

## US averted a government shutdown

### Market Review

**Malaysia:** The FBM KLCI (-1.11%) closed lower due to selling pressure in selected banking heavyweights amid concerns over the global inflation environment as well as the potential US government shutdown on Saturday. The Construction sector (+1.08%) gained, followed by the Technology sector, rising 0.51%.

**Global markets:** Wall Street ended mixed prior to the potential US government shutdown, despite the Personal Consumption Expenditure came in within expectations. The European and Asian markets gained as the latter was boosted by Japan's lower than expected inflation data.

### The Day Ahead

The FBM KLCI has declined significantly lower on the final day of the September month amid selling pressure in the banking heavyweights. Meanwhile, Wall Street traded mixed prior to the passing of a short-term bill just 3 hours before the deadline; averting a shutdown for another 45 days. Thus, we expect the overall stock markets to head higher at least for the near term. Closer to home, we opine that the positive developments within the NETR, NIMP as well as the upcoming Budget 2024 may provide trading opportunities on the local exchange. Commodities wise, the Brent crude oil traded below the USD93/bbl level, while the CPO prices revisited above the RM3,800/MT level, before forming an inverted hammer below RM3,800.

**Sector focus:** We have issued a 4Q23 strategy report today and we favour the construction, building material, RE, O&G, poultry, automotive, insurance and technology for the quarter in the anticipation of extended buying interest within the domestic such as the NETR, NIMP and mega projects to be dished out going forward. Also, we like high net cash and stable dividend yield stocks.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended lower and breached below the previous support zone of 1,430-1,440. Also, the technical readings on the key index were negative with the MACD Histogram extended another negative bar, while the RSI is nearing 30. The resistance is located around 1,450-1,460 and the support is located around 1,400-1,420.

**Research Team**  
[research@msec.com.my](mailto:research@msec.com.my)  
(603) 2201 2100

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,507.50	-0.47
S&P 500	4,288.05	-0.27
NASDAQ	13,219.32	0.14
FBM KLCI	1424.17	-1.11
FBM Small Cap	16,188.42	-0.13
FBM ACE	5,175.24	0.32
Construction	184.62	1.08
Consumer	552.62	-0.54
Energy	893.74	-0.56
Financial Services	15,918.17	-1.27
Healthcare	1667.69	-0.98
Ind Products	17149	-0.68
Plantation	6,880.35	-0.16
Property	875.30	-0.16
REITs	776.22	-0.06
Technology	62.89	0.51
Telco & Media	573.23	-1.17
Transport & Logist	924.47	-0.15
Utilities	1,24.58	-0.16
Trading Vol (m)	3,036.90	2.17
Trading Val (RM m)	2435.76	25.32
Gainers/ Losers rat	66%	
FKLI	1427.00	(1.11)
FCPO (RM)	3,767.00	(0.11)
Brent oil (USD)	92.20	0.25
Gold (USD)	1848.63	(0.12)
USD	4.6950	0.28
GBP	5.7576	(0.70)
EURO	4.9836	(0.75)
SGD	3.4479	(0.43)

Trading participation 5- day trend and value (m)	
Institution	Foreign
- 175.3	98.6
	76.7

Source: Bloomberg, Bursa Market Place

## Company Brief

**Aurelius Technologies Bhd**'s net profit in the second quarter ended July 31, 2023 (2QFY2023) jumped 49.16% higher to RM10.55m from RM7.07m in the previous year's corresponding quarter, despite a dip in revenue, thanks to the optimisation of operation efficiencies and the stronger US dollar. Quarterly revenue, however, dipped 2.6% to RM109.04m from RM111.95m, due to lower contribution from its communication and Internet of Things (IoT) products. The group declared an interim dividend of 2.3 sen to be paid on Nov 10. (The Edge)

**Jentayu Sustainables Bhd** (JSB) – formerly known as Ipmuda Bhd – saw its chief executive officer cease to be the group's substantial shareholder after disposing of eightm shares via a direct business transaction. Following the disposal on Sept 27, Jeeфри Muhamad Yusup is left with 20.35m shares representing a 4.84% stake. The transaction was valued at RM6.4m, a discount of 10.65% from the closing price of 89 sen on that day. (The Edge)

