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Morning Pole Position

| 12th September 2022 |

All market data as at previous trading day

Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,496.53	1.80	-4.53
FBM Emas	10,628.22	14.32	-6.02
FBM Syariah	10,693.48	-10.89	-12.80
FBM Small Cap	14,400.63	59.96	-8.63
FBM ACE	4,858.48	56.38	-24.32
F4G BM	863.77	1.04	-1.88
F4G BMS	885.81	-1.75	-9.85

Funds Flows

Net Buy (MYR'm)

Local Institutions	-25.4
Local Retails	-26.5
Foreign	51.9

Foreign

Dow Jones	32,151.71	377.19	-11.52
S&P 500	4,067.36	61.18	-14.66
Nasdaq	12,112.31	250.18	-22.58
FTSE	7,351.07	89.01	-0.45
Hang Seng	19,362.25	507.63	-17.25
Nikkei	28,214.75	149.47	-2.00
Shanghai CI	3,262.05	26.47	-10.38
Strait Times	3,262.95	29.34	4.46

Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.4970	-0.0040	7.97
GBP / MYR	5.2293	0.0547	-7.13
JPY100 / MYR	3.1677	0.0430	-12.47
EUR/MYR	4.5449	0.0461	-3.59
SGD / MYR	3.2202	0.0187	4.37
CNY / MYR	0.6500	0.0032	-0.72
AUD / MYR	3.0908	0.0603	2.12

Bond Yield Movements

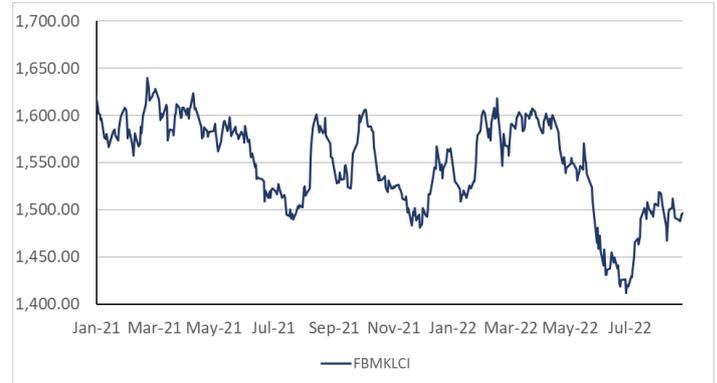
		Yield	Daily Change (bps)
MGS	3- year	3.34	-1
	10- year	4.03	-2
GII	3- year	3.44	-2
	10- year	4.07	0
UST	2- year	3.56	8
	10- year	3.33	4

Commodities

	Last	Daily chg	Daily chg %
CPO (3 rd month)	3,641.00	59	1.65
Brent (1 st month)	92.42	3.81	4.30
Gold (spot)	1,716.05	8.77	0.51

Source: Treasury.gov, Bursa and BNM

FBMKLCI and statistics



Source: Bloomberg

Market Turnover

Vol (m shrs)	2,358
Value (MYR m)	1,484

Top 5 Value

	Last	Daily chg %	Value (MYR m)
PICHEM	8.940	-0.11	86.729
MAYBANK	8.970	0.22	69.663
CIMB	5.440	0.74	58.061
CNERGEN	1.020	12.09	54.078
SFPTECH	1.550	12.32	49.818

Top 5 Gainers

	Last	Daily chg %	Value (MYR m)
BIOHLDG-PA	0.040	166.67	0.001
DOLMITE	0.020	33.33	0.003
BORNOIL	0.025	25.00	0.208
PGF-PA	0.290	20.83	0.019
ACME	0.205	20.59	1.619

Top 5 Losers

	Last	Daily chg %	Value (MYR m)
PHB	0.005	-50.00	0.003
EAH	0.005	-50.00	0.003
S&FCAP	0.075	-25.00	0.015
MTRONIC	0.035	-22.22	11.641
DOLPHIN	0.020	-20.00	0.640

Top 5 DBT

	Value (MYR m)	Volume (m shares)	Price (MYR)
AIMFLEX	11.000	110.000	0.125
BORNOIL	0.116	58.000	0.025
WAJA	1.205	30.119	0.08
T7GLOBAL	8.000	29.630	0.315
LUSTER	1.013	13.500	0.075

