

Quick profit taking

Market Review

Malaysia: The FBM KLCI (-0.3%) reversed some of its previous session's gains, dragged by quick profit taking in more than half of the key index components yesterday. The lower liners, however, ended mixed, while the healthcare sector (+1.8%) outperformed the mixed sectorial peers.

Global markets: The US stockmarkets retreated as the Dow fell 0.6% on the eleventh-hour selling pressure after two central bank officials highlight the necessity to bring down inflation to the 2.0% target. The European stockmarkets extended their lead, while Asia stock markets ended mostly negative.

The Day Ahead

The FBM KLCI surrendered gains and settled lower as investors took profit ahead of the GE15. Also, global investors should trade cautiously following the comments from the US Federal Reserve officials, reinforcing the view for further interest rate hikes to tame the inflation going forward. Back home, we believe the foreign buying may continue to support the local bourse, within the apolitical stocks as well as solid balance companies to weather through the inflationary environment. Commodities wise, the crude oil price fell, trading just above USD93 per barrel as a climb in China's Covid-19 cases over the weekend weighed on the price. Meanwhile, the CPO price hovered around RM4,150.

Sector focus: The glove sector could be poised for further upward move as the market believed that the glove ASP has bottomed out. Besides, solid consumer stocks should gain strength in the upcoming financial reporting period. Meanwhile, selected building material and property stocks may gain momentum.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI slipped on Monday as the key index failed to close above its daily EMA120 level. Technical indicators, however, remained positive as the MACD Histogram extended a positive bar, while the RSI hovered above 50. Resistance is envisaged along 1,480-1,500, support is set at 1,420-1,430.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,536.70	-0.63
S&P 500	3,957.25	-0.89
NASDAQ	11,962.22	-1.12
FBM KLCI	1464.00	-0.29
FBM Small Cap	14,452.80	0.10
FBM ACE	5,010.03	-1.64
Construction	149.14	-0.25
Consumer	568.81	0.06
Energy	731.75	1.03
Financial Services	16,288.92	-0.39
Healthcare	1,762.12	1.83
Ind Products	179.14	-0.14
Plantation	6,902.36	-0.01
Property	627.57	0.38
REITs	761.88	0.44
Technology	60.47	-0.25
Telco & Media	579.04	-0.39
Transport	820.23	-1.21
Utilities	821.30	0.33
Trading Vol (m)	2,796.69	-18.61
Trading Val (RM m)	1,565.34	-35.53
Advance/Decline	99%	
FKLI	1468.00	0.20
FCPO (RM)	4,155.00	1.05
Brent oil (USD)	93.14	-2.97
Gold (USD)	1,771.40	0.01
USD	4.5953	0.59
GBP	5.4216	0.19
EURO	4.7393	0.16
SGD	3.3416	0.34

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-203.8	-187.6	391.4

Source: Bloomberg, Bursa Market Place

Company Brief

Petronas Gas Bhd's (PetGas) net profit fell 26.7% YoY to RM425.8m, due to lower gross profit and unfavourable foreign exchange movement. Revenue for the quarter, however, rose 9.6% YoY to RM1.56bn. An interim dividend of 18.0 sen per share, payable on 12th December 2022 was declared. (The Star)

G Capital Bhd's (GCAP) 74.6%-owned subsidiary, Kundur Hydro RE Sdn Bhd (KHRE) has signed a renewable energy power purchase agreement (REPPA) with **Tenaga Nasional Bhd** (TNB). The feed-in approval in respect of the 2.0-MW high-head mini-hydropower plant was only granted by the Sustainable Energy Development Authority (SEDA) to KHRE in May 2022. The REPPA will be for a period of 21 years from the commercial operation date, whereby G Capital has envisaged the plant to start operating on or before 11th May 2027. (The Star)

Samchem Holdings Bhd's 3QFY22 net profit declined 48.5% YoY to RM6.5m, due to higher cost and loitering business activities faced by customers due to uncertainties. Revenue for the quarter, however, grew 16.3% YoY to RM317.3m. (The Edge)

GuocoLand (Malaysia) Bhd's 1QFY23 net profit stood at RM1.6m vs. a net loss of RM8.0m recorded in the previous corresponding quarter, mainly attributable to higher contribution from the property development division and lower loss incurred by the hospitality division. Revenue for the quarter surged 191.8% YoY to RM102.5m. (The Edge)

Axis Real Estate Investment Trust (Axis REIT) has proposed to raise up to RM178.0m via a private placement to repay bank financing. This is the REIT's second cash call in less than a year after it completed a private placement on 29th December 2021, which raised gross proceeds of RM334.7m, also for repayment of bank financing. The latest placement involves issuing up to 100.0m new units, representing up to 6.1% of the REIT's total issued units, to be placed out to investors to be identified later. (The Edge)

