

Profit taking activities may emerge

Market Review

Malaysia: The FBM KLCI (+1.02%) closed higher in line with the regional markets following the weaker US jobs data, while unemployment rose, suggesting the possible end to interest rate hikes. On the broader market, the Technology (+1.90%), Utilities (+1.78%) and Healthcare (+1.73%) sectors improved the most.

Global markets: Wall Street ended higher, but investors started to take profits after the recent rally. The 10-year Treasury yield rebounded, which have curbed the appetite for stocks. The European stock market ended lower, while the Asian market gained with South Korea leading the gains after temporarily ban to short selling.

The Day Ahead

The FBM KLCI ended on a positive note for the third session, rising more than 2% from the last week's low. Also, we noticed the ringgit trend strengthened significantly from RM4.7925/USD to RM4.6330/USD as foreign investors scoop up the local equities. However, with the Wall Street ended slightly flattish following the run up by more than 5-7% across the 3 major benchmark indices, coupled with the rising 10-year US Treasury yield ahead of the Fed speech this week, overall market could be taking a breather on the back of profit taking activities. On the commodity markets, the Brent oil prices had a volatile move, trading off the high of USD86.41 despite the ongoing geopolitical tension, coupled with Saudi and Russia confirming the production cuts towards end-2023.

Sector focus: Although Wall Street ended slightly higher, the profit taking activities could emerge and rallies across the board may take a breather. However, as we are heading into the reporting season month, we are still bullish on the O&G sector, fuelled by a positive environment in the oil markets. Besides, we favour the Construction, Property, Building Material, Utilities and Consumer sectors.

FBMKLCI Technical Outlook



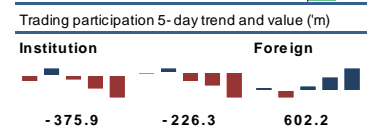
Bloomberg

The FBM KLCI ended higher, extending from the flag formation breakout. The technical readings on the key index are positive, with the MACD Histogram extending a positive bar, while the RSI shot above 50. The resistance is pegged around 1,470-1,480 and the support is at 1,440-1,450.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,095.86	0.10
S&P 500	4,365.98	0.18
NASDAQ	13,518.78	0.30
FBM KLCI	1464.67	1.02
FBM Small Cap	16,303.27	1.32
FBM ACE	5,122.87	0.47
Construction	188.15	1.21
Consumer	558.75	0.64
Energy	876.47	0.11
Financial Services	16,455.82	0.96
Healthcare	1694.13	1.73
Ind Products	173.17	0.85
Plantation	6,990.65	0.54
Property	863.76	1.29
REITs	780.93	0.02
Technology	62.83	1.90
Telco & Media	575.84	1.53
Transport & Logist	934.12	0.42
Utilities	1214.96	1.78
Trading Vol (m)	3,762.76	4.27
Trading Val (RM m)	2,343.28	16.75
Gainers/ Losers rat	238%	
FKLI	1470.00	0.10
FCPO (RM)	3,776.00	0.61
Brent oil (USD)	84.89	0.32
Gold (USD)	1,978.14	0.00
USD	4.643	1.81
GBP	5.7566	0.30
EURO	4.9834	1.06
SGD	3.4405	0.91



Source: Bloomberg, Bursa Market Place

Company Brief

Debt-ridden **Perak Corp Bhd**, a 52.9%-owned subsidiary of the Perak State Development Corp, has been granted a further six-month extension of time until Feb 10, 2024, to submit its regularisation plan to address the company's financial condition. This marks the fourth time that Perak Corp has been granted an extension deadline from Bursa Securities. The original deadline on Feb 11, 2021, had been extended four times – first to Aug 10, 2022, then Feb 10, 2023, and more recently until Aug 9. (The Edge)

DXN Holdings Bhd's wholly owned subsidiary DXN Corp (Ningxia) Co Ltd has filed a writ of summons and statement of claims against China's Fujian Anxi Jinjiang Source Tea Technology Co Ltd (Fujian Anxi) over a stake disposal dispute. The health-oriented and wellness consumer products provider told Bursa Malaysia on Monday that it filed the summons and claims after Fujian Anxi had failed to secure a commercial loan or make the payment related to group's stake disposal in Florin (Fujian) Integrated Agricultural Science and Technology Co Ltd (Florin Fujian). To recap, in May 2022, DXN's unit, DXN Corp (Ningxia), disposed of its 80% stake in Florin Fujian to Fujian Anxi for 58.66m renminbi (RM38.1m), payable in instalments. However, Fujian Anxi failed to make the second instalment to DXN Corp (Ningxia) and led to the termination of the stake disposal agreement between both parties in July 2023. (The Edge)

Edaran Bhd has secured a job to maintain the Royal Malaysian Customs Department's (RMCD) customs operating system and MySST (Malaysia Sales & Services Tax) application (2023-2027) valued at RM89.88m – nearly three times the company's market capitalisation. Edaran's wholly owned unit Edaran IT Services Sdn Bhd accepted the contract to undertake maintenance of hardware, software, network, integration and application of Sistem Maklumat Kastam (SMK) and MySST from the Ministry of Finance on Monday. The contract's commencement date was on Sept 1 and is to span a period of four years. (The Edge)

Kerjaya Prospek Group Bhd has secured a RM104.73m contract for the execution and completion of a housing development in Penang. The construction firm via its wholly owned subsidiary Kerjaya Prospek (M) Sdn Bhd received the letter of award from Persada Mentari Sdn Bhd (PMSB) on Nov 6. PMSB is an indirect subsidiary of Eastern & Oriental Bhd (E&O), which is linked to Kerjaya Prospek independent and non-executive chairman Datuk Tee Eng Ho and executive director Datuk Tee Eng Seng, as they both sit on E&O's board and are also substantial shareholders in the premier lifestyle property developer firm. (The Edge)

