

Recovery in progress

Market Review

Malaysia: The FBM KLCI (+0.9%) started the week on a solid tone as the key index recovered most of its previous session losses lifted by glove, plantation and selected Petronas heavyweights. While the broader market was mostly upbeat, the lower liners extended their losses on the resurgence of quick profit taking activities following the extension of MCO 2.0 announcement except for Sarawak.

Global markets: US stockmarkets extended their gains as the Dow jumped 1.6%, whilst all 13 major sectors in the S&P 500 (+1.4%) advanced with the stronger-than-expected batch of corporate earnings in focus. Meanwhile, both the European and Asia stockmarkets also marched higher on the previous session.

The Day Ahead

While the broader market may price in the extension of MCO2.0 (except for Sarawak), we believe market players may turn their focus to Sarawak-related stocks following the uplift of MCO2.0 as more economic sectors are allowed to operate moving forward. Also, tracking the positive sentiment on Wall Street overnight that should lift the overall market sentiment on the local front.

Sector focus: We opine that the oil and gas counters may trend higher following the increase in Brent oil prices of nearly 2.0%, surging to its 12 months high. Investors may continue to look for stocks under the transport and logistics, plantation, consumer electronic and healthcare sectors ahead of the earning season; the glove stocks has turned positive in term of their technicals.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI closed in the green and supported above EMA120 level, accompanied by improved trading volume. Technical indicators, however remained mixed as the MACD Histogram has turned into a green bar, while the RSI has crossed back above 30 but still hovering below 50. The FBM KLCI's support will be located around 1,550-1,560, while the resistance is pegged along 1,600-1,610.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	30,687.48	157
S&P 500	3,828.20	144
NASDAQ	13,612.78	156
FBM KLCI	1580.49	0.90
FBM Small Cap	5,136.84	-0.28
FBM ACE	10,790.95	-2.19
Construction	162.81	0.54
Consumer	583.03	0.07
Energy	802.87	123
Financial Services	14,448.58	-0.11
Healthcare	3,630.95	0.92
Ind P Products	170.70	0.89
Plantation	7,166.27	0.96
Property	667.08	-0.29
REITs	812.86	0.46
Technology	82.38	0.51
Telco & Media	652.65	-0.45
Transport	758.12	178
Utilities	924.68	0.68
Trading Vol (m)	6,627.64	143
Trading Val (RM m)	5,120.38	-19.65
Advance/ Decline	0.79	
FKLI	1560.00	147
FCPO (RM)	3,490.00	-2.84
Brent oil (USD)	57.46	197
Gold (USD)	1838.03	-122
USD	4.046	-0.15
GBP	5.5437	0.02
EURO	4.8899	-0.12
SGD	3.0407	-0.25

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-229.5	585.0	-355.5

Source: Bloomberg, Bursa Market Place

Company Brief

Lembaga Tabung Angkatan Tentera (LTAT), the controlling shareholder of **Boustead Holdings Bhd**, has dropped its plan to delist the company, citing Covid-19 challenges. LTAT, which owns a 59.4% stake in Boustead, had in May 2020 considered to privatise the company. Since then, the fund was given two extensions by the Securities Commission to come up with a solid proposal to buy out the minority shareholders in Boustead. (The Star)

Willowglen MSC Bhd has secured a RM12.5m contract awarded by the Public Utilities Board, Singapore for the demonstration project to implement fully-immersive 3D scanning and visualisation system at various water plants in Singapore, including commission period and maintenance. The contract will commence from 15th February 2021 and will be completed by 14th August 2023. (The Star)

Greotech Technology Bhd has entered into a strategic partnership with US-based start-up firm, Atlis Motor Vehicles Inc to develop electric vehicle battery pack production line in Arizona. The partnership arrangement started on 1st February 2021 and is effective for an initial term of three years. Atlis is developing a fully electric vehicle platform, proprietary battery cells and packs, and the necessary charging infrastructure to recharge a 500-mile range battery in less than 15 minutes. (The Star)

Pharmaniaga Bhd has obtained an extra 2.0m Covid-19 vaccine doses from China's Sinovac Life Sciences Co Ltd, in addition to the 12.0m which it will supply to the government for Malaysian citizens. (The Edge)