Ranhill Utilities Bhd has bagged a USD27.0m (RM124.0m) contract to perform detail design engineering services for a new floating, production, storage and offloading (FPSO) vessel for Brazil's state-owned oil and gas company Petrobras. The project was secured by its 51.0%-owned subsidiary Ranhill Worley Sdn Bhd from Singapore-based Semcorp Marine Integrated Yard Pte Ltd. (The Edge)

Swift Haulage Bhd's 3QFY22 net profit rose 3.2% YoY to RM11.7m, on higher revenues from its container haulage and land transportation segments. Revenue for the quarter climbed 19.3% YoY to RM159.3m. (The Edge)

Signature International Bhd has proposed a 1-for-1 bonus issue, with the entitlement date to be determined later. The bonus issue of up to 295.3m shares would result in the group's share base doubling to up to 590.5m shares. (The Edge)

Kejuruteraan Asastera Bhd (KAB) has inked 20-year solar power purchase agreements (PPAs) with Nextgreen Pulp and Paper Sdn Bhd, a subsidiary of **Nextgreen Global Bhd**. KAB signed 2 PPAs with Nextgreen to design, construct, install, own, operate and maintain solar PV systems with total combined capacity of 3,387-kWp on rooftops of multiple production plants and buildings at Nextgreen's Green Technology Park in Pekan, Pahang. Nextgreen will also purchase the solar PV energy generated. (The Edge)

Minority shareholders of ACE Market-listed **Hextar Industries Bhd** have been told to reject the takeover bid by its major shareholder Hextar Holdings Sdn Bhd, as its independent adviser deems the offer price of 38.175 sen per share as not fair and not reasonable. The mandatory takeover offer by Hextar Holdings was triggered after the share sale agreement signed on 8th August 2022 between Hextar Holdings and Hextar Industries for Hextar Industries. (The Edge)

Bursa Malaysia Securities Bhd has advised investors to exercise caution, and to make informed decisions in trading **Hextar Technologies Solutions Bhd** shares. Bursa drew attention to the recent sharp rise in the price of Hextar shares, and the unusual market activity queries issued to the company on 19th October 2022 and 31st October 2022. (The Edge)

Artroniq Bhd is looking to collaborate with Cambodian digital bank Panda Commercial Bank PLC to provide services and consultations in research and development of blockchain-based financial services for the bank. Artroniq's wholly-owned subsidiary EA Global Integrated Sdn Bhd (EAISB) has entered into a letter of intent with Panda Commercial Bank to form a strategic partnership, which would see the appointment of EAISB to provide the services and consultations.

Separately, Heng Kear Huat, who previously held 30.6m shares or a 9.6% stake in Artroniq, has ceased to be a substantial shareholder in the ICT provider. Heng disposed of 14.7m shares in the open market on 11th November 2022. (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	POHUAT	9-Nov	1.380	1.440	1.470	1.570	1.320	1.310	1.350	-2.2%	On-going
2	SKPRES	14-Nov	1.670	1.720	1.780	1.830	1.580	1.570	1.640	-1.8%	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	1.869	2.180	2.280	-	1.740	1.660	1.640	-12.3%	On-going
2	PECCA	3-Oct	0.880	1.000	1.080	-	0.795	0.740	0.865	-1.7%	On-going
3	KGB	3-Oct	1.290	1.520	1.630	-	1.260	1.150	1.370	6.2%	On-going
4	SCOMNET	3-Oct	1.670	1.890	2.050	-	1.390	1.240	1.800	7.8%	On-going
5	OPTIMAX	3-Oct	0.745	0.910	1.000	-	0.695	0.625	0.745	0.0%	On-going
6	SAMAIDEN	3-Oct	0.755	0.835	0.915	-	0.670	0.605	0.730	-3.3%	On-going
7	TIMECOM	3-Oct	4.620	5.000	5.250	-	4.400	4.210	4.650	0.6%	On-going
8	HEXTAR	3-Oct	1.760	2.000	2.150	-	1.620	1.510	2.330	32.4%	On-going
9	TGUAN	3-Oct	2.560	2.870	3.030	-	2.470	2.320	2.460	-3.9%	On-going
10	GAMUDA	3-Oct	3.930	4.470	4.680	-	3.760	3.600	3.730	-5.1%	On-going
11	MYEG	3-Oct	0.837	1.000	1.080	-	0.785	0.715	0.835	-0.2%	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	2.980	72.3%	On-going
Average Return										6.8%	

Technical Focus Tracker Summary	
Total recommendations	276
Total winners	164
Total losers	112
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	5.6%
Accuracy (2022)	56.0%
FBM KLCI (Since 31/12/2021)	-6.6%
FBM Small Cap (Since 31/12/2021)	-8.3%
Malaysia GDP Growth (1H22)	6.9%