

## Extension of rebound formation

### Market Review

**Malaysia:** The FBM KLCI (+0.7%) resumed its recovery trend, largely driven by gains in plantation, telco and gloves heavyweights yesterday. The lower liners marched higher, while the healthcare sector (+3.8%) took the lead amongst the mostly positive sectorial peers.

**Global markets:** Wall Street endured a choppy trading session as the Dow (+0.01%) edged marginally higher, but the S&P 500 (-0.7%) and Nasdaq (-2.0%) were dragged by weaker earnings guidance from Meta Platforms and Snap. The European stock markets extended their lead, while the Asia stock markets ended mostly positive.

### The Day Ahead

The FBM KLCI rallied higher in tandem with most of the regional markets as telecommunications, plantation, and healthcare heavyweights in focus. As the Wall Street hit the resistance and took a breather after the significant rebound over the past two weeks after investors digested weaker earnings from big technology giants, we expect the negative sentiment may spill over to the regional and local bourses. Commodities wise, the Brent oil price surged above USD95 boosted by the US record exports as well as weaker USD, while the CPO price hovered above RM4,190.

**Sector focus:** The technology stocks may see a mild pullback following the sell-down on Wall Street. Meanwhile, given the uncertain market environment, we expect buying momentum to remain positive in the healthcare sector especially the glove counters. Besides, we believe the O&G to gain traction in the near term with the firmer Brent oil price.

### FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI rebounded and surged above its daily EMA60 level. Technical indicators remained positive as the MACD Histogram extended a positive bar, while the RSI hovered above 50. Resistance is envisaged along 1,465-1,485, while the support is set at 1,420-1,430.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	31839.11	0.01
S&P 500	3,830.60	-0.74
NASDAQ	10,970.99	-2.04
FBM KLCI	1454.98	0.73
FBM Small Cap	14,111.81	0.45
FBM ACE	4,869.04	0.80
Construction	149.50	0.69
Consumer	560.21	0.43
Energy	683.64	0.78
Financial Services	16,492.78	-0.08
Healthcare	1644.83	3.82
Ind Products	174.96	-0.07
Plantation	6,941.49	2.20
Property	607.66	0.53
REITs	764.51	0.15
Technology	57.57	0.31
Telco & Media	569.72	1.37
Transport	841.74	0.09
Utilities	823.47	0.84
Trading Vol (m)	2,608.39	15.33
Trading Val (RM m)	1,800.01	2.12
Advance/ Decline	52%	
FKLI	1469.00	0.65
FCPO (RM)	4,194.00	1.77
Brent oil (USD)	95.69	2.32
Gold (USD)	1,664.57	0.69
USD	4.7142	0.47
GBP	5.4535	-1.67
EURO	4.7268	-1.15
SGD	3.3472	-0.68

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
174.7	-191.6	16.9

Source: Bloomberg, Bursa Market Place

## Company Brief

**Jiankun International Bhd**'s wholly-owned subsidiary Nagamas Bizworks Sdn Bhd will jointly develop with NTL International Holdings (M) Sdn Bhd a RM215.1m gross development value (GDV) project in Taman Anggerik, Bandar Teknologi Kajang in Semenyih, Selangor. Under the terms of the agreement, Jiankun will be responsible for the cost and expenses of the development while NTL International will contribute the land for development. The project comprises one block of 37-storey service apartment, including service apartment units, commercials units, affordable homes, facilities and a seven-storey carpark. (The Star)

**Sealink International Bhd** has secured long-term charters for 4 offshore support vessels from oil majors and sold 3 of its vessels overseas. The long-term charters are for a firm period of up to 2 years with extension, with potential proceeds of about RM63.0m. Meanwhile, the vessels sold have an average age of 17 years, with a combined value of about RM7.0m. (The Star)

**Affin Bank Bhd** has announced the appointment of Datuk Syed Mashafuddin Syed Badarudin as the new chief executive officer of Affin Islamic Bank, effective 8th November 2022. Syed Mashafuddin have recently resigned as CEO of Principal Islamic Asset Management Sdn Bhd. (The Edge)

**Nestlé (Malaysia) Bhd**'s 3QFY22 fell 23.9% YoY to RM112.7m, dragged by higher commodity prices, unfavourable exchange rates and the one-off prosperity tax. An interim dividend of 70.0 sen per share, payable on 15th December 2022 was declared. Revenue for the quarter, however, rose 16.7% YoY to RM1.68bn. (The Edge)

**CapitaLand Malaysia Trust**'s (CLMT) 3QFY22 net property income (NPI) jumped 105.8% YoY to RM38.2m, in line with higher revenues across all of its properties. Revenue for the quarter rose 45.9% YoY to RM71.0m. (The Edge)

**KIP Real Estate Investment Trust**'s (KIP REIT) 1QFY23 net property income (NPI) grew 4.8% YoY to RM14.3m, mainly due to low base effect, as operations were affected by Covid-19 lockdowns last year. Revenue for the quarter improved 12.9% YoY to RM19.4m. A first income distribution of 1.45 sen per unit, payable on 23rd November 2022 was proposed. (The Edge)

