.04	1.0	0.0
FREIGHT (7210)	2nd Interim	RM0.02	18/2/2021	5/3/2021	RM1.67	RM1.78	1.1	6.6
OMESTI (9008)	Rights Issue	RM0.20	18/2/2021	5/3/2021	RM0.60	RM0.57	-	-5.8
LIHEN (7089)	4th Interim	RM0.04	18/2/2021	8/3/2021	RM3.96	RM3.74	1.1	-5.6
KOTRA (0002)	Interim	RM0.02	19/2/2021	8/3/2021	RM2.85	RM2.85	0.7	0.0
ASTINO (7162)	Final	RM0.02	27/11/2020	9/3/2021	RM0.72	RM0.93	1.6	28.5
MELATI (5129)	Final	RM0.01	27/10/2020	9/3/2021	RM0.40	RM0.56	1.8	38.8
MRDIY (5296)	Interim	RM0.01	17/2/2021	11/3/2021	RM3.41	RM3.89	0.2	14.1
B.JFOOD (5196)	2nd Interim	RM0.01	9/2/2021	11/3/2021	RM1.51	RM1.54	0.3	2.0
UMS (7137)	Final	RM0.06	30/11/2020	12/3/2021	RM1.78	RM1.92	3.1	7.9
FIAMMA (6939)	Final	RM0.02	26/11/2020	12/3/2021	RM0.55	RM0.62	2.8	12.7
PANTECH (5125)	3rd Interim	RM0.01	21/1/2021	30/3/2021	RM0.47	RM0.48	1.0	3.2
LUXCHEM (5143)	Interim	RM0.02	19/2/2021	13/4/2021	RM0.83	RM0.83	2.4	0.0
CARLSBG (2836)	Final	RM0.30	18/2/2021	16/4/2021	RM22.50	RM23.38	1.3	3.9
SIMEPLT (5285)	Final	RM0.05	18/2/2021	27/4/2021	RM4.95	RM4.94	1.1	-0.2
VIS (0120)	Final	RM0.01	18/2/2021	30/4/2021	RM1.57	RM1.58	0.6	0.6