

Thursday, 30 Nov, 2023

Softer trading activities expected

Market Review

Malaysia: The FBM KLCI (-0.13%) closed marginally lower as the market sentiment remains negative dragged by the poor regional markets' performance. On the broader market, the REIT sector (+0.27%) rose carried by better QoQ earnings from KLCC, while the Healthcare sector (-1.47%) fell dragged by glove counters.

Global markets: Wall Street ended flat as the market is undergoing a consolidation phase from the strong November performance. Furthermore, 3Q US GDP beat estimates showing that the economy is still resilient, while inflation remains under control. Meanwhile, European stock market ended higher, while Asia ended lower.

The Day Ahead

The FBM KLCI has declined for the 3rd consecutive session in line with the sentiment in the regional benchmark indices. Wall Street traded mixed near the resistance zone for all the 3 major indices. We think the declining 10-year US Treasury yield could be indicating that the market is looking at a softer inflationary pressure going forward, which may translate to less likelihood of another rate hike by the Fed. Closer to home, we believe trading activities may turn softer as most of the corporate earnings were not up to expectations. On the commodity markets, the Brent oil prices traded above the USD82/bbl level with the anticipation of further extension of the production cuts to be announced in the OPEC+ meeting on 30th Nov.

Sector focus: We believe the inclusion of YTL and YTLPOWER could spur some trading interest within the Utilities sector, while the traders may look into the Consumer sector with a good set of results from QL and PWF. Besides, the Building Material sector may be seen traded actively with strong earnings growth from MNHLGDS and SCGBHD. On the flip side, the selling pressure could emerge further on glove stocks amid weaker results from SUPERMX.

FBMKLCI Technical Outlook



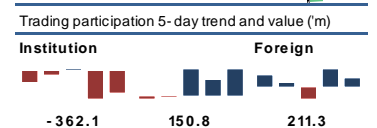
Bloomberg

The FBM KLCI ended marginally lower for the 3rd session, consolidated further, and traded negatively biased at this juncture. The technical readings on the key index are weak, with the MACD Histogram forming another negative histogram, while the RSI continued to maintains below the 50 level. The resistance is pegged around 1,455-1,460 and the support is at 1,430-1,440.

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

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	35,430.42	0.04
S&P 500	4,550.58	-0.09
NASDAQ	14,258.49	-0.16
FBM KLCI	1,446.07	-0.13
FBM Small Cap	16,167.21	-0.49
FBM ACE	5,043.62	-0.80
Construction	184.19	-0.08
Consumer	557.61	-0.13
Energy	82185	-0.01
Financial Services	16,27192	-0.04
Healthcare	1834.57	-1.47
Ind Products	17172	0.01
Plantation	7,013.51	0.10
Property	847.02	-0.45
REITs	784.83	0.27
Technology	62.50	-0.40
Telco & Media	555.03	-0.63
Transport & Logist	929.61	-0.39
Utilities	1239.86	-1.00
Trading Vol (m)	3,275.30	-14.07
Trading Val (RM m)	2,273.65	-4.80
Gainers/ Losers rat	62%	
FKLI	1,445.00	-0.21
FCPO (RM)	3,880.00	0.21
Brent oil (USD)	81.68	1.49
Gold (USD)	2,044.24	0.00
USD	4.652	0.41
GBP	5.899	-0.01
EURO	5.1056	0.21
SGD	3.4931	0.09



Source: Bloomberg, Bursa Market Place



JOIN OUR OFFICIAL TELEGRAM
TO GET THE LATEST MARKET UPDATES

M+Online
Equipping Traders For The Win

Global
Winning The World

Company Brief

Axiata Group Bhd widened its net loss to RM797.41m in the third quarter ended Sept 30, 2023 (3QFY2023) from RM52.4m a year ago mainly due to asset impairment and lower share of results from subsidiary CelcomDigi Bhd. The impairment of RM1.01bn during the quarter followed the reclassification of its Nepal unit Ncell as an asset held for sale, resulting in widened discontinuing operations loss of RM824.5m. (The Edge)

