

Slipping back below 1,400

Market Review

Malaysia: The FBM KLCI (-1.4%) extended its decline as sentiment remained dour with more than two-thirds of the key index components closed lower yesterday following the dissolution of parliament. The lower liners also finished lower with all 13 major sectors ended in red with the technology sector (-3.1%) took the worst hit.

Global markets: Wall Street ended mixed in a volatile trading session as the Dow (+0.1%) rebounded, but the S&P 500 (-0.7%) extended its slide after the US Dollar advanced following the Bank of England move to end their bond buying support on Friday. Both the European and Asia markets ended downbeat.

The Day Ahead

The FBM KLCI closed near the 52-week low, taking cue from the negative regional markets on the back of persisted worries over impact of ongoing rate hikes as well as the dissolution of parliament effective on 10th of October. As the global investors remained cautious ahead of the US inflation data on the 13th of October, we reckon the local bourse will likely to stay negative bias at this juncture without any fresh catalysts. Commodities wise, the crude oil traded above USD94 per barrel mark, while the CPO price hovered slightly below RM3,750.

Sector focus: We believe mild bargain hunting may emerge following the recent sell-down as traders could look at defensive consumer stocks to weather through the volatility on the global front. Meanwhile, construction sector may stay focus in the anticipation of the GE15. On the technology sector, it may track the negative performance on Nasdaq and trade on softer tone.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI plummeted below the psychological 1,400 level again as selling pressure persisted for the third straight session. Technical indicators, however, implied an oversold market as the MACD Histogram extended a positive bar, while the RSI dipped below the oversold 30 level. Next support is monitored at 1,365, followed by 1,355, while resistance is pegged along 1,400-1,430.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	29,239.19	0.12
S&P 500	3,588.84	-0.65
NASDAQ	10,426.19	-1.10
FBM KLCI	1,386.82	-1.36
FBM Small Cap	13,607.29	-1.84
FBM ACE	4,652.84	-1.19
Construction	151.08	-0.94
Consumer	547.77	-1.02
Energy	675.76	-3.07
Financial Services	15,885.14	-1.16
Healthcare	1,474.85	-2.02
Ind Products	170.59	-1.99
Plantation	6,375.75	-1.42
Property	609.00	-0.70
REITs	762.63	-0.10
Technology	58.96	-3.14
Telco & Media	556.73	-0.36
Transport	779.41	-1.19
Utilities	810.54	-1.02
Trading Vol (m)	2,349.50	23.01
Trading Val (RM m)	1,858.91	29.66
Advance/Decline	27%	
FKLI	1,388.50	0.29
FCPO (RM)	3,745.00	1.44
Brent oil (USD)	94.29	-0.53
Gold (USD)	1,666.34	-0.14
USD	4.6733	0.01
GBP	5.1621	0.84
EURO	4.5329	0.08
SGD	3.2457	-0.02

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
562.5	5.3	-567.8

Source: Bloomberg, Bursa Market Place

Company Brief

Privasia Technology Bhd via Konsortium Apex - Privasat has secured 2 contracts worth a collective total of about RM1.24bn from the Ministry of Communications and Multimedia (MCM). The contracts entail the installation of fibre optics and maintenance of fibre optic infrastructure in surrounding schools, residential, business, commercial and industrial premises under Phase 2 of the expansion of broadband infrastructure using the point of presence (PoP) method. The contracts will cover the Southern region (Negeri Sembilan, Melaka & Johor) and Northern region (Kedah and Perak) and are worth RM627.2m and RM617.5m respectively. The duration of the contracts is for 96 months, where the implementation shall be completed in 36 months and followed by a 60 months warranty period. (The Star)

Naim Holdings Bhd's wholly-owned subsidiary, Naim Engineering Sdn Bhd has secured a construction contract worth RM73.0m from Amanah Khairat Yayasan Budaya Melayu Sarawak (AKYBMS). The contract was for the proposed construction of Wisma Melayu at Salak Land district. The contract is for a period of 30 months, commencing on 8th November 2022. (The Star)

Caely Holdings Bhd's new board of directors, led by executive chairman Ng Keok Chai, has instructed its solicitors to serve a demand on Virdos Lima Consultancy (M) Sdn Bhd, seeking the return of full documentation of its wholly-owned subsidiary Caely (M) Sdn Bhd (CMSB) handed to Virdos Lima by Caely's previous management, for purposes of conducting a forensic audit into allegations of suspicious and irregular transactions at CMSB in April 2022. (The Edge)

West Coast Expressway Sdn Bhd (WCESB), an 80.0%-owned subsidiary of **WCE Holdings Bhd**, has secured up to RM400.0m from the government to part-finance the land acquisition cost for the RM5.04bn West Coast Expressway project. (The Edge)

Malaysia Marine and Heavy Engineering Holdings Bhd (MHB) has secured an engineering, procurement and construction services contract from Sarawak Shell Bhd relating to an offshore platform for the Rosmari-Marjoram gas project, located off the coast of Sarawak. The works comprise the construction of a wellhead platform, a topside, and a four-legged jacket. The project value of approximately RM500.0m will run for a duration of 19 months. (The Edge)

