

## Cheered over the end of political impasse

### Market Review

**Malaysia:** The FBM KLCI (+4.0%) surged to close at 2-month high as the key index re-tested and closed above the 1,500 psychological level following the end of Malaysia's political impasse. The lower liners also turned upbeat, while the plantation sector (-0.3%) was the sole decliner amongst the sectorial peers.

**Global markets:** Wall Street was close in conjunction with the Thanksgiving public holiday, while the futures market edged higher. The European stockmarkets extended their lead as European Central Bank officials favoured a smaller interest rate hikes to tackle inflation, while Asia stockmarkets closed mostly upbeat.

### The Day Ahead

The FBM KLCI witnessed a strong rally after the unity government is formed with PH being the largest party in the alliance and PH's Chairman Datuk Seri Anwar Ibrahim is being appointed as Malaysia's 10th Prime Minister. Following the conclusive outcome of the GE15, foreign investors turned net buyer, snapping a 6-day outflow streak and a stronger MYR, we believe the local bourse will continue its uptrend move amid rising investors' confidence. Besides, the FOMC meeting minutes that saw some of the Fed's official turning less hawkish may be perceived as positive to the stock markets. Commodities wise, the crude oil and CPO prices hovered above USD85 and RM4,000 respectively.

**Sector focus:** After this GE15 event, we expect a broad-based buying interest into GLCs, while traders could focus into the construction and building material segments ahead of the re-tabling of Budget 2023. Besides, the technology sector may continue to outperform the market with the momentum picking up.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI jumped above the 1,500 level suggesting that the bullish sentiment has emerged. Technical indicators are turning positive with the MACD Histogram narrowed to near zero level, while the RSI hooked upwards. The resistance pegged along 1,530-1,550, while the support is at 1,430-1,450.

### Research Team

[research@msec.com.my](mailto:research@msec.com.my)  
(603) 2201 2100

### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,194.06	0.28
S&P 500	4,027.26	0.59
NASDAQ	11,285.32	0.99
FBM KLCI	1,501.88	4.04
FBM Small Cap	14,861.10	3.46
FBM ACE	5,210.22	4.75
Construction	155.71	5.25
Consumer	574.21	3.10
Energy	764.09	2.72
Financial Services	16,766.88	3.70
Healthcare	1,729.95	4.85
Ind Products	185.01	2.86
Plantation	6,845.06	-0.33
Property	646.87	3.67
REITs	763.83	0.55
Technology	63.37	6.63
Telco & Media	602.48	5.58
Transport	808.42	2.79
Utilities	837.63	1.21
Trading Vol (m)	6,865.79	155.79
Trading Val (RM m)	4,196.78	156.94
Advance/ Decline	518%	
FKLI	1516.00	0.17
FCPO (RM)	4,091.00	126
Brent oil (USD)	85.34	-0.08
Gold (USD)	1,755.24	0.32
USD	4.4955	0.01
GBP	5.4376	-0.11
EURO	4.6841	0.13
SGD	3.2716	0.12

Trading participation 5-day trend and value (m)

Institution	Retail	Foreign
-70.5	172.0	-101.5

Source: Bloomberg, Bursa Market Place

## Company Brief

**Hap Seng Consolidated Bhd's** 3QFY22 net profit climbed 15.3% YoY to RM563.8m, mainly attributable to higher contribution from plantation, automotive, trading and building materials divisions. Revenue for the quarter increased 20.8% to RM1.97bn. (The Star)

**Sime Darby Bhd's** 1QFY23 net profit declined 12.3% YoY to RM207.0m, due to weakening consumer sentiment in China which impacted the motor division, higher finance costs and loss from discontinuing operations as it completed the sale of Weifang Port companies in China in November 2021. Revenue for the quarter, however, grew 14.5% YoY to RM12.2bn. (The Edge)

**Genting Malaysia Bhd's** (GenM) 3QFY22 net profit stood at RM11.4m vs. a net loss of RM289.3m recorded in the previous corresponding quarter, underpinned by strong recovery in overall business volume across the leisure and hospitality segment after the reopening of national borders and relaxation of travel restrictions. Revenue for the quarter jumped 174.9% YoY to RM2.27bn. (The Edge)

**Genting Bhd's** 3QFY22 net profit stood at RM128.0m vs. a net loss of RM344.6m recorded in the previous corresponding quarter, mainly boosted by the Malaysian and Singaporean leisure and hospitality division. Revenue for the quarter increased 74.0% YoY to RM6.12bn. (The Edge)

**Tropicana Corp Bhd's** 3QFY22 net loss narrowed to RM26.3m, from a net loss of RM37.4m registered in the previous corresponding quarter, on higher topline growth. Revenue for the quarter climbed 88.7% YoY to RM321.6m.

Separately, the group plans to raise up to RM239.4m via the placement of up to 10.0% of its total issued shares to independent third-party investors on a date to be announced later. The proceeds will be used for its new and existing property developments and to repay bank borrowings. (The Edge)

**Berjaya Land Bhd's** (BLand) 1QFY23 net profit stood at RM8.5m vs. a net loss of RM74.3m recorded in the previous corresponding quarter, amid improved performances by its business segments after the resumption of international and domestic travels and further relaxation of the Covid-19 standard operating procedures. Revenue for the quarter rose 77.4% YoY to RM1.71bn.

