

Volatility regain control

Market Review

Malaysia: The FBM KLCI (-1.0%) trended lower with more than two-thirds of the key index components finished lower prior to the extended weekend break. The lower liners, however, ended mixed, while the transportation & logistics sector (+0.7%) was the sole outperformer among the sectorial peers.

Global markets: Wall Street remained downbeat as the Dow (-0.3%) fell for the fourth straight day, dragged by the on-going concern over the monetary tightening by the US Federal Reserve and the escalating geopolitical risks in the Russia-Ukraine war. Both the European and Asia markets also were also painted in red.

The Day Ahead

Another wave of selling pressure hit the FBM KLCI on Friday as investors mulled over the Budget 2023 and bearish sentiment on the regional markets. We believe all eyes will turn to the upcoming GE15 following the dissolution of parliament announced yesterday. The broad market may trade lower given the uncertainties ahead of the GE15, while foreign investors may extend its selling activities since last week. Commodities wise, the crude oil price sustained above USD94 per barrel mark, while the CPO price continued to hover above RM3,750.

Sector focus: The broader market may attract selling pressure with the dissolution of parliament, but the investors will focus on GE15 theme, and may shift their attention to sectors such as construction, utilities, as well as selected government-related stocks. Besides, the bullish crude oil price may add shine to the energy stocks. On the other hand, the technology sector could see further selldown as Nasdaq slid to close at 2-year low.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI tumbled and closed below its daily EMA9 level after spending the entire session in the negative territory. Technical indicators remained mixed as the MACD Histogram extended a positive bar, while the RSI hovered below 50. The resistance is pegged along 1,430-1,450, while the support is pegged at 1,385-1,400.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	29,202.88	-0.32
S&P 500	3,612.39	-0.75
NASDAQ	10,542.10	-1.04
FBM KLCI	1406.00	-1.02
FBM Small Cap	13,861.96	0.07
FBM ACE	4,708.97	-0.73
Construction	152.52	-0.80
Consumer	553.42	-0.53
Energy	697.19	-0.16
Financial Services	16,072.21	-0.30
Healthcare	1505.18	-1.33
Ind Products	174.05	-0.38
Plantation	6,467.32	-1.44
Property	613.27	-1.05
REITs	763.39	-0.06
Technology	60.87	-0.31
Telco & Media	558.76	-1.05
Transport	788.79	0.67
Utilities	818.90	-0.48
Trading Vol (m)	1909.94	-5.09
Trading Val (RM m)	1433.64	-9.77
Advance/Decline	65%	
FKLI	1400.50	-1.23
FCPO (RM)	3,837.00	3.70
Brent oil (USD)	97.92	-2.34
Gold (USD)	1,694.82	-1.02
USD	4.65	0.00
GBP	5.2047	1.26
EURO	4.5599	1.03
SGD	3.2541	0.59
Trading participation 5-day trend and value (m)		
Institution	413.6	
Retail	-76.6	
Foreign	-336.8	

Source: Bloomberg, Bursa Market Place

Company Brief

Four mobile network operators (MNOs) – **Celcom Axiata Bhd**, Digi Telecommunications Sdn Bhd, YTL Communications Sdn Bhd and **Telekom Malaysia Bhd** (TM) have executed share subscription agreements (SSAs) to collectively take up a 65.0% stake in Digital Nasional Bhd, while **Maxis Bhd** and U Mobile Sdn Bhd have opted out. Celcom Axiata and Digi Telecommunications are units of **Axiata Group Bhd** and **Digi.Com Bhd**, respectively. YTL Communications is a unit of **YTL Power International Bhd**. The SSAs give effect to the MNOs' subscription of 65.0% equity in DNB with Celcom Axiata (12.5%), Digi Telecommunications (12.5%), YTL Communications (20.0%), and TM (20.0%). (The Edge)

Datuk Wira Ng Chun Hau, who was executive chairman of **Caely Holdings Bhd** from February 2021 to May 2022, has denied the allegations of misappropriation of funds amounting to RM30.6m involving its wholly owned subsidiary Caely (M) Sdn Bhd during his tenure. On 5th October 2022, Caely announced that its new board of directors had lodged a police report against 12 of its former directors. (The Edge)

Top Glove Corp Bhd is halting its dividend payout to preserve cash holdings, after its plant utilisation rate declined from 52.0% in 2QFY22 to 35.0% in 4QFY22, amid low average selling prices and competitive glove prices from China. (The Edge)

NCT Alliance Bhd has proposed a private placement to raise up to RM48.4m to fund property development activities and for working capital. The proposed private placement entails the issuance of up to 120.9m new shares, representing 10.0% of total issued shares, to person(s) to be identified at a later date. (The Edge)

