

Downtrend still prevalent

Market Review

Malaysia: The FBM KLCI (-0.6%) erased most of its previous session gains after lingering mostly in the negative zone yesterday with more than two third of the key index components in the red. The lower liners also pullback, while broader market closed mostly weaker led by the plantation sector (-1.8%).

Global markets: The US stockmarkets erased all their intraday gains to close mildly lower as the Dow fell 0.04% on concern over the threat of rising inflation, coupled with the prospects of US Federal Reserve withdrawal of stimulus measures. European stockmarkets were upbeat, while Asia stockmarkets ended mixed.

The Day Ahead

The FBM KLCI's rebound was short lived and surrendered another round gains from the previous session succumbed to profit taking activities in selected heavyweights. Although R-naught in Malaysia for Covid-19 is rising, we believe it should be well contained as vaccination rate has been improving gradually. Hence, we opine that the resumption of business activities and reopening of travel borders may bode well for the economy going forward. Investors could find opportunities in recently beaten-down technology and consumer related counters amid the earning seasons for bargain hunting opportunities. Meanwhile, the CPO price is still hovering below the RM5,000, while the crude oil and gold prices declined.

Sector focus: We remained optimistic in consumers and tourism related counters on the back of reopening of business activities and the anticipation of international borders to be uplifted. Besides, the technology sector may continue to advance considering the bright earning prospects.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI retreated but still hovering below the 1,520 support level. Technical indicators remained negative as the MACD Histogram has extended a negative bar, while the RSI hovered below the 50 level. The support level is located at 1,520, followed by 1,500, while the next resistance is pegged along 1,540-1,550.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	36,087.45	-0.04
S&P 500	4,682.80	0.00
NASDAQ	15,853.85	-0.04
FBM KLCI	1522.34	-0.58
FBM Small Cap	16,849.33	0.06
FBM ACE	6,974.87	-0.04
Construction	166.04	0.60
Consumer	599.35	-1.05
Energy	779.00	-1.25
Financial Services	16,165.80	-0.33
Healthcare	2,389.30	1.24
Ind P Products	199.94	-0.86
Plantation	6,555.64	-1.76
Property	744.91	-0.30
REITs	813.36	-0.30
Technology	99.56	0.40
Telco & Media	654.02	-0.58
Transport	899.44	-0.51
Utilities	882.30	-0.44
Trading Vol (m)	3,477.38	118.7
Trading Val (RM m)	2,330.82	-10.95
Advance/ Decline	56%	
FKLI	1522.50	-0.62
FCPO (RM)	4,766.00	0.61
Brent oil (USD)	82.05	-0.15
Gold (USD)	1862.84	-0.11
USD	4.1615	0.10
GBP	5.5845	-0.04
EURO	4.7643	0.03
SGD	3.0807	-0.07

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
- 348.5	55.3	293.2

Source: Bloomberg, Bursa Market Place

Company Brief

Aemulus Holdings Bhd plans to undertake a placement of its shares to raise an estimated RM66.7m for future investments, acquisitions and potential collaborations. The proposed placement entails the issuance of up to 60.7m new Aemulus shares, representing up to 10.0% of the total number of Aemulus shares in issue. (The Star)

Advancecon Holdings Bhd is going full-speed ahead for ongoing projects, which began operating at 100.0% workforce capacity as of October 2021. Its current order book of RM737.8m comprises works for projects such as the East Coast Rail Link (ECRL), West Coast Expressway (WCE), as well as road and commercial projects in Sarawak. (The Star)

Bahvest Resources Bhd's 2QFY22 net profit surged 520.2% YoY to RM9.0m, on the back of higher production of gold and silver. Revenue for the quarter climbed 63.2% YoY to RM43.7m. (The Edge)

Pekat Group Bhd has secured a power purchase agreement (PPA) to supply solar-generated electricity to Majlis Bandaraya Seberang Perai (MBSP) for a 15-year period. The PPA was signed between its unit Pekat Solar Sdn Bhd with MBSP under the government's Net Energy Metering (NEM) Scheme. (The Edge)

