

## Broad based buying interest to persist

### Market Review

**Malaysia:** The FBM KLCI (+0.36%) ended higher due to bargain-hunting activities from Monday's sell-off, inline with regional markets as investors carried the positive overnight tone from Wall Street. The Plantation Sector (+0.92%) gained, while the Telco & Media sector (-0.32%) declined.

**Global markets:** Wall Street ended mixed as investors are cautious of stronger-than-expected September retail sales, which may suggest that the Feds will maintain its hawkish tone for longer. Meanwhile, Treasury yields hit highest levels since 6 Oct. The European stock market fell, while the Asian market gained.

### The Day Ahead

The FBM KLCI rebounded with the support from plantation heavyweights amid rising crude palm oil prices. On Wall Street, the overall trading sentiment was mixed, but the technology-heavy Nasdaq index declined as the Biden administration may halt the shipments of advanced AI chips to China. Meanwhile, closer to home, we expect the buying support to return as investors could focus on the Budget 2024 catalysts after mild profit taking on Monday. Commodities wise, the Brent crude oil remains above the USD90/bbl amid the ongoing concerns on the geopolitical tension, while the CPO maintained around the RM3,800/MT.

**Sector focus:** Despite the negative tone in the technology sector on Wall Street, we expect the follow-through buying support may be seen today on the local front. Traders may focus on the construction, property, building material, and solar-related sectors re-assessing the Budget 2024 on the infrastructure project, coupled with the policies crafted around the EVs and Renewable energy.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI rebounded higher, maintaining above the 1,430 level. The technical readings on the key index were mixed with the MACD Histogram forming a rounding top formation, but 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	33,997.65	0.04
S&P 500	4,373.20	-0.01
NASDAQ	13,533.75	-0.25
FBM KLCI	1444.13	0.36
FBM Small Cap	16,206.46	0.28
FBM ACE	5,153.14	0.70
Construction	188.37	0.37
Consumer	552.79	0.41
Energy	882.17	-0.03
Financial Services	16,244.62	0.10
Healthcare	1689.06	0.46
Ind Products	175.67	0.19
Plantation	6,889.24	0.92
Property	866.51	0.28
REITs	775.14	-0.07
Technology	62.61	0.48
Telco & Media	573.98	-0.32
Transport & Logist	928.11	0.30
Utilities	1,111.11	0.35
Trading Vol (m)	2,680.07	-13.25
Trading Val (RM m)	1916.52	-0.39
Gainers/ Losers rat	124%	
FKLI	1443.50	-0.10
FCPO (RM)	3,792.00	0.21
Brent oil (USD)	89.90	0.28
Gold (USD)	1923.18	0.11
USD	4.736	0.04
GBP	5.7616	-0.11
EURO	4.9982	-0.20
SGD	3.4578	0.03

Trading participation 5-day trend and value (m)		
Institution	Foreign	
325.4	-121.9	-203.5

Source: Bloomberg, Bursa Market Place

## Company Brief

**AE Multi Holdings Bhd**, whose share price tumbled from 12.2 sen at end-2020 to 1 sen currently, is planning to consolidate every 10 existing shares held by its shareholders into one share on a date to be determined later. The company said the proposed share consolidation would result in an adjustment to the reference price of its shares and warrants B. For illustration, based on the last transacted market price of its shares of 1.5 sen per share as at Oct 2 (the latest practicable date), the theoretical adjusted reference price of its consolidated shares would be 15 sen per share upon completion of the proposed share consolidation, while warrants B's adjusted reference price would be 10 sen apiece, compared with one sen apiece as at Oct 2. (The Edge)

**Eversendai Resources Bhd's** wholly owned subsidiary, Eversendai Resources Sdn Bhd (ERCB) has entered into partnership with Saudi Arabia-based Algihaz to form a joint venture (JV) company to execute structural steel projects in Saudi Arabia. The construction company said the JV company shall be named as Eversendai Algihaz Structures LLC. (The Edge)

**Central Global Bhd** has secured a RM15.24m sub-contract to supply plant, machinery, labour and material for a water supply construction project in Lahad Datu, Sabah. The sub-contract was awarded by Mahiribu Sdn Bhd, a third-party main contractor employed by the Ministry of Rural and Regional Development. Central Global, which is 28.9%-owned by its managing director Chew Hian Tat, said the contract work includes site clearing, earthworks, piling works, piping works, and reservoir pumping system. (The Edge)

**Infomina Bhd's** net profit rose 53.63% to RM7.27m for the first quarter ended Aug 31, 2023 (1QFY2024), from RM4.73m a year earlier, on the back of better performance of its technology infrastructure business operations support segment. At the segment profit level, the business operations support segment – which includes operations, maintenance, and services for technology infrastructure – grew 42.61% to RM11.78m, from RM8.26m previously. The design and delivery segment, meanwhile, saw a 70.1% decline to RM570,000, from RM1.91m a year ago. (The Edge)

