

Focus onto 3Q22 GDP

Market Review

Malaysia: The FBM KLCI (+0.3%) extended its lead to outperform the mostly weaker regional peers, driven by gains in half of the key index components. The lower liners, however, ended mixed, while the healthcare sector (+1.6%) outperformed the mostly negative sectorial peers on bargain hunting activities.

Global markets: US stockmarkets rallied as the Dow (+3.7%) surged, following the inflation in October 2022 that has cooled to 7.7%; the lowest since January 2022. The European stockmarkets also turned upbeat, but Asia stock markets closed mostly negative.

The Day Ahead

The FBM KLCI reversed its earlier losses and closed in the positive territory, outperforming the negative regional markets. Given the big rally on Wall Street after the release of the inflation data in the US, investors believed that the inflation numbers could have peaked and hopeful for a less-aggressive interest rate hikes from the US Fed. Hence, we believe the positive momentum may spill over to the regional markets as well as the local bourse. Commodities wise, the crude oil price hovered above USD93, while the CPO price fell towards RM4,230 amid worries over rising production.

Sector focus: With the strong jump in the US, where the Nasdaq surged more than 7%, the buying momentum should spillover to the local bourse; main focus will be in the technology stocks. Meanwhile, the consumer sector may be boosted by the strong earnings from BJFOOD. Besides, we still believe the momentum within glove sector may sustain at least for the near term.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI erased earlier losses and climbed above its daily EMA60 level. Technical indicators, however, remained mixed as the MACD Histogram extended a negative bar, while the RSI hovered above 50. The resistance is envisaged along 1,465-1,480, while support is located at 1,410-1,420.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	33,765.37	3.70
S&P 500	3,956.37	5.54
NASDAQ	11,114.65	7.35
FBM KLCI	1,449.74	0.25
FBM Small Cap	14,252.45	-0.34
FBM ACE	4,983.79	1.04
Construction	148.35	-0.07
Consumer	560.82	0.07
Energy	710.56	-1.53
Financial Services	16,326.82	0.41
Healthcare	1,704.14	1.55
Ind Products	174.77	0.26
Plantation	6,831.38	-0.27
Property	620.77	-0.23
REITs	759.81	-0.17
Technology	57.55	-1.17
Telco & Media	573.23	-0.14
Transport	811.55	-7.38
Utilities	818.45	-0.59
Trading Vol (m)	3,478.01	13.25
Trading Val (RM m)	1,453.61	-6.60
Advance/ Decline	74%	
FKLI	1,469.00	0.93
FCPO (RM)	4,232.00	1.29
Brent oil (USD)	93.67	1.10
Gold (USD)	1,755.45	2.85
USD	4.697	1.07
GBP	5.3396	-1.76
EURO	4.6789	-1.22
SGD	3.3482	-0.38

Trading participation 5-day trend and value ('m)		
Institution	Retail	Foreign
-300.6	-83.4	384.0

Source: Bloomberg, Bursa Market Place

Company Brief

Berjaya Food Bhd's 1QFY23 net profit jumped 198.4% YoY to RM34.7m, on same-store-sales growth in Starbucks outlets as well as the full-quarter effect of new Starbucks outlets opened. Revenue for the quarter rose 50.8% YoY to RM283.1m. A first interim dividend of 0.5 sen per share, payable on 20th December 2022 was declared. (The Star)

Southern Score Builders Bhd's wholly-owned subsidiary Southern Score Sdn Bhd has secured a contract from Dataran Pertiwi Holdings Sdn Bhd to act as a turnkey contractor for the proposed construction of an apartment block, among others, in Batu, Kuala Lumpur, for RM173.0m. The construction of the project will be completed within 48 months from the date of commencement. (The Star)

Southern Cable Group Bhd's wholly-owned subsidiary Southern Cable Sdn Bhd has received a contract worth RM83.2m mil from **Sarawak Energy Bhd** to provide power cables and conductors. The contract entails Southern Cable supplying and delivering cables and conductors to Sarawak Energy's Distribution Network Division for a period of 18 months starting from November 2022. (The Star)

