

Awaiting fresh catalysts

Market Review

Malaysia: The FBM KLCI (-0.11%) lower due to weaker sentiment after the US Treasury yields briefly hit a new high, coupled with the Fed hinting towards rate hikes ahead. On the broader market, the Energy Sector (+0.73%) gained amid the recent elevated Brent oil prices, meanwhile the Industrial Products sector (-1.42%) declined.

Global markets: Wall Street ended lower as investor confidence dipped after the 10-year US Treasury yields surpassed 5% for the first time in 16 years, coupled with concerns of future interest rate hikes and the ongoing conflict in the Middle East. Both the European and Asian stock markets fell.

The Day Ahead

The FBM KLCI was down in tandem with the regional stock markets sentiment. Meanwhile, Wall Street ended lower for the fourth session amid elevated US Treasury yields, coupled with the ongoing Middle East geopolitical tensions as well as hawkish Fed's outlook. We believe all these negative catalysts could persist and limit the upside potential on the local front at least for the near term. We expect the sentiment will remain weak without any emergence of fresh catalysts, and traders could position ahead of the earnings season next month. Commodities wise, the Brent crude oil maintained around USD92bbl on the back of the ongoing Middle East conflict, while the CPO traded slightly below RM3,800/MT.

Sector focus: Despite negative tone from Wall Street, we noticed some of the Technology stocks are ripe to head higher. Meanwhile, we favour the Energy sector amid the firm Brent oil prices. Besides, we think investors may pick defensive nature stocks within the Telco, Utilities, and Consumer sectors.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended slightly lower, but still 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	33,127.28	-0.86
S&P 500	4,224.16	-1.26
NASDAQ	12,983.81	-1.53
FBM KLCI	1,441.04	-0.11
FBM Small Cap	15,829.80	-0.84
FBM ACE	5,129.69	0.47
Construction	183.85	-0.76
Consumer	554.73	0.05
Energy	881.08	0.73
Financial Services	16,190.33	0.30
Healthcare	1,664.90	-0.48
Ind Products	172.39	-1.42
Plantation	6,909.97	-0.41
Property	841.64	-0.56
REITs	774.50	-0.07
Technology	617.3	-0.11
Telco & Media	570.77	-0.34
Transport & Logist	922.04	-0.89
Utilities	1,092.52	-0.44
Trading Vol (m)	3,510.56	14.37
Trading Val (RM m)	1,903.44	-5.55
Gainers/ Losers rat	58%	
FKLI	1,437.50	-0.10
FCPO (RM)	3,771.00	0.35
Brent oil (USD)	92.16	-0.39
Gold (USD)	1,981.40	-0.23
USD	4.7677	0.04
GBP	5.7814	-0.12
EURO	5.0491	-0.39
SGD	3.4749	-0.08

Trading participation 5-day trend and value (m)	
Institution	Foreign
618.3	-613.0

Source: Bloomberg, Bursa Market Place

Company Brief

UEM Sunrise Bhd is disposing of a 6% stake in Nusajaya Lifestyle Sdn Bhd (NLSB), the developer and operator of the Mall of Medini, Iskandar Malaysia, to Iskandar Investment Bhd's (IIB) unit Iskandar Harta Holdings Sdn Bhd (IHH), for RM8.92m. The disposal will result in UEM Sunrise no longer being the main driver of the development of the commercial zone of Medini, as its shareholding in NLSB will decline to 49% from 55%, while that of IHH will increase to 51% from 45%. (The Edge)

Pestech International Bhd has been issued a notice of arbitration from Syarikat Pembinaan Yeoh Tiong Lai (SPYTL) under the Asian International Arbitration Centre. The group said Pestech acted as a guarantor to guarantee the due performance of the subcontracting agreement dated December 2018 entered between SPYTL and Pestech Technology Sdn Bhd (PTECH), a subsidiary of Pestech, for the maintenance of the Electrified Double Track project from Gemas to Johor Bahru. (The Edge)

ACE Market-listed **Glostrex Bhd** is buying a 1,735-sq-ft office space in Singapore for S\$750,000 (RM2.61m). Glostrex said its indirect wholly-owned subsidiary Glostrex Technology (S) Pte Ltd has accepted the option to purchase a property known as 30 Kaki Bukit Road 3, #02-01 Empire Technocentre, Singapore, which was granted by Singapore-based Uninec Construction Pte Ltd on Oct 13 this year. The purchase consideration will be funded via internal funds. (The Edge)

