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Morning Pole Position

| 21st October 2022 |

All market data as at previous trading day

Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBMKLCI	1,437.72	22.62	-8.28
FBMEmas	10,169.80	125.83	-10.07
FBMSHA	10,163.71	118.77	-17.12
FBMSCAP	13,972.74	98.45	-11.34
FBMACE	4,783.12	58.17	-25.49
F4GBM	825.40	11.44	-6.24
F4GBMS	838.55	11.75	-14.66
Funds Flows			
		Net Buy (MYR'm)	
Local Institutions		120.5	
Local Retails		-37.1	
Foreign		-83.4	
<i>Foreign</i>			
Dow Jones	30,333.59	-90.22	-16.52
S&P 500	3,665.78	-29.38	-23.09
Nasdaq	10,614.84	-65.66	-32.15
FTSE	6,943.91	18.92	-5.97
Hang Seng	16,280.22	-231.06	-30.42
Nikkei	27,006.96	-250.42	-6.20
Shanghai CI	3,035.05	-9.33	-16.61
Strait Times	3,022.70	-0.10	-3.23

Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.7290	0.0050	13.54
GBP / MYR	5.2899	-0.0312	-6.06
JPY100 / MYR	3.1538	-0.0077	-12.85
EUR/MYR	4.6261	-0.0115	-1.87
SGD / MYR	3.3162	-0.0031	7.48
CNY / MYR	0.6535	-0.0007	-0.18
AUD / MYR	2.9674	-0.0078	-1.95

Bond Yield Movements

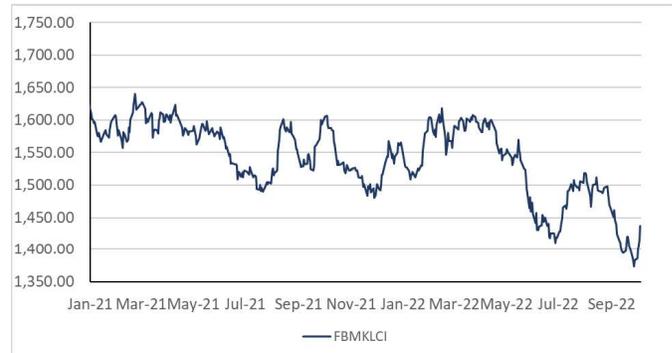
		Yield	Daily Change (bps)
MGS	3- year	3.93	-1
	10- year	4.5	5
GII	3- year	3.88 *	0
	10- year	4.57	0
UST	2- year	4.62	7
	10- year	4.24	10

Commodities

	Last	Daily chg	Daily chg %
CPO (3 rd month)	4,096.00	-22	-0.53
Brent (1 st month)	92.73	0.16	0.17
Gold (spot)	1,628.28	-0.88	-0.05

Source: Treasury.gov, Bursa and BNM

FBMKLCI and statistics



Source: Bloomberg

Market Turnover

Vol (m shrs)	2,706
Value (MYR m)	2,595

Top 5 Value

	Last	Daily chg %	Value (MYR m)
PBBANK	4.440	2.304	153.483
MAYBANK	8.600	0.585	152.113
CIMB	5.500	2.041	150.860
PCHEM	8.900	3.129	124.863
IHH	6.090	-0.164	103.327

Top 5 Gainers

	Last	Daily chg %	Value (MYR m)
SERBADK	0.030	100.00	6.882
EAH	0.010	100.00	0.003
NEXGRAM	0.010	100.00	0.006
EDUSPEC	0.015	50.00	0.653
XDL	0.020	33.33	0.000

Top 5 Losers

	Last	Daily chg %	Value (MYR m)
GOCEAN	0.010	-33.333	0.001
DOLPHIN	0.015	-25.000	0.004
ZENTECH	0.025	-16.667	0.034
G3	0.025	-16.667	0.038
MJPERAK	0.260	-13.333	0.027

Top 5 DBT

	Value (MYR m)	Volume (m shares)	Price (MYR)
AXIATA	39.000	15.000	2.6
HCK-WA	11.514	11.400	0
HEXTECH	6.901	1.113	9.1
CHINHIN	5.801	2.370	2.73
MAG	5.630	33.000	0.18

Market Pulse



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

With the GE15 polling date set on 19th November, yesterday the KLCI index cheered to close at an intraday high of 1,437.72 pts with +22.62 pts (+1.60%). The gain within KLCI constituents was broad-based as it saw 24 gainers and 2 losers with the remaining 4 unchanged. The only 2 stocks in the red were Sime Darby and IHH Healthcare, but both shredded less than 1%. IOI Corp Bhd closed the day as the top gainer gaining 4.44%, followed by strong momentum in telecommunications stocks which are Maxis Bhd and Digi.com Bhd, both also gained 3.55%. The broad market shared the same positive sentiment as gainers outpaced losers 493 to 365, while 373 counters were unchanged.