Market Pulse



Source: Chart created using tradingview.com's tools, PRSB

The KLCI ended marginally higher at 1,496.53 pts with +5.35 pts (+0.36%) compared to the previous week's session. KLCI's constituents saw 14 gainers, and 14 losers with the remaining 2 unchanged for the week where the top 3 gainers for the week were Press Metal Aluminium (+8.5%), Maxis (+3.0%), and Sime Darby Plantation (+2.9%). Albeit the week ended on a positive note, we believe the market sentiment will remain mixed and investors will continue to be cautious due to lack of strong catalyst to boost the broad market at the moment as investors wait for Budget 2023 tabling on the 7th October 2023 and updates on GE15.

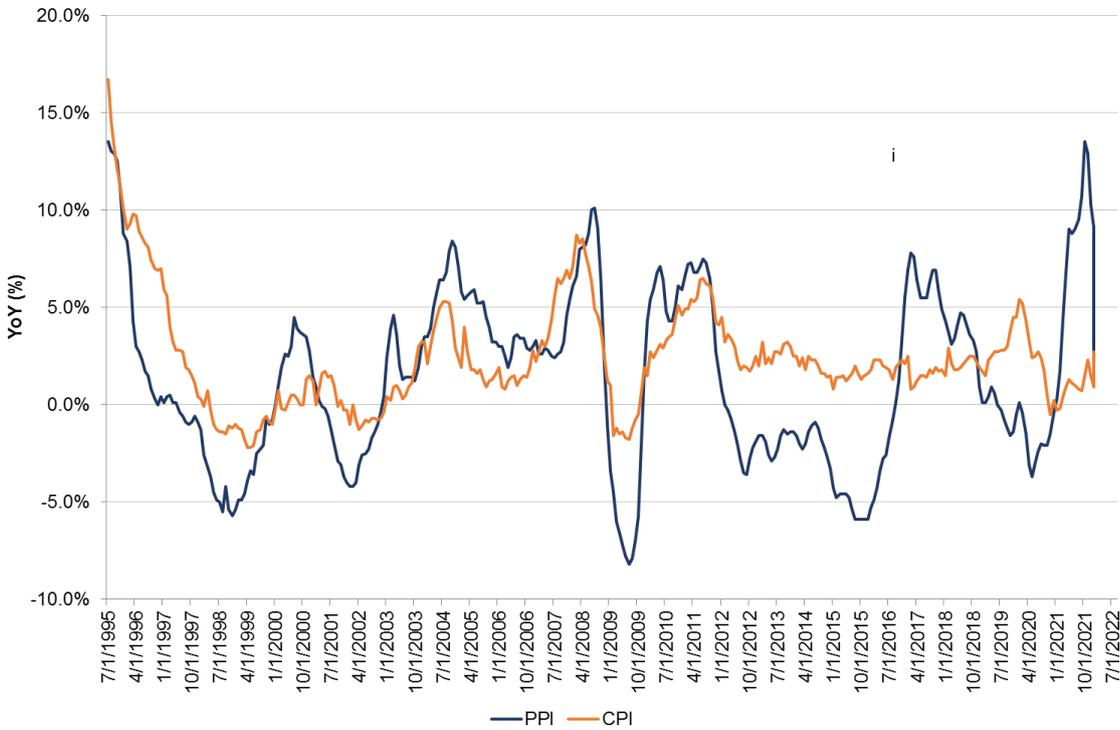
Over to the U.S. market, the week ended with a positive rebound as moderating inflations fears were eased by the decline in oil prices. Released of the Fed's Beige Book also indicated that price increases were moderating in 9 of its 12 districts, as lower fuel prices and cooling overall demand alleviated cost pressures, especially freight shipping rates. On top of that, a surprise moderation in Chinese producer price inflation also seemed to help foster a rally on Friday.

China's CPI was 2.5% YoY in August vs 2.7% in July (Consensus: 2.8%) and PPI was 2.3% YoY in August vs 4.2% in July (Consensus: 3.2%). The lower PPI was partially driven by falling gasoline and diesel prices, which were reduced five times by regulators from end-June to end-August, while lower food prices edged down CPI. While lower inflation provides Beijing with more space for monetary and fiscal easing, it reflects weak demand as a result of the new wave of the pandemic.

