

Shifting the focus on inflation data

Market Review

Malaysia: The FBM KLCI (+1.26%) rallied in line with the positive regional markets' sentiment following dovish comments from the Fed and China could be unleashing a new round of stimulus. The Financial Sector (+1.40%) gained, while the Healthcare sector (-0.51%) declined due to selling pressure in glove counters.

Global markets: Despite the ongoing geopolitical risks, Wall Street ended higher amid easing Treasury yields as well as the Fed hinted on rate pause going forward. Meanwhile, traders were more optimistic ahead of the PPI data. The European market traded on a positive note, while Asian markets ended mixed.

The Day Ahead

The FBM KLCI closed higher for the session, following a more dovish comment from the Fed as well as China preparing a new round of measures to support the economy. The traders were brushing off the ongoing geopolitical tension and focusing on the upcoming inflation data in the US. It is likely that the buying interest should persist on the local front ahead of the upcoming Budget 2024 as we expect the positive local catalyst to support the overall market's conditions at least for the near to midterm. Commodities wise, the Brent crude oil took a breather but still traded above USD87/bbl level amid ongoing geopolitical concerns, while the CPO closed below RM3,600/MT level after palm oil inventory increased 9.6% MoM to 2.31m tonnes.

Sector focus: Safe-haven assets such as gold-related stocks and energy related stocks may be favourable amid the ongoing geopolitical tension environment. Meanwhile, buying interest may be seen within the construction, property, building material as well as the utilities sectors ahead of the Budget 2024. We like the renewable energy sector as government may push out certain initiatives under the NETR blueprint.

FBMKLCI Technical Outlook



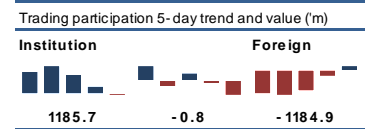
Bloomberg

The FBM KLCI ended significantly 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 rebounded approaching 50. 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	33,739.30	0.40
S&P 500	4,358.24	0.52
NASDAQ	13,562.84	0.58
FBM KLCI	1,435.7	1.26
FBM Small Cap	16,446.09	1.13
FBM ACE	5,193.51	1.29
Construction	187.27	1.33
Consumer	552.81	0.82
Energy	874.86	0.83
Financial Services	16,109.68	1.40
Healthcare	1,660.28	-0.51
Ind Products	172.83	1.29
Plantation	6,898.78	0.71
Property	865.35	1.07
REITs	771.90	-0.07
Technology	62.06	0.55
Telco & Media	574.39	-0.03
Transport & Logisti	921.20	0.47
Utilities	1,115.92	1.30
Trading Vol (m)	3,388.05	17.84
Trading Val (RM m)	2,022.57	13.78
Gainers/ Losers rat	187%	
FKLI	1,437.00	0.21
FCPO (RM)	3,560.00	-0.14
Brent oil (USD)	87.65	-0.57
Gold (USD)	1,860.40	-0.05
USD	4.7283	0.07
GBP	5.8001	-0.57
EURO	5.0129	-0.58
SGD	3.4638	-0.24



Source: Bloomberg, Bursa Market Place

Company Brief

Bina Puri Holdings Bhd announced that its wholly owned subsidiary Bina Puri Sdn Bhd (BPSB) has been served with a winding-up petition from the lawyers of Thai Soon Hang (Sabah) Sdn Bhd at the High Court of Sabah and Sarawak, due to a default payment amounting to RM198,116.60. It said the petition was filed with Thai Soon Hang looking to recover the full petition amount, rather than the sum provided for in BPSB's creditors' scheme of arrangement which was "successfully convened" on Aug 30, following which the court order restraining BPSB creditors from taking action against BPSB ended on Aug 31. (The Edge)

Sarawak Cable Bhd faces a similar situation, with subsidiaries Leader Cable Industry Bhd and Universal Cable (M) Bhd receiving winding-up petitions served by OCBC Bank (M) Bhd on Oct 9. The winding-up petitions follow Sarawak Cable's failure to get its creditors' buy-in for a scheme of arrangement involving Leader Cable and Universal Cable on Sept 26. The petitions were presented by OCBC to the Kuala Lumpur High Court on Oct 4. (The Edge)

PTT Synergy Group Bhd has entered into a sale and purchase agreement (SPA) to acquire two parcels of freehold development land for RM70.56m via indirect wholly-owned subsidiary Projek Tetap Teguh Sdn Bhd (Projek TT) on Tuesday. The group said the 7.28 hectares (18 acres) of land is located in Seberang Perai Selatan, Penang. The company said the proposed acquisition is expected to strengthen the group's involvement within the industrial development segment and is "a valuable addition" to the group's land bank. (The Edge)

Meanwhile, **LKL International Bhd**, whose share price has halved since the start of the year, is selling a parcel of land in Serdang, Selangor for RM6.65m. The company had completed the purchase of the freehold land, together with a unit of three-storey semi-detached factory erected thereon, in December 2022 for RM5.98m. The medical and healthcare bed manufacturer said its wholly-owned subsidiary, LKL Advance Metaltech Sdn Bhd has entered into a Sale and Purchase Agreement (SPA) on Oct 10 with JLL Electrical Sdn Bhd for the proposed disposal. (The Edge)

Digistar Corp Bhd is selling two parcels of freehold land in Melaka for RM7.76m cash. The land, measuring a combined 4.1197 hectares, is a parcel of vacant agricultural land. The group is expecting a loss of RM98,000 arising from the land sale. Digistar said its wholly-owned unit Mulia Optima Sdn Bhd (MOSB) has entered into a sale and purchase agreement with Earnings Base Sdn Bhd (EBSB) for the land transaction. (The Edge)