Cahya Mata Sarawak Bhd's net profit fell 93.5% to RM9.98m in the third quarter ended Sept 30, 2023 (3QFY2023) from RM154.36m a year earlier, due to a lower share of profit from its associates as well as an absence of one-off gains recognised during the previous corresponding quarter. The one-off gains recognised in 3QFY2022 also included a negative goodwill of RM62.47m arising from the acquisition of Oiltools group and reversal of impairment of RM37.69m on its subsidiary OM Materials' investment and loan. (The Edge)

Lower tax expenses helped **Berjaya Corp Bhd** return to the black with a net profit of RM15.77m for its first quarter ended Sept 30, 2023 (1QFY2024), after incurring a net loss of RM79.33m in the immediate preceding quarter and a net loss of RM16.42m in the year-ago first quarter. Revenue grew 14% to RM2.57bn from RM2.24bn in 1QFY2023, driven by stronger contribution from its hospitality and property businesses, which benefited from higher residences sales and increase in overall average room rates. (The Edge)

Mega First Corp Bhd's net profit for the third quarter ended Sept 30, 2023 (3QFY2023) fell 14.17% to RM102.53m, from RM119.46m a year before, amid lower revenue and lower share of results in equity accounted investment and other income. Other operating expenses and finance costs came in higher, dragging the group's quarterly earnings. (The Edge)

QL Resources Bhd logged its best quarterly net profit in the second quarter ended Sept 30, 2023 (2QFY2024) after it posted a RM122.64m net profit, representing a 30.61% surge from RM93.9m recorded in the same period last year. The quarterly earnings is the highest for at least eight quarters since December 2021, after a better operating profit more than offset a lower share of associate's profits and higher tax expense. (The Edge)

Sarawak Oil Palms Bhd's third quarter net profit rose 14.83% to RM94.55m from RM82.34m a year earlier, thanks to higher fresh fruit bunches (FFB) production and higher sales volume. On a quarter-on-quarter basis, Sarawak Oil Palms' net profit climbed 96.5% from RM48.12m in 2QFY2023 from higher FFB and crude palm oil production volume, coupled with higher volume of palm products sold. (The Edge)

PPB Group Bhd's net profit for the third quarter ended Sept 30, 2023 (3QFY2023) fell 52.52% to RM372.55m, from RM784.75m in the corresponding quarter a year earlier, largely due to lower contribution from its 18.8%-owned associate, the integrated agribusiness giant Wilmar International Ltd. (The Edge)

PJBumi Bhd said it has received a conditional development order from the Sungai Petani Municipal Council for the proposed development of its 4.6-acre industrial land in Sungai Petani, Kedah. The development comprises 24 units of smart medium industrial factories with an estimated gross development value of RM42m. The group said that the construction period is 18 months. (The Edge)

Apex Healthcare Bhd's net profit fell 10.11% to RM24.16m or 3.38 sen per share for the third quarter ended Sept 30, 2023 (3QFY2023) compared with RM26.88m or 3.78 sen per share in the previous year's corresponding quarter, mainly due to lower share of earnings from its associate Straits Apex Group Sdn Bhd (SAG). (The Edge)



Boustead Heavy Industries Corporation Bhd registered a net loss of RM5.72m in the third quarter ended Sept 30, 2023 (3QFY2023) from a net profit of RM564,000 in the same period last year, largely due to higher finance and operating costs. The group told Bursa Malaysia on Wednesday that its quarterly revenue rose by 7.34% to RM38.51m from RM35.87m a year ago, supported by higher revenue contribution from its defence segment. (The Edge)

