

Market sentiment remains weak

Market Review

Malaysia: The FBM KLCI (-0.3%) marked its third day losing streak, weighed down by weakness in selected utilities and banking heavyweights yesterday. The lower liners finished lower, while the technology and industrial products & services sector were the outperformers on the negative broader market, rising 0.1% each.

Global markets: US stockmarkets were closed for the Thanksgiving holiday. The European stockmarkets closed mostly in the green despite Covid-19 headwinds as investors were digesting fresh political developments in Europe, while the Asia stockmarkets ended mixed.

The Day Ahead

The FBM KLCI continues to trend lower amid the ongoing reporting season without any fresh catalysts to boost the market sentiment; foreign funds remain as net seller. We believe the softer trading activities might be due to the spiking in Covid-19 cases locally and the release of weaker-than-expected results during this reporting season due to FMCO situation in 3Q21. Market may consolidate further until end of the month, before heading into the window dressing period in the month of December. As we are undergoing the NRP, the recovery theme counters may be picking up in tandem with the opening of vaccinated travel lanes next week, but Covid-19 concerns (daily cases are above 6k) might limit the upside potential. For the commodity markets, both the CPO and Brent crude oil prices were flat.

Sector focus: With the spiking Covid-19 cases, we expect the recovery theme to take a pause in the near term. Meanwhile, we are still optimistic in the technology sector as they might be the sweet spot under the current business environment and the healthy earnings visibility moving forward.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI declined further and remained below the immediate 1,520 level. The MACD Indicator and RSI indicators are still weak. Hence, we believe the FBM KLCI may consolidate in the near term. Support is at 1,500-1,510, while the resistance is located around 1,540-1,550.

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Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,804.38	-0.03
S&P 500	4,701.46	0.23
NASDAQ	15,845.23	0.44
FBM KLCI	1517.60	-0.31
FBM Small Cap	1625.102	-1.10
FBM ACE	6,652.30	-1.47
Construction	160.11	-0.77
Consumer	585.29	-0.46
Energy	742.17	-1.09
Financial Services	15,229.52	-0.26
Healthcare	2,291.72	-0.67
Ind Products	199.39	0.10
Plantation	6,579.18	-0.34
Property	725.86	-0.41
REITs	795.60	-0.16
Technology	100.20	0.08
Telco & Media	653.31	-0.55
Transport	870.96	-0.94
Utilities	859.59	-1.10
Trading Vol (m)	3,812.10	25.53
Trading Val (RM m)	2,415.72	15.40
Advance/ Decline	43%	
FKLI	1514.50	-0.49
FCPO (RM)	4,927.00	0.22
Brent oil (USD)	82.22	-0.04
Gold (USD)	1788.85	0.01
USD	4.2297	-0.43
GBP	5.6387	-0.18
EURO	4.7471	-0.59
SGD	3.0932	-0.37

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
35.4	169.7	-205.1

Source: Bloomberg, Bursa Market Place

Company Brief

MSM Malaysia Holdings Bhd's 3QFY21 net profit stood at RM96.9m vs. a net loss of RM71.2m recorded in the previous corresponding quarter, mainly due to improved average selling price for the wholesale segment and improved premium for industry and export segment, gain on disposal of MSM Perlis Sdn Bhd and gain from liquidation of excess raw sugar hedges of RM31.0m. Revenue for the quarter slipped 7.7% YoY to RM548.7m. (The Star)

Tenaga Nasional Bhd's (TNB) 3QFY21 net profit was flat at RM1.003bn from RM1.009bn recorded in the previous corresponding quarter, as the growth was supported by the increased revenue resulted from the Imbalance Cost Pass-Through (ICPT) of an under-recovery position of RM1.31bn as compared to an over recovery position of RM956.8m. Revenue for the quarter rose 16.8% YoY to RM12.98bn. (The Edge)

Dutch Lady Milk Industries Bhd's 3QFY21 net profit jumped 120.5% YoY to RM20.4m, thanks to lower cost of sales and other operating expenses. Revenue for the quarter rose 1.3% YoY to RM290.7m. (The Edge)

Sime Darby Property Bhd's 3QFY21 net loss narrowed to RM15.8m from RM360.0m a year ago, on lower losses from its joint ventures despite lower revenue. Revenue for the quarter, however, dropped 34.5% YoY to RM388.2m. (The Edge)

Media Prima Bhd's 3QFY21 net profit fell 38.6% to RM7.6m when there was a one-off recognition of rental rebates amounting to RM6.9m. Revenue for the quarter declined 4.0% to RM257.3m. (The Edge)

