

Positive sentiment could emerge

Market Review

Malaysia: The FBM KLCI (-0.36%) ended lower in-line with weaker regional markets as investors were trading cautiously amid the ongoing geopolitical tensions in the Middle East as well as digesting the neutral Budget 2024. The Energy Sector (+0.58%) gained momentum after the spike in Brent oil prices.

Global markets: Despite the rising Treasury Yields and escalating geopolitics in the Middle East, Wall Street ended higher as investors were more positive heading into the corporate earnings season. The European stock market gained, while the Asian market fell, the latter due to pessimism ahead of China and Japan's key data.

The Day Ahead

The FBM KLCI ended lower after digesting the neutral Budget 2024 given most of the things were within expectation except for the hike in SST to 8%, which have impacted some of the consumer stocks. Meanwhile, Wall Street rallied as investors were trading more positively heading into the first week of the 3rd quarter earnings season, despite the rising geopolitical tension. Hence, given the positive trading sentiment on Wall Street, we believe the buying interest may emerge on the local front, focusing on the details of the Budget 2024 as well as the NETR and NIMP blueprints. Commodities wise, the Brent crude oil maintained above the USD90/bbl amid the ongoing geopolitical tension, while the CPO headed higher towards RM3,800/MT with the improved China and ahead of Divali festival.

Sector focus: Given the positive sentiment from Wall Street, we think the focus may shift towards the technology stocks. Meanwhile, the Brent oil price maintaining above the USD90 mark may provide trading impetus for the Energy stocks. We favour the solar-related as well as the automotive sector as EVs and Renewable Energy were some of the key focuses in the Budget 2024.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended lower, but maintained above the 1,430 level. The technical readings on the key index were positive with the MACD Histogram extending another positive bar, and the RSI is hovering above 50. The resistance is envisaged around 1,450-1,460 and the support is located around 1,420-1,430.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,984.54	0.93
S&P 500	4,373.63	1.06
NASDAQ	13,567.98	1.20
FBM KLCI	1438.96	-0.36
FBM Small Cap	16,160.89	-0.72
FBM ACE	5,117.19	-0.54
Construction	187.67	-0.99
Consumer	550.54	-0.53
Energy	882.46	0.58
Financial Services	16,227.93	-0.22
Healthcare	1,681.31	0.16
Ind Products	175.34	0.52
Plantation	6,826.16	-0.53
Property	864.09	-1.33
REITs	775.71	-0.02
Technology	62.31	-0.40
Telco & Media	575.84	-0.13
Transport & Logist	925.37	-0.12
Utilities	1,107.19	-0.74
Trading Vol (m)	3,089.52	-3.97
Trading Val (RM m)	1923.96	7.03
Gainers/ Losers rat	49%	
FKLI	1441.00	0.45
FCPO (RM)	3,781.00	0.03
Brent oil (USD)	89.65	-1.36
Gold (USD)	1920.20	0.02
USD	4.736	-0.16
GBP	5.755	0.17
EURO	4.9882	-0.19
SGD	3.459	-0.15

Trading participation 5-day trend and value (m)

Institution	Foreign
237.4	-91.2

Source: Bloomberg, Bursa Market Place

Company Brief

Health and wellness direct selling company **DXN Holdings Bhd** on Monday entered into a memorandum of understanding (MOU) with a unit of European Wellness Biomedical Group to explore collaboration opportunities in establishing wellness centres together. DXN said the MOU was signed with a British Virgin Islands unit called European Wellness Centers Inc (EW), which is based in Hong Kong, and deemed to be the Asia-Pacific arm of European Wellness Biomedical Group. Both parties will also engage in research and development (R&D) with universities, including the Heidelberg University of Germany, the University of California of Irvine, and local universities. DXN said the research will encompass areas such as stem cells, peptides, age reversal, immunology, and senescence cells, and will employ phyto and myco (mushroom) therapies. (The Edge)

Following **KNM Group Bhd**'s extraordinary general meeting (EGM) on Monday, the group's chairman, Tunku Datuk Yaacob Khyra, has won the majority support of shareholders to continue with his leadership and deliver on his turnaround strategy. Tunku Yaacob thanked all shareholders for their confidence, trust and continued support. It was a clear win for Tunku Yaacob, as 184 shareholders voted against the resolution, as opposed to 151 shareholders who voted for removing him as a director. The 184 shareholders who voted against the resolution represented 62.18% of the voted shares. Meanwhile, for the other camp in the shareholders' tussle, Tunku Kamariah Aminah Maimunah Iskandariah received only 141 votes or 47.66% of voted shares to appoint her as the replacement for Tunku Yaacob. (The Edge)

AME Real Estate Investment Trust (AME REIT) has fully concluded its maiden post-listing acquisition exercise of three industrial properties in Iskandar Malaysia, Johor worth RM69.25m. This comes after the completed acquisition of the third industrial property of Plot 16 at i-Park @ Indahpura in Iskandar Malaysia from its sponsor, AME Elite Consortium Bhd, for RM26.5m. (The Edge)