Bursa Malaysia Bhd's 4QFY20 net profit jumped 130.1% YoY to RM104.9m, as trading revenue grew significantly for its securities and derivatives markets segment. Revenue for the quarter gained 78.4% YoY to RM230.7m. A final dividend of 26 sen per share and a special dividend of 8 sen per share, payable on 3rd March 2021 was declared. (The Edge)

RHB Bank Bhd has appointed Nik Rizal Kamil Nik Ibrahim Kamil as chief financial officer, effective yesterday. Ex-Khazanah Nasional Bhd executive director Nik Rizal Kamil takes over from Syed Ahmad Taufilk Albar, who has been redesignated as head, group international business of RHB Bank, which is also known as the RHB Banking Group. (The Edge)

Genting Malaysia Bhd (GenM) indirect wholly-owned dormant subsidiary Stanley Leisure (Ireland) Unlimited Company (SLIUC), which was incorporated in Ireland was placed under members' voluntary liquidation on 27th January 2021, pursuant to the provisions of the Companies Act 2014 of Ireland. (The Edge)

S P Setia Bhd president and CEO Datuk Khor Chap Jen will retire on 30th September 2021, under the property developer's leadership transition and succession plan, and will be replaced by Datuk Choong Kai Wai. (The Edge)

The enhanced movement control order (EMCO) enforced on the subsidiaries of **Lii Hen Industries Bhd** in Muar, Johor, has been lifted by the Ministry of Health. The balance 875 employees placed under quarantine and isolation between 16th January 2021 and 29th January 2021 have fully recovered from Covid-19. (The Edge)

Bintai Kinden Corp Bhd's 50.1%-owned subsidiary Bintai Healthcare Sdn Bhd (BHSB) has signed a Memorandum of Understanding (MoU) with SRT-EON Security Services Sdn Bhd to supply its cold chain boxes for the storage and distribution of Covid-19 vaccines. BHSB is the exclusive distributor in Malaysia, Saudi Arabia and the Philippines for the cold chain boxes, and the non-exclusive distributor for other Southeast Asia countries. (The Edge)

TCS Group Holdings Bhd has secured a RM92.7m contract from Tropicana Temokin Sdn Bhd (TTemokin) to undertake a freehold condominium project known as Tropicana Miyu in Petaling Jaya. The contract period is 32 months, commencing in February 2021. (The Edge)

Westports Holdings Bhd's 4QFY20 net profit grew 30.3% YoY to RM163.9m, on higher container revenue and lower operational costs. Revenue for the quarter increased 19.6% YoY to RM541.5m. A second interim dividend of 6.47 sen per share, payable on 1st March 2021 was declared. (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	TGUAN	25-Jan	2.500	2.700	2.880	3.260	2.410	2.400	2.400	-4.0%	Cut loss on 27-Jan
2	ASTINO	27-Jan	0.915	0.970	1.000	1.040	0.850	0.820	0.850	-7.1%	On going
3	SDS	2-Feb	0.250	0.270	0.290	0.335	0.230	0.225	0.255	2.0%	On going
4	HEXTAR	3-Feb	0.900	0.940	0.965	1.000	0.865	0.860	0.900	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	0.695	-24.5%	On-going
2	KMLOONG	14-Dec	1.597	1.750	1.800	1.900	1.550	1.520	1.370	-14.2%	On-going
3	TNLOGIS	14-Dec	0.970	1.150	1.200	1.300	0.900	0.880	0.835	-13.9%	On-going
4	OKA	14-Dec	0.710	0.770	0.810	1.000	0.670	0.650	0.630	-11.3%	On-going
5	MASTER	14-Dec	1.821	2.770	3.000	3.150	1.560	1.500	1.850	1.6%	On-going
6	SOLUTN	14-Dec	1.720	2.000	2.200	2.500	1.340	1.300	1.390	-19.2%	On-going
7	ECONBHD	14-Dec	0.540	0.625	0.705	0.840	0.500	0.480	0.385	-28.7%	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	86
Total winners	46
Total losers	39
Portfolio performance (2020)	274.6%
Accuracy (2020)	53.3%
Portfolio performance (2021)	37.2%
Accuracy (2021)	54.5%
FBM KLCI (Since 4/1/2021)	-2.9%
FBM Small Cap (Since 4/1/2021)	-2.8%