Across the world, we continue to see the rising likelihood of disinflation, but China's ZCS will continue to be a drag on the global economy. We, therefore, maintain our themes on 1) construction, 2) oil and gas, and 3) tech for Malaysia market. As seen in TSMC revenue, semiconductor demand remains strong and the recent outflow from Taiwan is mainly due to geopolitical than semiconductor downtrend, we thus believe Malaysia's tech sector will benefit from this outflow.

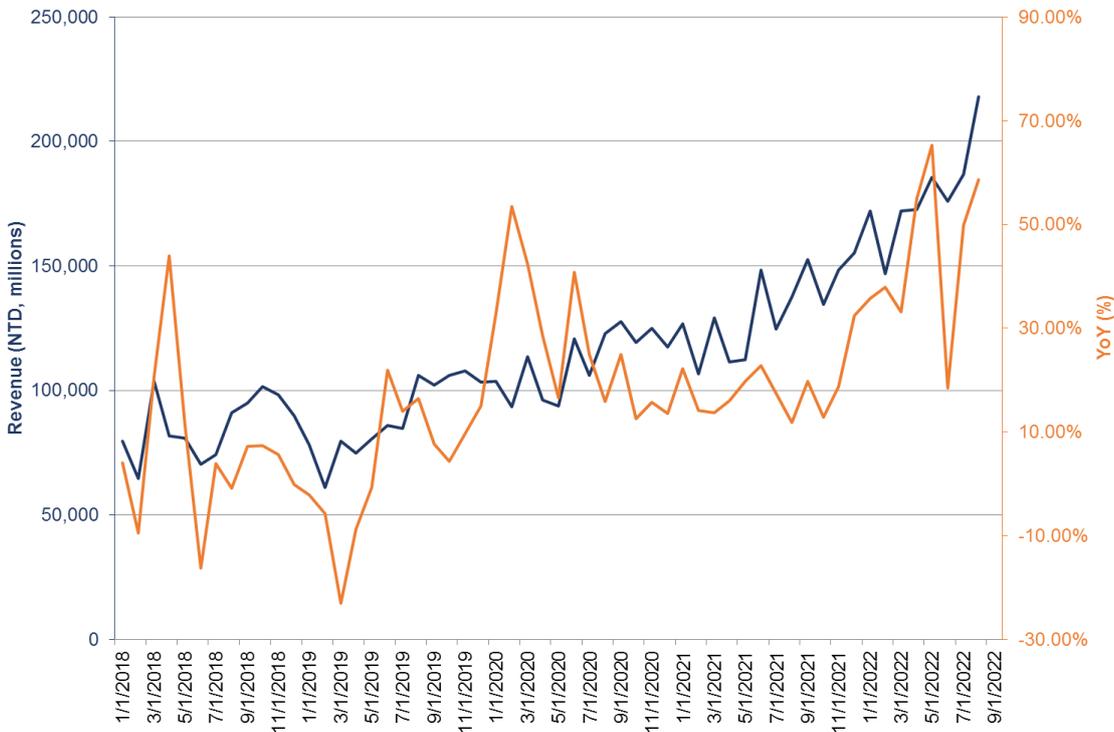
Hence, we anticipate the KLCI to rise for this week as confirmed by the uptick of RSI. Technically, the KLCI may test the immediate resistance at 1,512.05 pts and may go higher to 1,542.76 pts. We set the support level at 1,459.25. Our picks in Exhibit 3 and our picks for the week on these 3 sectors are Gamuda, Dayang Enterprise, and Pentamaster.

