

Optimism from potential China re-opening

Market Review

Malaysia: The FBM KLCI (+1.3%) staged a quick rebound, driven by optimism over expectations that China may relax their strict Covid measures. The lower liners also advanced with the entire 13 major sectors ended higher, led by the energy sector (+2.4%) as crude oil prices rallied.

Global markets: US stockmarkets rebounded as the Dow (+1.3%) rallied on the mixed jobs data after unemployment rate in October 2022 inched up to 3.7%, but also added 261,000 jobs (vs. consensus of 200,000). The European stock markets also turned upbeat, while the Asia stock markets finished mostly positive.

The Day Ahead

Tracking the bullish performances across most of the regional markets, the FBM KLCI concluded Friday with a significant rebound as the market was cheered by China's reopening hopes. With the Wall Street turning positive last week, we expect the local front to trade positively ahead of the GE15 as well as the upcoming financial reporting period. However, we expect investors to stay cautious nearer to the announcement of the US inflation rate as that may dictate the Fed's view and direction of the markets going forward. Commodities wise, the Brent crude oil price traded around USD98 per barrel market, while the CPO price hovered above RM4,350.

Sector focus: Energy counters may see buying interest prior to the financial reporting period, in view of the solid crude oil price over the last quarter. Meanwhile, traders may favour the budget-related themed counters such as the telco stocks. The technology stocks may be lifted as Nasdaq gained grounds, while export-oriented stocks may benefit under the weak RM environment.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI spiked, staging a strong rebound to close just slightly below its daily EMA9. Technical indicators remained positive as the MACD Histogram, while the RSI hovered above 50. The resistance is set at 1,465-1,480, while support is

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	32,403.22	1.26
S&P 500	3,770.55	1.36
NASDAQ	10,475.25	1.28
FBM KLCI	1438.28	1.26
FBM Small Cap	14,315.38	1.16
FBM ACE	4,919.18	0.67
Construction	148.77	0.72
Consumer	561.75	1.38
Energy	725.28	2.43
Financial Services	16,092.69	0.23
Healthcare	1644.15	2.40
Ind Products	173.78	0.88
Plantation	6,821.02	1.55
Property	613.21	0.19
REITs	760.62	0.26
Technology	58.71	0.88
Telco & Media	569.58	1.83
Transport	865.52	0.36
Utilities	827.36	0.63
Trading Vol (m)	2,386.07	-9.12
Trading Val (RM m)	17,181.93	-8.91
Advance/ Decline	227%	
FKLI	1439.00	1.77
FCPO (RM)	4,367.00	0.69
Brent oil (USD)	98.57	-1.56
Gold (USD)	1681.87	3.20
USD	4.7477	-0.07
GBP	5.3258	0.24
EURO	4.6414	-0.30
SGD	3.3536	-0.50

Trading participation 5- day trend and value ('m)		
Institution	Retail	Foreign
122.8	52.5	-175.1

Source: Bloomberg, Bursa Market Place

monitored at 1,410-1,420.

Company Brief

Capital A Bhd has engaged Providence Strategic Partners Sdn Bhd as the independent market researcher to assist in developing a proposed Practice Note 17 (PN17) regularisation plan. Capital A was classified as a PN17 company in January 2022. (The Star)

Salcon Bhd has struck a deal with Appraisal Property Management Sdn Bhd (APM) to provide transportation services for the employees of APM to its clients' sites. Salcon wholly-owned subsidiary Eco-Coach & Tours (M) Sdn Bhd has signed the agreement with APM, with the job commencing from 1st March 2023 till 31st December 2026. The contract fee for the job is about RM9.1m per annum (excluding 6.0% government tax). (The Edge)

Westports Holdings Bhd's 3QFY22 net profit fell 24.4% YoY to RM150.4m, mainly due to higher fuel cost. Revenue for the quarter, however, rose 3.1% YoY to RM520.5m. (The Edge)

Maxis Bhd's 3QFY22 net profit dropped 3.1% YoY to RM315.0m, due to a one-off increase in corporate tax rate to 33.0% as a result of the prosperity tax. Revenue for the quarter, however, grew 5.9% YoY to RM2.41bn. A third interim dividend of 5.0 sen per share, payable on 22nd December 2022 was declared. (The Edge)

Caely Holdings Bhd has rejected a requisition claim from 5 shareholders to convene an extraordinary general meeting (EGM), on the grounds that they do not hold in aggregate at least 10.0% of the company's issued share capital. The shareholders had in their requisition notice dated 21st October 2022 requested for the EGM to table 14 resolutions. (The Edge)