MyEG Services Bhd said it expects to complete the system enhancement for its immigration-related services within one month. The enhancement is aimed at integrating the group's existing system with a new system from the Immigration Department, with the total cost expected to be less than RM5m. (The Edge)

Axis Real Estate Investment Trust (Axis REIT) has obtained a judgement in default against its former tenant at Axis Steel Centre @ SiLC in Nusajaya, Johor, over a default on rental payments and unexpired future rental payments amounting to RM110m. Axis REIT said the judgement was served to Yongnam Engineering Sdn Bhd (YESB) and its corporate guarantor which is listed on the Singapore Exchange, Yongnam Holdings Ltd, as both parties did not enter their appearance in the lawsuit. (The Edge)

KIP Real Estate Investment Trust (REIT) reported a 15.2% surge in net property income (NPI) for the first quarter ended Sept 30, 2023 (1QFY24) despite its NPI margin declining marginally to 73.8% during the quarter compared with 74.1% in the corresponding quarter. The higher NPI of RM16.52m during the quarter was attributable to the 15.6% jump in its gross revenue during the quarter to RM22.37m from RM19.35m in 1QFY23. The increase in gross revenue was due to the 9% increase in gross revenue from the retail properties as well as the absence of revenue from industrial properties during the same quarter last year. The industrial properties contributed 5.74% to the REIT's gross revenue during the quarter under review. (The Edge)

Oil trading and bunkering services provider **Straits Energy Resources Bhd** plans to undertake a private placement of 10% of its share base to raise up to RM10.41m, mainly to fund its telecommunications and network services segment expansion. From the total proceeds of RM10.41m, the ACE Market-listed company said that RM8m will be earmarked to finance a range of projects to facilitate the expansion and development of the telecommunications and network services segment. Another RM2.13m will be used for working capital, and the remaining RM276,000 to defray the exercise's estimated expenses, it said in a bourse filing. (The Edge)

Khazanah Nasional Bhd disposed of a 0.93% stake in **Tenaga Nasional Bhd** (TNB) for RM530.28m earlier this week. The sovereign wealth fund offloaded 54m shares in TNB a day prior, equivalent to a 0.93% stake in the utility giant, paring its equity interest in the company to 22.56%. While the filing did not disclose the price at which Khazanah sold the shares, a check with Bloomberg's off-market transaction data for on Wednesday showed that the 54m shares were disposed at RM9.82 – a 2% discount to the day's closing price of RM10.02. (The Edge)

Mestron Holdings Bhd has bagged a RM59.99m contract from Sunview Group Bhd for a large-scale solar project, increasing its renewable energy order book value to RM71m. Mestron said its wholly-owned subsidiary Mestron Engineering Sdn Bhd has accepted a Letter of Award from Sunview's wholly-owned unit Fabulous Sunview Sdn Bhd to undertake the procurement of equipment and materials for the project. (The Edge)

Berjaya Land Bhd (BLand) chief executive officer (CEO) of group aviation Datuk Captain Chester Voo Chee Soon has been redesignated to the role of independent non-executive director of Berjaya Air Sdn Bhd and AsiaJet Sdn Bhd effective Dec 1. (The Edge)

Unique Fire Holdings Bhd has proposed a bonus issue of 200m free warrants on the basis of one warrant for every two existing shares held. Assuming that the exercise price of the warrants is 20 sen, this represents a discount of about 3.52 sen or 14.97% to Unique Fire's five-day volume-weighted average market price of 23.52 sen on Oct 19. Correspondingly, the exercise price represents a discount of 10.51% to the theoretical ex-bonus price of 22.35 sen. (The Edge)

Malaysia Airports Holdings Bhd (MAHB) said the total local passenger movements in the third quarter of this year reached 21.7m, a more than 80% recovery in total quarterly traffic for the first time since the same period in September 2019. MAHB attributed the increased traffic to the addition of three new airlines – Salam Air, Super Air Jet and Sichuan Airlines – at KL International Airport and addition of 12 new destinations and resumption of seven routes by existing partner airlines. (The Edge)

Industronics Bhd said it had entered into a Memorandum of Agreement (MOA) on Friday to negotiate a proposed collaboration to construct an international duty-free city on Pulau Langkawi. The mature electronics company signed the MOA with Echo Asia (Hong Kong) Ltd, an affiliate of Hong Kong-listed Echo International Holdings Group Ltd, and CHEC Construction (M) Sdn Bhd, a wholly-owned subsidiary of China Harbour Engineering Company Ltd. (The Edge)

