

## Bargain hunting activities may emerge

### Market Review

**Malaysia:** The FBM KLCI (-0.38%) closed lower as investors were extending the profit taking activities accompanied by lower trading value. The Healthcare sector (+0.79%) led by the glove manufacturers, but the Utilities sector declined -1.71% due to selling pressure emerged on YTL and YTLPOWR.

**Global markets:** Wall Street ended mixed following the US lawmakers passing a short-term agreement that averted a government shutdown. Meanwhile, the 10-year Treasury yield hit a 16-year high for the session. The European and Asian markets fell despite China's manufacturing data came out more positively.

### The Day Ahead

The FBM KLCI has extended its pullback below the 1,420 level amid broad-based profit taking activities, but accompanied by a softer overall trading value. Meanwhile, the US stock markets traded mixed led by the technology stocks despite an uptick in 10-year Treasury yield hitting the 16-year high. Also, we think the sentiment was affected by the US Manufacturing PMI data which came in below 50, indicating that the sector continues to contract. On the local front, we believe the market may rebound on the back of bargain hunting activities. Commodities wise, the Brent crude oil tumbled below USD93/bbl level amid rising dollar, while the CPO prices traded below RM3,800/MT level.

**Sector focus:** As Wall Street traded mixed with positive Nasdaq movements, we expect the buying support to spillover to technology stocks on the local front. Meanwhile, given the crude oil prices tumbled overnight, profit taking activities may be seen on the O&G stocks. Still, we believe the traders may position themselves ahead of the Budget 2024 (13<sup>th</sup> of October) within the construction, building materials and renewable energy sectors.

### FBMKLCI Technical Outlook



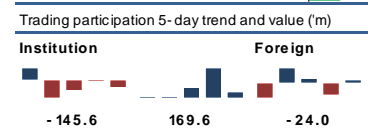
Bloomberg

The FBM KLCI ended lower within the current support zone of 1,400-1,420. Also, the technical readings on the key index were negative with the MACD Histogram extended another negative bar, and the RSI dropped below 30, into the oversold region. The resistance is located around 1,450-1,460 and the support is located around 1,400-1,415.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,433.35	-0.22
S&P 500	4,288.39	0.01
NASDAQ	13,307.77	0.67
FBM KLCI	1,418.76	-0.38
FBM Small Cap	16,075.85	-0.70
FBM ACE	5,146.11	-0.56
Construction	183.28	-0.73
Consumer	552.45	-0.03
Energy	888.58	-0.58
Financial Services	15,876.11	-0.26
Healthcare	1,680.92	0.79
Ind Products	170.43	-0.62
Plantation	6,853.14	-0.40
Property	863.28	-1.37
REITs	776.04	-0.02
Technology	62.41	-0.76
Telco & Media	577.69	0.78
Transport & Logist	920.24	-0.46
Utilities	1,105.40	-1.71
Trading Vol (m)	3,015.20	(0.71)
Trading Val (RM m)	1800.48	(26.08)
Gainers/ Losers rat	46%	
FKLI	1,414.50	(0.35)
FCPO (RM)	3,729.00	0.67
Brent oil (USD)	90.71	(1.62)
Gold (USD)	1,828.03	0.02
USD	4.772	(0.47)
GBP	5.7379	0.34
EURO	4.975	0.24
SGD	3.4389	0.26



Source: Bloomberg, Bursa Market Place

## Company Brief

**Opcom Holdings Bhd** has emerged as the new single largest shareholder of Binasat Communications Bhd after it bought 70m shares, representing an 18.03% stake in the satellite network support service provider. The block of shares was acquired from Opcom's group managing director Na Boon Aik via the fibre optics company's wholly owned Opcom VC Sdn Bhd. (The Edge)

Practice Note 17 (PN17) company **Scomi Energy Services Bhd** said it has four months to submit its regularisation plan to Bursa Securities for approval. In September this year, the oil and gas and transport solutions industries service provider had been granted a further extension till Jan 31, 2024 to do so. Concessionaire PJD Link (M) Sdn Bhd had announced in October 2022 that it was seeking a listing on Bursa Malaysia via a reverse takeover (RTO) of Scomi Energy, whose shares surged following the announcement. The RTO was to be part of the regularisation plan that would lift Scomi Energy from its PN17 status. However, on July 17, Scomi Energy announced that the framework agreement it inked with the concessionaire for the RTO had been "mutually terminated with immediate effect", but did not elaborate. (The Edge)

**AMMB Holdings Bhd** and MetLife International Holdings LLC are proposing to divest their jointly owned insurance and Takaful businesses to Great Eastern for approximately RM1.12bn. AMMB's wholly owned AMAB Holdings Sdn Bhd owns 50% minus one share in AmMetLife Insurance Bhd and 50% plus one share in AmMetLife Takaful Bhd. (The Edge)

Oil trading and bunkering service provider **Straits Energy Resources Bhd** announced on Monday that it plans to spin off its oil bunkering and shipping-related services segment through a Nasdaq listing by way of a registered public offering. The ACE-Market listed company said that it intends to undertake a reorganisation of some of its subsidiaries involved in the oil bunkering and shipping-related services segment, for the purpose of forming a separate listing group, dubbed as spin-off group, to be listed on Nasdaq. (The Edge)

