

Sentiment still fragile

Market Review

Malaysia: The FBM KLCI (-0.6%) edged lower after hovering largely in the negative territory, dragged by more than half of the key index components yesterday. The lower liners, however, turned mixed, while the broader market closed mostly in red with the industrial products & services sector (-0.8%) underperformed.

Global markets: Wall Street remained downbeat as the Dow (-0.4%) fell on the unabated concern over the hawkish US Federal Reserve with the expectations over additional 125 basis points of rate hikes towards end-2022. The European stock markets also closed in red, while Asia stock markets ended mostly lower.

The Day Ahead

The FBM KLCI tumbled on the back of weaker sentiment which caused a sell-down globally triggered by the ongoing hawkish tone by the Fed. As investors continued to price in more aggressive interest rate hike going forward, we believe the local bourse is likely to stay cautious and remain downward bias. Meanwhile, investors may watch for Malaysia's inflation rate to gauge the upcoming OPR outlook by the BNM. Commodities wise, the crude oil price likely to be ranging around USD90 over the near term, while the CPO price hovered below RM3,800.

Sector focus: We remained positive on the banking sector in an interest rate upcycle environment. We expect, the telco, solar-related, construction and building material related sectors may see some buying interest ahead of Budget 2023. Meanwhile, O&G stocks could perform in the near term as earnings have been steadily growing over the past quarters.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI extended its losses for the third straight session as the key index remained in a bearish undertone. Technical indicators remained negative as the MACD Histogram extended a negative bar, while the RSI hovered slightly above the oversold 30 region. Resistance is set along 1,465-1,485, while the support is pegged around 1,410-1,430.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	30,076.68	-0.35
S&P 500	3,757.99	-0.84
NASDAQ	11,066.80	-1.37
FBM KLCI	1,439.16	-0.55
FBM Small Cap	14,251.24	0.00
FBM ACE	4,818.65	0.85
Construction	155.81	0.41
Consumer	559.17	-0.49
Energy	719.87	-0.79
Financial Services	16,334.45	-0.40
Healthcare	1,497.40	-0.58
Ind Products	174.24	-0.82
Plantation	6,844.69	-0.02
Property	637.85	0.00
REITs	773.55	-0.33
Technology	62.80	0.62
Telco & Media	574.42	-0.56
Transport	812.97	0.16
Utilities	859.53	0.24
Trading Vol (m)	2,167.34	-7.50
Trading Val (RM m)	1,679.12	126
Advance/Decline	88%	
FKLI	1,431.50	-0.14
FCPO (RM)	3,791.00	-0.91
Brent oil (USD)	90.46	0.12
Gold (USD)	1,671.22	-0.16
USD	4.5677	0.00
GBP	5.1716	0.52
EURO	4.5022	0.20
SGD	3.2211	0.02

Trading participation 5-day trend and value ('m)

Institution	Retail	Foreign
287.3	211.1	-498.3

Source: Bloomberg, Bursa Market Place

Company Brief

Yinson Holdings Bhd's 2QFY22 net profit rose 13.5% YoY to RM143.0m, mainly due to higher contribution from the group's floating production storage and offloading (FPSO) operations. Revenue for the quarter gained 53.7% YoY to RM1.62bn. An interim dividend of 1.0 sen per share, payable on 16th December 2022 was declared. (The Star)

UEM Sunrise Bhd has inked two memoranda of understanding (MoU) with PETRONAS Global Technical Solutions Sdn Bhd (PGTSSB) and Gentari Sdn Bhd respectively to explore opportunities for collaboration in the adoption of renewable, green energy and mobility as well as forming intelligent, sustainable cities for the future. In addition, the partnership aligns with one of the United Nations Sustainable Development Goals 2030 (UNSDG), particularly goal number 17, "Partnership for the Goals". (The Star)

India's Supreme Court refused to lift a 2018 halt on Malaysia's **IHH Healthcare Bhd**'s open offer for Fortis Healthcare Ltd shares, and asked a lower court to decide on the issue. The Supreme Court ordered a forensic audit of the share sale in Fortis, after hearing a petition filed by Japan's Daiichi Sankyo Co. Daiichi objected to the sale of the pledged shares in Fortis, claiming rights over the shares. (The Edge)

Petronas Chemicals Group Bhd (PetChem) has announced that the next merger and acquisition (M&A) within the specialty chemicals platform is crucial for the company's future positioning as the group eyes customers from industries including the food and healthcare sectors as end markets for its products. Such specialty chemical pathways include the likes of food, feed and nutrition, industrial additives, as well as surfactants, household, industrial and institutional (HI&I), and personal care. (The Edge)

