

## Volatility still a feature

### Market Review

**Malaysia:** The FBM KLCI (+0.2%) snapped a five-day losing streak, lifted by gains in selected plantations and Petronas-related heavyweights yesterday. The lower liners managed to hold onto their intraday gains, while the REIT sector (+2.0%) outperformed the mostly positive broader market.

**Global markets:** US stockmarkets turned volatile again as the Dow (-1.9%) sank, as sentiment turned cautious on US Federal Reserve Chairman Jerome Powell weighing on earlier-than-expected bond tapering and interest rate hike. European stockmarkets also retraced, while Asia stockmarkets ended mostly lower.

### The Day Ahead

The FBM KLCI rebounded, bucking the negative momentum across the regional markets as bargain hunting activities emerged after five sessions of sell-down. However, tracking the overnight significant losses on Wall Street, the upside may be limited and our local market may remain volatile amid concerns over the development surrounding the Covid-19 Omicron variant. Nevertheless, some investors may take advantage to add positions into glove companies. On the oil prices, a report by Reuters saw a slower pace of supply increases from OPEC+ in November but OPEC+ expected an oversupply situation of global oil in 1Q2022; crude oil plunge more than 5%. Meanwhile, CPO price declined near to 4%.

**Sector focus:** Investors may look for opportunities into December window dressing period. Meanwhile, glove stocks may be traded actively on the back of Omicron variant concerns. Nevertheless, we believe traders may take a step back from oil and gas and plantation stocks following the declining CPO and crude oil prices.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI rebounded amid high trading volume but failed to close above the daily EMA9 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 1,500, while the next resistance is pegged along 1,535-1,560.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	34,483.72	-1.86
S&P 500	4,567.00	-1.90
NASDAQ	15,537.69	-1.55
FBM KLCI	1513.98	0.23
FBM Small Cap	15,869.81	0.14
FBM ACE	6,529.94	0.22
Construction	159.05	1.51
Consumer	573.39	0.49
Energy	704.69	-0.56
Financial Services	15,034.52	-0.06
Healthcare	2,453.20	-3.43
Ind Products	195.04	1.56
Plantation	6,432.64	1.20
Property	709.07	0.07
REITs	793.56	1.99
Technology	99.38	0.70
Telco & Media	647.47	1.24
Transport	844.44	0.12
Utilities	857.35	0.63
Trading Vol (m)	5,674.89	-7.63
Trading Val (RM m)	7,970.91	53.32
Advance/ Decline	125%	
FKLI	1519.00	0.83
FCPO (RM)	4,672.00	-3.81
Brent oil (USD)	69.23	-5.45
Gold (USD)	1,774.52	-0.56
USD	4.204	0.81
GBP	5.6231	0.56
EURO	4.7769	0.14
SGD	3.0786	0.59

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
58.1	184.5	-242.6

Source: Bloomberg, Bursa Market Place

## Company Brief

**CIMB Group Holdings Bhd**'s 3QFY21 net loss stood at RM100.6m vs. a net profit of RM194.4m, due to a massive non-cash accounting impairment of goodwill of RM1.22bn for its business in Thailand, as well as RM83.0m in intangible assets write-off and accelerated amortisation. Revenue for the quarter declined marginally by 0.4% YoY to RM4.40bn. (The Star)

**Axiata Group Bhd**'s 63.0% owned subsidiary edotco Group Sdn Bhd has acquired a telecommunication infrastructure firm Touch Mindscape Sdn Bhd in deal worth RM1.70bn, expanding the group's tower assets. Touch Mindscape main assets includes 923 telecommunication towers and optical fiber network including backbone trunks and last mile connections. (The Star)

**RHB Bank Bhd**'s 3QFY21 net profit rose 2.1% YoY to RM635.6m, mainly due to higher total income. Revenue for the quarter increased 2.7% YoY to RM3.03bn. (The Edge)

**Tenaga Nasional Bhd** has divested its 100.0% stake in TNB Power Daharki Ltd, which owns a gas turbine power plant in Pakistan, for US\$54.5m (RM229.6m). The divestment marks another significant step in the utility group's strategy to streamline its international portfolio by prioritising growth of renewable energy in its focus markets such as the UK, the rest of Europe, and Southeast Asia. (The Edge)

**Boustead Holdings Bhd**'s 3QFY21 net profit stood at RM55.7m, from a net loss of RM51.8m registered in the previous corresponding quarter, on better performance of its plantation, trading and investment, and pharmaceutical divisions. Revenue for the quarter jumped 94.7% YoY to RM3.68bn. (The Edge)

