

Buying support may return

Market Review

Malaysia: The FBM KLCI (-0.09%) closed flat as investors booked some profits despite the extension of positive performance on Wall Street overnight. On the broader market, the Healthcare sector (+2.17%) gained with glove counters rallying after HARTA posted a good set of results, while the Property sector (-1.07%) fell.

Global markets: Wall Street ended another session higher supported by the gains in mega cap corporations after the 10-year Treasury notes dropped lower. Both the European and Asian stock markets, however ended lower, the latter due to China reporting lower export levels and the RBA hike the interest rates.

The Day Ahead

The FBM KLCI took a mild breather, snapping a 3-day rally, as profit taking emerged within selected index heavyweights. Meanwhile, Wall Street extended its winning streak led by technology giants and Nasdaq was up more than 8% from the recent low. The US 10-year Treasury yield was easing following comments from several Fed's officials, suggesting that the central bank might be near the end of the tightening cycle. Given the earnings releases from the US corporates are still in a good shape, investors could have brushed the earnings recession narrative aside. On the commodity markets, the Brent oil prices tanked more than 4% amid softer demand concerns despite the ongoing conflict in the Middle East.

Sector focus: Still, we expect buying interest to spillover towards stocks on the local front, specifically in the technology Sector. We are still optimistic with the trading tone ahead of the reporting season, favouring the Construction, Property, Building Material, Utilities and Consumer sectors. In the O&G sector, we expect the Exploration & Production segment to trend weaker following the negative movements in the Brent oil prices.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended flat, consolidating sideways after the recent flag breakout formation. The technical readings on the key index are positive, with the MACD Histogram extending another positive bar, while the RSI maintains 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	34,522.60	0.17
S&P 500	4,378.38	0.28
NASDAQ	13,639.86	0.90
FBM KLCI	1463.37	-0.09
FBM Small Cap	16,236.56	-0.41
FBM ACE	5,097.53	-0.49
Construction	166.78	-0.73
Consumer	558.61	-0.03
Energy	870.88	-0.64
Financial Services	16,459.83	0.02
Healthcare	1730.82	2.17
Ind Products	172.85	-0.18
Plantation	6,957.86	-0.47
Property	854.56	-1.07
REITs	783.79	0.37
Technology	62.74	-0.14
Telco & Media	574.09	-0.30
Transport & Logist	937.99	0.41
Utilities	1218.74	0.31
Trading Vol (m)	3,266.74	-13.18
Trading Val (RM m)	2,167.14	-7.52
Gainers/ Losers rat	77%	
FKLI	1465.50	0.17
FCPO (RM)	3,720.00	0.00
Brent oil (USD)	85.18	-4.43
Gold (USD)	1969.45	0.00
USD	4.67	-0.58
GBP	5.7462	0.18
EURO	4.9894	-0.12
SGD	3.4464	-0.17
Trading participation 5- day trend and value (m)		
Institution	-393.9	
Foreign	-240.1	
	634.0	

Source: Bloomberg, Bursa Market Place

Company Brief

Compound manufacturer **GIIB Holdings Bhd** has proposed to undertake a private placement of up to 10% of its issued shares to raise up to RM6.56m, mainly to fund working capital and upkeep its machinery and equipment. In April, GIIB had also conducted a private placement to raise up to RM6.97m, also to fund its working capital and to upkeep its machinery and equipment. The placement has yet to be completed. GIIB said the new private placement entails the issuance of up to 81.96m shares to independent third-party investors to be identified later, at an issue price to be fixed. (The Edge)

Fraser & Neave Holdings Bhd's (F&N) net profit rose 40.11% to RM536.9m for the financial year ended Sept 30, 2023 (FY2023), from RM383.21m a year earlier, fuelled by festive sales and out-of-home consumption, as well as contributions from snack and candy maker Cocoland Holdings Bhd. Revenue climbed 11.88% to a record high of RM5bn versus RM4.47bn previously, according to the food and beverage (F&B) group's bourse filing on Tuesday. This is the group's highest full-year net profit since FY2010, when it logged a net profit of RM695.29m on a revenue of RM3.64bn. F&N has recommended a dividend of 50 sen per share – comprising a final dividend of 33 sen and special dividend of 17 sen. (The Edge)

Chemical manufacturer **Sersol Bhd** has removed its chief executive officer Datuk Wira Justin Lim Hwa Tat, citing his absence from office without proper notice and not responding to a show cause letter since his suspension as CEO on Aug 30 this year. Sersol said Lim's termination is effective Nov 6. On Sept 1, Sersol announced that Lim had been suspended from the post of CEO for allegedly showing insubordination and failing to act as a responsible CEO due to non-response to any of the requests made by the board of directors since July 20, 2023. (The Edge)

ManagePay Systems Bhd's (MPay) group chief executive officer for its payment services segment Tan Yew Loong resigned on Sunday (Nov 5) after spending four years with the electronic payment solutions provider's senior management. MPay said that Tan, 47, has stepped down due to his other personal commitments. Tan became group CEO of MPay's wholly owned unit Managepay Cards Sdn Bhd in May 2019. Prior to that, he was the managing director since December 2016. (The Edge)

