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## Morning Pole Position

| 28<sup>th</sup> September 2022 |

All market data as at previous trading day

### Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,410.87	-2.17	-9.99
FBM Emas	10,079.94	-13.76	-10.87
FBM Syariah	10,176.56	24.60	-17.01
FBM Small Cap	13,965.72	27.46	-11.39
FBM ACE	4,708.38	47.26	-26.66
F4G BM	816.86	-1.41	-7.21
F4G BMS	840.92	3.20	-14.42
<b>Funds Flows</b>			
		<b>Net Buy (MYR'm)</b>	
Local Institutions		36.6	
Local Retails		58.4	
Foreign		-95.0	
<i>Foreign</i>			
Dow Jones	29,134.99	-125.82	-19.82
S&P 500	3,647.29	-7.75	-23.48
Nasdaq	10,829.50	26.58	-30.78
FTSE	6,984.59	-36.36	-5.42
Hang Seng	17,860.31	5.17	-23.67
Nikkei	26,571.87	140.32	-7.71
Shanghai CI	3,093.86	42.64	-15.00
Strait Times	3,165.50	-16.47	1.34

### Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.6108	0.0098	10.70
GBP / MYR	4.9824	0.0347	-11.52
JPY100 / MYR	3.1934	-0.0054	-11.76
EUR/MYR	4.4374	-0.0187	-5.87
SGD / MYR	3.2123	0.0028	4.12
CNY / MYR	0.6434	0.0002	-1.73
AUD / MYR	2.9910	-0.0093	-1.17

### Bond Yield Movements

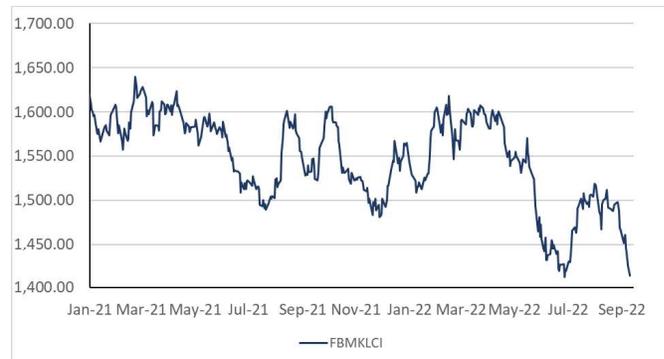
		Yield	Daily Change (bps)
<b>MGS</b>	3- year	3.77	3
	10- year	4.34	0
<b>GII</b>	3- year	3.78	2
	10- year	4.54	16
<b>UST</b>	2- year	4.3	3
	10- year	3.97	9

### Commodities

	Last	Daily chg	Daily chg %
CPO (3 <sup>rd</sup> month)	3,523.00	-18	-0.51
Brent (1 <sup>st</sup> month)	85.69	1.75	2.08
Gold (spot)	1,622.53	-13.67	-0.84

Source: Treasury.gov, Bursa and BNM

### FBMKLCI and statistics



Source: Bloomberg

### Market Turnover

Vol (m shrs)	2,283
Value (MYR m)	1,923

### Top 5 Value

	Last	Daily chg %	Value (MYR m)
CIMB	5.250	-0.94	125.449
PBBANK	4.210	-1.64	124.122
MAYBANK	8.570	-0.23	113.613
TOPGLOV	0.610	-3.94	80.642
PCHEM	8.350	0.36	74.819

### Top 5 Gainers

	Last	Daily chg %	Value (MYR m)
FOCUS-PA	0.010	100.00	0.002
NEXGRAM	0.010	100.00	0.001
MLAB	0.015	50.00	0.005
GOCEAN	0.015	50.00	0.003
DOLPHIN	0.020	33.33	0.010

### Top 5 Losers

	Last	Daily chg %	Value (MYR m)
VSOLAR	0.005	-50.00	0.007
KGROU	0.005	-50.00	0.001
JOE	0.010	-33.33	0.003
PUC	0.020	-20.00	0.046
MERIDIAN	0.020	-20.00	0.002