FGV Holdings Bhd is recruiting an additional 16,000 migrant workers by the end of 2023, in response to labour shortage issues its plantation business is facing. FGV expects another 3,000 new workers in November 2022, which will help the crude palm oil producer increase its plantation yields and productivity. The migrant workers will be recruited from India, Indonesia, and Nepal. (The Edge)

S&F Capital Bhd is acquiring 9.4-ac of land near Kulim Hi-Tech Park (KHTP) in Kedah for RM7.4m. The 55.0%-owned subsidiary is buying the freehold land in Tempat Naga Lilit from Balkhis Othman and Siti Hawa Othman. (The Edge)

Industronics Bhd has entered into a Memorandum of Understanding (MOU) with Malaysian NGV Bhd (MNGC) to build and operate the Kedah Aeropolis project worth €3.30bn (or RM15.36bn). The proposed development will be built on 9,155.0-ac of land belonging to the Kedah State government. The development consists of three key components, namely the Airport City, a business park and the Sidam Logistics, Aerospace and Manufacturing (SLAM) hub. (The Edge)

Former Kedah State Assemblyman Datuk Boey Chin Gan has joined **Ajiya Bhd**'s board as an independent non-executive director, effective 4th November 2022. The appointment of Boey, 57, comes following Datuk Theng Book's departure from Ajiya's board to pursue personal interest. (The Edge)

Kuala Lumpur Kepong Bhd is considering raising its stake in British chemicals company Synthomer PLC as it looks to further expand its specialty chemicals business globally. KLK is talking with at least 1 financial adviser to explore

potentially boosting its 26.3% stake in Synthomer. (The Edge)

SLP Resources Bhd's 3QFY22 net profit jumped 60.3% YoY to RM4.9m, on higher revenue and better product mix. Revenue for the quarter expanded 30.6% YoY to RM47.2m. A third interim dividend of 1.5 sen per share, payable on 6th January 2023 was declared. (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	0.805	-11.5%	Cut loss on 3-Nov
2	KEINHIN	26-Oct	1.300	1.340	1.400	1.500	1.200	1.190	1.190	-8.5%	Cut loss on 3-Nov
3	HARBOUR	31-Oct	1.130	1.190	1.260	1.350	1.060	1.050	1.190	5.3%	Take profit at R1 on 2-Nov
4	OPCOM	2-Nov	0.910	0.960	0.990	1.090	0.850	0.845	0.960	5.5%	Take profit at R1 on 2-Nov
5	SFPTECH	7-Nov	1.590	1.690	1.780	1.910	1.480	1.470	1.590	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	1.610	-13.9%	On-going
2	PECCA	3-Oct	0.880	1.000	1.080	-	0.795	0.740	0.860	-2.3%	On-going
3	KGB	3-Oct	1.290	1.520	1.630	-	1.260	1.150	1.280	-0.8%	On-going
4	SCOMNET	3-Oct	1.670	1.890	2.050	-	1.390	1.240	1.700	1.8%	On-going
5	OPTIMAX	3-Oct	0.745	0.910	1.000	-	0.695	0.625	0.775	4.0%	On-going
6	SAMAIDEN	3-Oct	0.755	0.835	0.915	-	0.670	0.605	0.770	2.0%	On-going
7	TIMECOM	3-Oct	4.620	5.000	5.250	-	4.400	4.210	4.610	-0.2%	On-going
8	HEXTAR	3-Oct	1.760	2.000	2.150	-	1.620	1.510	2.400	36.4%	On-going
9	TGUAN	3-Oct	2.560	2.870	3.030	-	2.470	2.320	2.490	-2.7%	On-going
10	GAMUDA	3-Oct	3.930	4.470	4.680	-	3.760	3.600	3.700	-5.9%	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	0.620	-4.6%	On-going
13	SIGN	3-Oct	1.730	2.000	2.150	-	1.610	1.440	2.390	38.2%	On-going
Average Return										4.4%	

Technical Focus Tracker Summary	
Total recommendations	274
Total winners	163
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)	56.2%
FBM KLCI (Since 31/12/2021)	-8.2%
FBM Small Cap (Since 31/12/2021)	-9.2%
Malaysia GDP Growth (1H22)	6.9%

