

## Rebound may emerge on the local front

### Market Review

**Malaysia:** The FBM KLCI (-0.01%) closed flat due to lack of buying interest amid the weaker regional market sentiment as investors are eyeing several key economic data from Wall Street this week. On the broader market, the Healthcare sector (+1.43%) rose on the back of glove counters, while the Energy sector (-1.06%) fell.

**Global markets:** Wall Street ended higher following the stronger-than-expected Consumer Confidence Index, which boosted investors' confidence further, despite some mixed statements from several Federal Reserve officials. Meanwhile, European stock market ended lower, while Asia ended mixed.

### The Day Ahead

The FBM KLCI ended flat for the session as traders traded cautiously in line with the weak regional market sentiment. However, Wall Street continued to charge higher despite the mixed statements from several Fed's officials, with the help of consumer confidence index. Investors will continue to monitor the upcoming core PCE and ISM Manufacturing PMI data later this week. We expect some buying interest to spillover to stocks on the local front, following the surge on Wall Street. On the commodity markets, the Brent oil prices ended positively above the USD81/bbl in view of further production cuts to be seen in the OPEC+ meeting on 30th Nov. Besides, the gold extended the gains above the USD2k level.

**Sector focus:** Traders may focus on the Technology sector with the strong rebound on Wall Street. On the release of financial results, we expect the Consumer and Poultry sectors could rally another round on the back of growing earnings from Leong Hup International, Farm Fresh Berhad and LTKM. Besides, we still favour the Building Material, Utilities, Property and Construction sectors in this earnings season.

### FBMKLCI Technical Outlook



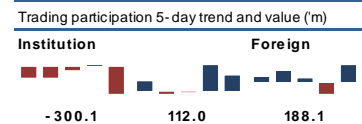
Bloomberg

The FBM KLCI is still in the consolidation phase. Meanwhile, the technical readings on the key index are negative, with the MACD Histogram extending another negative bar, while the RSI continued to decline below the 50 level. The resistance is pegged around 1,455-1,460 and the support is at 1,430-1,440.

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### Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,416.98	0.24
S&P 500	4,554.89	0.10
NASDAQ	14,281.76	0.29
FBM KLCI	1,448.02	-0.01
FBM Small Cap	1,246.19	0.17
FBM ACE	5,084.21	-0.45
Construction	184.33	0.08
Consumer	558.31	0.11
Energy	821.91	-1.06
Financial Services	1,277.91	-0.39
Healthcare	1,861.99	1.43
Ind Products	171.70	-0.31
Plantation	7,006.57	0.91
Property	850.85	-0.04
REITs	782.68	-0.05
Technology	62.75	-0.11
Telco & Media	558.55	-0.33
Transport & Logisti	933.24	-0.39
Utilities	1,252.37	0.02
Trading Vol (m)	3,811.68	23.19
Trading Val (RM m)	2,388.19	13.17
Gainers/ Losers rat	74%	
FKLI	1451.00	0.07
FCPO (RM)	3,909.00	0.31
Brent oil (USD)	79.98	2.10
Gold (USD)	2,040.97	0.01
USD	4.6708	0.21
GBP	5.8987	0.05
EURO	5.1164	0.16
SGD	3.4964	0.04



Source: Bloomberg, Bursa Market Place



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## Company Brief

**Petronas Chemicals Group Bhd's** (PetChem) net profit fell 77.6% to RM424m in the third quarter ended Sept 30, 2023 (3QFY2023) from RM1.89bn, as unfavourable product spreads and energy costs dented earnings. Quarterly revenue slipped 3.53% to RM6.78bn from RM7.03bn, amid lower product prices and sales volume, but this was partially offset by revenue contribution from Perstorp. Recent plant shutdown activities have been completed and the group is now operating at above 85% utilisation. For 9MFY2023, PetChem's net profit shrank 72.88% to RM1.58bn from RM5.84bn, although revenue increased by 5.95% to RM21.45bn, from RM20.25bn. (The Edge)

**Press Metal Aluminium Holdings Bhd's** net profit dipped 3.1% to RM306.12m for the third quarter ended Sept 30, 2023 (3QFY2023), from RM315.80m, weighed by softening metal prices. Revenue fell 10.6% to RM3.44bn for 3QFY2023 from RM3.85bn a year ago. For 9MFY2023, its net profit fell by 22% to RM893.88m from RM1.15bn, while revenue declined 13% to RM10.27bn from RM11.77bn. The group declared an interim dividend of 1.75 sen per share. (The Edge)