Stage and express bus service operator **Epicon Bhd** (formerly known as Konsortium Transnasional Bhd) has bagged a contract worth RM130.89m from Ibrahim & Sons Engineering Sdn Bhd (ISESB) for the installation, testing and commissioning of pipelines, cables and jointing for **Tenaga Nasional Bhd**'s electrical and flood barrier-related infrastructure. Epicon, which diversified into the construction industry in 2021, said its wholly owned Transnational Builder Sdn Bhd (TBSB) had received the letter of award from ISESB, appointing TBSB as a subcontractor for the job. The 12-month subcontract job starting on Oct 3, which carries an option for a 12-month renewal, involves laying aluminium cross-linked polyethylene underground cables and accessories in Perak, Kedah, Kelantan, Terengganu and Pahang. (The Edge)

**Keck Seng (Malaysia) Bhd**, which engages in palm oil cultivation and manufacturing, property development and investment, and hotels and resort ownership businesses, said it will wind down operations and voluntarily liquidate its 99.97%-owned subsidiary, Tanjong Puteri Golf Resort Bhd (TPGR). TPGR, formerly known as Victavest Holdings Sdn Bhd, operates a 54-hole golf course in Pasir Gudang, Johor. It does not have any subsidiary or associated company. (The Edge)

**Pestech International Bhd**'s unit Pestech Sdn Bhd (PSB) has received a RM21.17m contract from **Tenaga Nasional Bhd** (TNB) for the supply and delivery of smart meters in line with TNB's advanced metering infrastructure implementation. The group said PSB will implement the project together with its other unit, Pestech Energy Sdn Bhd, which is spearheading the smart metering infrastructure business of the group. (The Edge)

**Star Media Group Bhd**, which has seen a series of acquisitions by its largest shareholder Malaysian Chinese Association (MCA) over the last month that raised its stake to nearly 46%, jumped 11.11% or 4.5 sen on Monday to close at its highest since June 19. The stock, which closed at 45 sen for a market capitalisation of RM332m after 16.92m shares were traded, has climbed 20% or 7.5 sen from Aug 21, when the stock closed at a low of 37.5 sen. (The Edge)

Property developer **Sunsuria Bhd** said OCBC Bank (Malaysia) Bhd has granted an additional limit of RM120m to its 51%-owned subsidiary Bangsar Hill Park Development Sdn Bhd (BHPDSB), bringing its total credit facilities to RM420.483m. Pursuant to the facilities, Sunsuria itself has provided financial assistance to BHPDSB in the form of a corporate guarantee – which is in proportion to the group’s 51% shareholding in BHPDSB. The facilities are to part finance the development projects and for working capital of BHPDSB. (The Edge)

**Kimlun Corporation Bhd** has secured two contracts totalling RM140.22m from **Eco World Development Group Bhd** relating to the construction of a service apartment and a series of linked houses in Johor. The engineering and construction services provider said the contract was awarded to its wholly owned subsidiary Kimlun Sdn Bhd. The scope of work includes the design and construction of a service apartment block and amenities, with an expected completion date of April 1, 2026. (The Edge)

Piling and foundation specialist **Econpile Holdings Bhd** has bagged a contract worth RM101.34m to undertake sub-structure works of three blocks of small office home office (SOHO) here. Econpile said its wholly-owned subsidiary Econpile (M) Sdn Bhd has accepted the letter of award from Suriamega Development Sdn Bhd for the job. The sub-structure works for three blocks of SOHO comprise two blocks of 50-storey SOHO and a block of 51-storey SOHO. (The Edge)

Shares in **Boustead Plantations Bhd** (BPlant) fell as much as 27 sen or 18.49% in the morning session on Monday, ahead of the second cut-off date of Oct 6 for the proposed acquisition of the Armed Forces Fund Board (LTAT)-owned plantation group by **Kuala Lumpur Kepong Bhd** (KLK). (The Edge)

**Muar Ban Lee Group Bhd** (MBL) has increased its stake in **SWS Capital Bhd**, after it acquired a total of 15.47m or 5.62% interest worth RM5.87m. Following the additional shares acquisition, MBL’s holding in the furniture and plastic ware manufacturer now stands at 67m shares, or a 24.36% stake in the group. As at Dec 31 last year, the group had total deposits, bank and cash balances of RM118.76m, the palm kernel expeller manufacturer said. MBL highlighted that it is always on the lookout for investments, if opportunities arise. (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

4Q23 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	GTRONIC	2-Oct	1.560	1.700	1.820	1.450	1.360	1.340	1.550	-0.6%	Initiate on 2/10/2023
2	HIAPTEK	2-Oct	0.435	0.500	0.535	0.400	0.365	0.355	0.435	0.0%	Initiate on 2/10/2023
3	HSSEB	2-Oct	0.805	0.895	0.940	0.725	0.670	0.660	0.785	-2.5%	Initiate on 2/10/2023
4	LHI	2-Oct	0.555	0.610	0.640	0.520	0.500	0.490	0.560	0.9%	Initiate on 2/10/2023
5	MUHIBAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.730	0.0%	Initiate on 2/10/2023
6	PECCA	2-Oct	1.210	1.400	1.450	1.100	1.050	1.030	1.200	-0.8%	Initiate on 2/10/2023
7	PWF	2-Oct	0.870	0.950	1.000	0.825	0.790	0.780	0.870	0.0%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.515	4.0%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.290	-2.3%	Initiate on 2/10/2023
10	T7GLOBAL	2-Oct	0.480	0.525	0.555	0.475	0.455	0.445	0.475	-1.0%	Initiate on 2/10/2023
11	TUNEPRO	2-Oct	0.435	0.485	0.515	0.420	0.405	0.395	0.435	0.0%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.530	1.750	1.900	1.420	1.330	1.310	1.510	-1.3%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.500	0.7%	Initiate on 2/10/2023
Average Return										-0.2%	

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)	-5.1%
FBM Small Cap (Since 30/12/2022)	7.7%
Malaysia GDP Growth (1H23)	4.2%

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