

## Finding a footing

### Market Review

**Malaysia:** The FBM KLCI (-0.2%) erased all its intraday gains as quick profit taking activities sent the key index lower for the fifth straight session yesterday. The small cap and ACE markets rebounded, but the construction (-1.2%) and financial services sectors (-0.84%) underperformed.

**Global markets:** Wall Street reversed all its intraday gains as the Dow (-0.4%) extended its slide after the strong new home sales and consumer confidence data suggests that the economy is able to withstand further monetary tightening. The European stock markets closed mostly lower, but Asia stock markets ended mixed.

### The Day Ahead

The FBM KLCI slipped for another session as the key index succumbed to selling pressure in selected banking heavyweights. However, we believe the local bourse is poised for mild recovery as bargain hunting activities emerged in the previous session. Nevertheless, any rebound may be capped by as investors may stay cautious ahead of the potential recession worries. Commodities wise, the crude oil price staged a rebound, trading above USD86 per barrel on concerns Hurricane Ian could disrupt production in the Gulf of Mexico, while the CPO price stayed above RM3,500.

**Sector focus:** The technology sector may see some recovery as Nasdaq rebounded overnight. Besides, traders may favour the energy counters in view of a higher crude oil price triggered by production concerns due to Hurricane Ian. Investors could also shift their focus to Budget 2023, we like the healthcare and solar related sectors.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI closed around the 52-week low at 1,410 on a last minute selldown. Technical indicators remained negative as the MACD Histogram extended a negative bar, while the RSI continued to stay below 30. Support is located around 1,410, followed by 1,400. Meanwhile, resistance is set at 1,430-1,450.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	29,134.99	-0.43
S&P 500	3,647.29	-0.21
NASDAQ	10,829.50	0.25
FBM KLCI	1,410.87	-0.15
FBM Small Cap	13,965.72	0.20
FBM ACE	4,708.38	1.01
Construction	151.86	-1.20
Consumer	555.77	0.65
Energy	687.15	0.70
Financial Services	15,954.56	-0.84
Healthcare	1,469.34	-0.05
Ind Products	171.69	1.05
Plantation	6,580.08	-0.33
Property	622.53	-0.10
REITs	765.46	-0.10
Technology	615.9	0.59
Telco & Media	562.47	-0.04
Transport	792.46	-0.45
Utilities	841.68	-0.27
Trading Vol (m)	2,283.33	7.68
Trading Val (RM m)	1,923.41	4.02
Advance/Decline	112%	
FKLI	1,412.50	-0.07
FCPO (RM)	3,530.00	0.20
Brent oil (USD)	86.27	2.63
Gold (USD)	1,628.90	0.40
USD	4.611	-0.16
GBP	4.9815	-0.68
EURO	4.4309	0.21
SGD	3.212	-0.09

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

Institution	Retail	Foreign
658.7	180.0	-838.8

Source: Bloomberg, Bursa Market Place

## Company Brief

**MyNews Holdings Bhd's** 3QFY22 net loss narrowed to RM1.5m, from a net loss of RM14.9m recorded in the previous corresponding quarter, as the number of outlets increased to 573 (from 515 last year). Revenue for the quarter jumped 81.3% YoY to RM170.2m. (The Star)

**VS Industry Bhd's** 4QFY22 net profit fell 16.7% YoY to RM34.6m, following a RM25.8 m one-off impairment on investment in an associate. Revenue for the quarter, however, rose 6.7% YoY to RM1.00bn. A fourth interim dividend of 0.4 sen per share, payable on 28th October 2022, subject to shareholders' approval at the forthcoming annual general meeting was declared. (The Star)

**Konsortium Transnasional Bhd** (KTB) has proposed to dispose of its express bus business, as part of the group's plan to regularise its financial condition to address its PN17 status. The group is disposing of wholly-owned Park May Bhd to Nadicorp Holdings Sdn Bhd for a nominal sum of RM1, as prospects of the express bus business remains uncertain. (The Edge)

**Ivory Properties Group Bhd's** third subsidiary, Ivory Meadows Sdn Bhd (IMSB) has defaulted on a loan payment, this time for a sum of RM39.0m to **Malayan Banking Bhd** (Maybank), which was raised to part finance the purchase of land for a project. The company, together with IMSB, is seeking Maybank's indulgence to consider the extension of time for the commencement of principal repayment, and thus allow IMSB sufficient time to launch the project to generate cash flow. (The Edge)

**Rubberex Corp (M) Bhd's** shares will be traded under the new name of Hextar Healthcare Bhd from 29th September 2022. Rubberex had on 14th September 2022 received its shareholders' nod for the group's diversification into the healthcare business and changed its name to Hextar Healthcare following the group's acquisition of test kits manufacturer Reszon Diagnostics International Sdn Bhd for RM180.0m. (The Edge)