Bina Darulaman Bhd (BDB) is planning to potentially diversify into the agriculture, renewable energy and telecommunications (telco) sectors to capitalise on the respective sectors' resilience. While the diversification plan is only in its early stages, the group would like to diversify into all 3 sectors if possible while ensuring the sustainability of its current core business segments of property development, and engineering, construction and quarry in the post-Covid-19 era. Diversification plan is still early in the works, and only in the stage of conducting a feasibility study of the prospects. (The Edge)

YNH Property Bhd proposes an asset-backed securitisation exercise to raise up to RM500.0m fresh capital, 7 months after it issued Islamic sukuk to raise RM323.0m. The company intends to securitise its 2 retail malls, namely 163 Retail Park at Mont Kiara, Kuala Lumpur, and AEON Seri Manjung in Perak. The debt financing exercise, which requires shareholders' approval, will enable it to realize immediate net cash proceeds. (The Edge)

Thrive Global Bhd is acquiring 4,700-sqm of freehold land for RM21.0m in Butterworth from Star Sanctuary Land Sdn Bhd that has been approved for the development of serviced apartments. (The Edge)

Apex Equity Holdings Bhd non-executive chairman Datuk Ahmad Redza Abdullah has resigned from the post effective immediately, due to personal reasons. Ahmad Redza, 58, was appointed to the Apex board only 3 months ago on 22nd June 2022. (The Edge)

ManagePay Systems Bhd (MPay) has appointed entrepreneurial and marketing coach Datuk Wira Dr Azizan Osman as its non-independent and non-executive director effective immediately. Azizan will focus on bringing MPay peer-to-peer (P2P) financing, QuickKash to his MSMEs network and making it comply with Shariah legislation. (The Edge)

Konsortium Transnasional Bhd (KTB)'s unit has secured a building work contract from Maju Teluk Batik Sdn Bhd worth RM109.6m for an apartment project in Hulu Kinta, Perak. The scope of works comprises piling work, earthworks and building work for apartment blocks B and C, and two carparks of a mixed development at Hulu Kinta, Perak. (The Edge)

Careplus Group Bhd unit Rubbercare Protection Products Sdn Bhd (RPP) has filed an application to strike out Petrolife Aero Sdn Bhd's writ of summons and statement of claim seeking RM27.1m, citing multiplicity of proceedings. Other than seeking to have the claim be struck out and dismissed accordingly, the application also seeks that the costs of the application be paid by Petrolife on an indemnity basis, as well as any further or other relief that the court deems fit and proper under the circumstances. (The Edge)

Technical Focus Tracker

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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	SLVEST	1-Sep	0.735	0.815	0.855	0.970	0.675	0.670	0.750	2.0%	On-going
2	FRONTKN	15-Sep	2.850	2.970	3.140	3.380	2.630	2.620	2.740	-3.9%	On-going
3	POHUAT	19-Sep	1.450	1.510	1.570	1.640	1.380	1.370	1.410	-2.8%	On-going
4	BPPLAS	21-Sep	1.470	1.600	1.700	1.880	1.400	1.390	1.480	0.7%	On-going

3Q22 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	UWC	1-Jul	3.260	3.890	4.180	-	3.230	2.850	4.100	25.8%	On-going
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	2.770	-2.5%	On-going
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	1.130	17.1%	On-going
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.420	13.6%	On-going
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.885	14.9%	On-going
6	SYSORP	1-Jul	0.410	0.445	0.470	-	0.375	0.340	0.740	80.5%	On-going
7	PWROOT	1-Jul	1.700	1.830	1.920	-	1.630	1.550	1.940	14.1%	On-going
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.300	-8.4%	On-going
9	QL	1-Jul	5.210	5.710	5.920	-	5.230	5.050	5.050	-3.1%	On-going
10	AMBANK	1-Jul	3.720	3.980	4.110	-	3.620	3.450	4.010	7.8%	On-going
Average Return										16.0%	

Technical Focus Tracker Summary	
Total recommendations	261
Total winners	159
Total losers	102
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	314.6%
Accuracy (2021)	66.4%
Portfolio performance (2022)	85.9%
Accuracy (2022)	60.5%
FBM KLCI (Since 31/12/2021)	-8.2%
FBM Small Cap (Since 31/12/2021)	-9.6%
Malaysia GDP Growth (1H22)	6.9%