

Still lacklustre

Market Review

Malaysia: The FBM KLCI (+0.2%) experienced another dull session to close mildly higher amid the lack of fresh leads with quick profit taking sapping further upside. The lower liners edged lower, while the broader market finished mixed with the energy sector (+2.1%) outperformed as crude oil prices continue to ascend.

Global markets: The US stockmarkets extended their lead as the Dow (+0.2%) was spurred by the on-going batch of strong corporate earnings, coupled with the solid labour data. European stockmarkets ended mixed, while Asian stockmarkets closed mostly higher.

The Day Ahead

Despite lacklustre trading activities on the local front, we noticed foreign funds have been buying into local equities over the past two trading days. However, we expect the broader market will trade in a rangebound mode while investors keeping an eye on the unemployment rate and GDP growth rate which will be released today and Friday respectively. Also, we expect market players to trade on a cautious manner ahead of the Malacca state election. Meanwhile, Malaysia-Singapore quarantine-free travel lane will be launched for fully-vaccinated citizens at end-November, signalling a brighter prospect for aviation, tourism and consumer sectors. Commodities wise, both the CPO and crude oil prices advanced.

Sector focus: Investors may position themselves in aviation, tourism and consumer sectors as they might benefit from the proposal of quarantine-free travel lane. Besides, the technology stocks may be under the limelight following VITROX's bonus issue and JFTECH's main board transfer announcements, respectively.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI registered tiny gains for the second trading session, but the key index continued hovering below the SMA100 level. Technical indicators remained negative as the MACD Histogram has extended a negative bar, while the RSI hovered below the 50 level. The resistance is envisaged along 1,550-1,560, while the support is pegged at 1,520.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	36,432.22	0.29
S&P 500	4,701.70	0.09
NASDAQ	15,982.36	0.07
FBM KLCI	1535.41	0.24
FBM Small Cap	16,966.66	-0.50
FBM ACE	7,053.83	-0.99
Construction	164.80	-0.51
Consumer	607.98	0.60
Energy	798.73	2.06
Financial Services	15,171.29	0.03
Healthcare	2,375.73	-1.57
Ind Products	202.40	-0.08
Plantation	6,729.16	0.04
Property	755.45	-0.32
REITs	89.30	0.11
Technology	99.57	-1.06
Telco & Media	662.87	0.03
Transport	903.44	-0.49
Utilities	888.57	-0.15
Trading Vol (m)	3,101.91	-1.57
Trading Val (RM m)	2,131.75	-8.22
Advance/ Decline	73%	
FKLI	1533.50	0.29
FCPO (RM)	4,895.00	0.31
Brent oil (USD)	83.43	0.83
Gold (USD)	1824.18	0.32
USD	4.1543	0.13
GBP	5.6049	-0.20
EURO	4.8028	-0.06
SGD	3.0792	-0.18

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
- 679.2	482.6	196.6

Source: Bloomberg, Bursa Market Place

Company Brief

Serba Dinamik Holding Bhd has filed an originating summons at the High Court against Bursa Malaysia Securities Bhd to appoint Ernst & Young Consulting Sdn Bhd as a special auditor to conduct a special independent review in excess of power, null and void and of no effect. The originating summons was to declare the orders given by Bursa dated 28th June 2021 and 2nd July 2021, under paragraphs 2.23 and 2.24 of the Main Market Listing Requirements (MMLR). (The Star)

Ta Win Holdings Bhd's wholly-owned subsidiary, Ta Win Innotech Sdn Bhd, has entered into a conditional sale and purchase agreement with BRB Properties Sdn Bhd to acquire a leasehold industrial land in West Port, Port Klang, together with factory buildings on the land for a total cash consideration of RM35.0m. The land area totalling approximately 1.6-ha and a total built-up area of 1.4-ha would enable the company to triple its total production capacity over the medium to long term. (The Star)

BSL Corp Bhd was hit with an UMA query as its share price hit limit up. It is not aware of any corporate development that has not been previously announce, any rumour or report concerning the group's business and affairs, as well as any possible explanation that may account for the group's trading activity. (The Edge)

United Plantations Bhd's 3QFY21 net profit climbed 61.7% YoY to RM154.2m, on higher contribution from the plantation segment. Revenue for the quarter grew 57.3% YoY to RM525.5m. A single-tier interim dividend of 30.0sen per share, payable on 3rd December 2021 was declared. (The Edge)

ViTrox Corp Bhd has proposed to undertake a bonus issue of up to 472.4m new shares on the basis of one bonus share for every one existing share on an entitlement date to be determined later. (The Edge)

KLCCP Stapled Group's 3QFY21 net profit declined 13.6% YoY to RM135.4m, amid prolonged restrictions and the imposition of the movement control order due to the exponential increase in Covid-19 cases. Revenue for the quarter fell 16.7% YoY to RM260.3m. A dividend of 7.0 sen per stapled security, payable on 16th December 2021 was declared. (The Edge)

Malaysia Airports Holdings Bhd (MAHB) has made a lodgement with the Securities Commission Malaysia (SC) for the establishment of a sukuk wakalah programme of up to RM5.00bn. The programme has been assigned an initial rating of AAA and AA2 for the senior sukuk wakalah and the perpetual sukuk wakalah respectively, with a stable outlook by RAM Rating Services Bhd. (The Edge)

