

Focusing on the nonfarm payroll

Market Review

Malaysia: The FBM KLCI (+0.09%) closed marginally higher after profit taking activities from the morning session as investors traded cautiously prior to the US jobs data on Friday. The Construction sector (+0.92%) continued the uptrend, while the Healthcare sector (-0.74%) fell led by the selling pressure in TOPGLOV.

Global markets: Wall Street had a strong rebound from the recent downtrend as investors gained confidence after the US jobs data beat consensus estimates by a large margin, coupled with the US treasury yields easing from the 16-year high. Meanwhile, the European market rose, while Asian markets ended mixed.

The Day Ahead

The FBM KLCI is still consolidating along the 1,400-1,415 zone without significant buying support last week, while Wall Street has ended higher following the US jobs data. Despite the positive closing last week, we believe the overall situation could flip to the negative side given the rising geopolitical tension in the middle east as Israeli-Palestinian conflict may provide downside risk to global stock markets. Nevertheless, we believe traders should focus on the domestic catalysts on the local front as we are approaching the Budget 2024 this Friday. Commodities wise, the Brent crude oil spiked up more than 3% above USD87/bbl level amid rising geopolitical risk, while the CPO prices are trading along RM3,600/MT level.

Sector focus: With the rising geopolitical tension, we believe traders may look for defensive sectors such as telco, utilities and REIT. Meanwhile, we believe the energy stocks may rebound after the recent sell down on the back of rising Brent oil prices. Also, traders may look at the upcoming Budget 2024 to position into the construction, property and building materials sectors.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended marginally higher, hovering above the support zone of 1,400-1,415. The technical readings on the key index were positive with the MACD Histogram forming a rounding bottom formation, and the RSI threading in the oversold region. The resistance is envisaged around 1,440-1,450 and the support is located around 1,400-1,415.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,407.58	0.87
S&P 500	4,308.50	1.18
NASDAQ	13,431.34	1.60
FBM KLCI	1416.88	0.09
FBM Small Cap	16,041.72	0.47
FBM ACE	5,150.51	0.76
Construction	185.88	0.92
Consumer	548.61	-0.25
Energy	849.94	0.08
Financial Services	15,869.59	0.04
Healthcare	1666.70	-0.74
Ind Products	170.82	0.54
Plantation	6,837.20	-0.01
Property	860.29	0.79
REITs	772.49	0.03
Technology	6181	0.49
Telco & Media	572.57	0.71
Transport & Logist	92184	0.11
Utilities	1095.41	0.22
Trading Vol (m)	2,862.45	-7.89
Trading Val (RM m)	2,093.19	-7.27
Gainers/ Losers rat	11%	
FKLI	1414.00	0.11
FCPO (RM)	3,600.00	-0.19
Brent oil (USD)	84.58	3.98
Gold (USD)	1833.01	0.81
USD	4.735	0.30
GBP	5.7531	-0.37
EURO	4.974	-0.12
SGD	3.4481	-0.06

Trading participation 5-day trend and value ('m)	
Institution	Foreign
1048.8	114.3
-1163.1	

Source: Bloomberg, Bursa Market Place

Company Brief

Top Glove Corp Bhd, which posted its first-ever annual loss of RM926.64m in the financial year ended Aug 31, 2023 (FY2023), is expecting to turn around its business in the next six to 12 months. Its executive chairman Tan Sri Lim Wee Chai is optimistic that the group's fortunes will change on the back of the gradual pick up in glove demand and the expectation of glove's average selling price bottoming out.

Meanwhile, the group is not expecting anymore impairments to be made in the near future as it expects the recovery for glove demand to pick up, while the group should have better cost efficiency after it streamlined its production facilities. The impairments and write-off of assets widened the group's net loss to RM463.15m for the fourth quarter ended Aug 31, 2023 (4QFY2023) – its largest ever quarterly net loss – from RM62.99m in 4QFY2022. The RM389m impairment comprises a goodwill impairment of RM138m, and RM251m worth of impairment and write-off of property, plant and equipment. Revenue for 4QFY2023 dropped 51.93% to RM475.87m from RM989.94m in the previous year's corresponding quarter. As a result of the higher quarterly loss in 4QFY2023, the group recorded a net loss of RM926.64m for FY2023, marking the glove maker's first annual loss, on an annual revenue of RM2.26bn. (The Edge)