Separately, BLand's wholly owned unit Nural Enterprise Sdn Bhd has disposed of a total of 11.0m shares, representing about a 0.63% stake, in **Berjaya Food Bhd** (BFood) for RM9.9m or 90 sen apiece. Following the disposals, BLand's stake in BFood was trimmed to 2.0% from 2.3% as of 18th October 2022. (The Edge)

**DRB Hicom Bhd's** 3QFY22 net profit stood at RM144.0m vs. a net loss of RM179.4m registered in the previous corresponding quarter, mainly attributed to the higher sales from Proton vehicles as well as higher revenue from manufacturing and engineering and automotive distribution companies. Revenue for the quarter jumped 112.3% YoY to RM4.50bn. (The Edge)

**Capital A Bhd** has clarified that the recent cyberattack was on redundant systems and did not affect its critical systems. It was reported that Capital A fell victim to a ransomware attack on 11th November 2022 and 12th November 2022 by Daixin Team. (The Edge)

**Lotte Chemical Titan Holding Bhd** (LCT) has declared a special dividend of 13.98 sen per share FY22 out of the retained earnings intended to reward its shareholders. The special dividend is payable on 29th December 2022. (The Edge)

**Pharmaniaga Bhd**'s 3QFY22 net profit sank 82.7% YoY to RM8.6m, on lower sales as the country enters into the endemic phase. Revenue for the quarter dropped 56.6% YoY to RM924.7m. A third interim dividend of 0.6 sen, payable on 22nd February 2023 was declared. (The Edge)

**MBM Resources Bhd**'s 3QFY22 net profit stood at RM60.8m vs. a net loss of RM5.3m registered in the previous corresponding quarter, driven by better performances in both the motor trading and auto parts manufacturing. Revenue for the quarter jumped 169.4% YoY to RM621.2m. (The Edge)

**YTL Corp Bhd**'s 1QFY23 net profit fell 65.2% YoY to RM36.6m, due to higher construction and finance costs incurred. Revenue for the quarter, however, rose 28.3% YoY to RM6.49bn. (The Edge)

**Malayan Cement Bhd**'s 1QFY23 net profit stood at RM953,000 vs. a net loss of RM23.8m registered in the previous corresponding quarter, as the group fully consolidated the acquired cement and ready-mixed concrete companies. Revenue for the quarter leapt 201.8% YoY to RM858.9m. (The Edge)

**YTL Power International Bhd**'s 1QFY23 net profit soared 189.5% YoY to RM173.3m, on stronger contribution from its power generation business thanks to higher retail prices in Singapore. Revenue for the quarter grew 35.0% YoY to RM4.74bn. (The Edge)

**YTL Hospitality Real Estate Investment Trust**'s (YTL Hospitality REIT) 1QFY23 net property income (NPI) was flat at RM58.1m. Revenue for the quarter, however, rose 24.5% YoY to RM112.3m. (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	POHUAT	9-Nov	1.380	1.440	1.470	1.570	1.320	1.310	1.370	-0.7%	On-going
2	SKPRES	14-Nov	1.670	1.720	1.780	1.830	1.580	1.570	1.650	-1.2%	On-going
3	DPHARMA	16-Nov	1.410	1.520	1.580	1.780	1.310	1.300	1.400	-0.7%	On-going
4	UNISEM	21-Nov	2.580	2.770	2.880	3.100	2.480	2.470	2.880	11.6%	Take profit at R2 on 24-Nov
5	COASTAL	23-Nov	2.190	2.240	2.290	2.400	2.030	2.020	2.200	0.5%	
											On-going

4Q22 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	ATECH	3-Oct	1.869	2.180	2.280	-	1.740	1.660	1.790	-4.2%	On-going
2	PECCA	3-Oct	0.880	1.000	1.080	-	0.795	0.740	0.845	-4.0%	On-going
3	KGB	3-Oct	1.290	1.520	1.630	-	1.260	1.150	1.460	13.2%	On-going
4	SCOMNET	3-Oct	1.670	1.890	2.050	-	1.390	1.240	1.760	5.4%	On-going
5	OPTIMAX	3-Oct	0.745	0.910	1.000	-	0.695	0.625	0.745	0.0%	On-going
6	SAMAIDEN	3-Oct	0.755	0.835	0.915	-	0.670	0.605	0.755	0.0%	On-going
7	TIMECOM	3-Oct	4.620	5.000	5.250	-	4.400	4.210	4.890	5.8%	On-going
8	HEXTAR	3-Oct	1.760	2.000	2.150	-	1.620	1.510	2.350	33.5%	On-going
9	TGUAN	3-Oct	2.560	2.870	3.030	-	2.470	2.320	2.480	-3.1%	On-going
10	GAMUDA	3-Oct	3.930	4.470	4.680	-	3.760	3.600	3.900	-0.8%	On-going
11	MYEG	3-Oct	0.837	1.000	1.080	-	0.785	0.715	0.880	5.1%	On-going
12	CCK	3-Oct	0.650	0.720	0.760	-	0.580	0.550	0.625	-3.8%	On-going
13	SIGN	3-Oct	1.730	2.000	2.150	-	1.610	1.440	2.900	67.6%	On-going
Average Return										8.8%	

*Disclaimer: This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.*

Technical Focus Tracker Summary	
Total recommendations	279
Total winners	166
Total losers	113
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	6.9%
Accuracy (2022)	56.4%
FBM KLCI (Since 31/12/2021)	-4.2%
FBM Small Cap (Since 31/12/2021)	-5.7%
Malaysia GDP Growth (1H22)	6.9%