Exhibit 1: China CPI and PPI



Source: Bloomberg, compiled by PRSB

Exhibit 2: TSMC Revenue



Source: TSMC, compiled by PRSB

Exhibit 3: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
Fundamental					
Bermaz Auto	BAUTO MK	Buy	1.79	2.45	36.87
Guan Chong	GUAN MK	Outperform	2.32	2.78	19.83
Technical					
Genting Malaysia	GENM MK	Outperform	3.00	3.21	7.00
Matrix Concept	MCH MK	Outperform	2.36	2.57	8.90
Ta Ann	TAH MK	Outperform	4.11	4.64	12.90
Telekom	T MK	Outperform	5.81	6.28	8.09
QL Resources	QLG MK	Outperform	5.06	5.77	14.03
CB Industrial Product Holding	CB MK	Buy	1.30	1.76	35.38
Opcom Holdings	OHB MK	Buy	0.805	1.24	54.04
KSL Holdings	KSL MK	Outperform	0.840	0.96	14.29
Gamuda	GAM MK	Outperform	3.98	4.30	8.04
Chin Well Holdings	CWH MK	Outperform	1.75	2.00	14.29
Supercomnet Technologies	SCT MK	Outperform	1.53	1.73	13.07
Kelington Group	KGRB MK	Buy	1.39	1.71	23.02
Pentamaster Corporation	PENT MK	Buy	4.12	5.26	27.67
AME Elite Consortium	AME MK	Buy	1.49	2.03	36.24
Formosa Prosonic Industries	FOR MK	Buy	3.11	3.92	26.05
IJM Corp Bhd	IJM MK	Outperform	1.72	2.06	19.77
Kerjaya Prospek Group	KPG MK	Outperform	1.15	1.39	20.87
MMS Ventures	MMSV MK	Buy	0.810	1.20	48.15
Dialog Group	DLG MK	Buy	2.32	2.95	27.16
FM Global Logistics Holdings	FMH MK	Buy	0.595	0.82	37.82
Solarvest Holdings	SOLAR MK	Buy	0.74	1.12	51.35
Hibiscus Petroleum	HIBI MK	Buy	0.99	1.32	34.01
OSK Holdings	OSK MK	Buy	0.94	1.12	19.79
Malakoff Corporation	MLK MK	Buy	0.70	0.86	22.86
UWC	UWC MK	Buy	4.20	5.03	19.76
Dayang Enterprise	DEHB MK	Buy	1.10	1.44	30.91
Deleum	DLUM MK	Outperform	0.80	0.84	5.66
ETF					
MyETF Dow Jones U.S. Titans 50	METFUS50 MK	Buy	USD 1.79	USD 1.93	8.26
MyETF MSCI SEA Islamic Dividend*	MEMSID MK	Buy	0.85	0.85	0.00
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.64	1.80	10.03
Principal FTSE China 50 ETF	CIMBC25 MK	Buy	1.23	1.39	13.29
TradePlus HSCEI Daily (2x) Leveraged Tracker	HSCEI2XL MK	Strong Buy	0.59	0.85	43.22
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Buy	1.71	1.86	8.77

*Pending review.

Source: Bursa, Bloomberg, PRSB, price as of 8th September 2022

Malaysian news highlights

- **Malaysia's economy to record stronger growth in 3Q, says Zafrul.**
The government is optimistic that the economy in the third quarter (3Q) of this year will show stronger growth based on current positive economic indicators. Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said economic growth was in line with the unemployment rate which was recorded at 3.7% in July, compared to 3.8% previously. (Source: [TheEdgeMarkets](#))
- **National health system transforming from sick care to health care — Khairy.**
The Ministry of Health is transforming the national health system from sick care to health care, said its Minister, Khairy Jamaluddin. Like the saying “prevention is better than cure”, he said this transformation is important to empower disease-prevention activities, encourage healthy lifestyles, improve health screenings and primary health services in the community. He said the transformation would also encourage the expansion of digital health records among communities and the use of the latest technology in the health sector. (Source: [TheEdgeMarkets](#))
- **CPO futures close higher, tracking gains in soybean oil.**
The crude palm oil (CPO) futures contract on Bursa Malaysia Derivatives (BMD) ended the week mostly higher on the back of stronger soybean oil prices during Asian hours, a dealer said. He said the recovery in the Chicago Board of Trade (CBOT) soybean oil futures pushed up CPO demand on Friday. “However, further gains were capped by the stronger ringgit against the US dollar,” he added. At the close, the CPO futures contract for the spot month of September 2022 was unchanged at RM3,438 per tonne, October 2022 rose by RM33 to RM3,542, November 2022 added RM38 to RM3,579, and December 2022 gained RM39 to RM3,621 per tonne. (Source: [TheEdgeMarkets](#))
- **Malaysia's unemployment rate seen to return to pre-pandemic levels by mid-2023.**
Malaysia's unemployment rate is expected to continue to fall this year as the country's transition to endemicity — with full reopening of borders and resumption of economic and social activities — will continue to drive the recovery of the labour market, economists said. Earlier on Friday (Sept 9), the Department of Statistics Malaysia announced that the country's unemployment rate reached a new pandemic low of 3.7% (620,700 people) in July 2022. In June, the unemployment rate was 3.8%, when 630,600 people were unemployed. (Source: [TheEdgeMarkets](#))