Petronas Chemicals Group Bhd's (PetChem) wholly owned subsidiary BRB International has opened its new lube oil additives manufacturing facility in Echt, the Netherlands. The facility is equipped with higher safety and quality standards and will serve as a lube oil additives and chemicals hub for the global market. (The Edge)

KLCCP Stapled Group's 3QFY22 net profit grew 30.4% YoY to RM176.6m, on the back of improved performances across all business segments. Revenue for the quarter rose 43.7% YoY to RM374.0m. A dividend of 8.0 sen per stapled security, payable on 23rd December 2022 was declared. (The Edge)

Sentral REIT's 3QFY22 net property income declined 12.5% YoY to RM28.4m, due to lower contributions generated from QB2-HSBC and Wisma Technip. Revenue for the quarter fell 11.9% YoY to RM35.7m. (The Edge)

Malaysia Marine and Heavy Engineering Holdings Bhd's (MHB) 3QFY22 net profit stood at RM15.9m vs. a net loss of RM23.9m recorded in the previous corresponding quarter, driven by higher contributions from both its marine and heavy engineering segments. Revenue for the quarter increased 5.1% YoY to RM409.2m. (The Edge)

TH Plantations Bhd's 3QFY22 net profit dropped 46.4% YoY to RM14.4m, as a result of a fair value loss on biological assets. Revenue for the quarter, however, rose 3.7% YoY to RM213.4m. (The Edge)

MARC Ratings has affirmed its rating of AA-IS of **MMC Corp Bhd's** RM2.50bn sukuk murabahah programme with a stable outlook. The total outstanding under the programme stood at RM2.10bn as of 31st October 2022. (The Edge)

Bumi Armada Bhd has concluded its 6-year legal dispute with former client, Australia-based Woodside Energy Julimar Pty Ltd (WEJ), with the offshore production and support services provider failing to obtain any of the claims it sought. The dispute relates to a terminated RM1.46bn charter contract between

Bumi Armada's unit, Armada Balnaves Pte Ltd (ABPL), and WEJ. (The Edge)

MSM Malaysia Holdings Bhd has filed a lawsuit against **Gas Malaysia Bhd** over a disputed sum of RM10.3m relating to gas supply to its wholly owned unit, MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor). MSM Johor was forced to stop accepting gas supply from Gas Malaysia's subsidiary, Gas Malaysia Energy and Services Sdn Bhd (GMES), following the shutdown of MSM Johor's refinery operations due to incidents of leakages in the boilers in 2020 and 2021. (The Edge)

Ecobuilt Holdings Bhd's wholly owned subsidiary Rexallent Construction Sdn Bhd has bagged a RM113.4m contract from DMP Architects Sdn Bhd to undertake construction work for a proposed serviced apartment project in Shah Alam. The construction work for the proposed development of serviced apartment for phase 1 comprises 34-storey serviced apartment block with 370 units in total, 12 strata office suites, and eight-storey podium car park with public facilities. (The Edge)

Atta Global Group Bhd is expecting to see Datuk Lio Chee Yeong and Lim Yeow Teoh emerge as its largest shareholders following the company's plan to acquire 3 parcels of land in Barat Daya, Penang for RM28.0m, which will be funded by a share issuance exercise. The exercise is to be fulfilled via the issuance of 114.3m new shares in Atta Global, at an issue price of 24.5 sen each. (The Edge)

Euro Holdings Bhd is selling a plot of freehold industrial land measuring 82,602-sqft with a 2-storey detached factory and a 3-storey office building built on it in Rawang, Selangor which is being used as the group's warehouse now for RM13.8m cash. Of the proceeds from the disposal, RM11.0m will be used to repay borrowings while RM1.4m will be used for working capital, and the rest will be used to defray estimated expenses relating to the exercise. (The Edge)

Censof Holdings Bhd has secured a hardware and software maintenance project worth RM7.9m from the government. The company's unit, Century Software (M) Sdn Bhd has received a letter of acceptance dated 8th November 2022 from the Ministry of Entrepreneur and Cooperatives Development for the Business Licensing Electronic Support System project. The project is for 36 months from 15th November 2022 to 14th November 2025 with no option to extend and/or renew upon its expiry. (The Edge)

