

Marred by quick profit taking

Market Review

Malaysia: The FBM KLCI (-0.9%) erased all its previous session gains, dragged by the pullback in more than two-thirds of the key index components yesterday. The lower liners, however, ended mixed, while the transportation & logistics (+0.2%) and property (+0.1%) sectors outperformed the negative peers.

Global markets: Wall Street extended the decline as the Dow (-0.2%) fell after the solid job openings and the rebound in S&P Global Manufacturing PMI reinforced the US Federal Reserve aggressive stance on interest rate directions. Both the European and Asia stock markets, however, finished mostly positive.

The Day Ahead

The FBM KLCI fell, bucking the positive performance across the regional bourses as investors' risk appetite waned ahead of the US Fed's interest rate decision. The local bourse may set for further profit taking as investors may brace for potential interest rate hike by the BNM. Meanwhile, Finance Minister commented that there will be possible adjustments for the Budget 2023 when it is re-tabled. Commodities wise, the Brent crude oil price rebounded nearer to USD95, while the CPO price hit RM4,250 as Indonesia raised the reference price.

Sector focus: We believe demand for Malaysian crude palm oil may improve and that shall benefit the plantation counters amid firmer FCPO price. Meanwhile, the construction, building material and banking sectors may shine prior to the GE15 as investors position themselves for the GE15 and Budget 2023 themes.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI declined to close below its daily EMA60 level, reversing its gains from the previous session. Technical indicators, however remained positive as the MACD Histogram extended a positive bar, while the RSI hovered above 50. Resistance is monitored at 1,465-1,480, while the support is set along 1,400-1,450.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	32,653.20	-0.24
S&P 500	3,856.10	-0.41
NASDAQ	10,890.85	-0.89
FBM KLCI	1,445.92	-0.99
FBM Small Cap	14,295.26	-0.01
FBM ACE	4,878.02	0.39
Construction	149.66	-0.81
Consumer	562.36	-0.64
Energy	695.50	-0.43
Financial Services	16,312.30	-0.94
Healthcare	1683.93	-1.03
Ind Products	174.67	-0.64
Plantation	6,792.93	-1.26
Property	613.36	0.08
REITs	758.74	-0.62
Technology	58.57	-0.05
Telco & Media	569.59	-0.96
Transport	873.00	0.18
Utilities	824.60	-0.35
Trading Vol (m)	2,978.23	3.14
Trading Val (RM m)	1,564.22	-9.36
Advance/ Decline	8%	
FKLI	1450.00	-0.21
FCPO (RM)	4,276.00	1.02
Brent oil (USD)	94.65	1.98
Gold (USD)	1,647.98	0.88
USD	4.736	-0.17
GBP	5.463	0.09
EURO	4.7041	-0.02
SGD	3.3582	-0.47
Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-72.2	-93.2	165.5

Source: Bloomberg, Bursa Market Place

Company Brief

Sunway Construction Group Bhd (SunCon) has secured a contract worth RM185.0m from Sharp Ventures Solar Sdn Bhd to conduct EPCC works for a 50-MW solar photovoltaic energy generating facility in Kapar, Klang. The duration for completion of the EPCC works is 18 months from the expected commencement date in December 2022. Another letter of award worth RM278.0m was secured from Sunway Flora Sdn Bhd in respect of main building works for a proposed development of two blocks of residential condominiums which consists of a podium, carpark, common facilities and swimming pool, in Bukit Jalil, Kuala Lumpur. The project shall commence on 1st November 2022 and is expected to be completed on 31st October 2025. (The Star)

Capital A Bhd has engaged RHB Investment Bank Bhd, BDO Consulting Sdn Bhd, Deloitte Corporate Advisory Services Sdn Bhd and Ernst & Young PLT, besides law firm Adnan Sundra & Low, to help regularise its financial condition under Bursa Malaysia's Practice Note 17 (PN17) scheme. (The Edge)

Telekom Malaysia Bhd (TM) has launched the first phase of its 5G services by offering unlimited 5G data to existing unifi Mobile postpaid customers and new postpaid and prepaid customers. (The Edge)

The Employees Provident Fund (EPF), which owns a 10.3% stake in **IOI Corp Bhd** had voted for all 9 resolutions or proposals at the oil palm planter's annual general meeting. The nine resolutions included the planned re-election of the company's directors and renewal of its existing share buy-back authority besides a proposal to authorise the directors of IOI to allot and issue shares. (The Edge)

Syarikat Takaful Malaysia Keluarga Bhd's 3QFY22 net profit rose 20.2% YoY to RM87.3m, on higher net wakalah fee income. Revenue for the quarter grew 35.1% YoY to RM924.4m. (The Edge)

Frontken Corp Bhd's 3QFY22 net profit rose 27.2% YoY to RM34.7m, as a result of improved revenue and better profit margins. Revenue for the quarter added 15.4% YoY to RM134.6m. (The Edge)

Dufu Technology Corp Bhd's 3QFY22 net profit fell 18.9% YoY to RM16.4m, mainly due to the decrease in revenue related to HDD components. Revenue for the quarter declined 17.9% YoY to RM74.7m. (The Edge)

Caely Holdings Bhd has proposed to acquire a property development and construction company that owns 8.0-ha of land in Bentong, Pahang, that is earmarked for a mixed commercial and residential development project with an estimated gross development value of RM233.8m. Caely has entered into an agreement with **Harvest Miracle Capital Bhd** to acquire 100,000 shares or a 3.4% stake in Kepayang Heights Sdn Bhd (KHSB) for RM17.0m. In addition, Caely has also agreed to subscribe for 100.0m shares in KHSB, representing 97.1% of the enlarged issued capital in the company, for RM1.5m. (The Edge)