MY EG Services Bhd (MYEG) has received approval from the Road Transport Department (JPJ) to commence the proof of concept (POC) to set up an automated training and driving test system. The POC has no contract value and will run from December 2021 to February 2022. (The Edge)

Parkson Holdings Bhd has proposed to cancel RM2.00bn of its issued share capital in a move to reduce the group's accumulated losses. The group is in the red as accumulated losses amounted to RM932.5m as at 30th June 2021. The group expects to return to the black with retained earnings of RM1.05 bn after the capital reduction exercise, which will reduce its issued share capital to RM2.15bn, from RM4.15bn. (The Edge)

Ireka Corp Bhd has secured a RM45.8m construction contract in Bukit China, Besut, Terengganu from Wanland Metro Sdn Bhd. This is the third contract that Ireka has been granted by Wanland Metro in 2021, after it bagged a construction contract in Besut, Terengganu worth RM124.4m in mid-July 2021, plus a network infrastructure contract in Langkawi, Kedah worth RM196.0m. (The Edge)

Pecca Group Bhd has cancelled its proposed acquisition of 51.0% equity interest for RM100.0m in personal protective equipment (PPE) supplier Rentas Health Sdn Bhd to seek different methods of collaboration by entering into a mutual rescission and release agreement with the latter. (The Edge)

Malaysian Genomics Resource Centre Bhd (MGRC) has highlighted the appointment of two new independent and non-executive directors effective 8th November 2021, as well as the acquisition of additional shares by its major shareholder Pixelvest Sdn Bhd, after being slapped with an UMA query by Bursa. (The Edge)

JF Technology Bhd is seeking to transfer its listing status from the ACE Market to the Main Market of Bursa Malaysia. The group has proposed to transfer the listing of its entire issued share capital and outstanding warrants, and that it expects the transfer to be completed in 1Q22, pending approvals from shareholders, the Securities Commission Malaysia and Bursa. (The Edge)

Perak Corporation Bhd has entered into two debt settlement agreements with its creditors for amounts to the tune of RM88.6m. The company has entered into two debt settlement agreements with CIMB Bank Bhd and Affin Islamic Bank Bhd to settle debts amounting to RM34.7m and RM53.9m respectively, using cash sum and issuance of redeemable cumulative preference shares (RPS). (The Edge)

Scientex Bhd has failed to accumulate a 90.0% stake in **Daibochi Bhd** to proceed to privatise the latter, despite having extended the unconditional voluntary takeover offer by two weeks. Scientex has only managed to acquire 235.4m shares representing a 71.9% equity interest in Daibochi and 16.7m warrants representing 61.0% of all issued Daibochi warrants. (The Edge)

Technical Focus Tracker

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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	ABLEGLOB	8-Oct	1.780	1.840	1.930	2.050	1.670	1.660	1.700	-4.5%	Closed at cut-off on 5-Oct
2	OPTIMAX	11-Oct	1.350	1.470	1.570	1.660	1.250	1.240	1.320	-2.2%	On-going
3	KERJAYA	13-Oct	1.290	1.380	1.410	1.530	1.210	1.200	1.250	-3.1%	On-going
4	TASHIN	27-Oct	0.605	0.655	0.680	0.800	0.545	0.540	0.625	3.3%	On-going
5	VSTECs	1-Nov	1.350	1.450	1.500	1.600	1.240	1.230	1.330	-1.5%	On-going
6	EITA	8-Nov	0.970	1.030	1.090	1.200	0.925	0.920	0.990	2.1%	On-going

4Q21 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	AIRASIA	29-Sep	1.030	1.110	1.120	-	0.890	0.850	1.140	10.7%	On-going
2	JAKS	29-Sep	0.470	0.565	0.600	-	0.460	0.440	0.445	-5.3%	On-going
3	OKA	29-Sep	0.780	0.870	0.945	-	0.720	0.700	0.890	14.1%	On-going
4	SCGBHD	29-Sep	0.450	0.500	0.545	-	0.410	0.390	0.495	10.0%	On-going
5	OMH	29-Sep	3.130	4.200	4.690	-	2.550	2.500	2.940	-6.1%	On-going
6	KGB	29-Sep	1.740	2.000	2.200	-	1.530	1.500	1.680	-3.4%	On-going
7	KRONO	29-Sep	0.650	0.745	0.795	-	0.585	0.575	0.645	-0.8%	On-going
8	OCK	29-Sep	0.495	0.575	0.620	-	0.440	0.420	0.480	-3.0%	On-going
9	OPTIMAX	29-Sep	1.380	1.520	1.640	-	1.180	1.150	1.320	-4.3%	On-going

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Technical Focus Tracker Summary	
Total recommendations	170
Total winners	101
Total losers	69
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	247.3%
Accuracy (2021)	64.2%
FBM KLCI (Since 4/1/2021)	-5.6%
FBM Small Cap (Since 4/1/2021)	9.0%
Malaysia GDP Growth (2Q21)	16.1%