Trading of **China Automobile Parts Holdings Ltd's** (CAP) securities will be suspended with effect from 18th November 2022, following Bursa Securities' rejection of its request for a further extension of time to submit its regularisation plan. CAP faces the risk of being delisted on 22nd November 2022, unless it files an appeal against the delisting on or before 17th November 2022. (The Edge)

Anzo Holdings Bhd planned collaboration with Eco Group Holdings Sdn Bhd for Eco to participate in Anzo's proposed regularisation plan has been aborted, barely a month after the 2 companies signed a memorandum of understanding. The proposed regularisation plan entailed joint collaboration in undertaking civil and structural and mechanical and electrical for construction projects, as well as interior fit-out, design and decoration projects, in Malaysia. (The Edge)

Jentayu Sustainables Bhd has entered into a collaboration agreement with Germany-based Voith Hydro Holding GmbH & Co KG to facilitate technical and technology support for the construction, commissioning, operation and maintenance of the hydroelectric power plants develop by the company. The collaboration will further enhance and expedite the growth and presence of

Jentayu Sustainables both locally and regionally. (The Edge)

Bintai Kinden Corp Bhd has inked a deal for the sales, marketing and installation of telecommunications services to healthcare centres and other medical sites. Under the agreement, Bintai Kaidens' wholly owned sub-subsidiary Johnson Medical International Sdn Bhd will market telecommunications services to the Health Ministry or any private hospital provided by MN Permai Netcom Sdn Bhd, which will be involved in sales as well as the installation of the services. (The Edge)

Impiana Hotels Bhd's wholly owned subsidiary, Impiana Cherating Sdn Bhd, has been served a winding-up petition by Axventure Sdn Bhd over an unpaid amount relating to the redevelopment of a resort. The case management via e-review has been fixed for 13th December 2022. Axventure had on 26th August 2022 served Impiana Cherating a notice of demand over an outstanding sum of RM2.3m, comprising the adjudication sum together with costs awarded by the High Court. (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	POHUAT	9-Nov	1.380	1.440	1.470	1.570	1.320	1.310	1.380	0.0%	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	A TECH	3-Oct	1.869	2.180	2.280	-	1.740	1.660	1.570	-16.0%	On-going
2	PECCA	3-Oct	0.880	1.000	1.080	-	0.795	0.740	0.850	-3.4%	On-going
3	KGB	3-Oct	1.290	1.520	1.630	-	1.260	1.150	1.320	2.3%	On-going
4	SCOMNET	3-Oct	1.670	1.890	2.050	-	1.390	1.240	1.700	1.8%	On-going
5	OPTIMAX	3-Oct	0.745	0.910	1.000	-	0.695	0.625	0.725	-2.7%	On-going
6	SAMAIDEN	3-Oct	0.755	0.835	0.915	-	0.670	0.605	0.740	-2.0%	On-going
7	TIMECOM	3-Oct	4.620	5.000	5.250	-	4.400	4.210	4.660	0.9%	On-going
8	HEXTAR	3-Oct	1.760	2.000	2.150	-	1.620	1.510	2.400	36.4%	On-going
9	TGUAN	3-Oct	2.560	2.870	3.030	-	2.470	2.320	2.450	-4.3%	On-going
10	GAMUDA	3-Oct	3.930	4.470	4.680	-	3.760	3.600	3.700	-5.9%	On-going
11	MYEG	3-Oct	0.837	1.000	1.080	-	0.785	0.715	0.835	-0.2%	On-going
12	CCK	3-Oct	0.650	0.720	0.760	-	0.580	0.550	0.605	-6.9%	On-going
13	SIGN	3-Oct	1.730	2.000	2.150	-	1.610	1.440	2.410	39.3%	On-going
Average Return										3.0%	

Technical Focus Tracker Summary	
Total recommendations	275
Total winners	164
Total losers	110
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	6.0%
Accuracy (2022)	56.7%
FBM KLCI (Since 31/12/2021)	-7.5%
FBM Small Cap (Since 31/12/2021)	-9.6%
Malaysia GDP Growth (1H22)	6.9%