Yinson Holdings Bhd has landed contracts worth an estimated US\$5.20bn in Brazil. Its Netherlands-incorporated indirect subsidiary will enter into a charter contract for the provision of the FPSO, while its Brazil-incorporated wholly-owned subsidiary will enter into a contract for the asset's operations and maintenance. The contract period is for 22.5 years from the date of the final acceptance. (The Edge)

Sime Darby Bhd's subsidiary Sime Darby Auto Performance Sdn Bhd (SDAP), which represents Porsche Malaysia has confirmed that the Cayenne is the model chosen for local assembly in Kulim, Kedah. (The Edge)

Lagenda Properties Bhd's 3QFY21 net profit fell 8.6% YoY to RM45.5m, mainly in the absence of inter-group adjustment arising from acquisitions that were recorded previously. Revenue for the quarter declined 4.9% YoY to RM185.2m. (The Edge)

Supermax Corp Bhd has clarified in a statement that the pause in imports of its products by Canada is limited to purchases by the government. The contract is pending submission of the audit report prepared by an independent auditor. Canada represents about 9.0% of the group's total market share, and that this percentage fluctuates each year, based on tender awards. (The Edge)

Pharmaniaga Bhd has marked its entrance into the vaccine international market on 13th November 2021 by successfully exporting the first batch of 200,000 filled and finished Sinovac Covid-19 vaccine to Myanmar, manufactured by its wholly-owned subsidiary, European Union certified high-tech plant, Pharmaniaga LifeScience Sdn Bhd. (The Edge)

Taliworks Corp Bhd's 3QFY21 net profit jumped 255.6% YoY to RM41.4m, on the back of higher contribution from its toll division. Revenue for the quarter improved 23.8% YoY to RM102.3m. A third interim dividend of 1.65 sen per share, payable on 31st December 2021 was declared. (The Edge)

Hektar Real Estate Investment Trust (Hektar REIT) plans to undertake a private placement to raise up to RM11.8m for the group's working capital and capital work in progress. The private placement will see the REIT issue up to 23.1m new units, representing up to 5.0% of the total number of 462.0m units issued to the independent investors to be identified at a later date. (The Edge)

AWC Bhd has bagged a RM12.7m contract from the Health Ministry for the provision of hospital support services to Hospital Orang Asli Gombak. It is expected to commence on 1st January 2022 over a five-year period. (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	KERJAYA	13-Oct	1.290	1.380	1.410	1.530	1.210	1.200	1.280	-0.8%	Closed at cut-off on 15-Nov
2	TASHIN	27-Oct	0.605	0.655	0.680	0.800	0.545	0.540	0.655	8.3%	Take profit at R1 on 12-Nov
3	VSTECs	1-Nov	1.350	1.450	1.500	1.600	1.240	1.230	1.390	3.0%	On-going
4	SEDANIA	15-Nov	0.715	0.785	0.840	0.950	0.630	0.625	0.715	0.0%	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	1.150	11.7%	On-going
2	JAKS	29-Sep	0.470	0.565	0.600	-	0.460	0.440	0.435	-7.4%	On-going
3	OKA	29-Sep	0.780	0.870	0.945	-	0.720	0.700	0.885	13.5%	On-going
4	SCGBHD	29-Sep	0.450	0.500	0.545	-	0.410	0.390	0.460	2.2%	On-going
5	OMH	29-Sep	3.130	4.200	4.690	-	2.550	2.500	3.260	4.2%	On-going
6	KGB	29-Sep	1.740	2.000	2.200	-	1.530	1.500	1.740	0.0%	On-going
7	KRONO	29-Sep	0.650	0.745	0.795	-	0.585	0.575	0.635	-2.3%	On-going
8	Ock	29-Sep	0.495	0.575	0.620	-	0.440	0.420	0.470	-5.1%	On-going
9	OPTIMAX	29-Sep	1.380	1.520	1.640	-	1.180	1.150	1.300	-5.8%	On-going

Technical Focus Tracker Summary	
Total recommendations	172
Total winners	103
Total losers	68
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	264.6%
Accuracy (2021)	64.9%
FBM KLCI (Since 4/1/2021)	-6.4%
FBM Small Cap (Since 4/1/2021)	8.2%
Malaysia GDP Growth (3Q21)	-4.5%