Paragon Union Bhd has proposed to diversify its existing core business to include recycling business, focusing on metal initially, to broaden its revenue stream and earnings base and reduce its dependency on its existing core business. (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	LAGENDA	28-Sep	1.300	1.390	1.440	1.560	1.230	1.220	1.270	-2.3%	On-going
2	SUNREIT	3-Oct	1.390	1.470	1.540	1.580	1.330	1.320	1.420	2.2%	On-going
3	TALIWRK	4-Oct	0.925	0.960	0.985	1.000	0.880	0.875	0.905	-2.2%	On-going
4	MRDIY	5-Oct	2.020	2.130	2.180	2.360	1.900	1.890	1.990	-1.5%	On-going
5	EFRAME	11-Oct	0.650	0.685	0.700	0.750	0.620	0.615	0.650	0.0%	Initiate position

4Q22 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	ATECH	3-Oct	1.890	2.180	2.280	-	1.740	1.660	1.830	-3.2%	On-going
2	PECCA	3-Oct	0.880	1.000	1.080	-	0.795	0.740	0.850	-3.4%	On-going
3	KGB	3-Oct	1.290	1.520	1.630	-	1.260	1.150	1.310	1.6%	On-going
4	SCOMNET	3-Oct	1.670	1.890	2.050	-	1.390	1.240	1.670	0.0%	On-going
5	OPTIMAX	3-Oct	0.745	0.910	1.000	-	0.695	0.625	0.750	0.7%	On-going
6	SAMAIDEN	3-Oct	0.755	0.835	0.915	-	0.670	0.605	0.800	6.0%	On-going
7	TIMECOM	3-Oct	4.620	5.000	5.250	-	4.400	4.210	4.510	-2.4%	On-going
8	HEXTAR	3-Oct	1.760	2.000	2.150	-	1.620	1.510	1.780	1.1%	On-going
9	TGUAN	3-Oct	2.560	2.870	3.030	-	2.470	2.320	2.510	-2.0%	On-going
10	GAMUDA	3-Oct	3.930	4.470	4.680	-	3.760	3.600	3.950	0.5%	On-going
11	MYEG	3-Oct	0.840	1.000	1.080	-	0.785	0.715	0.910	8.3%	On-going
12	CCK	3-Oct	0.650	0.720	0.760	-	0.580	0.550	0.650	0.0%	On-going
13	SIGN	3-Oct	1.730	2.000	2.150	-	1.610	1.440	1.700	-1.7%	On-going
Average Return										0.4%	