**Ancom Nylex Bhd's** net profit rose 3.85% to RM20.8m for the first quarter ended Aug 31, 2024 (1QFY2024), from RM20.03m a year earlier, on the back of higher earnings posted by its agricultural chemicals segment, and lower distribution and administrative expenses. Quarterly revenue fell 11.36% to RM487.36m from RM549.81m, underpinned by lower revenue contributions from the logistics, agriculture and industrial chemicals segments. Quarter-on-quarter, net profit came in 14.42% higher than the RM18.18m registered for 4QFY2023, while revenue inched up 1.9% from RM478.25m. (The Edge)

**Sunsuria Bhd** has inked a partnership with Island Hospital Sdn Bhd (IH) to open its first cancer centre in Penang. The property developer said its 30%-owned Icon Sunsuria had entered into a partnership with IH to develop the centre. Notably, the cancer centre is slated to operate early next year. (The Edge)

ACE Market-listed **Minox International Group Bhd**, which gained 48% on its maiden trading day on Bursa Malaysia on Tuesday, will pass on cost increases stemming from the 2% hike in service tax to its customers, following the government's announcement in Budget 2024 that the tax would be raised to 8%. Minox, through its subsidiaries, is principally involved in the distribution of stainless-steel sanitary valves, tubes and fittings, installation components and equipment, and rubber hoses under the "Minox" brand and other related products. (The Edge)

**Straits Energy Resources Bhd** has secured a RM71.56m sub-contract to supply equipment, resources, transport and machineries for a University Malaysia Perlis project. Its 70% indirect subsidiary Straits CommNet Solutions Sdn Bhd, which is principally involved in designing, developing, researching, and handling all types of telecommunication products. Teras, the main contractor for the project, was awarded the project by the Public Works Department. The project involves the construction and installation of state-of-the-art engineering and communications facilities. (The Edge)

**MyEG Services Bhd** said it has received a two-year extension of its immigration-related services contract, but has to complete a system enhancement before being allowed to resume accepting applications for the services. The group said it received the letter of acceptance from the Ministry of Home Affairs on Tuesday, and an agreement to formalise the extension will be signed at a later date. The e-government services provider added that it will announce the commencement date of the system enhancement in due course. MyEG said the estimated total value of the extension will be dependent on the number of transactions performed over the two-year period. (The Edge)

**ARB Bhd** intends to distribute the bulk of its 94.56% stake in its Nasdaq-listed subsidiary, ARB IOT Group Ltd, to its shareholders through a dividend-in-specie. Up to 23.52m shares or a 88.95% stake in ARB will be distributed on the basis of 14 shares for every 1,000 shares in ARB. The proposal comes after two rounds of distribution-in-specie in September by ARB's wholly-owned subsidiaries, ARB Holdings Sdn Bhd and ARB IOT Ltd, to transfer the shareholdings in ARB IOT Group to be directly held under the Malaysian listed entity. (The Edge)

**Alam Maritim Resources Bhd** said it has submitted an application to Bursa Malaysia Securities Bhd for an extension of time to submit a regularisation plan to address its Practice Note 17 (PN17) status. The initial deadline for Alam Maritim to submit its regularisation plan is by end of this month. As at end-June 2023, Alam Maritim had negative total equity of RM58.14m, down from RM72.79m twelve months prior at end-June 2022. It had short- and long-term borrowings of RM109.67m and RM2.7m respectively, against cash and bank balances of RM51.23m, its latest financial statement showed. Shares of Alam Maritim settled unchanged at three sen apiece, giving it a market capitalisation of RM45.95m. (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	0.445	-1.1%	Initiate on 4/10/2023
2	SLVEST	6-Oct	1.340	1.430	1.480	1.550	1.300	1.280	1.350	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	1.450	-7.1%	Initiate on 2/10/2023
2	HIAPTEK	2-Oct	0.435	0.500	0.535	0.400	0.365	0.355	0.445	2.3%	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	0.615	10.8%	Initiate on 2/10/2023
5	MUHIBAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.715	-2.1%	Initiate on 2/10/2023
6	PECCA	2-Oct	1.210	1.400	1.450	1.100	1.050	1.030	1.230	1.7%	Initiate on 2/10/2023
7	PWF	2-Oct	0.653	0.950	1.000	0.825	0.790	0.780	0.670	2.6%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.470	-5.1%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.350	2.3%	Initiate on 2/10/2023
10	T7GLOBAL	2-Oct	0.480	0.525	0.555	0.475	0.455	0.445	0.475	-1.0%	Initiate on 2/10/2023
11	TUNEPRO	2-Oct	0.435	0.485	0.515	0.420	0.405	0.395	0.425	-2.3%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.530	1.750	1.900	1.420	1.330	1.310	1.700	11.1%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.630	9.4%	Initiate on 2/10/2023
Average Return										2.5%	

Technical Focus Tracker Summary	
Total recommendations	348
Total winners	215
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)	4.8%
Accuracy (2023)	62.1%
FBM KLCI (Since 30/12/2022)	-3.5%
FBM Small Cap (Since 30/12/2022)	8.6%
Malaysia GDP Growth (1H23)	4.2%

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