**FGV Holdings Bhd**'s 3QFY21 net profit jumped 191.8% YoY to RM399.4m, on the back of better operational profit driven by higher crude palm oil price and improved performance of its sugar and logistics sectors. Revenue for the quarter climbed 33.3% YoY to RM5.32bn. (The Edge)

**PPB Group Bhd**'s 3QFY21 net profit slipped 0.9% YoY to RM407.9m, impacted by the prolonged closures as the country imposed nationwide containment measures to contain the Covid-19 pandemic. Revenue for the quarter, however, gained 19.7% YoY to RM1.24bn. (The Edge)

**JAKS Resources Bhd**'s 3QFY21 net profit grew 19.1% YoY to RM31.9m, boosted by its 30.0% share of profit from JAKS Hai Duong Power Company Ltd that amounted to RM43.4m. Revenue for the quarter, however, dropped 51.6% YoY to RM30.6m. (The Edge)

**Berjaya Corp Bhd**'s 1QFY22 net loss widened to RM59.3m, from a net loss of RM59.0m recorded in the previous corresponding quarter, mainly due to the impact of the lockdown on its gaming operation under Sports Toto Malaysia Sdn Bhd. Revenue for the quarter shrank 28.7% YoY to RM1.39bn. (The Edge)

**Mah Sing Group Bhd**'s 3QFY21 net profit rose 54.7% YoY to RM40.2m, mainly driven by higher property sales and revenue recognition of property projects under construction, coupled with the recognition of cost savings arising from the finalisation of certain construction contracts. Revenue for the quarter, however, shrank 6.1% YoY to RM364.6m. (The Edge)

**OSK Holdings Bhd's** 3QFY21 net profit fell 25.4% YoY to RM79.9m, as the group's operations were impacted by the Movement Control Order (MCO) resulting in lower productivity. Revenue for the quarter dropped 31.4% YoY to RM219.4m. (The Edge)

**Ekovest Bhd's** 1QFY22 net loss stood at RM6.1m vs. a net profit of RM10.9m recorded in the previous corresponding quarter, amid a decline across all of its businesses except for its plantation segment. Revenue for the quarter fell 42.7% YoY to RM179.9m. (The Edge)

**ATA IMS Bhd** has reported that its independent non-executive director Wong Chin Chin has resigned due to "differences in opinion". Her resignation also leaves the group's audit and nomination & remuneration committees with only two members. (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	VSTEC	1-Nov	1.350	1.450	1.500	1.600	1.240	1.230	1.300	-3.7%	Closed at cut-off on 30-Nov
2	SNC	24-Nov	0.630	0.690	0.755	0.850	0.540	0.535	0.670	6.3%	Closed 30-Nov on trend reversal
3	COMFORT	29-Nov	1.260	1.320	1.390	1.550	1.050	1.040	1.550	23.0%	Take profit at LT on 29-Nov

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	0.885	-14.1%	On-going
2	JAKS	29-Sep	0.470	0.565	0.600	-	0.460	0.440	0.395	-16.0%	On-going
3	OKA	29-Sep	0.780	0.870	0.945	-	0.720	0.700	0.830	6.4%	On-going
4	SCGBHD	29-Sep	0.450	0.500	0.545	-	0.410	0.390	0.415	-7.8%	On-going
5	OMH	29-Sep	3.130	4.200	4.690	-	2.550	2.500	2.950	-5.8%	On-going
6	KGB	29-Sep	1.740	2.000	2.200	-	1.530	1.500	1.610	-7.5%	On-going
7	KRONO	29-Sep	0.650	0.745	0.795	-	0.585	0.575	0.545	-16.2%	On-going
8	OCK	29-Sep	0.495	0.575	0.620	-	0.440	0.420	0.445	-10.1%	On-going
9	OPTIMAX	29-Sep	1.380	1.520	1.640	-	1.180	1.150	1.370	-0.7%	On-going

Technical Focus Tracker Summary	
Total recommendations	176
Total winners	105
Total losers	71
Portfolio performance (2020)	292.2%
Accuracy (2020)	53.3%
Portfolio performance (2021)	271.5%
Accuracy (2021)	64.4%
FBM KLCI (Since 4/1/2021)	-7.0%
FBM Small Cap (Since 4/1/2021)	2.0%
Malaysia GDP Growth (3Q21)	-4.5%