### Top 5 DBT

	Value (MYR m)	Volume (m shares)	Price (MYR)
SAPNRG	2.000	50.000	0.045
RHBBANK	220.000	40.000	5.53
MBSB	9.723	20.688	0.59
CIMB	91.875	17.500	5.25
CHINHIN	25.231	9.876	2.92

**Market Pulse**



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

Although KLCI extended its losses by 2.17 pts (-0.15%), closing at 1,410.87 pts, indecision can be seen as the daily candle formed a spinning top candlestick. The KLCI sentiment saw 15 gainers and 12 losers while remaining 3 unchanged. The best performers of the day were PPB group and Axiata, gaining 3.39% and 2.63%, respectively while the worst performers were Top Glove and Public Bank, shredding 3.94% and 1.64%, respectively. The broad market shared a similar sentiment as gainers overtook losers by 427 to 392 while 406 remained unchanged.

Similarly, the U.S. market sentiment were mixed as NASDAQ gained 1.75%, while Dow Jones and S&P500 still closed in red with -0.43% and -0.21%, respectively. Economic data released yesterday may have caused some confusion when good news becomes bad news for investors as the U.S. economy continues to display its resiliency. New home sales came in at 685k, beating the consensus of 500k, while the Conference Board's consumer confidence indicator printed at 108.0 (consensus: 104.5), the best since April. Durable goods orders fell 0.2% in August, declining less than the forecast of -0.4%, while core durable goods orders came in line with the consensus of 0.2% MoM. The Case-Shiller 20-city home price index also showed home prices fell in July for the first time in just over 10 years.

Hence, although today's market sentiment may remain weak and volatile, taking the hint of the U.S. economy is still strong, we anticipate the KLCI to close with green today as RSI chartered into oversold territory. Technically, the KLCI may test the immediate support at 1,408.83 pts and rebound to close around yesterday's high of 1,420.27 pts. We set the support level at 1,388.80 pts. Exhibit 1 shows our current picks.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
<b>Fundamental</b>					
Bermaz Auto	BAUTO MK	Buy	1.84	2.45	33.15
Guan Chong	GUAN MK	Outperform	2.37	2.78	17.30
<b>Technical</b>					

Telekom	T MK	Outperform	5.60	6.28	12.14
QL Resources	QLG MK	Outperform	5.05	5.77	14.26
Opcom Holdings	OHB MK	Buy	0.815	1.24	52.15
KSL Holdings	KSL MK	Buy	0.775	0.96	23.87
Gamuda	GAM MK	Outperform	3.88	4.30	10.82
Chin Well Holdings	CWH MK	Outperform	1.67	2.00	19.76
Supercomnet Technologies	SCT MK	Outperform	1.67	1.73	3.59
Kelington Group	KGRB MK	Buy	1.35	1.71	26.67
Pentamaster Corporation	PENT MK	Buy	4.17	5.26	26.14
AME Elite Consortium	AME MK	Buy	1.45	2.03	40.00
Formosa Prosonic Industries	FOR MK	Buy	3.04	3.92	28.95
Kerjaya Prospek Group	KPG MK	Outperform	1.15	1.39	20.87
MMS Ventures	MMSV MK	Buy	0.720	1.20	66.67
Dialog Group	DLG MK	Buy	2.13	2.95	38.50
FM Global Logistics Holdings	FMH MK	Buy	0.600	0.82	36.67
Solarvest Holdings	SOLAR MK	Buy	0.76	1.12	47.37
Hibiscus Petroleum	HIBI MK	Buy	0.85	1.32	55.29
OSK Holdings	OSK MK	Buy	0.89	1.12	25.84
Malakoff Corporation	MLK MK	Buy	0.67	0.86	28.36
UWC	UWC MK	Buy	3.89	5.03	29.31
Dayang Enterprise	DEHB MK	Buy	1.14	1.44	26.32
Deleum	DLUM MK	Outperform	0.74	0.84	14.29
CTOS Digital	CTOS MK	Buy	1.35	1.78	31.85
Ancom Nylex	ANC MK	Buy	1.00	1.24	24.00
BP Plastics Holdings	BPP MK	Buy	1.45	1.80	24.14
CCK Consolidated Holdings	CCK MK	Outperform	0.61	0.71	17.36
Globetronics Bhd	GTB MK	Outperform	1.22	1.40	14.75
Inari Amertron Bhd	INRI MK	Outperform	2.65	3.11	17.17
Vitrox Corp Bhd	VITRO BHD	Buy	7.39	7.88	6.56
<b>ETF</b>					
MyETF Dow Jones U.S. Titans 50	METFUS50 MK	Buy	USD 1.77	USD 1.93	9.18
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.81	0.92	14.11
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.62	1.80	11.09
Principal FTSE China 50 ETF	CIMBC25 MK	Buy	1.23	1.39	13.29
TradePlus HSCEI Daily (2x) Leveraged Tracker	HSCEI2XL MK	Strong Buy	0.52	0.85	63.13
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Buy	1.75	1.86	6.29

