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Morning Pole Position

| 19th October 2022 |

All market data as at previous trading day

Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,400.36	14.09	-10.66
FBM Emas	9,974.90	110.84	-11.80
FBM Syariah	10,034.78	181.64	-18.17
FBM Small Cap	13,809.16	155.42	-12.38
FBM ACE	4,753.17	71.40	-25.96
F4G BM	806.71	8.52	-8.36
F4G BMS	825.42	16.42	-15.99

Funds Flows

Net Buy (MYR'm)

Local Institutions	-105.7
Local Retails	3.1
Foreign	102.6

Foreign

Dow Jones	30,523.80	337.98	-16.00
S&P 500	3,719.98	42.03	-21.95
Nasdaq	10,772.40	96.6	-31.14
FTSE	6,936.74	16.5	-6.06
Hang Seng	16,914.58	301.68	-27.71
Nikkei	27,156.14	380.35	-5.68
Shanghai CI	3,080.96	-3.98	-15.35
Strait Times	3,025.88	10.13	-3.13

Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.7150	-0.0025	13.21
GBP / MYR	5.3247	0.0090	-5.44
JPY100 / MYR	3.1586	-0.0136	-12.72
EUR/MYR	4.6344	0.0400	-1.69
SGD / MYR	3.3187	0.0129	7.56
CNY / MYR	0.6550	0.0002	0.05
AUD / MYR	2.9605	0.0156	-2.18

Bond Yield Movements

		Yield	Daily Change (bps)
MGS	3- year	3.9	-4
	10- year	4.46	-2
GII	3- year	3.96	0
	10- year	4.56	-1
UST	2- year	4.43	-2
	10- year	4.01	-1

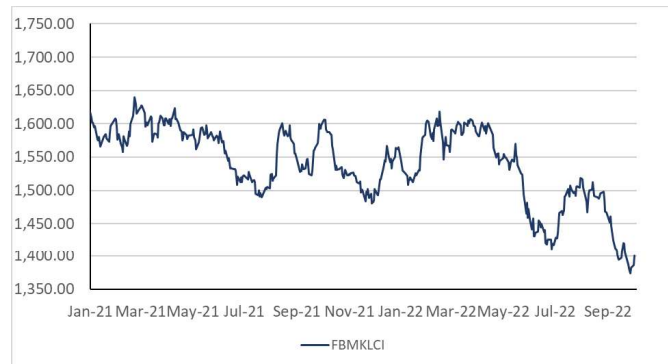
*Data as at 12/10/2022 due to BNM website temporary down

Commodities

	Last	Daily chg	Daily chg %
CPO (3 rd month)	4,011.00	124	3.19
Brent (1 st month)	90.64	-1.34	-1.46
Gold (spot)	1,652.62	2.68	0.16

Source: Treasury.gov, Bursa and BNM

FBMKLCI and statistics



Source: Bloomberg

Market Turnover

Vol (m shrs)	2,404
Value (MYR m)	1,711

Top 5 Value	Last	Daily chg %	Value (MYR m)
GAMUDA	3.730	0.81	86.386
TOPGLOV	0.740	0.00	75.087
MAYBANK	8.510	-0.12	71.812
PBBANK	4.200	0.00	63.315
PCHEM	8.550	0.59	49.011

Top 5 Gainers	Last	Daily chg %	Value (MYR m)
GOCEAN	0.015	50.00	0.002
DGB	0.015	50.00	0.001
SOLUTN	0.205	36.67	5.445
PASUKGB	0.020	33.33	0.025
AGES-PA	0.040	33.33	0.000

Top 5 Losers	Last	Daily chg %	Value (MYR m)
VSOLAR	0.005	-50.00	0.003
XOX	0.015	-25.00	0.009
TALAMT	0.015	-25.00	0.003
DOLPHIN	0.015	-25.00	0.000
MMAG	0.020	-20.00	0.072

Top 5 DBT	Value (MYR m)	Volume (m shares)	Price (MYR)
HONGSENG	124.746	281.930	0.27
PMETAL	605.591	123.590	4.21
TANCO-WC	4.500	30.000	0.155
MYEG	5.313	6.250	0.84
KIPREIT	3.651	4.057	0.895

Market Pulse



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

The KLCI closed above 1,400 psychological level, at 1,400.39 pts with +14.09 pts (+1.02%). Its constituent saw 22 gainers and 5 losers while remaining 3 unchanged, with Axiata (+9.54%) and IOI (7.05%) as the top gainers. The broader market shared the same positive sentiment as gainers led decliners by 566 to 272, while 368 counters were unchanged.