Kossan Rubber Industries Bhd's founding Lim family appeared to have sold some of their direct shareholdings in the listed entity to one of the glove-making group's executive director Tan Kong Chang. This development comes after Kossan Holdings (M) Sdn Bhd, the largest shareholder of Kossan, distributed its 14.35% stake in the publicly-listed glove manufacturing company to founding family members, including founder Tan Sri Lim Kuang Sia and three of his siblings, Lim Leng Bung, Lim Kuang Wang and Lim Kuang Yong. Each of them received 73.22m shares in the share distribution. Tan acquired 50m shares through a direct business transaction from Kuang Sia, Leng Bung, Kuang Wang, and Kuang Yong, with each of them disposing of 10m shares. However, the bourse filing did not disclose the seller of the fifth tranche of 10m shares in Kossan Rubber. (The Edge)

Malaysia Airports Holdings Bhd (MAHB) announced that its managing director (MD) and group chief executive officer (group CEO) Datuk Seri Iskandar Mizal Mahmood will be stepping down from his role upon expiration of his two-year contract on Oct 24. This confirms The Edge's report in June this year. Iskandar, 57, first took up the position of MD and group CEO in October 2021. Earlier, The Edge reported speculation on the changing of guard in MAHB, as Iskandar's contract was about to expire in October this year. Notably, MAHB has had five MDs over the past two decades. (The Edge)

Nova MSC Bhd plans to undertake a private placement exercise of 10% of its share base to raise up to RM23.81m for its working capital as well as for its web-based platform Vesalius, which helps healthcare groups implement a centralised system across multiple hospitals, to develop a healthcare solution. The proceeds to be raised are based on an indicative issue price at 9.5 sen per share. The actual issue price will be fixed and announced later. It intends to issue up to 250.66m shares to third-party investors to be identified at a later stage. (The Edge)

Waja Konsortium Bhd has proposed to undertake a private placement of up to 30% of its issued shares to raise up to RM31.67m, mainly to fund its construction business and working capital requirement. It said the private placement exercise entails the issuance of up to 395.9m shares to independent third-party investors to be identified later, at an issue price to be fixed later. The expected proceeds of RM31.67m is based on an illustrative issue price of 8 sen per share. (The Edge)

UMW Holdings Bhd is disposing of a 26% stake in an industrial equipment (IE) arm to Toyota Industries Corp (TICO) for RM260m, as part of an agreement to collaborate in the IE business in Malaysia, Singapore, Vietnam and China. UMW's unit UMW Equipment Division Sdn Bhd is disposing of the stake in UMW Toyota Material Handling Sdn Bhd (UTMH) to TICO, leaving it with a 74% stake. UTMH is the special purpose vehicle for the collaboration, with six IE business units parked under the company as part of an internal sales arrangement. The disposal of the UTMH stake to TICO is expected to result in a gain on disposal of around RM85.5m or 7.32 sen per share. UTMH's original cost of investments in the unit was RM643.08m. It expects the transaction to be completed by end-2023. (The Edge)

Kumpulan Jetson Bhd announced a slew of boardroom changes, including the appointment of Datuk Tengku Ibrahim Farihaddin Datuk Tengku Feissal, the treasurer of Koperasi Kerabat D'Raja Kelantan Al-Muhammadi Bhd, as its independent and non-executive chairman with immediate effect, on the resignation of the group's executive chairman Datuk Teh Kian An, 75, due to health issues. Also appointed to its board was Tunku Datuk Nooruddin Tunku Datuk Seri Shahabuddin, who joins as its independent and non-executive deputy chairman. Tunku Nooruddin has an extensive background in the oil, gas and energy industries, and currently sits on the board of Reneuco Bhd as an independent non-executive director. Besides Teh's resignation, it also announced the resignation of Datuk Dr Ong Ah Soon, 81, as its non-independent and non-executive director due to "retirement". It also appointed Datuk Mohd Efendi Omar, as an independent non-executive director to replace Edward Ng Kah Jiun, who has been redesignated as executive director. (The Edge)

Dagang Nexchange Bhd (DNeX) has appointed Muhammad Saifullah Mohd Isa, the son of its largest shareholder Mohd Isa Ismail, as its executive director (ED), effective Friday. Mohd Isa has an indirect 14.415% stake in the technology, energy and IT company, held via Arcadia Acres Sdn Bhd and Annedjma Capital Sdn Bhd, according to DNeX's bourse filing. He also has a direct 0.002% stake. He has over 13-years of experience in the financial services sector, specialising in capital markets and investment banking. He previously served at the corporate finance department of MIDF Amanah Investment Bank Bhd, the corporate finance division of AmlInvestment Bank Bhd and the corporate banking department of Malayan Banking Bhd (Maybank). At market close on Friday, shares in DNeX finished unchanged at 43 sen, valuing the group at RM1.34bn. (The Edge)