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Technical Focus Tracker Summary	
Total recommendations	267
Total winners	159
Total losers	107
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	6.9%
Accuracy (2022)	56.1%
FBM KLCI (Since 31/12/2021)	-10.3%
FBM Small Cap (Since 31/12/2021)	-12.0%
Malaysia GDP Growth (1H22)	6.9%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
AMLEX (03011)	Final	RM0.00	3/10/2022	11/10/2022	RM0.45	RM0.42	1.0	-6.7
ASTRO (6399)	2nd Interim	RM0.01	26/9/2022	11/10/2022	RM0.83	RM0.74	1.4	-11.4
SAPIND (7811)	Interim	RM0.03	22/9/2022	11/10/2022	RM0.77	RM0.77	4.4	0.0
SHL (6017)	Final	RM0.09	12/7/2022	11/10/2022	RM1.82	RM1.94	4.6	6.6
GNB (0045)	Share Consolidation	10:1	28/9/2022	12/10/2022	RM0.02	RM0.02	-	0.0
AME (5293)	Special Cash	RM0.01	27/9/2022	12/10/2022	RM1.45	RM1.39	0.7	-4.1
HIGHTEC (7033)	Interim	RM0.02	26/9/2022	12/10/2022	RM0.98	RM0.93	2.2	-5.1
YENHER (5300)	Interim	RM0.02	19/8/2022	13/10/2022	RM0.80	RM0.80	1.9	0.0
LKL (0182)	Share Consolidation	10:1	29/9/2022	13/10/2022	RM0.04	RM0.03	-	-37.5
ATECH (5302)	Interim	RM0.02	29/9/2022	13/10/2022	RM1.90	RM1.83	1.1	-3.7
VS (6963)	4th Interim	RM0.00	27/9/2022	13/10/2022	RM0.94	RM0.93	0.4	-1.1
DSOIN (5216)	1st Interim	RM0.00	30/8/2022	13/10/2022	RM0.53	RM0.50	0.5	-4.8
BAUTO (5248)	1st Interim	RM0.03	12/9/2022	13/10/2022	RM1.83	RM1.94	1.5	6.0
POHUAT (7088)	2nd Interim	RM0.02	29/9/2022	13/10/2022	RM1.38	RM1.36	1.5	-1.4
AEONCR (5139)	Interim	RM0.29	29/9/2022	14/10/2022	RM13.48	RM13.58	2.1	0.7
LAYHONG (9385)	Regular Cash	RM0.00	27/6/2022	18/10/2022	RM0.29	RM0.24	1.3	-15.8
EIG (5081)	Final	RM0.01	3/10/2022	18/10/2022	RM0.33	RM0.33	1.5	-1.5
HEIM (3255)	Interim	RM0.40	12/8/2022	19/10/2022	RM24.40	RM23.70	1.7	-2.9
CHINWEL (5007)	2nd Interim	RM0.08	29/8/2022	21/10/2022	RM1.76	RM1.70	4.7	-3.4
KMLOONG (5027)	Interim	RM0.05	28/9/2022	25/10/2022	RM1.66	RM1.73	2.9	4.2
CRESNDO (6718)	Interim	RM0.03	28/9/2022	25/10/2022	RM1.07	RM1.10	2.7	2.8
MYEG (0138)	1st Interim	RM0.00	29/8/2022	26/10/2022	RM0.72	RM0.91	0.3	27.3
STELLA (5006)	Final	RM0.03	20/7/2022	26/10/2022	RM0.90	RM0.92	2.7	1.7
PTRANS (0186)	3rd Interim	RM0.01	16/8/2022	27/10/2022	RM0.85	RM0.90	0.8	5.9
POHKONG (5080)	Interim	RM0.01	27/9/2022	31/10/2022	RM0.71	RM0.74	1.4	3.5
REDTONE (0032)	Interim	RM0.02	23/8/2022	31/10/2022	RM0.43	RM0.48	3.8	11.8
PCCS (6068)	Special Cash	RM0.06	29/8/2022	31/10/2022	RM0.69	RM0.65	9.2	-5.8
HLBANK (5819)	Final	RM0.37	30/8/2022	1/11/2022	RM20.90	RM20.60	1.8	-1.4
HLCAP (5274)	Final	RM0.19	30/8/2022	2/11/2022	RM6.33	RM6.30	3.0	-0.5
SIMEPLT (5285)	Interim	RM0.10	23/8/2022	3/11/2022	RM4.40	RM4.04	2.5	-8.2
HLFG (1082)	Final	RM0.31	30/8/2022	4/11/2022	RM19.42	RM18.60	1.7	-4.2
SAB (5134)	Final	RM0.05	19/5/2022	8/11/2022	RM3.88	RM3.65	1.4	-5.9
PLENITU (5075)	Final	RM0.03	20/9/2022	9/11/2022	RM1.00	RM0.94	2.7	-6.0
YTL (4677)	Interim	RM0.03	25/8/2022	10/11/2022	RM0.57	RM0.57	5.3	-0.9
YTLPOWR (6742)	2nd Interim	RM0.03	25/8/2022	10/11/2022	RM0.72	RM0.69	3.6	-4.9
KEINHN (7199)	Final	RM0.02	24/6/2022	14/11/2022	RM1.06	RM1.24	1.2	17.0
HPPHB (0228)	Final	RM0.01	22/9/2022	15/11/2022	RM0.40	RM0.39	1.9	-1.3
OKA (7140)	Final	RM0.02	31/5/2022	17/11/2022	RM0.81	RM0.79	2.9	-2.5
GADANG (9261)	Final	RM0.01	27/7/2022	18/11/2022	RM0.35	RM0.31	2.3	-12.9
BESHOM (7668)	Final	RM0.05	24/6/2022	21/11/2022	RM1.50	RM1.47	3.4	-2.0
IOIPG (5249)	Final	RM0.04	22/8/2022	22/11/2022	RM0.98	RM0.98	4.1	0.5
YINSON (7293)	Interim	RM0.01	22/9/2022	29/11/2022	RM2.30	RM2.15	0.5	-6.5
PENSONI (9997)	Final	RM0.01	28/7/2022	29/11/2022	RM0.53	RM0.49	2.6	-7.5
KOTRA (0002)	Final	RM0.16	6/10/2022	30/11/2022	RM4.24	RM4.40	3.6	3.8
TMCLIFE (0101)	Final	RM0.00	23/8/2022	5/12/2022	RM0.51	RM0.61	0.5	19.8
FIBON (0149)	Regular Cash	RM0.01	19/9/2022	7/12/2022	RM0.38	RM0.37	2.3	-2.6
APOLLO (6432)	Final	RM0.15	24/6/2022	14/12/2022	RM3.89	RM3.79	4.0	-2.6
APOLLO (6432)	1st Interim	RM0.10	28/9/2022	14/12/2022	RM3.63	RM3.79	2.6	4.4
JAYCORP (7152)	Final	RM0.00	29/9/2022	15/12/2022	RM0.69	RM0.68	0.0	-1.4
GLOMAC (5020)	Final	RM0.02	29/6/2022	16/12/2022	RM0.31	RM0.29	5.3	-6.6
SCIPACK (8125)	Final	RM0.03	28/9/2022	21/12/2022	RM2.35	RM2.15	1.2	-8.5
PTARAS (9598)	Final	RM0.06	19/9/2022	22/12/2022	RM2.23	RM2.21	2.7	-0.9
SCIENTX (4731)	Final	RM0.05	29/9/2022	23/12/2022	RM3.47	RM3.55	1.4	2.3

Denotes >5% YoY Dividend Yield