Kenanga Investment Bank Bhd's 3QFY21 net profit dropped 56.5% YoY to RM21.4m amid weaker trading volume on Bursa Malaysia, which resulted in lower net brokerage as well as trading and investment income. Revenue for the quarter fell 36.9% YoY to RM202.7m. (The Edge)

Berjaya Corporation Bhd has disposed of assets for a total of RM263.3m, from its 30% stake in Razer Fintech Holdings Pte Ltd (Razer Fintech) to Razer Midas Pte Ltd for a cash consideration of US\$53.6m (equivalent to around RM223.9m), its 70.0% stake in Berjaya China Motor Sdn Bhd (Berjaya China Motor) for a cash consideration of approximately RM13.3m and disposed of its printing business, Graphic Press Group Sdn Bhd for approximately RM26.1m. (The Edge)

7-Eleven Malaysia Holdings Bhd's 3QFY21 net profit declined 89.0% YoY to RM1.4m amid the strict standard operating procedures (SOPs) enforced under the Full Movement Control Order (FMCO) which took effect on 1st June 2021. Revenue for the quarter increased 0.4% YoY to RM680.2m. (The Edge)

Sunway Bhd's 3QFY21 net profit declined 30.1% YoY to RM81.1m, when there was a one-off gain recognition of RM57.5 m. Revenue for the quarter, however, increased 3.7% YoY to RM1.07bn. (The Edge)

Genting Malaysia Bhd's 3QFY21 net losses narrowed to RM289.3m from RM704.6m as its overseas operations maintained a strong recovery momentum. Revenues for the quarter, however, shrank 42.0% YoY to RM826.3m from RM1.42bn last year. (The Edge)

Genting Bhd's 3QFY21 net loss widened to RM344.6m from RM130.8m recorded in the previous corresponding quarter as it saw lower earnings before interest, tax, depreciation and amortisation (EBITDA), and higher depreciation and net finance costs with the opening of its Resorts World Las Vegas towards end-June. Revenue for the quarter, however, rose 6.0% YoY to RM3.50bn. (The Edge)

Malayan Banking Bhd's 3QFY21 net profit dipped 13.7% YoY to RM1.68bn, due to a decrease in net fee-based income as well as higher net impairment losses. Revenue for the quarter decreased 19.0% YoY to RM11.15 bn. (The Edge)

ATA IMS Bhd confirmed that it had received notices of termination from Dyson Operations and Dyson Manufacturing on Wednesday, while the effective date of termination is June 1, 2022. Until the termination date, Dyson and ATA shall continue to fully perform their respective obligations under the contracts. Dyson contributes 80% to the EMS player's revenue. (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	VSTEC	1-Nov	1.350	1.450	1.500	1.600	1.240	1.230	1.330	-1.5%	On-going
2	SEDANIA	15-Nov	0.715	0.785	0.840	0.950	0.630	0.625	0.585	-18.2%	On-going
3	PTRANS	16-Nov	0.715	0.730	0.755	0.850	0.655	0.650	0.650	-9.1%	Cut loss on 25-Nov
4	JTIASA	22-Nov	0.690	0.730	0.780	0.870	0.625	0.620	0.730	5.8%	Take profit at R1 on 23-Nov
5	SNC	24-Nov	0.630	0.690	0.755	0.850	0.540	0.535	0.660	4.8%	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	0.965	-6.3%	On-going
2	JAKS	29-Sep	0.470	0.565	0.600	-	0.460	0.440	0.425	-9.6%	On-going
3	OKA	29-Sep	0.780	0.870	0.945	-	0.720	0.700	0.870	11.5%	On-going
4	SCGBHD	29-Sep	0.450	0.500	0.545	-	0.410	0.390	0.450	0.0%	On-going
5	OMH	29-Sep	3.130	4.200	4.690	-	2.550	2.500	3.190	1.9%	On-going
6	KGB	29-Sep	1.740	2.000	2.200	-	1.530	1.500	1.690	-2.9%	On-going
7	KRONO	29-Sep	0.650	0.745	0.795	-	0.585	0.575	0.570	-12.3%	On-going
8	OCK	29-Sep	0.495	0.575	0.620	-	0.440	0.420	0.460	-7.1%	On-going
9	OPTIMAX	29-Sep	1.380	1.520	1.640	-	1.180	1.150	1.360	-1.4%	On-going

Technical Focus Tracker Summary	
Total recommendations	175
Total winners	104
Total losers	71
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	243.5%
Accuracy (2021)	64.0%
FBM KLCI (Since 4/1/2021)	-6.7%
FBM Small Cap (Since 4/1/2021)	4.4%
Malaysia GDP Growth (3Q21)	-4.5%