**MMAG Holdings Bhd** has ceased to be a major shareholder of **CSH Alliance Bhd** after divesting of its entire 16.61% stake in CSH, together with 194.5m warrants, for RM37.36m cash. Its original investment, made since May 2021, was RM36.5m. MMAG, a loss-making logistics services provider, said it was selling 229.5m CSH Alliance shares for RM21.8m and 194.5m warrants B for RM15.56m. (The Edge)

**ITMAX System Bhd** non-independent executive director Datin Afinaliza Zainal Abidin has disposed of a 6.99% stake in the smart city integrated city system solution provider for RM122.23m. Afinaliza – via her vehicle Ganda Sensasi Sdn Bhd – sold 51.4m shares in ITMAX via a direct business transfer on Sept 26, and another 20.5m shares on Sept 27. The disposals cut her stake in ITMAX to 10.6% or 109m shares held via Ganda Sensasi. (The Edge)

**Marine & General Bhd** posted a net profit of RM7.41m in the first quarter ended July 31, 2023 (1QFY2024) compared to a net loss of RM947,000 a year earlier, thanks to higher charter activities and rates. Quarterly revenue rose 12.33% to RM84.62m from RM75.33m in 1QFY2024, primarily due to higher charter rates for both offshore support vessels and tankers. (The Edge)

Grant Thornton Malaysia (GT) has resigned as the auditor for **Lotus KFM Bhd** as both parties are unable to reach a resolution on audit fees and disbursements. The flour milling business provider said it has received a notice of writing from GT on Sept 29 on their resignation, effective from the date of the notice of resignation. (The Edge)

Automated manufacturing solutions provider **ECA Integrated Bhd**'s earnings for 9MFY2023 surged to RM10.81m versus RM4.84m a year earlier. Revenue increased 57.09% to RM30.9m from RM19.67m. (The Edge)

Datuk Seri Mohammed Shazalli Ramly, former group managing director of **Boustead Holdings Bhd**, has been appointed as independent, non-executive director of **AirAsia X Bhd** (AAX) effective immediately. The medium-haul low-cost airline said Shazalli, 62, previously helmed Boustead Group from December 2020 to December 2022. AAX also announced the appointment of Datuk Ahmad Mutalib Alias, 62, as an independent, non-executive director. He is also currently a non-executive chairman of **Icon Offshore Bhd**, as well as an independent, non-executive director of Ekuiti Nasional Bhd and Prolintas Managers Sdn Bhd. (The Edge)

**IHH Healthcare Bhd** said its group chief financial officer (CFO) Joerg Ayrle will be on garden leave effective Saturday (Sept 30), until his contract ends on Jan 31, 2024. However, the group did not elaborate why Ayrle is going on garden leave. IHH declined to provide further comment when contacted. (The Edge)

**Malaysia Airports Holdings Bhd** (MAHB) has appointed Gordon Andrew Stewart as the airport operator's COO, effective Oct 1. It is understood that after MAHB's previous COO Datuk Azmi Murad retired back in March 2021, the post was left vacant for the past two years. Stewart, 55, currently serves as a global projects director for airport operator DAA International, as well as managing director of rail and airport-focused consultant firm Stewart & Stewart Partners Ltd. (The Edge)

**Yinson Holdings Bhd's** net profit for the second quarter ended July 31, 2023 (2QFY2024) climbed 60.84% higher to RM230m from RM143m a year ago, on the back of higher profit from its operations. Quarterly revenue surged 92.16% to RM3.11bn from RM1.62bn, mainly due to higher contribution from the group's engineering, procurement, construction, installation and commissioning (EPCIC) business activities. Meanwhile, the group also declared an interim dividend of 2 sen per share to be paid on Dec 15. (The Edge)

Rubber compound manufacturer **GIIB Holdings Bhd** has announced a significant transition in its leadership as its chief executive officer (CEO) Tai Boon Wee handed over the reins of the business to his two sons, Tai Qisheng and Tai Qiyao, who will continue to serve as executive directors within the company. Boon Wee's long-time lieutenant – Alison Wong Ping Kiong – has also relinquished her role as executive director of GIIB. (The Edge)