Global news highlights

- **Asia Real Estate Prices Cool in Early Sign of Global Slowdown.**
Home prices held up across most of the globe in the second quarter, with just seven of the 56 markets surveyed by real estate firm Knight Frank showing price declines in June compared to March. Of those, six were in the Asia-Pacific region. New Zealand, which was one of the world's hottest markets during the pandemic, led the way with a 3% decline. Malaysia, Australia, China and South Korea also slumped. (Source: [Bloomberg](#))
- **Yellen Says No Strong Labor Market in Long Run If Inflation High.**
Treasury Secretary Janet Yellen said she remains hopeful the US economy can avoid recession, but added that Americans understand the need for the Federal Reserve to conquer inflation. “The Fed is going to need great skill and also some good luck to achieve what we sometimes call a soft landing,” Yellen said Sunday in an interview on CNN's “State of the Union.” (Source: [Bloomberg](#))
- **US Inflation Forecasts Marked a Bit Lower Through 2023 in Survey.**
Projections for the year-over-year personal consumption expenditures price index, the Fed's preferred inflation gauge, were lowered 0.1-0.2 percentage point for each quarter. By the first quarter of 2024, it's expected to average 2.4%, inching closer to the central bank's 2% target. (Source: [Bloomberg](#))

- Germany cranks up chemical imports as energy crisis hikes costs.**
Germany is increasingly getting vital chemicals from abroad as the country's industrial giants like BASF SE struggle with sky-rocketing energy prices from Russian gas cuts. Chemical import volumes have almost doubled this year as the crisis deepened. Germany imported around 2.8 billion tonnes of inorganic chemicals in the first half of 2022, according to Germany's federal statistics office. That's around 40% more in volume terms than during the same period a year ago. (Source: [TheEdgeMarkets](#))
- EU to claw back energy firms' profits rather than cap Russian gas price.**
European Union energy ministers on Friday tasked Brussels with drafting proposals within a few days to cap the revenues of non-gas energy producers and help power firms stay afloat. But as they sought to protect citizens from soaring energy prices that have driven inflation across the continent to record highs, the ministers backed away from more divisive proposals to cap Russian gas prices. At an emergency meeting in Brussels, the ministers instead asked the European Commission to propose broader gas price caps, even as the EU executive itself swiftly poured cold water on the feasibility of such an idea. (Source: [TheEdgeMarkets](#))
- EU nations commit to global minimum tax despite Hungary veto.**
A group of European Union countries is considering new ways of implementing a global deal for a 15% minimum tax on large multinationals in 2023 as Hungary continues to veto a joint solution for the bloc. Finance ministers from five of the largest EU economies said at a meeting in Prague on Friday they will strengthen their commitment to the plan by working on alternatives that would exclude Budapest. "Should unanimity not be reached in the next weeks, our governments are fully determined to follow through on our commitment," Germany, France, Italy, Spain, and the Netherlands said in a statement. "We stand ready to implement the global minimum effective taxation in 2023 and by any possible legal means." (Source: [TheEdgeMarkets](#))
- China Bank Lending Sees Slow Recovery Due to Cautious Households.**
Aggregate financing to the economy, which is a broad measure of new credit, was triple the record low in July, boosted by growth in new loans and lending through shadow banking, according to data released by the People's Bank of China. The return of shadow banking and the fact that the stock of outstanding credit again grew at a slower pace than M2, the broadest measure of money supply, suggest that some of the liquidity in the financial system isn't making it to the real economy. (Source: [Bloomberg](#))