The shareholders of **KNM Group Bhd** who are looking to take over the board of the financially-distressed oil and gas engineering group say they plan to repay the group's RM1.2bn debt owed to creditors in the next three to six months. Heeschen said the prospective new management plans to undertake corporate exercises to fund capital expenditure for the group's assets. Overall, he said the debt repayment plan may consist of a combination of bridging loans, a special bond issuance, inter-government financing and other appropriate corporate exercises. (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	HIAPTEK	4-Oct	0.450	0.475	0.500	0.525	0.425	0.410	0.450	0.0%	Initiate on 4/10/2023
2	SLVEST	6-Oct	1.340	1.430	1.480	1.550	1.300	1.280	1.350	0.7%	Initiate on 4/10/2023

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	1.480	-5.1%	Initiate on 2/10/2023
2	HIAPTEK	2-Oct	0.435	0.500	0.535	0.400	0.365	0.355	0.450	3.4%	Initiate on 2/10/2023
3	HSSEB	2-Oct	0.805	0.895	0.940	0.725	0.670	0.660	0.815	1.2%	Initiate on 2/10/2023
4	LHI	2-Oct	0.555	0.610	0.640	0.520	0.500	0.490	0.550	-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	1.180	-2.5%	Initiate on 2/10/2023
7	PWF	2-Oct	0.870	0.950	1.000	0.825	0.790	0.780	0.880	1.1%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.475	-4.0%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.350	2.3%	Initiate on 2/10/2023
10	T7GLOBAL	2-Oct	0.480	0.525	0.555	0.475	0.455	0.445	0.455	-5.2%	Initiate on 2/10/2023
11	TUNEPRO	2-Oct	0.435	0.485	0.515	0.420	0.405	0.395	0.450	3.4%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.530	1.750	1.900	1.420	1.330	1.310	1.500	-2.0%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.520	2.0%	Initiate on 2/10/2023
Average Return										-0.5%	