EcoFirst Consolidated Bhd is selling 15 retail units from its completed Liberty Arc @ Ampang Ukay mixed development project to major shareholder Tan You Tiong for RM23.82m. Tan owns a 2.92% direct stake and has 11.1% indirect shareholdings through his wife and Aspirewell Sdn Bhd, hence the divestment is deemed a related party transaction. In a bourse filing on Friday, EcoFirst said the proposed disposal provides an opportunity for the company to realise the value of these properties, which have appreciated since the project's completion in 2019. (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


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	0.400	-8.0%	Initiate on 2/10/2023
3	HSSEB	2-Oct	0.805	0.895	0.940	0.725	0.670	0.660	0.860	6.8%	Initiate on 2/10/2023
4	LHI	2-Oct	0.555	0.610	0.640	0.520	0.500	0.490	0.610	9.9%	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	1.200	-0.8%	Initiate on 2/10/2023
7	PFW	2-Oct	0.653	0.950	1.000	0.825	0.790	0.780	0.660	1.1%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.435	-12.1%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.250	-5.3%	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	0.410	-5.7%	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	1.480	-0.7%	Initiate on 2/10/2023
Average Return										-1.4%	

Technical Focus Tracker Summary	
Total recommendations	348
Total winners	214
Total losers	135
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)	6.1%
Malaysia GDP Growth (1H23)	4.2%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
CHINWEL (5007)	Interim	RM0.01	29/8/2023	23/10/2023	RM1.43	RM1.33	0.5	-7.0
KOMARK (7017)	Stock Split	1:5	23/8/2023	24/10/2023	RM0.04	RM0.04	-	14.3
GOCEAN (0074)	Stock Split	1:10	31/7/2023	25/10/2023	RM0.02	RM0.02	-	0.0
KMLONG (5027)	Interim	RM0.05	27/9/2023	25/10/2023	RM1.84	RM1.95	2.6	6.0
PTRANS (0186)	Interim	RM0.01	16/8/2023	26/10/2023	RM1.21	RM1.20	0.6	-0.8
GLOTEC (5220)	Final	RM0.01	24/8/2023	26/10/2023	RM0.59	RM0.62	-	5.1
IGBREIT (5227)	Regular Cash	RM0.03	13/10/2023	26/10/2023	RM1.70	RM1.71	1.5	0.6
ATLAN (7048)	Interim	RM0.06	12/10/2023	26/10/2023	RM2.79	RM2.84	2.1	1.8
MMAG (0034)	Stock Split	1:10	16/10/2023	27/10/2023	RM0.01	RM0.02	-	50.0
SUCCESS (7207)	Interim	RM0.01	10/10/2023	27/10/2023	RM0.72	RM0.74	1.9	2.1
SUCCESS (7207)	Bonus	1:40	10/10/2023	27/10/2023	RM0.72	RM0.74	-	2.1
HLCAP (5274)	Final	RM0.17	30/8/2023	27/10/2023	RM5.36	RM4.85	3.5	-9.5
PA (7225)	Interim	RM0.01	25/8/2023	30/10/2023	RM0.25	RM0.25	2.0	0.0
CBIP (7076)	Interim	RM0.03	15/9/2023	30/10/2023	RM1.13	RM1.10	2.7	-2.7
ORIENT (4006)	Interim	RM0.20	25/8/2023	30/10/2023	RM6.32	RM6.50	3.1	2.8
GUOCO (1503)	Final	RM0.02	18/8/2023	30/10/2023	RM0.69	RM0.72	2.8	3.6
HLBANK (5819)	Final	RM0.38	30/8/2023	31/10/2023	RM19.96	RM19.48	2.0	-2.4