**IOI Corp Bhd's** net profit jumped 81.48% to RM304m for the first quarter ended Sept 30, 2023 (1QFY2024), from RM167.5m, on improved associates' performance and a swing to forex gain of RM7.9m, from losses of RM147.3m. Quarterly revenue fell 39.92% year-on-year to RM2.2bn, from RM3.67bn, mainly due to lower contributions from both its plantation as well as resource-based manufacturing segments. (The Edge)

**KLCCP Stapled Group's** net profit rose 4.96% to RM185.34m in the third quarter ended Sept 30, 2023 (3QFY2023), from RM176.59m a year ago, on improved performance from its hotel and management services segments. Quarterly revenue grew 7.27% to RM401.16m from RM373.98m. For 9MFY2023, its net profit climbed 8.65% to RM546.7m from RM503.2m, as revenue rose 12.48% to RM1.18bn from RM1.05bn. It declared a dividend of 8.8 sen per unit, up from eight sen the year before. (The Edge)

**KPJ Healthcare Bhd's** net profit for the third quarter ended Sept 30, 2023 (3QFY2023) jumped to RM90.31m from RM50.69m a year ago, thanks to a gain of RM41.5m from the sale of its Indonesian operations, while its Malaysian hospital business improved. Quarterly revenue rose 15.9% to RM925.39m from RM798.75m, due to an increase in inpatient visits and bed occupancy rate. It announced a dividend payout of 1.30 sen per share. For 9MFY2023, KPJ Healthcare's net profit soared 89.3% to RM189.15m from RM99.90m, as revenue expanded 19.4% to RM2.55bn from RM2.14bn. (The Edge)

**Bank Islam Malaysia Bhd's** (BIMB) net profit for its third quarter ended Sept 30, 2023 (3QFY2023) slipped 1.62% to RM140.54m or 6.2 sen per share, against RM142.86m or 6.63 sen per share a year ago on the back of lower total net income and higher overheads. Quarterly revenue increased 22% to RM1.14bn in 3QFY2023, from RM933.18m last year. BIMB announced a cash dividend of 12.59 sen per share – up from 10.4 sen per share last year. Net profit for 9MFY2023 grew 7.88% to RM394.77m from RM365.93m, while revenue rose 32.96% to RM3.36bn from RM2.53bn, driven by an improvement in healthy loan growth. (The Edge)

**Gas Malaysia Bhd's** net profit fell 9.93% to RM86.16m for the third quarter ended Sept 30, 2023 (3QFY2023), from RM95.66m, due to lower volume of natural gas sold and higher operating and administrative expenses. Revenue slipped 2.57% to RM1.82bn from RM1.86bn. In 9MFY2023, Gas Malaysia net profit slipped 5.18% to RM279.07m, from RM294.32m on lower volume and higher expenses, even though revenue improved 15.69% to RM6.28bn from RM5.43bn on higher average natural gas selling price. (The Edge)



**IGB Bhd**'s net profit for the third quarter ended Sept 30, 2023 (3QFY2023) rose 21.33% to RM58.03m from RM47.83m, on higher contributions from all operating segments save for property development. Revenue rose 25.87% to RM395.1m from RM313.89m. For 9MFY2023, net profit jumped 61.13% to RM226.14m from RM140.35m, as revenue expanded 29.21% to RM1.17bn from RM908.08m. It announced dividends of 7 sen per share, up from 5 sen previously. (The Edge)

**Hextar Technologies Solutions Bhd** (HexTech) slipped into the red in 2QFY2024, posting a net loss of RM1.2m compared with a net profit of RM4.33m, despite a 71% jump in revenue to RM57.66m, from RM33.68m in 2QFY2023, on higher sales of building materials. HexTech attributed this to the loss of rental income subsequent to the expiry of a tenancy agreement, expenses incurred for its financial technology application, MoneyX, and absence of a one-off disposal gain of a quoted investment of RM3.7m. Separately, it revised the ratio for its proposed bonus issue from 30:1 to 15:1. In 1HFY2024, HexTech posted a net loss of RM1.95m compared with a net profit of RM4.62m, while revenue grew 63% to RM101.5m, from RM62.21m in 1HFY2023. (The Edge)

**Tropicana Corp Bhd** more than halved its net loss to RM10.34m in the third quarter ended Sept 30, 2023 (3QFY2023), from RM26.27m a year earlier, on the completion of its disposal of two parcels of freehold development land in Kajang and Genting Highlands, as well as a continuous cost rationalisation exercise. Quarterly revenue grew 25% to RM402.76m from RM321.64m on the land sales. For 9MFY2023, the group posted a smaller net loss of RM15.27m compared with RM121.21m in 9MFY2022, while revenue climbed 49% to RM1.12bn from RM756.36m on higher progress billings. (The Edge)