Focus Lumber Bhd announced that it has entered into an industrial tree planting agreement (ITPA) with Rakyat Berjasa Sdn Bhd (RBSB) to plant, rehabilitate and harvest forests in a 5,000-hectare area in Sabah's Sungai Pinangah Forest Reserve. The plywood maker said the ITPA would allow the group to manage and secure wood resources on a long-term basis – until September 2097 – in the designated area for the purposes of sustainable production of timber and natural forest produce and for harvesting, distributing, processing and export of such timber, forest industrial products and other relevant materials. (The Edge)

ITMAX System Bhd has secured a RM79.6m contract from the Pasir Gudang City Council in Johor to design, install and maintain a smart command centre, a closed-circuit camera system with artificial intelligence (AI) features as well as a smart traffic lights system within the district. The company said its 65%-owned subsidiary Southmax Sdn Bhd has secured a letter of award (LOA) for the 15-year project. This is the second such contract awarded to ITMAX by a Johor local authority, after the RM111m contract by the Iskandar Puteri City Council awarded in September. (The Edge)

AWC Bhd has secured Islamic banking facilities of up to RM100m from AmBank Islamic Bhd. The amount will be used to finance the acquisition of a 49% equity stake in automated waste collection system provider Stream Group Sdn Bhd. Last month, AWC announced it is buying the remaining 49% stake it does not own in Stream Group, for RM110m, confirming a report by *The Edge*. At the same time, it is taking over the remaining 51% stake that Stream Group does not own in Premium Patents Sdn Bhd, which holds the intellectual property rights of assets required for Stream Group's current business, for RM1. (*The Edge*)

Kerjaya Prospek Group Bhd has bagged a RM226m contract from Aspen Vision City Sdn Bhd for the development of a 37-storey residential building in Batu Kawan, Penang. With the latest contract win, Kerjaya Prospek has surpassed its target of RM1.2bn new contracts this year, having locked down RM1.5bn in new jobs so far. As a result, its outstanding orderbook increased to RM4.7bn. (*The Edge*)

Perak Transit Bhd has secured approval from the Ministry of Finance (MOF) for an investment tax allowance (ITA) on qualifying capital expenditure in relation to the development of an integrated public transportation terminal in Bidor, Perak. Its 99.97% owned subsidiary The Combined Bus Services Sdn Bhd (TCBS) received the approval from the MOF on Tuesday. (*The Edge*)

Khazanah Nasional Bhd via its associate Pulau Kapas Ventures Sdn Bhd (PKV) has disposed of its 3.7% stake, equivalent to 67.5m shares, in **TIME dotCom Bhd**, whose share price climbed to an all-time high of RM5.56 last week. However, TIME did not reveal in its filing to Bursa Malaysia the amount raised by the national sovereign fund through the share sale. The shares changed hands on Tuesday. Bloomberg's off-market transaction data showed that 67.5m TIME shares were traded on Oct 10 at RM5.29 apiece, or RM357m. Khazanah, via PKV, remains the largest shareholder of TIME with a 25.1% stake after the share divestment, compared with a 28.8% stake previously. (*The Edge*)

Sapura Energy Bhd said the contract for the engineering, procurement, construction and installation (EPCI) of the single buoy mooring (SBM) Pipeline Rejuvenation Phase II Project in Singapore has been terminated. The said contract had been initially bagged together with its consortium partner Dredging International Asia Pacific back in 2020, and formed part of a larger cluster of contracts worth RM766m. The contract, which was awarded by Shell Eastern Petroleum (Pte) Ltd, involves pre-emptive repair of the nearshore pipeline section, rejuvenation of the SBM system and optional removal of existing pipeline to ensure fitness for service of the crude offloading system to Bukom Refinery in Singapore. (*The Edge*)

MCE Holdings Bhd, whose share price has jumped this year, has proposed to undertake a bonus issuance of 61.78m shares on the basis of one bonus share for every one existing MCE share held at an entitlement date to be fixed, followed by the issuance of the same number of free warrants on the basis of one warrant for every two existing MCE shares held, to reward its shareholders. Subject to all required approvals being obtained, the proposals are expected to be completed by the first quarter of 2024. (*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	0.435	-3.3%	Initiate on 4/10/2023
2	SLVEST	6-Oct	1.340	1.430	1.480	1.550	1.300	1.280	1.330	-0.7%	Initiate on 6/10/2023

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	1.490	-4.5%	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	0.835	3.7%	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	0.740	1.4%	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	0.653	0.950	1.000	0.825	0.790	0.780	0.645	-1.2%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.505	2.0%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.330	0.8%	Initiate on 2/10/2023
10	T7GLOBAL	2-Oct	0.480	0.525	0.555	0.475	0.455	0.445	0.465	-3.1%	Initiate on 2/10/2023
11	TUNEPRO	2-Oct	0.435	0.485	0.515	0.420	0.405	0.395	0.440	1.1%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.530	1.750	1.900	1.420	1.330	1.310	1.580	3.3%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.530	2.7%	Initiate on 2/10/2023
Average Return										0.4%	

Technical Focus Tracker Summary	
Total recommendations	348
Total winners	214
Total losers	135
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)	4.4%
Accuracy (2023)	60.3%
FBM KLCI (Since 30/12/2022)	-4.0%
FBM Small Cap (Since 30/12/2022)	8.2%
Malaysia GDP Growth (1H23)	4.2%

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