Mitrajaya Holdings Bhd has bagged a RM68.8m contract for the construction and completion of road improvement works at Endau Rompin National Park, Johor from the East Coast Economic Region Development Council. The contract is for a duration of 120 weeks from the date for possession of the site on 15th November 2022 and it is expected to be completed by 3rd March 2025. (The Edge)

SKB Shutters Corp Bhd has acquired 9.8-ac of industrial land in the Eco Business Park V for RM36.0m, marking its entry into the industrial park of **Eco World Development Group Bhd**. SKB Shutters acquired the land to set up a new automated manufacturing facility in the industrial park, which is located in Puncak Alam. (The Edge)

Datasonic Group Bhd has signed a memorandum of understanding with Meta Doers World Holding Bhd to form a joint venture company to explore business opportunities related to Metaverse. Its collaboration with Meta Doers marks its foray into the Metaverse world focusing on the education sector and healthcare industry. (The Edge)

Sersol Bhd expects its joint venture with Thai energy and electric vehicle (EV) motorbike specialist Takuni Group PCL to generate RM900.0m in sales across Malaysia, Indonesia and Thailand. The JV inked in Bangkok diversifies Sersol's investment portfolio to incorporate a Malaysian entity to handle manufacturing, marketing and distribution of EV motorbike batteries, EV batteries, and charging platforms throughout the region. (The Edge)

ARB Bhd indirect wholly owned unit ARB Cell Sdn Bhd has entered into a shareholder agreement with BFI Asia Holdings Sdn Bhd in relation to BFI Asia's subscription of a 49.0% stake in ARB Cloud Cosec Sdn Bhd, also an indirect wholly owned subsidiary of ARB. Upon completion of the subscription, ARB Cell and BFI Asia's equity interests in ARB Cloud Cosec will be 51:49. (The Edge)

GIIB Holdings Bhd's external auditor Messrs Grant Thornton Malaysia PLT has expressed a qualified opinion on the rubber compound and related product manufacturer's financial statements for the 18-month period ended 30th June 2022. The auditor also indicated its intention to not seek reappointment at the group's forthcoming annual general meeting. (The Edge)

Bursa Malaysia has announced that **Alam Maritim Resources Bhd** and **KNM Group Bhd** are the newest additions to the list of companies under PN17. A total of 28 companies are currently under the Practice Note 17 (PN17) and Guidance Note 3 (GN3) lists, which represent 3.0% of the total number of 941 companies listed on the Main and ACE Markets of Bursa Securities, as at 1st November 2022. (The Edge)

Majuperak Holdings Bhd has been granted a time extension of up to 12th April 2023 by Bursa Malaysia to submit its regularisation plan to the relevant regulatory authorities. Majuperak was classified as an affected issuer after it triggered Paragraph 8.03A(2)(b) of Bursa Malaysia's Main Market Listing Requirements. (The Edge)

Bursa Malaysia Securities Bhd has announced the transfer of **Optimax Holdings Bhd**'s securities from the ACE Market to the Main Market, under the healthcare sector, at 9.00am on 3rd November 2022. After the transfer, the stock short name and stock number will remain unchanged. (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	CNERGEN	19-Oct	0.910	0.990	1.050	1.150	0.810	0.805	0.855	-6.0%	On-going
2	KEINHIN	26-Oct	1.300	1.340	1.400	1.500	1.200	1.190	1.210	-6.9%	On-going
3	HARBOUR	31-Oct	1.130	1.190	1.260	1.350	1.060	1.050	1.180	4.4%	On-going
4	OPCOM	2-Nov	0.900	0.960	0.990	1.090	0.850	0.845	0.900	0.0%	Initiate position

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	1.650	-11.7%	On-going
2	PECCA	3-Oct	0.880	1.000	1.080	-	0.795	0.740	0.880	0.0%	On-going
3	KGB	3-Oct	1.290	1.520	1.630	-	1.260	1.150	1.310	1.6%	On-going
4	SCOMNET	3-Oct	1.670	1.890	2.050	-	1.390	1.240	1.650	-1.2%	On-going
5	OPTIMAX	3-Oct	0.745	0.910	1.000	-	0.695	0.625	0.755	1.3%	On-going
6	SAMAIDEN	3-Oct	0.755	0.835	0.915	-	0.670	0.605	0.820	8.6%	On-going
7	TIMECOM	3-Oct	4.620	5.000	5.250	-	4.400	4.210	4.520	-2.2%	On-going
8	HEXTAR	3-Oct	1.760	2.000	2.150	-	1.620	1.510	2.410	36.9%	On-going
9	TGUAN	3-Oct	2.560	2.870	3.030	-	2.470	2.320	2.700	5.5%	On-going
10	GAMUDA	3-Oct	3.930	4.470	4.680	-	3.760	3.600	3.810	-3.1%	On-going
11	MYEG	3-Oct	0.837	1.000	1.080	-	0.785	0.715	0.890	6.3%	On-going
12	CCK	3-Oct	0.650	0.720	0.760	-	0.580	0.550	0.635	-2.3%	On-going
13	SIGN	3-Oct	1.730	2.000	2.150	-	1.610	1.440	2.300	32.9%	On-going
Average Return										5.6%	

Technical Focus Tracker Summary	
Total recommendations	273
Total winners	162
Total losers	110
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	5.5%
Accuracy (2022)	55.7%
FBM KLCI (Since 31/12/2021)	-7.8%
FBM Small Cap (Since 31/12/2021)	-9.3%
Malaysia GDP Growth (1H22)	6.9%