Upcoming Dividend List

Stock	Entitlement	Description	Declare Date (DD)	Ex-Date	DD Price (RM)	Last Price (RM)	DY (%)	Price Chg Since DD (%)
MNC (0103)	Stock Split	1:10	21/10/2022	7/11/2022	RM0.01	RM0.01	-	0.0
SJC (9431)	Bonus	3:1	21/10/2022	7/11/2022	RM2.60	RM2.59	-	-0.4
SAB (5134)	Final	RM0.05	19/5/2022	8/11/2022	RM3.88	RM3.65	1.4	-5.9
ZHULIAN (5131)	3rd Interim	RM0.03	12/10/2022	8/11/2022	RM1.91	RM1.87	1.6	-2.1
MNC (0103)	Bonus-Options	3:8	21/10/2022	9/11/2022	RM0.01	RM0.01	-	0.0
PLENITU (5075)	Final	RM0.03	20/9/2022	9/11/2022	RM1.00	RM0.95	2.6	-5.5
KIPREIT (5280)	Distribution	RM0.01	26/10/2022	9/11/2022	RM0.90	RM0.90	1.6	0.0
P&O (6009)	5th Interim	RM0.01	21/10/2022	9/11/2022	RM1.03	RM1.03	1.2	0.0
LITRAK (6645)	Special Cash	RM4.57	25/10/2022	10/11/2022	RM5.01	RM4.98	91.8	-0.6
BAT (4162)	3rd Interim	RM0.25	27/10/2022	10/11/2022	RM10.46	RM10.46	2.4	0.0
YTL (4677)	Interim	RM0.03	25/8/2022	10/11/2022	RM0.57	RM0.57	5.3	0.0
MAXIM (4022)	Interim	RM0.01	25/8/2022	10/11/2022	RM0.19	RM0.20	5.0	8.1
SERSOL (0055)	Bonus-Options	1:5	28/10/2022	10/11/2022	RM0.15	RM0.19	-	23.3
UNISEM (5005)	2nd Interim	RM0.02	27/10/2022	10/11/2022	RM2.44	RM2.70	0.7	10.7
YTLPOWER (6742)	2nd Interim	RM0.03	25/8/2022	10/11/2022	RM0.72	RM0.70	3.6	-2.8
ATRIUM (5130)	Distribution	RM0.02	27/10/2022	11/11/2022	RM1.40	RM1.37	1.4	-2.1
MYETFJU (0821EA)	Income	RM0.02	27/10/2022	11/11/2022	RM1.01	RM0.98	1.9	-3.3
MYETFID (0824EA)	Income	RM0.02	27/10/2022	11/11/2022	RM1.18	RM1.18	1.9	0.0
METFSD (0825EA)	Income	RM0.01	27/10/2022	11/11/2022	RM0.79	RM0.84	1.6	5.7
KEINHIN (7199)	Final	RM0.02	24/6/2022	14/11/2022	RM1.06	RM1.16	1.3	9.4
HPPHB (0228)	Final	RM0.01	22/9/2022	15/11/2022	RM0.40	RM0.41	1.9	2.5
CTOS (5301)	3rd Interim	RM0.01	27/10/2022	16/11/2022	RM1.34	RM1.38	0.4	3.0
IGBREIT (5227)	Regular Cash	RM0.02	3/11/2022	16/11/2022	RM1.54	RM1.58	1.5	2.6
GTRONIC (7022)	2nd Interim & Special Cash	RM0.02	1/11/2022	17/11/2022	RM1.04	RM1.11	1.8	6.7
OKA (7140)	Final	RM0.02	31/5/2022	17/11/2022	RM0.81	RM0.79	2.9	-3.1
ULICORP (7133)	4th Interim	RM0.02	3/11/2022	17/11/2022	RM1.22	RM1.21	1.2	-0.8
NESTLE (4707)	Interim	RM0.70	26/10/2022	17/11/2022	RM133.00	RM132.50	0.5	-0.4
GADANG (9261)	Final	RM0.01	27/7/2022	18/11/2022	RM0.35	RM0.30	2.3	-14.3
BESHOM (7668)	Final	RM0.05	24/6/2022	21/11/2022	RM1.50	RM1.43	3.5	-4.7
DIGI (6947)	3rd Interim	RM0.03	20/10/2022	21/11/2022	RM3.50	RM3.80	0.9	8.6
IOIPG (5249)	Final	RM0.04	22/8/2022	22/11/2022	RM0.98	RM1.00	4.0	2.6
KRETAM (1996)	Interim	RM0.01	18/10/2022	25/11/2022	RM0.57	RM0.59	1.7	2.6
YINSON (7293)	Interim	RM0.01	22/9/2022	29/11/2022	RM2.30	RM2.11	0.5	-8.3
PENSONI (9997)	Final	RM0.01	28/7/2022	29/11/2022	RM0.53	RM0.51	2.5	-3.8