Note: CB Industrial Product Holding was removed as it hits its cut loss.  
Source: Bursa, Bloomberg, PRSB, price as of 27<sup>th</sup> September 2022

## Malaysian news highlights

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- **Ringgit down for fourth day, tracking US dollar pressure on global currencies.**  
The Malaysian ringgit has slid further to 4.6112 against the US dollar on Tuesday (Sept 27), as it registered its fourth consecutive day of decline, tracking losses among major currencies against the greenback. At 6pm, the local currency depreciated to 4.6112 against the greenback, from Monday's close of 4.6038. Meanwhile, the ringgit traded mixed against a basket of other currencies. (Source: [TheEdgeMarkets](#))
- **BNM, Bank Indonesia renew local currency bilateral swap agreement of up to RM8 bil.**  
Bank Negara Malaysia (BNM) and Bank Indonesia have renewed the local currency bilateral swap agreement (LCBSA) of up to RM8 billion/28 trillion rupiah on Sept 23 (last Friday), to reinforce the ongoing cooperation by both central banks. The LCBSA, effective for a period of three years, was renewed following the first agreement which was signed in 2019. (Source: [TheEdgeMarkets](#))

## Global news highlights

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- **US Housing Prices Fall for First Time Since 2012.**  
A national measure of prices in 20 large cities fell 0.44% in July, the first drop since March 2012, the S&P CoreLogic Case-Shiller index showed Tuesday. The last real estate crash ended in 2012, ushering in 10 years of price gains, capped off by the two-year pandemic buying frenzy. But the Federal Reserve has put a swift end to the party as it fights to curb inflation. Mortgage rates this year doubled, pricing out many buyers and causing sales to plunge. Now values are heading south. The biggest month-over-month declines in July were in San Francisco (-3.6%), Seattle (-2.5%) and San Diego (-2%). (Source: [Bloomberg](#))
- **US Business Equipment Orders Rise by Most Since Start of Year.**  
The value of core capital goods orders, a proxy for investment in equipment that excludes aircraft and military hardware, increased 1.3% last month -- the most since January -- after an upwardly revised 0.7% July advance, Commerce Department figures showed Tuesday. The data aren't adjusted for inflation. Bookings for durable goods -- items meant to last at least three years -- fell 0.2% in August, dragged down by a decline in commercial aircraft. Excluding transportation equipment, durable goods orders rose 0.2% for a second month. (Source: [Bloomberg](#))
- **12 EU countries seek cap on wholesale natural gas prices.**  
Twelve EU member states, including Croatia, have asked the European Commission to draft a proposal for the forthcoming extraordinary meeting of energy ministers to cap wholesale natural gas prices. "The price cap that has been requested since the beginning by an ever increasing number of member states is the one measure that will help every member state to mitigate the inflationary pressure, manage expectations and provide a framework in case of potential supply disruptions, and limit the extra profits in the sector," the energy ministers of 12 EU countries said in their letter to Commissioner for Energy, Kadri Simson. (Source: [TheEdgeMarkets](#))
- **Deflation Risks Loom in China Amid Property Crisis, Survey Shows.**  
China faces increasing risks from deflation as demand crumbles under the weight of an ongoing property crisis and is threatened by continued Covid restrictions -- a stark contrast with other major economies, according to a private survey. Companies reported the weakest growth in sales prices since the last quarter of 2020 in the three months through September, according to indexes compiled by China Beige Book International in a report published Tuesday. That's despite wages and input costs picking up slightly from the previous quarter. (Source: [Bloomberg](#))
- **China Warns Waning Global Demand Is Top Threat to Trade.**  
"The slowdown in external demand is the biggest uncertainty faced by China's trade," said Vice Commerce Minister Wang Shouwen during a press conference Tuesday in Beijing. "Our companies are reporting falling orders, as the demand from major markets is declining." (Source: [Bloomberg](#))