U.S. market continued its winning streak as corporate earnings starts strong, effectively overshadowing recession concerns. So far, 46 of S&P 500 companies have reported its third-quarter results of which 70% have beaten profit estimates while 63% have beaten revenue estimates, according to FactSet data. This includes Goldman, Johnson & Johnson and Netflix to name a few.

Taking cues from the U.S. market positive momentum last night, we think that KLCI will close in green today. Investors may continue to do bottom fishing today, albeit the local market sentiment is likely to be affected by the uncertainty clouding the local political front. Technically, we think that 1,378.37 level will continue to serve as a strong support level for KLCI. Thus, the KLCI may continue to trade in between 1,408.83 pts and 1,378.37 pts level. Our Picks in Exhibit 1.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
Fundamental					
Bermaz Auto	BAUTO MK	Buy	1.90	2.45	28.95
Guan Chong	GUAN MK	Outperform	2.03	2.78	36.95
Technical					
QL Resources	QLG MK	Outperform	5.02	5.77	14.94
Opcom Holdings	OHB MK	Buy	0.845	1.24	46.75
Gamuda	GAM MK	Outperform	3.73	4.30	15.28
Chin Well Holdings	CWH MK	Outperform	1.66	2.00	20.48
Supercomnet Technologies	SCT MK	Outperform	1.59	1.73	8.81
Pentamaster Corporation	PENT MK	Buy	3.88	5.26	35.57

Formosa Prosonic Industries	FOR MK	Buy	2.95	3.92	32.88
Kerjaya Prospek Group	KPG MK	Outperform	1.21	1.39	14.88
MMS Ventures	MMSV MK	Buy	0.660	1.20	81.82
FM Global Logistics Holdings	FMH MK	Buy	0.520	0.82	57.69
Hibiscus Petroleum	HIBI MK	Buy	0.92	1.32	43.48
OSK Holdings	OSK MK	Buy	0.86	1.12	30.23
UWC	UWC MK	Buy	3.63	5.03	38.57
Dayang Enterprise	DEHB MK	Buy	1.11	1.44	29.73
CTOS Digital	CTOS MK	Buy	1.33	1.78	33.83
Ancom Nylex	ANC MK	Buy	0.98	1.24	27.18
BP Plastics Holdings	BPP MK	Buy	1.39	1.80	29.50
CCK Consolidated Holdings	CCK MK	Outperform	0.63	0.71	13.60
Vitrox Corp Bhd	VITRO BHD	Buy	7.05	7.88	11.70
Pecca Group Bhd	PECCA MK	Buy	0.86	1.16	35.09
Nova Wellness Group Bhd	NOVA MK	Outperform	0.90	1.07	18.99
Duopharma Biotech Bhd	DBB MK	Outperform	1.34	1.44	7.46
Mega First Corp	MFCB MK	Outperform	3.24	3.63	11.88
ETF					
MyETF Dow Jones U.S. Titans 50	METFUS50 MK	Buy	USD 1.65	USD 1.93	17.12
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.79	0.92	16.28
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.64	1.80	9.73
Principal FTSE China 50 ETF	CIMBC25 MK	Buy	1.15	1.39	21.17
TradePlus HSCEI Daily (2x) Leveraged Tracker	HSCEI2XL MK	Strong Buy	0.48	0.85	77.89
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Buy	1.90	1.86	-2.11