**Progressive Impact Corp Bhd** (Picorp) is buying Mérieux NutriSciences Malaysia Sdn Bhd (MNSB), which provides chemical, microbiological and environmental related analytical testing and consultancy services for the food industry, for RM7.95m. US-based Merieux Nutrisciences Corp has a 51% shareholding in MNSB while **Texchem Resources Bhd** owns the remaining 49%. Picorp said its 59%-owned subsidiary ALS Technichem (Malaysia) Sdn Bhd (ALSM) has entered into a shares sale agreement with Merieux Nutrisciences Corp and Texchem for the acquisition. Australian Laboratory Services Pty Ltd owns another 40% stake in ALSM while ALSM director Zaid Abdullah holds 1%. (The Edge)

The High Court has dismissed a RM139.34m suit filed by Mad Labs Sdn Bhd (plaintiff) to a wholly-owned unit of **Nestlé (Malaysia) Bhd**, Nestlé Products Sdn Bhd, over unauthorised and/or unlawful use of its QR or quick response code on Nestlé's products and packaging. The group said the High Court had delivered the judgment on Sept 29 which among others included a decision that the plaintiff does not own any proprietary or intellectual property rights in the QR Code that was generated for trial use by the defendant. (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	SCOMNET	2-Aug	1.370	1.480	1.550	1.650	1.290	1.280	1.290	-5.8%	Closed at cut off period
2	HARBOUR	9-Aug	1.170	1.240	1.290	1.350	1.120	1.110	1.180	0.9%	Closed at cut off period
3	MCEMENT	16-Aug	3.370	3.500	3.600	3.800	3.100	3.090	3.500	3.9%	Take profit at R1 on 17-Aug

## Market Chat Tracker

3Q23 Stock Picks											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Support 1 (RM)	Support 2 (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	ADVCON	4-Jul	0.355	0.395	0.425	0.320	0.295	0.280	0.305	-14.1%	Closed on 29-Sep-2023
2	CARIMIN	4-Jul	0.724	0.775	0.835	0.705	0.660	0.640	0.930	28.5%	Closed on 29-Sep-2023
3	ECOWLD	4-Jul	0.796	0.900	0.950	0.790	0.750	0.735	1.080	35.7%	Closed on 29-Sep-2023
4	MCEMENT	4-Jul	3.110	3.320	3.500	2.880	2.700	2.640	3.670	18.0%	Closed on 29-Sep-2023
5	OSK	4-Jul	1.044	1.150	1.200	1.040	0.995	0.970	1.220	16.9%	Closed on 29-Sep-2023
6	RCECAP	4-Jul	2.400	2.500	2.600	2.220	2.120	2.070	2.470	2.9%	Closed on 29-Sep-2023
7	SCICOM	4-Jul	1.149	1.360	1.450	1.110	1.070	1.040	1.090	-5.1%	Closed on 29-Sep-2023
8	SFPTECH	4-Jul	0.998	1.150	1.260	0.940	0.895	0.870	0.965	-3.3%	Closed on 29-Sep-2023
9	TEOSENG	4-Jul	0.920	1.000	1.050	0.880	0.820	0.800	1.110	20.7%	Closed on 29-Sep-2023
10	UCHITEC	4-Jul	3.420	3.700	3.850	3.420	3.320	3.240	3.460	1.2%	Closed on 29-Sep-2023
11	WASCO	4-Jul	0.885	0.985	1.100	0.860	0.810	0.785	1.050	18.6%	Closed on 29-Sep-2023
12	WCEHB	4-Jul	0.680	0.730	0.820	0.610	0.545	0.535	0.775	14.0%	Closed on 29-Sep-2023
13	YTLPOWR	4-Jul	1.270	1.450	1.600	1.250	1.150	1.120	2.050	61.4%	Closed on 29-Sep-2023
Average Return										15.0%	