Poultry, egg and livestock feed producer **Leong Hup International Bhd** saw its net profit for the third quarter ended Sept 30, 2023 (3QFY2023) rise 97.5% to RM132.96m from RM67.31m a year earlier, on better margin from higher selling prices of day-old-chicks (DOC) and eggs in Malaysia, and DOC in Indonesia. Quarterly revenue also rose 6.6% to RM2.52bn in 3QFY2023 from RM2.36bn a year earlier, on higher selling price and sales volume. It declared an interim dividend of 1.2 sen per share amounting to RM43.8m for the financial year ending Dec 31, 2023 (FY2023), payable on Jan 29, 2024. (The Edge)

**Farm Fresh Bhd**'s net profit rose 14.33% to RM12.79m for the second quarter ended Sept 30, 2023 (2QFY2024), compared with RM11.19m a year ago, on lower dairy raw materials costs, improving Australian operations margins and contribution from its ice cream unit Inside Scoop. The group registered its highest quarterly revenue of RM198.3m in 2QFY2024, up 22.3% from RM162.14m in 2QFY2023, on increased sales and revenue contribution from Inside Scoop. For 9MFY2024, Farm Fresh's net profit declined by 27.48% to RM19.16m from RM26.42m partly on higher marketing and finance costs, despite 9MFY2024 revenue having expanded 25.34% to RM383.76m from RM306.16m. (The Edge)

**WCE Holdings Bhd** narrowed its net loss by 41.5% to RM24.17m in its second financial quarter ended Sep 30, 2023 (2QFY2024), from a loss of RM41.29m a year earlier, as revenue nearly doubled on higher construction activities for the West Coast Expressway (WCE) project, higher toll revenue and an absence of additional cost provisions recorded a year earlier. Quarterly revenue soared 91% to RM230.51m from RM120.66m in 2QFY2023. (The Edge)

**Genetec Technology Bhd**, which is seeking to transfer its listing from the ACE Market to the Main Market of Bursa Malaysia, saw its net profit fall 26.3% to RM18.45m for its second financial quarter ended Sept 30, 2023 (2QFY2024), from RM25.06m a year earlier, due to foreign exchange losses and a lower margin in product mix. (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	WASCO	8-Nov	1.000	1.050	1.090	1.150	0.960	0.950	0.945	-5.5%	Initiate on 8/11/2023
2	SLVEST	21-Nov	1.290	1.350	1.360	1.400	1.230	1.210	1.270	-1.6%	Initiate on 21/11/2023

## Market Chat Tracker

4Q23 Stock Picks											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Support 1 (RM)	Support 2 (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	GTRONIC	2-Oct	1.555	1.700	1.820	1.450	1.360	1.340	1.640	5.5%	Initiate on 2/10/2023
2	HIAPTEK	2-Oct	0.435	0.500	0.535	0.400	0.365	0.355	0.435	0.0%	Initiate on 2/10/2023
3	HSSEB	2-Oct	0.805	0.895	0.940	0.725	0.670	0.660	1.010	25.5%	Initiate on 2/10/2023
4	LHI	2-Oct	0.555	0.610	0.640	0.520	0.500	0.490	0.690	24.3%	Initiate on 2/10/2023
5	MUHIBAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.735	0.7%	Initiate on 2/10/2023
6	PECCA	2-Oct	1.210	1.400	1.450	1.100	1.050	1.030	1.220	0.8%	Initiate on 2/10/2023
7	PWF	2-Oct	0.653	0.950	1.000	0.825	0.790	0.780	0.760	16.4%	Initiate on 2/10/2023
8	RAMSSOL	2-Oct	0.495	0.545	0.605	0.425	0.395	0.385	0.395	-20.2%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.240	-6.1%	Initiate on 2/10/2023
10	T7GLOBAL	2-Oct	0.480	0.525	0.555	0.475	0.455	0.445	0.450	-6.2%	Initiate on 2/10/2023
11	TUNEPRO	2-Oct	0.435	0.485	0.515	0.420	0.405	0.395	0.410	-5.7%	Initiate on 2/10/2023
12	ULICORP	2-Oct	1.513	1.750	1.900	1.420	1.330	1.310	1.470	-2.8%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.660	11.4%	Initiate on 2/10/2023
Average Return										3.3%	

Technical Focus Tracker Summary	
Total recommendations	353
Total winners	216
Total losers	136
Portfolio performance (2020)	22.7%
Accuracy (2020)	53.3%
Portfolio performance (2021)	30.4%
Accuracy (2021)	66.4%
Portfolio performance (2022)	13.3%
Accuracy (2022)	62.9%
Portfolio performance (2023)	3.0%
Accuracy (2023)	58.7%
FBM KLCI (Since 30/12/2022)	-3.2%
FBM Small Cap (Since 30/12/2022)	8.9%
Malaysia GDP Growth (1H23)	4.2%

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