Source: Bursa, Bloomberg, PRSB, price as of 18th October 2022

Malaysian news highlights

- **New rates for provision of facilities and services by telcos expected by Feb 2023.**
The new prices for the provision of the facilities and services by telecommunication companies in Malaysia set by the Malaysian Communications and Multimedia Commission (MCMC) under the Mandatory Standard on Access (MSAP) is expected by February 2023. "The costing that will come up for the next revision by January or February next year will be something that is going to be applicable for the next two years until 2025," said MCMC chief operating officer Datuk Mohd Ali Hanafiah Mohd Yunus on Tuesday (Oct 18). (Source: [TheEdgeMarkets](#))
- **5G network coverage reached 33.2% of populated areas in 3Q, says MCMC.**
5G network coverage in Malaysia reached 33.2% of populated areas as of Sept 30, and is on track to achieve the 80% target set by the government by 2024, said the Malaysian Communications and Multimedia Commission (MCMC). MCMC chief operating officer Datuk Mohd Ali Hanafiah Mohd Yunus said that of the 1,915 sites completed for 5G rollout so far, 1,070 sites were onboarded with 5G coverage, including Kuala Lumpur, Putrajaya, Selangor, Penang, Johor and Perak. (Oct 18). (Source: [TheEdgeMarkets](#))
- **Six MNOs to execute 5G access agreements by end-October — DNB.**
Malaysia's six mobile network operators (MNOs) are expected to execute their respective access agreement (AA) with Digital Nasional Bhd (DNB) to lease DNB's 5G network by the end of October 2022. DNB chief operating officer Nasution Mohamed said all six MNOs have signed the letters that essentially lock the terms of their respective agreement. "The six MNOs will have until the end of this month to sign the access agreement," he told reporters on the sideline of the Malaysian Communications and Multimedia Commission briefing on Tuesday. (Source: [TheEdgeMarkets](#))

Global news highlights

- **US Factory Production Rises for a Third Straight Month.**
The 0.4% increase in output matched the upwardly revised August advance, Federal Reserve data showed Tuesday. Including mining and utilities, total industrial production also rose 0.4% in September. (Source: [Bloomberg](#))
- **BOE Says LDI Funds Raised Billions in Capital Since Rout.**
The Bank of England said the funds whose vulnerabilities helped spark the rout in UK markets last month have raised tens of billion of pounds in capital and are now on a more sustainable footing. The central bank's Deputy Governor Jon Cunliffe said the majority of the BOE's emergency gilt purchases were from liability-driven investment funds managers. (Source: [Bloomberg](#))
- **UK Bonds Suffer More Volatility as BOE Leaves Debt Sales Looming.**
The UK's bonds faced more volatility Tuesday as jittery traders reacted to the latest headlines from the Bank of England. Gilts swung to gains in shorter maturities as the BOE said pension funds -- at the heart of recent turmoil -- were now on a more sustainable footing. That followed early losses after officials denied a report they will delay planned bond sales, which leaves traders worried about a flood of debt from both the central bank and government. . (Source: [Bloomberg](#))
- **China's Shock GDP Delay Shows Communist Party Trumps Economy.**
The government postponed the release of several major economic reports in the past week, including gross domestic product figures, without providing a reason for the delay or a new release time. The absence of trade data late last week was because top officials who needed to sign off on the figures were attending the Communist Party congress and had to adhere to Covid rules that restricted their movements, according to a person familiar with the matter. That slowed the approval process for the release of the report, the person said, declining to be identified discussing internal matters. (Source: [Bloomberg](#))

- **India's festival gold sales to shine less brightly this year.**
India's gold sales during the festival period that ends the year may shine less brightly after a massive jump in 2021, and customers will not be rushing to stores this time around, according to the World Gold Council. Demand for gold jewellery, coins, and bars typically peaks in the world's second-biggest consumer over October to December, driven by festivals including Diwali that starts next week and the spate of weddings that follow. Jewellery sales nearly doubled in the final quarter last year as consumption revived after two bleak years dominated by the pandemic. (Source: [TheEdgeMarkets](#))
- **Indonesia eyes sugarcane-mixed biofuel to cut emissions, imports.**
Indonesia plans to sell biofuels made from a blend of sugarcane extract and oil from next year, as the world's largest exporter of dirty coal seeks to reduce emissions and curb fuel imports. State-owned oil and gas firm PT Pertamina Persero will begin selling E20 fuel, which is a mix of 80% gasoline, 15% methanol derived from natural gas and 5% ethanol derived from sugarcanes, chief executive officer Nicke Widyawati said in an interview. It plans to source the bioethanol from state plantation holding firm PT Perkebunan Nusantara III. (Source: [TheEdgeMarkets](#))

Corporate news

- **IJM Corp unit wins two contracts worth a total of RM982 mil.**
IJM Corporation Bhd's wholly-owned subsidiary IJM Construction Sdn Bhd (IJMC) secured two contracts in Kapar and Shah Alam this week, amounting to RM982 million. IJMC bagged a RM831 million design-and-build-turnkey construction contract for a new 312-bedded government hospital in Kapar from the Ministry of Works, IJM Corp said. Construction works for the hospital with specialist medical facilities is scheduled to commence this month and is expected to be completed within 48 months, by November 2026. (Source: [TheEdgeMarkets](#))

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SELL: Total return of not more than 5% or then 1-year rate, whichever is higher.

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

Funds:

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