SIMPLET (5285)	Interim	RM0.03	23/8/2023	1/11/2023	RM4.32	RM4.23	0.8	-2.1
HLFG (1082)	Final	RM0.32	30/8/2023	1/11/2023	RM18.22	RM17.26	1.9	-5.3
MCEMENT (3794)	Interim	RM0.06	24/8/2023	1/11/2023	RM3.85	RM3.61	1.7	-6.2
MYETFDJ (0821EA)	Income	RM0.02	11/10/2023	1/11/2023	RM0.99	RM1.00	1.7	1.2
MYETFDI (0824EA)	Income	RM0.02	11/10/2023	1/11/2023	RM1.21	RM1.21	1.7	0.0
METFSDI (0825EA)	Income	RM0.01	11/10/2023	1/11/2023	RM0.83	RM0.84	1.4	1.2
KIPREIT (5280)	Distribution	RM0.02	20/10/2023	2/11/2023	RM0.90	RM0.90	1.7	0.0
TOPVISN (03013)	Interim	RM0.01	20/10/2023	6/11/2023	RM0.75	RM0.75	1.1	0.0
ZHULIAN (5131)	Interim	RM0.03	11/10/2023	7/11/2023	RM1.87	RM1.88	1.6	0.5
SNS (0259)	Interim	RM0.00	26/9/2023	8/11/2023	RM0.26	RM0.25	1.0	-5.8
PLENITU (5075)	Final	RM0.03	20/9/2023	9/11/2023	RM1.14	RM1.07	2.8	-6.1
YTL (4677)	Interim	RM0.04	24/8/2023	9/11/2023	RM1.36	RM1.34	3.0	-1.5
YTLPOWR (6742)	Interim	RM0.04	24/8/2023	9/11/2023	RM1.75	RM1.96	1.8	12.0
KEINHIN (7199)	Final	RM0.02	27/6/2023	14/11/2023	RM1.42	RM1.50	1.3	5.6
TEOSEN (7252)	Interim	RM0.03	18/10/2023	15/11/2023	RM1.26	RM1.24	2.4	-1.6
HPPHB (0228)	Final	RM0.01	21/7/2023	15/11/2023	RM0.32	RM0.37	2.0	15.6
OKA (7140)	Final	RM0.01	29/5/2023	16/11/2023	RM0.76	RM0.71	1.6	-6.6
BESHOM (7668)	Final	RM0.02	23/6/2023	21/11/2023	RM1.07	RM1.00	2.0	-6.5
YINSON (7293)	Interim	RM0.02	29/9/2023	29/11/2023	RM2.48	RM2.43	0.8	-2.0
CWG (9423)	Final	RM0.01	23/8/2023	29/11/2023	RM0.37	RM0.33	1.5	-10.8
VOLCANO (0232)	Final	RM0.00	6/10/2023	30/11/2023	RM0.88	RM0.89	0.4	1.1
NOVA (0201)	Final	RM0.01	27/9/2023	30/11/2023	RM0.72	RM0.71	1.8	-1.4
DIALOG (7277)	Final	RM0.02	16/10/2023	1/12/2023	RM2.12	RM2.12	1.1	0.0
TMCLIFE (0101)	Final + Special Cash	RM0.00	22/8/2023	5/12/2023	RM0.63	RM0.61	1.4	-2.4
FIBON (0149)	Final	RM0.01	11/9/2023	7/12/2023	RM0.43	RM0.44	2.8	2.3
GLOMAC (5020)	Final	RM0.01	21/6/2023	13/12/2023	RM0.31	RM0.35	3.6	12.9
JAYCORP (7152)	Final	RM0.04	29/9/2023	14/12/2023	RM0.72	RM0.75	5.4	4.2
KLUANG (2453)	Final + Special Cash	RM0.01	5/10/2023	15/12/2023	RM3.81	RM3.80	0.7	-0.3
KUCHAI (2186)	Final + Special Cash	RM0.01	5/10/2023	15/12/2023	RM1.31	RM1.31	1.9	0.0
SBAGAN (2569)	Final + Speical Cash	RM0.07	5/10/2023	15/12/2023	RM3.26	RM3.24	2.9	-0.6
RKI (7006)	Final	RM0.03	24/8/2023	20/12/2023	RM1.28	RM1.26	2.4	-1.6
PANTECH (5125)	Interim	RM0.02	19/10/2023	28/12/2023	RM0.88	RM0.86	1.7	-2.3
PTARAS (9598)	Final	RM0.03	21/9/2023	28/12/2023	RM1.56	RM1.59	2.3	1.9
SCIENTX (4731)	Final	RM0.10	20/9/2023	2/1/2024	RM3.68	RM3.68	3.8	0.0
SCIPACK (8125)	Final	RM0.05	19/9/2023	2/1/2024	RM2.22	RM2.27	3.7	2.3
HIBISCS (5199)	Final	RM0.01	4/10/2023	3/1/2024	RM2.68	RM2.87	0.4	7.3

 Denotes >5% Dividend Yield

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