Voultier Sdn Bhd (VSB) is set to become the largest shareholder of the financially troubled **EA Technique (M) Bhd** (EATech) on the proposed plan to subscribe to 676.39m shares or a 51% stake in the company through a share issuance exercise. VSB is largely owned by businessman Datuk Wira Mubarak Hussain Akhtar Husni with a 70% stake and the remaining 30% is held by Kinery Advancement Bhd managing director Datuk Lai Keng Onn. VSB is also seeking an exemption from the obligation to undertake a mandatory general offer for the remaining shares in EATech. (The Edge)

Expanding its portfolio of investment properties, **Kanger International Bhd** has acquired 15 units of the proposed serviced apartments in Tower A of Antara Genting Highlands Resort Suites for RM19.77m. Kanger said its wholly owned subsidiary KIB Global Resources Sdn Bhd had entered into a sale and purchase agreement with Aset Kayamas Sdn Bhd, the developer of the resort. Back in 2021, Kanger had already acquired 126 serviced apartments at Levels 30 to 45 in Tower A, Antara Genting Highlands Resort Suites for RM142.87m. (The Edge)

Glove maker **Hartalega Holdings Bhd** returned to the black, with a net profit of RM27.7m for the second quarter ended Sept 30, 2023 (2QFY2024), after registering three consecutive quarters of losses. For 1QFY2024, it posted a net loss of RM52.47m. Revenue for the quarter of RM452.09m was an improvement of 2.7% from the RM440.04m registered for the immediate preceding quarter. (The Edge)

Icon Offshore Bhd said it has secured a contract to supply a 60-tonne anchor handling tug supply vessel, which will be used for SEA Hibiscus Sdn Bhd's drilling campaign. The group said its wholly owned unit Icon Offshore Group Sdn Bhd received the letter of award from SEA Hibiscus on Oct 18 to perform its 2023/2024 drilling campaign. The provision of service commenced on Oct 24. Icon said the value of the contract is based on the schedule of rates issued by SEA Hibiscus throughout the contract duration, which is 450 days from the commencement date with a 30-day extension option. (The Edge)

Crescendo Corp Bhd is divesting of seven parcels of adjoining land in Pulai, Johor to a data centre operator for RM117.02m cash to boost its cash flow for other development projects. Crescendo's wholly owned unit Panoramic Industrial Development Sdn Bhd entered into agreements for the disposals with STT GDC Malaysia 2 Sdn Bhd, a data centre operator wholly owned by Singapore-incorporated STT Malaysia DC Pte Ltd. STT GDC Malaysia's directors include Bruno Lopez, who is also the deputy chief executive officer of Temasek-backed ST Telemedia. While Crescendo did not disclose the ultimate shareholder of STT Malaysia DC, a search with Singapore's Accounting and Corporate Regulatory Authority showed that the unit shares the same address as ST Telemedia. (The Edge)

Eco World Development Group Bhd co-founder Tan Sri Abdul Rashid Abdul Manaf has ceased to be a substantial shareholder of the group after he transferred his entire 219.88m shares or a 7.47% stake in the group to the group's executive chairman, Tan Sri Liew Kee Sin, on Tuesday. The stake, held through Eco World Development Holdings Sdn Bhd, a substantial shareholder of the group, was transferred via a share sale and purchase agreement, according to the group's filing with Bursa Malaysia. Liew, who was previously SP Setia Bhd's chief executive officer, holds a direct stake of 9.41% (276.99m shares) and an indirect stake of 12.84% (378.13m shares) in Eco World following the transfer on Tuesday. (The Edge)

Bursa Malaysia has rejected the Employees Provident Fund (EPF)'s request for a waiver from categorising the pension fund as "persons connected" with Permodalan Nasional Bhd (PNB) in the RM3.57bn merger deal between **Sime Darby Bhd** and **UMW Holdings Bhd**. "Accordingly, EPF is required to abstain from voting in respect of their direct and/or indirect shareholdings in Sime Darby on the resolution pertaining to the proposals to be tabled at the EGM [extraordinary general meeting]," Sime Darby's filing with Bursa Malaysia on Tuesday (Nov 7) showed. According to the corporate exercise's circular to shareholders, EPF is deemed to be a person connected to PNB because of a commercial arrangement between the two parties in a joint venture company. (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	1.820	1.7%	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	1.570	0.6%	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	0.665	19.8%	Initiate on 2/10/2023
5	MUHIBAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.695	-4.8%	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	0.725	11.0%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.420	-15.2%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.260	-4.5%	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	0.415	-4.6%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.530	1.750	1.900	1.420	1.330	1.310	1.800	17.6%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.600	7.4%	Initiate on 2/10/2023
Average Return										4.3%	

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)	8.8%
Malaysia GDP Growth (1H23)	4.2%

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