

## FOMC meeting optimism kicked in

### Market Review

**Malaysia:** Despite a weaker regional markets' movement, the FBM KLCI (+0.20%) closed marginally higher on the back of bargain hunting activities as investors took the positive cue from Wall Street overnight. On the broader market, the Utilities Sector (+1.18%) gained with the help of YTL-related counters.

**Global markets:** Wall Street extended the rebound, and 3 major indices ended higher due to the optimism as investors believe that the Fed may hold the interest rate in the FOMC meeting. The European markets ended firmer, while the Asian stock markets ended mixed following softer China Manufacturing PMI data.

### The Day Ahead

The FBM KLCI could be experiencing a flag formation breakout, despite softer closing in the regional markets, where it was affected by the softer China PMI data. Meanwhile, investors traded more positively on Wall Street ahead of the conclusion of the FOMC meeting, as the consensus view is that the interest rate will be kept unchanged. Given the more positive setup within the overall global markets, we believe the buying interest may spillover to the local front. Key data to watch out will be the (i) US ISM Manufacturing PMI, and (ii) jobs data. Also, if there is a switch of tone from the Fed in the FOMC meeting, it may provide additional volatility to the markets. On the commodity markets, the Brent oil prices fell more than 1% as data showed rising OPEC and the US output.

**Sector focus:** With the better sentiment abroad, the buying interest may emerge within the Technology sector. Also, as we are heading into the corporate earnings season, we like the Utilities, renewable energy segment as well as the Construction and Property sectors as this quarter may be positive due to normalising building material costs as well as capturing higher sales in the post-Covid environment.

### FBMKLCI Technical Outlook



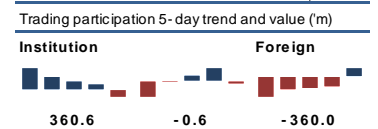
Bloomberg

The FBM KLCI ended slightly higher, and might be experiencing a flag formation breakout. The technical readings on the key index are positive, with the MACD Histogram extending another positive bar after rebounding off the zero level, while the RSI has hooked above 50. The resistance is pegged around 1,450-1,460 and the support is at 1,420-1,430.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,052.87	0.38
S&P 500	4,493.80	0.65
NASDAQ	12,851.24	0.48
FBM KLCI	1442.14	0.20
FBM Small Cap	15,862.55	0.13
FBM ACE	5,017.41	0.24
Construction	186.24	0.65
Consumer	550.74	-0.07
Energy	868.29	0.54
Financial Services	16,251.54	0.24
Healthcare	1,669.87	0.80
Ind Products	172.40	0.16
Plantation	6,904.17	0.08
Property	847.07	1.02
REITs	774.36	0.09
Technology	6121	0.38
Telco & Media	559.97	0.62
Transport & Logist	925.43	-0.29
Utilities	1,115.92	1.18
Trading Vol (m)	2,988.11	6.41
Trading Val (RM m)	1,848.04	21.88
Gainers/ Losers rat	104%	
FKLI	1438.50	-0.07
FCPO (RM)	3,696.00	0.46
Brent oil (USD)	85.02	-1.54
Gold (USD)	1,983.88	0.05
USD	4.7635	-0.03
GBP	5.8071	-0.52
EURO	5.0822	-0.84
SGD	3.4897	-0.08



Source: Bloomberg, Bursa Market Place

## Company Brief

**Tri-Mode System (M) Bhd** has proposed to acquire three parcels of leasehold land in Pulau Indah, Klang for a total cash consideration of RM42m. Tri-Mode said it is buying the land from Central Spectrum (M) Sdn Bhd, a company indirectly owned by Menteri Besar Selangor Incorporated. The group intends to fund the acquisitions with internally-generated funds and/or bank borrowings. (The Edge)