AMMB Holdings Bhd has appointed Ling Fou-Tsong @ Jamie Ling as its group chief executive officer (CEO) and CEO of AmBank (M) Bhd, following the retirement of Datuk Sulaiman Mohd Tahir, effective Nov 23, 2023. This confirms The Edge's report on Sept 11, 2023, citing sources, that Sulaiman was leaving the country's sixth-largest banking group by assets, as his contract was understood to be expiring this month. AMMB said Sulaiman reached the company's retirement age of 60 in January earlier this year, having led the banking group for eight years through some of its "most demanding challenges". (The Edge)

Econpile Bhd has inked a memorandum of understanding (MOU) with Sungai Klang Link Sdn Bhd (SKL) for the construction works for an elevated highway project proposed by SKL to the government. The piling and foundation specialist said the proposed collaboration entails Econpile's wholly-owned subsidiary Econpile (M) Sdn Bhd providing its know-how, experience and expertise to plan, construct, complete, and fully provide its services, manpower, material, machinery and equipment as required for the construction works of the elevated highway project. (The Edge)

Sedania Innovator Bhd has proposed to acquire a 51% stake in premium personal care products and food supplements producer Tanamera Group Sdn Bhd (TGSB) for RM8.18m, cash. Sedania said it has entered into a conditional shares sale agreement with the vendors to acquire 4.35m shares in TGSB and simultaneously entered into a conditional subscription agreement with TGSB to subscribe for an additional 3.4m shares in TGSB's enlarged capital for RM3.68m, resulting in TGSB becoming a 51%-owned subsidiary of Sedania. (The Edge)

Kinergy Advancement Bhd (KAB) has secured a RM33.3m contract from Pengerang LNG (TWO) Sdn Bhd, a subsidiary of Petronas Gas Bhd, to supply utilities expansion and infrastructure enhancement of 137,000m3 of liquefied natural gas carriers into a floating storage unit (FSU) transformation. KAB said in a filing on Monday the letter of award (LOA) encompasses engineering, procurement, construction and commissioning (EPCC) work of utility supply for the FSU at the Regasification Terminal Pengerang and KAB is expected to complete the work by the end of 2024. (The Edge)

Euro Holdings Bhd and three of its subsidiaries, as well as its managing director Datuk Seri Lim Teck Boon, are being sued for allegedly using another company to obtain banking facilities. Surian Creation Sdn Bhd, which filed the lawsuit at the High Court in Melaka, is seeking a payment of RM19.29m from Euro Holdings and the other defendants, according to Euro Holdings' filing with Bursa Malaysia on Monday. Surian Creation is claiming that the defendants had conspired together by "seizing full control" over Surian Creation and then using the company to obtain banking facilities to be used for the benefit of the defendants. (The Edge)

Box-Pak (Malaysia) Bhd said its president cum chief executive officer and executive director Chee Khay Leong is retiring after having served the company for more than a decade. Chee, 63, also stepped down as Can-One Bhd's executive director after completing his contract of service on Nov 5, 2023. He has a direct interest of 2.05m shares, or 1.07%, in Can-One. He was also president cum CEO of Kian Joo Can Factory Bhd (KJCFB), a wholly owned subsidiary of Can-One. Box-Pak is a subsidiary of KJCFB. (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	HIAPTEK	4-Oct	0.450	0.475	0.500	0.525	0.425	0.410	0.400	-11.1%	Cut loss on 20/10/2023
2	SLVEST	6-Oct	1.340	1.430	1.480	1.550	1.300	1.280	1.250	-6.7%	Cut loss on 20/10/2023
3	MI	23-Oct	1.790	1.910	2.000	2.050	1.650	1.630	1.810	1.1%	Initiate on 23/10/2023

Market Chat Tracker

4Q23 Stock Picks											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Support 1 (RM)	Support 2 (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	GTRONIC	2-Oct	1.560	1.700	1.820	1.450	1.360	1.340	1.580	1.3%	Initiate on 2/10/2023
2	HIAPTEK	2-Oct	0.435	0.500	0.535	0.400	0.365	0.355	0.440	1.1%	Initiate on 2/10/2023
3	HSSEB	2-Oct	0.805	0.895	0.940	0.725	0.670	0.660	1.050	30.4%	Initiate on 2/10/2023
4	LHI	2-Oct	0.555	0.610	0.640	0.520	0.500	0.490	0.660	18.9%	Initiate on 2/10/2023
5	MUHIHAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.710	-2.7%	Initiate on 2/10/2023
6	PECCA	2-Oct	1.210	1.400	1.450	1.100	1.050	1.030	1.180	-2.5%	Initiate on 2/10/2023
7	PFW	2-Oct	0.653	0.950	1.000	0.825	0.790	0.780	0.735	12.6%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.430	-13.1%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.280	-3.0%	Initiate on 2/10/2023
10	T7GLOBAL	2-Oct	0.480	0.525	0.555	0.475	0.455	0.445	0.475	-1.0%	Initiate on 2/10/2023
11	TUNEPRO	2-Oct	0.435	0.485	0.515	0.420	0.405	0.395	0.420	-3.4%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.530	1.750	1.900	1.420	1.330	1.310	1.850	20.9%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.570	5.4%	Initiate on 2/10/2023
Average Return										5.0%	

Technical Focus Tracker Summary	
Total recommendations	348
Total winners	215
Total losers	135
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	13.3%
Accuracy (2022)	62.9%
Portfolio performance (2023)	3.0%
Accuracy (2023)	62.1%
FBM KLCI (Since 30/12/2022)	-2.1%
FBM Small Cap (Since 30/12/2022)	9.2%
Malaysia GDP Growth (1H23)	4.2%

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