- **India Unwilling to Bend for Index Inclusion to Bring in Billions.**  
India has ruled out any changes to tax policies that will make it easier for the nation's bonds to be included in global indexes, according to people familiar with the matter. The government doesn't plan to waive capital gains taxes, and it's concerned that foreign inflows will increase the volatility of local markets, said the people, who didn't want to be identified discussing policy matters. Those taxes have been a stumbling block in previous negotiations. (Source: [Bloomberg](#))
- **Philippines to Shut 175 Online Casinos, Deport 40,000 Chinese.**  
The Philippines will shut 175 online casinos that are operating illegally and deport 40,000 Chinese workers, a justice department official said. Licenses of these online casinos, locally known as Philippine offshore gaming operators or POGO, have been cancelled by the gaming regulator, Department of Justice Spokesman Jose Dominic Clavano said in a briefing on Monday. (Source: [Bloomberg](#))
- **Bank Indonesia Intervention Lifts Rupiah From Lowest Since 2020.**  
Bank Indonesia stepped in to prop up the rupiah for a second day, joining a host of other policy makers which are pushing back against a surging dollar. Indonesian authorities are intervening in the spot and domestic non-deliverable forwards markets to prevent the rupiah from weakening excessively, Edi Susianto, executive director of monetary management, said in a text message Tuesday. The currency erased a loss of as much as 0.3% against the greenback after his comments. (Source: [Bloomberg](#))

## Corporate news

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- **Ivory Properties defaults on another loan, this time with Maybank for RM39 mil.**  
Ivory Properties Group Bhd, which is based in Penang, announced on Tuesday (Sept 27) that a third subsidiary has defaulted on a loan payment, this time for a sum of RM39 million to Malayan Banking Bhd (Maybank), which was raised to part finance the purchase of land for a project. The wholly-owned unit, Ivory Meadows Sdn Bhd (IMSB), cannot meet its payment obligation, as its cash flow was affected following the delay in the project's launch due to the impact of the Covid-19 pandemic, according to Ivory Properties. (Source: [TheEdgeMarkets](#))
- **Mynews reports reduced 3Q loss as in-store sales improve after economy's reopening.**  
Mynews Holdings Bhd's net loss narrowed by 90% to RM1.45 million for the third quarter ended July 31, 2022 (3QFY22), from RM14.92 million a year ago, as in-store sales improved with the lifting of the restrictions on business and social activities in the country. Also contributing to the convenience store operator's improved performance was an 11% increase in the number of outlets to 573 from 515 a year ago, the group said in a Bursa Malaysia filing. Loss per share eased to 0.21 sen from 2.19 sen in 3QFY21. (Source: [TheEdgeMarkets](#))
- **VS Industry's 4Q net profit falls 17% on one-off impairment; FY22 earnings down 31%.**  
VS Industry Bhd's net profit fell 16.69% to RM34.57 million for its fourth quarter ended July 31, 2022 (4QFY22), from RM41.5 million a year earlier, following a RM25.8 million one-off impairment on investment in an associate. The lower earnings were also due to a RM12.4 million impairment loss on plant and equipment, the electronics manufacturing services provider said in a Bursa Malaysia filing. (Source: [TheEdgeMarkets](#))

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The ratings are based on the forecast total return (including dividends) over the next 12 months.

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