PMB Technology Bhd is disposing of a 56,656 sq m leasehold land in Klang for RM36.59m. Following the disposal of the land to Ong Saut Mee, a Malaysian citizen, the group is expected to have a one-off net gain of RM25.75m, said PMB Technology. The group has proposed to use the proceeds largely to finance its working capital. (The Edge)

Former Prasarana Malaysia Bhd managing director Datuk Seri Dr Shahril Mokhtar has been appointed as the managing director of **Green Packet Bhd** effective immediately. Shahril also previously served as the chief executive officer of Mass Rapid Transit Corp Sdn Bhd (MRT Corp), overseeing the development and construction of the MRT Line 1 and Line 2 projects. (The Edge)

Swift Haulage Bhd is keen to be the first logistics player to transition its fleet to renewable-powered trucks, as it commits to procure only electric prime movers or trucks powered from 2030 onwards. Notably, Swift is the country's largest haulier and a leading integrated logistics service provider with a fleet of over 1,500 prime movers. The move was in conjunction with the official launch of Swift's green logistics division at the Malaysia International Trade and Exhibition Centre (Mitec). The launch represents a significant step by Swift towards sustainable and environmentally conscious logistics solutions. (The Edge)

Mah Sing Group Bhd's M Minori serviced apartment development in Johor Bahru saw all 252 non-Bumiputera units in its Tower A taken-up over the project's weekend launch on Oct 14 and 15. In the same weekend, the developer launched Phase 3A of its M Senyum landed development in Bandar Salak Tinggi, Selangor, which saw 90% of 150 units taken-up. (The Edge)

Ni Hsin EV Tech Sdn Bhd, a wholly-owned subsidiary of Main Market-listed **Ni Hsin Group Bhd**, has signed a collaboration cum donation agreement with Universiti Sains Malaysia (USM), Focus Applied Technologies Sdn Bhd (Focus), and Dongguan Tailing Electric Vehicle Co Ltd (TAILG), with the aim of assisting Malaysia to promote electric mobility, particularly two- and three-wheelers, and demonstrate the viability of existing electric two-wheelers to perform significant useful work in the Malaysian transportation environment. (The Edge)

Malaysia Marine and Heavy Engineering Holding Bhd (MHB) has appointed Mohammad Suhaimi Mohd Yasin as its new chairman effective Oct 16. In the bourse filing, MHB stated that Mohammad Suhaimi has been an independent and non-executive director of MHB and has extensive experience in the oil and gas industry. He has held various senior positions in Petronas and its subsidiaries, such as senior general manager of project procurement management, corporate services, group supply chain management, and group tenders and contracts. (The Edge)

Scientex Bhd aims to acquire more land in high-potential regions across Peninsular Malaysia with substantial demand for affordable homes. For its fourth quarter ended July 31, 2023, Scientex posted a net profit of RM114.89m as compared to RM124.98mil a year before. This brought its earnings per share to 7.41 sen as compared to 8.06 sen previously. For the entire 12-month period, Scientex posted a net profit of RM438.14m, an improvement from RM409.87m in the previous year. (The Star)

Gagasan Nadi Cergas Bhd expects the outlook for affordable housing in Malaysia to be bright, in tandem with positive developments in the overall housing market. Wan Azman said Gagasan Nadi has been awarded contracts to build affordable homes for Paramount Bhd in Kemuning Utama (Shah Alam) and Greenwoods Salak Perdana (Sepang). For the second quarter ended June 30, 2023, Gagasan Nadi's net profit rose to RM2.97m from RM1m in the previous corresponding period, while revenue improved to RM70.67m from RM66.92m a year earlier. Going forward, Wan Azman said Gagasan Nadi is open to exploring opportunities in other states. (The Star)

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	1.340	0.0%	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	1.450	-7.1%	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	0.885	9.9%	Initiate on 2/10/2023
4	LHI	2-Oct	0.555	0.610	0.640	0.520	0.500	0.490	0.640	15.3%	Initiate on 2/10/2023
5	MUHIHAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.720	-1.4%	Initiate on 2/10/2023
6	PECCA	2-Oct	1.210	1.400	1.450	1.100	1.050	1.030	1.240	2.5%	Initiate on 2/10/2023
7	PWF	2-Oct	0.653	0.950	1.000	0.825	0.790	0.780	0.665	1.8%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.460	-7.1%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.340	1.5%	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	0.420	-3.4%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.530	1.750	1.900	1.420	1.330	1.310	1.560	2.0%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.580	6.0%	Initiate on 2/10/2023
Average Return										1.3%	

Technical Focus Tracker Summary	
Total recommendations	348
Total winners	214
Total losers	134
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)	4.5%
Accuracy (2023)	60.3%
FBM KLCI (Since 30/12/2022)	-3.8%
FBM Small Cap (Since 30/12/2022)	8.3%
Malaysia GDP Growth (1H23)	4.2%

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