Technical Focus Tracker Summary	
Total recommendations	347
Total winners	214
Total losers	133
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	13.3%
Accuracy (2022)	62.9%
Portfolio performance (2023)	4.8%
Accuracy (2023)	61.4%
FBM KLCI (Since 30/12/2022)	-4.8%
FBM Small Cap (Since 30/12/2022)	8.5%
Malaysia GDP Growth (1H23)	4.2%

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## Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
LBALUM (9326)	Final	RM0.03	28/6/2023	2/10/2023	RM0.46	RM0.52	4.9	13.2
SDRED (2224)	Regular Cash	RM0.03	30/5/2023	2/10/2023	RM0.42	RM0.60	4.2	42.9
MFCB (3069)	Interim	RM0.04	18/9/2023	2/10/2023	RM3.33	RM3.40	1.2	2.1
KOTRA (0002)	Interim	RM0.16	23/8/2023	2/10/2023	RM5.45	RM5.50	2.8	0.9
BLDPLNT (5069)	Final	RM0.03	26/7/2023	2/10/2023	RM10.54	RM10.98	0.3	4.2
SAB (5134)	Final	RM0.05	26/5/2023	3/10/2023	RM3.52	RM3.37	-	-4.3
ASIAFL (7129)	Final	RM0.04	29/5/2023	3/10/2023	RM1.71	RM1.92	1.8	12.3
DOLPHIN (5265)	Rights Issue	1.33:1	19/9/2023	4/10/2023	RM0.25	RM0.29	-	16.0
L&G (3174)	Final	RM0.01	31/5/2023	4/10/2023	RM0.11	RM0.13	4.6	23.8
ECOWLD (8206)	Interim	RM0.02	21/9/2023	6/10/2023	RM1.10	RM1.08	1.9	-1.8
TIENWAH (7374)	Interim	RM0.03	10/8/2023	9/10/2023	RM0.82	RM0.84	3.3	2.4
PWF (7134)	Bonus	1:3	16/8/2023	10/10/2023	RM0.77	RM0.88	-	13.6
MNRB (6459)	Final	RM0.04	21/9/2023	10/10/2023	RM1.10	RM1.17	3.8	6.4
HIGHTEC (7033)	Interim	RM0.02	25/9/2023	10/10/2023	RM0.87	RM0.89	2.3	1.7
SHL (6017)	Final	RM0.12	6/7/2023	10/10/2023	RM2.00	RM2.33	5.2	16.5
PARLO (0022)	Bonus-Options	1:2	25/9/2023	11/10/2023	RM0.13	RM0.13	-	4.0
TAS (5149)	Interim	RM0.01	26/9/2023	11/10/2023	RM0.32	RM0.34	2.9	6.3
VS (6963)	Interim	RM0.01	26/9/2023	12/10/2023	RM1.02	RM1.02	0.5	0.0
POHUAT (7088)	Interim	RM0.02	26/9/2023	12/10/2023	RM1.30	RM1.30	1.5	0.0
KSENG (3476)	Interim	RM0.05	28/8/2023	12/10/2023	RM4.47	RM4.20	1.2	-6.0
AEONCR (5139)	Interim	RM0.29	26/9/2023	12/10/2023	RM11.44	RM12.18	2.3	6.5
GASMSIA (5209)	Interim	RM0.06	21/8/2023	12/10/2023	RM3.02	RM3.04	1.9	0.7
PTRB (0260)	Interim	RM0.01	27/9/2023	13/10/2023	RM0.50	RM0.49	1.3	-3.0
ATECH (5302)	Interim	RM0.02	29/9/2023	13/10/2023	RM2.65	RM2.65	0.9	0.0
MCEHLDG (7004)	Interim	RM0.03	27/9/2023	13/10/2023	RM1.87	RM1.73	1.7	-7.5
MYEG (0138)	Interim	RM0.00	21/8/2023	17/10/2023	RM0.78	RM0.80	0.3	2.3
APOLLO (6432)	Interim	RM0.20	23/6/2023	17/10/2023	RM4.25	RM5.32	3.8	25.2