Heng Huat Resources Group Bhd's managing director Datuk H'ng Choon Seng has ceased to be a substantial shareholder of **Ivory Properties Bhd**. H'ng disposed of 80.0m shares via off market transaction on 11th October 2022, representing a 16.3% stake in Ivory Properties. (The Edge)

CN Asia Corp Bhd is planning to place out up to 40.0% of its existing number of issued shares, to raise as much as RM16.5m to fund its money lending business and repay bank borrowings. This proposed private placement would be the third fundraising exercise that the company has undertaken in the past 12 months, to fund its money lending business. (The Edge)

Six months after **DRB-Hicom Bhd** inked memorandums of understanding (MOU) with China's Zhejiang Geely Holding Group Co Ltd and the Perak government in regard to the development of the Automotive HiTech Valley in Tanjong Malim, no definitive agreement has been produced. With the validity period of its MOU was about to lapse, DRB-Hicom is now in talks with the Chinese automotive group to extend the duration. (The Edge)

Pintaras Jaya Bhd has secured 6 new piling contracts worth a combined RM192.0m in Singapore. The contracts were clinched through its indirect wholly-owned subsidiary in Singapore, Pintary Foundations Pte Ltd. (The Edge)

Southern Cable Group Bhd is targeting RM100.0m sales of cables and wires to the US in FY23. The cable and wire manufacturer will begin deliveries to a US-based cable and wire distributor in 4Q22. (The Edge)

Leading Ventures Sdn Bhd's mandatory takeover offer for **Meta Bright Group Bhd** (formerly known as Eastland Equity Bhd) is not fair and unreasonable, according to independent adviser UOB Kay Hian Securities (M) Sdn Bhd, which is recommending Meta Bright's shareholders to reject the offer. The offer is not fair because the offer price of seven sen represents a discount of 28.6% to the revalued net asset value of Meta Bright shares of 9.8 sen apiece. (The Edge)

Sand Nisko Capital Bhd has announced the resignation of Lee Ping Wei as its executive director, less than eight months after he was appointed on 28th February 2022. Lee, 33, has resigned to focus on other matters that require his full attention. (The Edge)

Warrant specialist Alan Voon Sze Lin has resigned as the non-independent non-executive director of **Silver Ridge Holdings Bhd**, to pursue his personal interests. His resignation takes effect from 11th October 2022. (The Edge)

Technical Focus Tracker

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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	1.250	-3.8%	On-going
2	SUNREIT	3-Oct	1.390	1.470	1.540	1.580	1.330	1.320	1.400	0.7%	On-going
3	TALIWRK	4-Oct	0.925	0.960	0.985	1.000	0.880	0.875	0.900	-2.7%	On-going
4	MRDIY	5-Oct	2.020	2.130	2.180	2.360	1.900	1.890	1.970	-2.5%	On-going
5	EFRAME	11-Oct	0.640	0.685	0.700	0.750	0.620	0.615	0.630	-1.6%	On-going

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	1.780	-5.8%	On-going
2	PECCA	3-Oct	0.880	1.000	1.080	-	0.795	0.740	0.815	-7.4%	On-going
3	KGB	3-Oct	1.290	1.520	1.630	-	1.260	1.150	1.260	-2.3%	On-going
4	SCOMNET	3-Oct	1.670	1.890	2.050	-	1.390	1.240	1.590	-4.8%	On-going
5	OPTIMAX	3-Oct	0.745	0.910	1.000	-	0.695	0.625	0.720	-3.4%	On-going
6	SAMAIDEN	3-Oct	0.755	0.835	0.915	-	0.670	0.605	0.740	-2.0%	On-going
7	TIMECOM	3-Oct	4.620	5.000	5.250	-	4.400	4.210	4.520	-2.2%	On-going
8	HEXTAR	3-Oct	1.760	2.000	2.150	-	1.620	1.510	1.740	-1.1%	On-going
9	TGUAN	3-Oct	2.560	2.870	3.030	-	2.470	2.320	2.430	-5.1%	On-going
10	GAMUDA	3-Oct	3.930	4.470	4.680	-	3.760	3.600	3.970	1.0%	On-going
11	MYEG	3-Oct	0.840	1.000	1.080	-	0.785	0.715	0.885	5.4%	On-going
12	CCK	3-Oct	0.650	0.720	0.760	-	0.580	0.550	0.620	-4.6%	On-going
13	SIGN	3-Oct	1.730	2.000	2.150	-	1.610	1.440	1.660	-4.0%	On-going
Average Return										-2.8%	

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)	6.4%
Accuracy (2022)	56.1%
FBM KLCI (Since 31/12/2021)	-11.5%
FBM Small Cap (Since 31/12/2021)	-13.7%
Malaysia GDP Growth (1H22)	6.9%