Corporate news

- Celcom's PATAMI improves to RM542 mil in first half of 2022.**
Celcom Axiata Bhd's profit after tax and minority interest (PATAMI) improved more than 100% for the first half ended June 30, 2022 (1HFY22) to RM542 million. Its earnings before interest, taxes, depreciation and amortisation (EBITDA) grew 13.0% to RM1.51 billion in the first half of the year, driven by higher revenue and improved cost, supported by transformation and cost-saving initiatives. (Source: [TheEdgeMarkets](#))
- Parkson's unit to offload commercial properties in China for RM182 mil.**
Parkson Holdings Bhd's 54.97%-owned subsidiary, Parkson Retail Group Ltd (PRG), is to sell commercial properties with an aggregate construction area of 76,013 square metres in Qingdao, China for 280 million yuan (RM182 million). The department store operating on the properties has been suffering losses due to the weakening spending power of local residents as well as the adverse effects of Covid-19 mitigation policies on the retail business, PRG said in an announcement on Friday (Sept 9) that was filed with Bursa Malaysia by Parkson. "Since the properties are located in an old town area which is subject to urban reconstruction of Qingdao, the residents of the district have gradually moved out from the old town to the suburban area. (Source: [TheEdgeMarkets](#))

- Interim liquidator appointed to take control of Sapura Energy's unit.**
 Sapura Energy Bhd said Lim San Peen has been appointed as its wholly owned subsidiary Sapura Project Services Sdn Bhd's (SPSSB) interim liquidator under the order of the Shah Alam High Court. This is in connection with the winding-up petition filed against it due to non-payment of an outstanding sum. SPSSB was served with a winding-up petition by Danamin (M) Sdn Bhd on Feb 28, in relation to a sum of RM4.24 million under a construction contract for the provision of mechanical works. (Source: [TheEdgeMarkets](#))
- US court dismisses US-based fund's US\$6.5 bil suit against IHH Healthcare.**
 A US court on Wednesday (Sept 7) granted IHH Healthcare Bhd's request to dismiss US-based fund Emqore Envesecure Private Capital Trust's amended complaint for a suit which involves damages in excess of US\$6.5 billion (RM29.24 billion). However, the matter may not be done and dusted as the US Federal District Court for the District of New Jersey attached the following conditions to the order: "Defendants consent to the jurisdiction of Indian courts and agree to accept service of process in India in any civil action timely filed by Emqore on their claims in this matter; (Source: [TheEdgeMarkets](#))
- LSH Capital inks deal with Gamuda to boost construction efficiency via digital IBS.**
 Lim Seong Hai Capital Bhd (LSH Capital) has entered into a collaboration agreement with Gamuda Bhd to boost construction efficiency through promoting the use of digital industrial building system (IBS) in the construction industry. In a Bursa Malaysia filing on Friday (Sept 9), LSH Capital said its wholly owned subsidiary LSH Best Builders Sdn Bhd (LSHBBS) had entered into the agreement with Gamuda Industrial Building System Sdn Bhd (Gamuda IBS). (Source: [TheEdgeMarkets](#))
- Malaysia Aviation Group partners Singapore Tourism Board to promote Singapore.**
 Malaysia Aviation Group Bhd (MAG) has teamed up with the Singapore Tourism Board (STB) to promote Singapore as a destination of choice for travellers. In a joint statement, MAG and STB said the partnership will give STB exclusive access to MAG's portfolio of travel and lifestyle-related services, which include both Malaysia Airlines and FlyFirefly Sdn Bhd. "This partnership will also leverage Malaysia Airlines' tour operating arm, MHHolidays, providing curated travel packages for single to group travel, including flights, hotel stays, attractions and new experiences in Singapore. (Source: [TheEdgeMarkets](#))