FGV Holdings Bhd posted an 86.8% decrease in net profit for its third quarter ended Sept 30, 2023 (3QFY2023) to RM31.98m, from RM241.67m a year ago, owing to a significant fall in profit contribution from its plantation segment. The plantation group said its quarterly revenue fell 20.6% to RM4.91bn versus RM6.18bn previously, on the back of lower crude palm oil realised prices. (The Edge)

Supermax Corp Bhd logged a net loss of RM2.05m in the first quarter ended Sept 30, 2023 (1QFY2024), marking the group's fourth straight loss-making quarter, as revenue shrunk amid weaker demand and persistent lower selling prices. Its quarterly loss narrowed from the preceding three quarters. The glove maker recorded a loss after tax of RM108.07m in 2QFY2023, RM39.91m in 3QFY2023 and RM7.17m in 4QFY2023. (The Edge)

Genetec Technology Bhd, which completed its transition to Main Market of Bursa Malaysia last month, saw its net profit fall 26.35% to RM18.45m for the second quarter ended Sept 30, 2023 (2QFY2024) from RM25.06m in the corresponding quarter a year ago, due to loss on foreign exchange and lower margin in product mix, despite higher revenue. (The Edge)

Icon Offshore Bhd said third quarter net profit fell 18.83% to RM6.21m, from RM7.65m a year earlier, mainly due to the loss from its drilling segment. On a quarter-on-quarter basis, net profit came in higher than the RM4.44m it logged in 2QFY2023, while revenue rose 4.80% from RM55.81m. Icon declared an interim dividend of 0.05 sen, to be paid on Jan 9. (The Edge)

Public Bank Bhd's net profit for the third quarter ended Sept 30, 2023 rose 7% to RM1.70bn from RM1.59bn a year earlier, on the back of healthy loans and customer deposits growth. The banking group said revenue for the quarter rose to RM6.48bn from RM5.50bn. For the cumulative nine months ended Sept 30, Public Bank posted a net profit of RM5.03bn versus RM4.41bn a year prior. (The Edge)

Property developer **KSL Holdings Bhd** posted a 43.1% jump in its net profit for the third quarter ended Sept 30, 2023 (3QFY2023) to RM84.58m from RM59.12m a year ago, mainly contributed by the group's flagship property projects in Johor Bahru, Kluang and Klang. For the nine-month period ended Sept 30, 2023 (9MFY2023), KSL recorded a net profit of RM285.07m, more than double the net profit it recorded in the same period last year at RM125.91m, as revenue leaped 92.7% to RM872.44m from RM452.68m. (The Edge)

Malaysia Marine and Heavy Engineering Holdings Bhd has secured a subcontract for an offshore substation high voltage direct current platform from Petrofac International LLC worth RM1.2bn. The scope of the subcontract consists of construction engineering, fabrication, mechanical completion, load out and sea fastening, and architectural works on an engineering, procurement and construction basis. (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	0.990	-1.0%	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	1.630	4.8%	Initiate on 2/10/2023
2	HIAPTEK	2-Oct	0.435	0.500	0.535	0.400	0.365	0.355	0.445	2.3%	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	0.680	22.5%	Initiate on 2/10/2023
5	MUHIBAH	2-Oct	0.730	0.810	0.855	0.715	0.670	0.660	0.740	1.4%	Initiate on 2/10/2023
6	PECCA	2-Oct	1.210	1.400	1.450	1.100	1.050	1.030	1.300	7.4%	Initiate on 2/10/2023
7	PUF	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	0.400	-19.2%	Initiate on 2/10/2023
9	SLVEST	2-Oct	1.320	1.450	1.520	1.250	1.200	1.180	1.250	-5.3%	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	1.490	-1.5%	Initiate on 2/10/2023
13	WELLCAL	2-Oct	1.490	1.600	1.680	1.380	1.310	1.290	1.600	7.4%	Initiate on 2/10/2023
Average Return										3.8%	

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)	-3.3%
FBM Small Cap (Since 30/12/2022)	8.3%
Malaysia GDP Growth (1H23)	4.2%

Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.