PMCORP (4081)	Interim	RM0.01	29/9/2023	17/10/2023	RM0.22	RM0.22	2.7	0.0
LAYHONG (9385)	Final	RM0.00	26/6/2023	18/10/2023	RM0.29	RM0.28	1.1	-1.8
BAUTO (5248)	Interim	RM0.05	12/9/2023	19/10/2023	RM2.18	RM2.49	2.0	14.2
HEIM (3255)	Interim	RM0.40	15/8/2023	19/10/2023	RM25.82	RM24.32	1.6	-5.8
DSS (0269)	Interim	RM0.01	29/8/2023	19/10/2023	RM0.41	RM0.42	1.8	1.2
KAREX (5247)	Interim	RM0.01	28/8/2023	20/10/2023	RM0.63	RM0.56	0.9	-10.4
CHINWEL (5007)	Interim	RM0.01	29/8/2023	23/10/2023	RM1.43	RM1.36	0.5	-4.9
KMLOONG (5027)	Interim	RM0.05	27/9/2023	25/10/2023	RM1.84	RM1.86	2.7	1.1
PTRANS (0186)	Interim	RM0.01	16/8/2023	26/10/2023	RM1.21	RM1.25	0.6	3.3
HLCAP (5274)	Final	RM0.17	30/8/2023	27/10/2023	RM5.36	RM5.28	3.2	-1.5
PA (7225)	Interim	RM0.01	25/8/2023	30/10/2023	RM0.25	RM0.24	2.1	-4.0
GUOCO (1503)	Final	RM0.02	18/8/2023	30/10/2023	RM0.69	RM0.73	2.7	5.8
HLBANK (5819)	Final	RM0.38	30/8/2023	31/10/2023	RM19.96	RM19.50	1.9	-2.3
SIMPLT (5285)	Interim	RM0.03	23/8/2023	1/11/2023	RM4.32	RM4.28	0.8	-0.9
MCEMENT (3794)	Interim	RM0.06	24/8/2023	1/11/2023	RM3.85	RM3.67	1.6	-4.7
SNS (0259)	Interim	RM0.00	26/9/2023	8/11/2023	RM0.26	RM0.25	1.0	-3.8
PLENITU (5075)	Final	RM0.03	20/9/2023	9/11/2023	RM1.14	RM1.12	2.7	-1.8
YTL (4677)	Interim	RM0.04	24/8/2023	9/11/2023	RM1.36	RM1.52	2.6	11.8
YTLPOWR (6742)	Interim	RM0.04	24/8/2023	9/11/2023	RM1.75	RM2.05	1.7	17.1
KEINHIN (7199)	Final	RM0.02	27/6/2023	14/11/2023	RM1.42	RM1.39	1.4	-2.1
HPPHB (0228)	Final	RM0.01	21/7/2023	15/11/2023	RM0.32	RM0.39	1.9	20.3
OKA (7140)	Final	RM0.01	29/5/2023	16/11/2023	RM0.76	RM0.68	1.6	-10.6
BESHOM (7668)	Final	RM0.02	23/6/2023	21/11/2023	RM1.07	RM1.02	2.0	-4.7
YINSON (7293)	Interim	RM0.02	29/9/2023	29/11/2023	RM2.48	RM2.48	0.8	0.0
TMCLIFE (0101)	Final & Special Cash	RM0.01	22/8/2023	5/12/2023	RM0.63	RM0.61	1.4	-3.2
FIBON (0149)	Regular Cash	RM0.01	11/9/2023	7/12/2023	RM0.43	RM0.45	2.8	4.7
GLOMAC (5020)	Final	RM0.01	21/6/2023	13/12/2023	RM0.31	RM0.38	3.3	21.0
JAYCORP (7152)	Final	RM0.04	29/9/2023	14/12/2023	RM0.72	RM0.72	5.6	0.0
PTARAS (9598)	Final	RM0.03	21/9/2023	28/12/2023	RM1.56	RM1.61	1.9	3.2
SCIENTX (4731)	Final	RM0.05	20/9/2023	2/1/2024	RM3.68	RM3.71	1.3	0.8
SCIPACK (8125)	Final	RM0.03	19/9/2023	2/1/2024	RM2.22	RM2.35	1.1	5.9

Denotes >5% Dividend Yield

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