Corporate Actions/ Entitlements

Stock Code	Stock Name	Entitlements	Description	Ex-Date	Lodgement Date	Payment/ Cessation Date
0099	SCICOM	RM0.0200	Fourth Interim Dividend	12/9/2022	13/9/2022	28/9/2022
1961	IOICORP	RM0.0800	Second Interim Dividend	12/9/2022	13/9/2022	23/9/2022
3182	GENTING	RM0.0700	Interim Dividend	12/9/2022	13/9/2022	6/10/2022
4715	GENM	RM0.0600	Interim Dividend	12/9/2022	13/9/2022	29/9/2022
5254	BPLANT	RM0.0275	Second Interim Dividend	12/9/2022	13/9/2022	27/9/2022
5263	SUNCON	RM0.0300	First Interim Dividend	12/9/2022	13/9/2022	29/9/2022
6033	PETGAS	RM0.1600	Second Interim Dividend	12/9/2022	13/9/2022	23/9/2022
7107	OFI	RM0.0050	First Interim Dividend	12/9/2022	13/9/2022	6/10/2022
7117	CJCEN	RM0.0050	Interim Dividend	12/9/2022	13/9/2022	27/9/2022
9288	BONIA	RM0.0200	Interim Dividend	12/9/2022	13/9/2022	30/9/2022
9288	BONIA	RM0.1000	Special Dividend	12/9/2022	13/9/2022	30/9/2022
0113	MMSV	RM0.0100	First Interim Dividend	13/9/2022	14/9/2022	13/10/2022
1295	PBBANK	RM0.0800	First Interim Dividend	13/9/2022	14/9/2022	23/9/2022
5012	TAANN	RM0.1500	Third Interim Dividend	13/9/2022	14/9/2022	5/10/2022
5236	MATRIX	RM0.0300	First Interim Dividend	13/9/2022	14/9/2022	6/10/2022
5237	MPHBCAP	RM0.0500	Interim Dividend	13/9/2022	14/9/2022	28/9/2022
7089	LIHEN	RM0.0117	Second Interim Dividend	13/9/2022	14/9/2022	29/9/2022
7134	PWF	RM0.0250	First Interim Dividend	13/9/2022	14/9/2022	29/9/2022
7167	ABLEGLOB	RM0.0150	Second Interim Dividend	13/9/2022	14/9/2022	28/9/2022
8869	PMETAL	RM0.0175	Second Interim Dividend	13/9/2022	14/9/2022	29/9/2022
0090	ELSOFT	RM0.0100	First Interim Dividend	14/9/2022	15/9/2022	7/10/2022
0146	JFTECH	RM0.0050	Final Dividend	14/9/2022	15/9/2022	30/9/2022
3036	RPLANET	RM0.0080	Interim Dividend	14/9/2022	15/9/2022	30/9/2022
3859	MAGNUM	RM0.0150	Second Interim Dividend	14/9/2022	15/9/2022	30/9/2022
5031	TIMECOM	RM0.1634	Special Dividend	14/9/2022	15/9/2022	27/9/2022
5053	OSK	RM0.0200	Interim Dividend	14/9/2022	15/9/2022	6/10/2022
5102	GCB	RM0.0200	Second Interim Dividend	14/9/2022	15/9/2022	11/10/2022
5126	SOP	RM0.0400	Interim Dividend	14/9/2022	15/9/2022	6/10/2022
5132	DELEUM	RM0.0200	First Interim Dividend	14/9/2022	15/9/2022	30/9/2022
5168	HARTA	RM0.0350	Final Dividend	14/9/2022	15/9/2022	29/9/2022
5197	FLBHD	RM0.0300	Interim Dividend	14/9/2022	15/9/2022	30/9/2022
5211	SUNWAY	RM0.0200	First Interim Dividend	14/9/2022	15/9/2022	6/10/2022
5222	FGV	RM0.0400	Interim Dividend	14/9/2022	15/9/2022	29/9/2022
6262	INNO	RM0.0700	Second Interim Dividend	14/9/2022	15/9/2022	29/9/2022
6874	KUB	RM0.0150	First and Final Dividend	14/9/2022	15/9/2022	13/10/2022
7052	PADINI	RM0.0250	First Interim Dividend	14/9/2022	15/9/2022	30/9/2022
7179	LAGENDA	RM0.0300	Interim Dividend	14/9/2022	15/9/2022	26/9/2022
7237	PWROOT	RM0.0300	Interim Dividend	14/9/2022	15/9/2022	12/10/2022
9962	GMUTUAL	RM0.0050	First Interim Dividend	14/9/2022	15/9/2022	6/10/2022

247	UNITRAD	RM0.0082	First and Final Dividend	15/9/2022	19/9/2022	4/10/2022
3023	SMILE	RM0.0005	Interim Dividend	15/9/2022	19/9/2022	5/10/2022
5032	BIPORT	RM0.0300	Second Interim Dividend	15/9/2022	19/9/2022	6/10/2022
5295	INNATURE	RM0.0100	Interim Dividend	15/9/2022	19/9/2022	30/9/2022
7029	MASTER	RM0.0600	Second Interim Dividend	15/9/2022	19/9/2022	12/10/2022
7247	SCGM	RM1.8500	Special Dividend	15/9/2022	19/9/2022	29/9/2022
8583	MAHSING	RM0.0265	First and Final Dividend	15/9/2022	19/9/2022	29/9/2022

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