Technical Focus Tracker Summary	
Total recommendations	348
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)	60.3%
FBM KLCI (Since 30/12/2022)	-5.3%
FBM Small Cap (Since 30/12/2022)	7.5%
Malaysia GDP Growth (1H23)	4.2%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
TIENWAH (7374)	Interim	RM0.03	10/8/2023	9/10/2023	RM0.82	RM0.87	3.2	5.5
PWF (7134)	Bonus	1:3	16/8/2023	10/10/2023	RM0.77	RM0.88	-	14.3
MNRB (6459)	Final	RM0.04	21/9/2023	10/10/2023	RM1.10	RM1.18	3.8	7.3
HIGHTEC (7033)	Interim	RM0.02	25/9/2023	10/10/2023	RM0.87	RM0.88	2.3	1.1
SHL (6017)	Final	RM0.12	6/7/2023	10/10/2023	RM2.00	RM2.34	5.1	17.0
PARLO (0022)	Bonus-Options	1:2	25/9/2023	11/10/2023	RM0.13	RM0.15	-	16.0
TAS (5149)	Interim	RM0.01	26/9/2023	11/10/2023	RM0.32	RM0.37	2.7	14.1
VS (6963)	Interim	RM0.01	26/9/2023	12/10/2023	RM1.02	RM0.97	-	-5.4
POHUAT (7088)	Interim	RM0.02	26/9/2023	12/10/2023	RM1.30	RM1.33	1.5	2.3
KSENG (3476)	Interim	RM0.05	28/8/2023	12/10/2023	RM4.47	RM4.23	1.2	-5.4
AEONCR (5139)	Interim	RM0.29	26/9/2023	12/10/2023	RM11.44	RM12.00	2.4	4.9
GASMSIA (5209)	Interim	RM0.06	21/8/2023	12/10/2023	RM3.02	RM3.06	-	1.3
PTRB (0260)	Interim	RM0.01	27/9/2023	13/10/2023	RM0.50	RM0.48	1.4	-4.0
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	RM1.68	1.8	-10.2
MYEG (0138)	Interim	RM0.00	21/8/2023	17/10/2023	RM0.78	RM0.79	-	1.7
APOLLO (6432)	Interim	RM0.20	23/6/2023	17/10/2023	RM4.25	RM5.30	3.8	24.7
PMCORP (4081)	Interim	RM0.01	29/9/2023	17/10/2023	RM0.22	RM0.22	2.8	-2.3
MYNEWS (5275)	Interim	RM0.01	3/10/2023	17/10/2023	RM0.56	RM0.58	0.9	2.7
HIBISCS (5199)	Stock Split	2:5	24/8/2023	18/10/2023	RM0.93	RM1.04	-	12.3
DOLPHIN (5265)	Rights Issue	3:4	19/9/2023	18/10/2023	RM0.25	RM0.24	-	-6.0
LAYHONG (9385)	Final	RM0.00	26/6/2023	18/10/2023	RM0.29	RM0.28	1.1	-3.5
BAUTO (5248)	Interim	RM0.05	12/9/2023	19/10/2023	RM2.18	RM2.48	2.0	13.8
HEIM (3255)	Interim	RM0.40	15/8/2023	19/10/2023	RM25.82	RM24.12	1.7	-6.6
DSS (0269)	Interim	RM0.01	29/8/2023	19/10/2023	RM0.41	RM0.40	1.9	-2.4
EIG (5081)	Final	RM0.01	31/5/2023	19/10/2023	RM0.30	RM0.31	1.6	3.4
JOE (7096)	Stock Split	1:10	21/8/2023	20/10/2023	RM0.02	RM0.02	-	0.0
KAREX (5247)	Interim	RM0.01	28/8/2023	20/10/2023	RM0.63	RM0.59	0.9	-6.4
CHINWEL (5007)	Interim	RM0.01	29/8/2023	23/10/2023	RM1.43	RM1.34	0.5	-6.3
KMLOONG (5027)	Interim	RM0.05	27/9/2023	25/10/2023	RM1.84	RM1.91	2.6	3.8
PTRANS (0186)	Interim	RM0.01	16/8/2023	26/10/2023	RM1.21	RM1.23	0.6	1.7
HLCAP (5274)	Final	RM0.17	30/8/2023	27/10/2023	RM5.36	RM5.32	3.2	-0.7
PA (7225)	Interim	RM0.01	25/8/2023	30/10/2023	RM0.25	RM0.25	2.0	-2.0
ORIENT (4006)	Interim	RM0.20	25/8/2023	30/10/2023	RM6.32	RM6.35	3.1	0.5
GUOCO (1503)	Final	RM0.02	18/8/2023	30/10/2023	RM0.69	RM0.71	2.8	2.9
HLBANK (5819)	Final	RM0.38	30/8/2023	31/10/2023	RM19.96	RM19.32	2.0	-3.2
SIMEPLT (5285)	Interim	RM0.03	23/8/2023	1/11/2023	RM4.32	RM4.28	0.8	-0.9
HLFG (1082)	Final	RM0.32	30/8/2023	1/11/2023	RM18.22	RM17.38	1.8	-4.6
MCEMENT (3794)	Interim	RM0.06	24/8/2023	1/11/2023	RM3.85	RM3.62	1.7	-6.0
SNS (0259)	Interim	RM0.00	26/9/2023	8/11/2023	RM0.26	RM0.25	1.0	-5.8
PLENITU (5075)	Final	RM0.03	20/9/2023	9/11/2023	RM1.14	RM1.08	2.8	-5.3
YTL (4677)	Interim	RM0.04	24/8/2023	9/11/2023	RM1.36	RM1.41	2.8	3.7
YTLPOWR (6742)	Interim	RM0.04	24/8/2023	9/11/2023	RM1.75	RM1.90	1.8	8.6
KEINHIN (7199)	Final	RM0.02	27/6/2023	14/11/2023	RM1.42	RM1.43	1.4	0.7
HPPHB (0228)	Final	RM0.01	21/7/2023	15/11/2023	RM0.32	RM0.38	2.0	18.8
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	RM1.01	2.0	-5.6
YINSON (7293)	Interim	RM0.02	29/9/2023	29/11/2023	RM2.48	RM2.37	0.8	-4.4
NOVA (0201)	Final	RM0.01	27/9/2023	30/11/2023	RM0.72	RM0.74	1.7	2.1
TMCLIFE (0101)	Final + Special Cash	RM0.00	22/8/2023	5/12/2023	RM0.63	RM0.61	1.4	-2.4
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	RM0.37	3.4	17.7
JAYCORP (7152)	Final	RM0.04	29/9/2023	14/12/2023	RM0.72	RM0.75	5.4	4.2
KLUANG (2453)	Final + Special Cash	RM0.01	5/10/2023	15/12/2023	RM3.81	RM3.80	0.7	-0.3
KUCHAI (2186)	Final + Special Cash	RM0.01	5/10/2023	15/12/2023	RM1.31	RM1.31	1.9	0.0
SBAGAN (2569)	Final + Special Cash	RM0.02	5/10/2023	15/12/2023	RM3.26	RM3.26	2.1	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	RM3.69	1.4	0.3
SCIPACK (8125)	Final	RM0.03	19/9/2023	2/1/2024	RM2.20	RM2.30	1.1	4.5

Denotes >5% Dividend Yield

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