**Caely Holdings Bhd** proposes to change its name to Classita Holdings Bhd to create a new corporate identity for the company's existing and future undertakings. Caely, which is embroiled in a legal case for alleged misappropriation of funds amounting to RM30.6m, has announced that the proposal is subject to approval of the company's shareholders at the upcoming annual general meeting, which will be convened on a date to be announced later. (The Edge)

**EG Industries Bhd** has secured a letter of intent (LOI) with US-based Cambridge Industries Group (CIG) to produce advanced high speed optical signal transmitter and receiver for 5G wireless network (optical modules). The intention of the LOI is for CIG to transfer its 5G photonics modular technology to EG Industries wholly-owned subsidiary SMT Technologies Sdn Bhd, which will mark its first-ever pioneer technology transfer to Southeast Asia. (The Edge)

Passengers carried by **Capital A Bhd**'s operating joint ventures across Indonesia, Malaysia, the Philippines and Thailand rose 36.0% QoQ to 9.9m in 3Q22. (The Edge)

**AirAsia X Bhd (AAX)** is in the midst of formulating a comprehensive proposed plan to regularise its Practice Note 17 condition. This follows the lapse of an extension of time granted by Bursa Securities on 26th October 2022. AAX had on 12th October 2022 via AmInvestment Bank Bhd submitted an application to Bursa Securities for an extension of time of 6 months up to 28th April 2023 to submit the plan to the Securities Commission Malaysia or Bursa Securities. (The Edge)

**Kerjaya Prospek Group Bhd** has reported that a consortium comprising its unit and Samsung C&T Corp has bagged a contract from Texas Instruments Electronics Malaysia Sdn Bhd to build a factory in Melaka for RM1.45bn. The 30:70 joint venture between its unit Kerjaya Prospek (M) Sdn Bhd (KPM) and Samsung C&T (KL) Sdn Bhd had received a letter of award to build and complete TIEM2 bump/probe/AT factory construction at Taman Perindustrian Batu Berendam, Free Trade Zone, Melaka. (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	TALIWRK	4-Oct	0.925	0.960	0.985	1.000	0.880	0.875	0.910	-1.6%	On-going
2	MRDIY	5-Oct	2.020	2.130	2.180	2.360	1.900	1.890	1.960	-3.0%	On-going
3	SAMAIDEN	17-Oct	0.705	0.760	0.785	0.845	0.650	0.645	0.760	7.8%	Take profit at R1 on 26-Oct
4	CNERGEN	19-Oct	0.910	0.990	1.050	1.150	0.810	0.805	0.885	-2.7%	On-going
5	TEXCHEM	25-Oct	3.200	3.300	3.470	3.920	2.700	2.690	3.200	0.0%	On-going
6	KEINHIN	26-Oct	1.300	1.340	1.400	1.500	1.200	1.190	1.260	-3.1%	On-going

4Q22 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	ATECH	3-Oct	1.869	2.180	2.280	-	1.740	1.660	1.670	-10.6%	On-going
2	PECCA	3-Oct	0.880	1.000	1.080	-	0.795	0.740	0.860	-2.3%	On-going
3	KGB	3-Oct	1.290	1.520	1.630	-	1.260	1.150	1.230	-4.7%	On-going
4	SCOMNET	3-Oct	1.670	1.890	2.050	-	1.390	1.240	1.660	-0.6%	On-going
5	OPTIMAX	3-Oct	0.745	0.910	1.000	-	0.695	0.625	0.775	4.0%	On-going
6	SAMAIDEN	3-Oct	0.755	0.835	0.915	-	0.670	0.605	0.760	0.7%	On-going
7	TIMECOM	3-Oct	4.620	5.000	5.250	-	4.400	4.210	4.620	0.0%	On-going
8	HEXTAR	3-Oct	1.760	2.000	2.150	-	1.620	1.510	2.220	26.1%	On-going
9	TGUAN	3-Oct	2.560	2.870	3.030	-	2.470	2.320	2.690	5.1%	On-going
10	GAMUDA	3-Oct	3.930	4.470	4.680	-	3.760	3.600	3.850	-2.0%	On-going
11	MYEG	3-Oct	0.837	1.000	1.080	-	0.785	0.715	0.840	0.4%	On-going
12	CCK	3-Oct	0.650	0.720	0.760	-	0.580	0.550	0.610	-6.2%	On-going
13	SIGN	3-Oct	1.730	2.000	2.150	-	1.610	1.440	2.310	33.5%	On-going
Average Return										3.3%	

Technical Focus Tracker Summary	
Total recommendations	271
Total winners	161
Total losers	109
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	7.4%
Accuracy (2022)	55.8%
FBM KLCI (Since 31/12/2021)	-7.2%
FBM Small Cap (Since 31/12/2021)	-10.5%
Malaysia GDP Growth (1H22)	6.9%

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