EUPE (6815)	Interim	RM0.02	27/10/2022	29/11/2022	RM0.83	RM0.81	2.2	-2.4
HARBOUR (2062)	Final	RM0.03	27/10/2022	29/11/2022	RM1.09	RM1.16	2.2	6.4
MAXIS (6012)	3rd Interim	RM0.05	4/11/2022	29/11/2022	RM3.79	RM3.79	1.3	0.0
DIALOG (7277)	Final	RM0.02	17/10/2022	30/11/2022	RM1.72	RM2.07	1.0	20.3
KOTRA (0002)	Final	RM0.16	6/10/2022	30/11/2022	RM4.24	RM4.88	3.3	15.1
HEXZA (3298)	Final	RM0.04	25/10/2022	2/12/2022	RM0.82	RM0.84	4.8	2.5
CWG (9423)	Final	RM0.01	23/8/2022	2/12/2022	RM0.37	RM0.30	1.7	-18.9
TMCLIFE (0101)	Final	RM0.00	23/8/2022	5/12/2022	RM0.51	RM0.59	0.5	15.8
TGL (9369)	Final & Special Cash	RM0.08	26/8/2022	6/12/2022	RM1.05	RM1.18	6.8	12.4
FIBON (0149)	Regular Cash	RM0.01	19/9/2022	7/12/2022	RM0.38	RM0.36	2.4	-5.3
SYSCORP (5173)	Final	RM0.01	31/10/2022	7/12/2022	RM0.75	RM0.92	1.4	22.7
SLP (7248)	Interim	RM0.02	4/11/2022	7/12/2022	RM1.06	RM1.06	1.4	0.0
ARANK (7214)	Final	RM0.03	3/11/2022	8/12/2022	RM0.53	RM0.53	5.2	0.0
AWC (7579)	Final	RM0.02	24/8/2022	12/12/2022	RM0.45	RM0.43	3.5	-3.4
POHUAT (7088)	3rd Interim	RM0.02	31/10/2022	14/12/2022	RM1.36	RM1.38	1.4	1.5
APOLLO (6432)	Final	RM0.15	24/6/2022	14/12/2022	RM3.89	RM3.80	3.9	-2.3
APOLLO (6432)	1st Interim	RM0.10	28/9/2022	14/12/2022	RM3.63	RM3.80	2.6	4.7
JAYCORP (7152)	Final	RM0.00	29/9/2022	15/12/2022	RM0.69	RM0.72	0.0	4.3
MIKROB (0112)	Final	RM0.00	26/8/2022	15/12/2022	RM0.15	RM0.17	0.3	13.8
OIB (5827)	Interim	RM0.05	25/10/2022	15/12/2022	RM0.95	RM1.03	4.9	8.4
MATANG (0189)	Final	RM0.00	25/8/2022	16/12/2022	RM0.10	RM0.10	2.3	0.0
SUPERMX (7106)	Final	RM0.03	22/8/2022	16/12/2022	RM0.78	RM0.91	3.3	16.8
GLOMAC (5020)	Final	RM0.02	29/6/2022	16/12/2022	RM0.31	RM0.29	5.2	-4.9
PINEPAC (1902)	Final	RM0.03	24/8/2022	21/12/2022	RM0.33	RM0.39	7.7	18.2
YOCB (5159)	Final	RM0.03	25/8/2022	21/12/2022	RM1.17	RM1.16	2.6	-0.9
SCIPACK (8125)	Final	RM0.03	28/9/2022	21/12/2022	RM2.35	RM2.09	1.2	-11.1
RKI (7006)	Final	RM0.05	30/8/2022	22/12/2022	RM1.45	RM1.35	3.7	-6.9
KUCHAI (2186)	Final	RM0.01	12/10/2022	22/12/2022	RM1.35	RM1.30	0.8	-3.7
KLUANG (2453)	Final & Special Cash	RM0.03	12/10/2022	22/12/2022	RM4.00	RM3.91	0.7	-2.3
PTARAS (9598)	Final	RM0.06	19/9/2022	22/12/2022	RM2.23	RM2.14	2.8	-4.0
SBAGAN (2569)	Final & Special Cash	RM0.07	12/10/2022	22/12/2022	RM3.16	RM3.29	2.1	4.1
SCIENTX (4731)	Final	RM0.05	29/9/2022	23/12/2022	RM3.47	RM3.27	1.5	-5.8
PANTECH (5125)	2nd Interim	RM0.02	18/10/2022	29/12/2022	RM0.63	RM0.68	2.2	7.1
TECHBND (5289)	Final	RM0.01	28/10/2022	29/12/2022	RM0.37	RM0.38	1.3	2.7
IMASPRO (7222)	Final	RM0.04	24/8/2022	30/12/2022	RM4.48	RM5.30	0.7	18.3
HIBISCS (5199)	Final	RM0.01	4/10/2022	3/1/2023	RM0.87	RM1.04	1.0	19.5
KESM (9334)	Final	RM0.06	26/10/2022	18/1/2023	RM7.00	RM7.50	0.8	7.1

 Denotes >5% Dividend Yield