**PT Resources Holdings Bhd**, which trading volume ballooned to 179.0m shares on its maiden trading day, announced that its 1QFY23 net profit expanded 61.0% YoY to RM7.5m, amid higher demand for frozen seafood products. Revenue for the quarter grew 55.6% YoY to RM115.3m. (The Edge)

**LB Aluminium Bhd's** 1QFY23 net profit surged 311.5% YoY to RM12.5m, mainly due to better performance in its aluminum segment. Revenue for the quarter jumped 98.2% YoY to RM227.1m. (The Edge)

**Poh Kong Holdings Bhd** posted a net profit of RM29.84 m for the fourth quarter ended July 31, 2022 (4QFY22), compared to a net loss of RM13.26 m a year earlier, on the back of a nearly four-fold rise in revenue. The jewellery retailer registered an earnings per share of 7.27 sen, against a loss per share of 3.23 sen previously, its Bursa Malaysia filing showed. Quarterly revenue rose 384.29% to RM414.66 m, from RM85.62 m in 4QFY21, as the group leveraged on a rising demand for gold jewellery and gold investment products, which came with the rebound of the economy. (The Edge)

**Apollo Food Holdings Bhd's** 1QFY23 net profit surged 26.5x YoY to RM4.6m, thanks to post-pandemic sales recovery. Revenue for the quarter rose 42.2% YoY to RM55.5m. (The Edge)

**Cosmos Technology International Bhd** has reported that the shares offered to the Malaysian public under its initial public offering have been oversubscribed by 58.0x. A total of 8,328 applications were received from the Malaysian public for 756.7m shares, or a value of RM264.9m. A total of 4,350 applications for 286.3m new shares were received for the Bumiputera portion, which represents an oversubscription rate of 43.7x. (The Edge)

**Yinson Holdings Bhd** has made a lodgement with the Securities Commission Malaysia for the establishment of a perpetual sukuk wakalah programme of up to RM1.00bn. The sukuk wakalah programme has a perpetual programme tenure, which provides the group with flexibility to issue subordinated perpetual Islamic notes from time to time. Proceeds from the issuance will be used for Yinson's capital expenditure, refinancing of existing or future borrowings, working capital, and other general corporate purposes. (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	FRONTKN	15-Sep	2.850	2.970	3.140	3.380	2.630	2.620	2.770	-2.8%	On-going
2	POHUAT	19-Sep	1.450	1.510	1.570	1.640	1.380	1.370	1.380	-4.8%	On-going
3	BPPLAS	21-Sep	1.470	1.600	1.700	1.880	1.400	1.390	1.450	-1.4%	On-going
4	FOCUSP	26-Sep	0.775	0.820	0.850	0.920	0.745	0.740	0.745	-3.9%	On-going
5	LAGENDA	28-Sep	1.300	1.390	1.440	1.560	1.230	1.220	1.300	0.0%	Initiate position

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	3.890	19.3%	Closed on 26-Sep
2	DUFU	1-Jul	2.840	3.100	3.280	-	2.750	2.600	2.760	-2.8%	Closed on 26-Sep
3	DAYANG	1-Jul	0.965	1.100	1.140	-	0.940	0.880	1.080	11.9%	Closed on 26-Sep
4	GASMSIA	1-Jul	3.010	3.220	3.300	-	2.970	2.850	3.350	11.3%	Closed on 26-Sep
5	PTRANS	1-Jul	0.770	0.860	0.905	-	0.725	0.680	0.870	13.0%	Closed on 26-Sep
6	SYSORP	1-Jul	0.410	0.445	0.470	-	0.375	0.340	0.725	76.8%	Closed on 26-Sep
7	PWROOT	1-Jul	1.700	1.830	1.920	-	1.630	1.550	1.930	13.5%	Closed on 26-Sep
8	GCB	1-Jul	2.510	2.710	2.800	-	2.460	2.380	2.310	-8.0%	Closed on 26-Sep
9	QL	1-Jul	5.210	5.710	5.920	-	5.230	5.050	5.010	-3.8%	Closed on 26-Sep
10	AMBANK	1-Jul	3.720	3.980	4.110	-	3.620	3.450	3.960	6.5%	Closed on 26-Sep
Average Return										13.8%	

Technical Focus Tracker Summary	
Total recommendations	263
Total winners	158
Total losers	104
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	8.0%
Accuracy (2022)	57.7%
FBM KLCI (Since 31/12/2021)	-10.0%
FBM Small Cap (Since 31/12/2021)	-11.4%
Malaysia GDP Growth (1H22)	6.9%