Vincent Chew Chuon Ghee has stepped down as **Pensonic Holdings Bhd** managing director “to pursue other interest and personal commitment” after reducing his stake in the electrical home appliances maker to below 5%, the threshold that requires timely disclosure to Bursa Malaysia for any shareholding changes. He ceased to be a substantial shareholder in the group after disposing of four million shares or a 3.18% stake for RM3m or 75 sen apiece, in an off-market transaction on Sept 25. (The Edge)

**Selangor Dredging Bhd**'s wholly-owned unit is buying 29.19 acres (11.81 hectares) of vacant leasehold land, together with completed earthworks, in Dengkil, Selangor for RM87.9m from Xtra Touch Sdn Bhd. The acquisition is part of Selangor Dredging's ongoing effort to identify suitable properties for its land bank. (The Edge)

**Berjaya Land Bhd** has secured a syndicated loan of US\$330m (RM1.58bn) from a consortium of Japanese financial institutions to fund the development of the prestigious Four Seasons Resort & Private Residences in Okinawa, Japan. The group said the consortium is led by Tokyo Star Bank Ltd and co-led by Okinawa Development Finance Corporation (ODFC) and Bank of The Ryukus. The group added that the loan syndication also involves several major financial institutions, including Bangkok Bank Japan, The Ogaki Kyoritsu Bank and The Aichi Bank, amongst other regional banks. (The Edge)

**Ageson Bhd**'s external auditor, Jamal, Amin & Partners is unable to provide a basis for an audit opinion on the company's audited financial statements for the 18-month financial period ended Dec 31, 2022 (FY2022) as the group has failed to provide sufficient appropriate audit evidence. The builder-cum-property developer said it expects to resolve the issue relating to the disclaimer of opinion within the next financial year. In May, the group highlighted it was in the midst of finalising the appointment of new auditors and targeted to issue its annual report for the financial year ended Dec 31, 2022 (FY2022) by October. (The Edge)

Shares of loss-making **Salutica Bhd** maintained their upward trajectory on Tuesday after a week of consistent gains, breaching the RM1-mark to close at a six-month peak of RM1.02. The sudden surge in Salutica's share price and trading volume has prompted Bursa Malaysia to pose an unusual market activity query to the company. The counter rose to an intra-day high of RM1.04, before retreating to close at RM1.02, still up 17.5 sen or 20.71% – slotting it among Bursa Malaysia's top gainers. (The Edge)

**Reneuco Bhd** will be undertaking civil construction and telecommunication works along the South Klang Valley Expressway (SKVE) and two roads in Kuala Langat and Sepang for a sum of RM14.93m. Reneuco's unit Reneuco Engineering Sdn Bhd secured the letter of award for the project from MSA Resources Sdn Bhd. The works involve installation of fibre optic cables and provision of broadband network services along the highway. The company will also conduct telecommunication cable installation works on Jabatan Kerja Raya Malaysia (JKR) roads in Kuala Langat and Sepang. (The Edge)

**Bursa Malaysia Bhd's** net profit for the third quarter ended Sept 30, 2023 (3QFY2023) rose 20.5% to RM60.41m from RM50.13m a year ago on the back of improved trading revenue from the securities market. The company's revenue rose 13.07% to RM158.71m from RM140.36m previously, mainly due to a 26.2% rise in securities market trading revenue to RM70.4m from RM55.8m a year ago. (The Edge)

**Dufu Technology Corp Bhd's** net profit for the third quarter ended Sept 30, 2023 (3QFY2023) fell by 79.42% to RM3.38m compared with RM16.42m on the back of an increase in operating costs and drop in revenue. Quarterly revenue eased by 26.08% to RM55.24m from RM74.72m, underpinned by a decrease in revenue related to hard disk drive (HDD) components and sheet metal fabrication. (The Edge)

Naza Corp Bhd has emerged as a substantial shareholder of **ECA Integrated Solution Bhd** after acquiring a 5.18% stake or 30m shares last Friday, a filing with Bursa Malaysia showed on Monday. Following the stake acquisition, the conglomerate is now the fourth-largest shareholder of the automated manufacturing solutions provider. The largest shareholder of the group is executive director and chief operating officer Chua Lye Hock with a 21.26% stake, followed by Siew Ooi Chin with 20.02% and Kang Ewe Kheng with 11.66%. (The Edge)

Integrated construction and property firm **PTT Synergy Bhd** has secured a RM53.29m contract for construction and completion of various works related to Phase A (Package 1) Elmina Business Park 2 in Rawang. The group via its wholly-owned unit Pembinaan Tetap Teguh Sdn Bhd received a letter of award (LOA) from Sime Darby Property Bhd on Oct 23. The project is scheduled to commence on Nov 13, 2023 and to be completed by May 12, 2025 and contribute positively to the group's future earnings over the duration of the LOA. (The Edge)

**Dagang NeXchange Bhd's** (DNEx) sub-subsidiary Innovation Associates Consulting Sdn Bhd (IAC) has secured a project from the Securities Commission Malaysia (SC) for the implementation of the Aras 2.0 onboarding and data migration platform for RM3.09m. Under the project, IAC is tasked to implement Aras 2.0, a platform designed for the registration, licensing and authorisation processes as well as overseeing system onboarding and data migration. The project is part of the SC's Technology and Analytics Masterplan aimed at enhancing its capabilities to navigate emerging technology risks as the capital market embraces digitalisation. (The Edge)

**MISC Bhd** has bagged a contract to supply, operate and maintain a liquefied natural gas (LNG) floating storage unit (FSU) in Pengerang, Johor with an estimated contract value of up to US\$213.7m (RM1.02bn). The vessel operator said it has entered into a binding Heads of Agreement (HOA) with Pengerang LNG (Two) Sdn Bhd – a 65%-owned unit of Petronas Gas Bhd (PetGas) – to supply, operate and maintain the FSU. (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	0.400	-11.1%	Cut loss on 20/10/2023
2	SLVEST	6-Oct	1.340	1.430	1.480	1.550	1.300	1.280	1.250	-6.7%	Cut loss on 20/10/2023
3	MI	23-Oct	1.790	1.910	2.000	2.050	1.650	1.630	1.710	-4.5%	Initiate on 23/10/2023

## 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	1.430	-8.3%	Initiate on 2/10/2023
2	HIAPTEK	2-Oct	0.435	0.500	0.535	0.400	0.365	0.355	0.415	-4.6%	Initiate on 2/10/2023
3	HSSEB	2-Oct	0.805	0.895	0.940	0.725	0.670	0.660	0.935	16.1%	Initiate on 2/10/2023
4	LHI	2-Oct	0.555	0.610	0.640	0.520	0.500	0.490	0.625	12.6%	Initiate on 2/10/2023
5	MUHIBAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.690	-5.5%	Initiate on 2/10/2023
6	PECCA	2-Oct	1.210	1.400	1.450	1.100	1.050	1.030	1.150	-5.0%	Initiate on 2/10/2023
7	PUF	2-Oct	0.653	0.950	1.000	0.825	0.790	0.780	0.720	10.3%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.425	-14.1%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.260	-4.5%	Initiate on 2/10/2023
10	T7GLOBAL	2-Oct	0.480	0.525	0.555	0.475	0.455	0.445	0.470	-2.1%	Initiate on 2/10/2023
11	TUNEPRO	2-Oct	0.435	0.485	0.515	0.420	0.405	0.395	0.405	-6.9%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.530	1.750	1.900	1.420	1.330	1.310	1.740	13.7%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.540	3.4%	Initiate on 2/10/2023
Average Return										0.4%	

Technical Focus Tracker Summary	
Total recommendations	348
Total winners	214
Total losers	136
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)	3.0%
Accuracy (2023)	60.3%
FBM KLCI (Since 30/12/2022)	-3.6%
FBM Small Cap (Since 30/12/2022)	6.3%
Malaysia GDP Growth (1H23)	4.2%

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