Meanwhile, the U.S. market continues to trend lower as U.S. Treasury yields rose to fresh multiyear highs despite a strong start for third quarter corporate earnings seasons. Nevertheless, next week will be crucial as companies like Apple, Alphabet, and Amazon would announce their results amongst other firms.

With the polling date for GE15 working as the market catalyst, KLCI may continue to trend higher today, up to 0.382 Fibonacci level of 1,467.74 as investors will enjoy a longer weekend thanks to Deepavali Day that falls on Monday (24th October). RSI has not reached an overbought level yet despite strong buying activity yesterday which indicates the buying trend may continue. On top of that, a double bottom formation was completed yesterday which gave a strong bullish reversal signal to the market. We think KLCI may trade between 0.236 and 0.382 Fibonacci level (1,431.67-1,467.74). Albeit the market would likely remain volatile ahead of GE15 as the situation remains fluid, we maintain our KLCI year-end target of 1,541 points. As election play kicks in, KLCI may reach 1,571 towards the polling date. Our Picks in Exhibit 1.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
Fundamental					
Bermaz Auto	BAUTO MK	Buy	1.93	2.45	26.94
Guan Chong	GUAN MK	Outperform	2.11	2.78	31.75
Technical					
QL Resources	QLG MK	Outperform	5.23	5.77	10.33
Opcom Holdings	OHB MK	Buy	0.850	1.24	45.88
Gamuda	GAM MK	Outperform	3.67	4.30	17.17
Chin Well Holdings	CWH MK	Outperform	1.68	2.00	19.05
Supercomnet Technologies	SCT MK	Outperform	1.58	1.73	9.49
Pentamaster Corporation	PENT MK	Buy	3.83	5.26	37.34
Formosa Prosonic Industries	FOR MK	Buy	2.93	3.92	33.79
Kerjaya Prospek Group	KPG MK	Outperform	1.20	1.39	15.83
MMS Ventures	MMSV MK	Buy	0.665	1.20	80.45
FM Global Logistics Holdings	FMH MK	Buy	0.520	0.82	57.69
Hibiscus Petroleum	HIBI MK	Buy	0.95	1.32	38.95
OSK Holdings	OSK MK	Buy	0.87	1.12	29.48
UWC	UWC MK	Buy	3.64	5.03	38.19
Dayang Enterprise	DEHB MK	Buy	1.10	1.44	30.91
CTOS Digital	CTOS MK	Buy	1.34	1.78	32.84
Ancom Nylex	ANC MK	Buy	0.97	1.24	28.50
BP Plastics Holdings	BPP MK	Buy	1.40	1.80	28.57
CCK Consolidated Holdings	CCK MK	Outperform	0.61	0.71	16.39
Vitrox Corp Bhd	VITRO BHD	Buy	7.00	7.88	12.50
Pecca Group BHD	PECCA MK	Buy	0.85	1.16	35.88
Nova Wellness Group Bhd	NOVA MK	Outperform	0.88	1.07	21.02
Duopharma Biotech Bhd	DBB MK	Outperform	1.35	1.44	6.67
Mega First Corp	MFCB MK	Outperform	3.22	3.63	12.58
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 20th October 2022

Malaysian news highlights

- **2.1 mil foreigners working in Malaysia up to June 2022, says Mustapa**

The Department of Statistics Malaysia (DOSM) recorded 2.1 million foreigners working in various sectors in Malaysia up to June this year. Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed said 1.9 million were recorded last year and 2.1 million in 2020. "We are not denying that the country still needs foreign workers in various sectors such as construction, plantation, manufacturing and domestic. We still need about 15% of the total labour force and we are approaching this figure. (Source: [TheEdgeMarkets](#))

Global news highlights

- **Existing-Home Sales in US Extend Decline to Longest Since 2007**

Contract closings declined 1.5% to an annualized pace of 4.71 million last month, the slowest since May 2020, according to data from the National Association of Realtors on Thursday. The figure was in line with the median projection in a Bloomberg survey of economists. (Source: [Bloomberg](#))

- **Germany risks missing climate funding pledge as budget shrinks**

Germany is likely to fall short of its climate funding promise to less-developed countries as the country faces severe budget cuts. The country provided €5.3 billion (US\$5.2 billion) from its public budget for climate adaptation and renewable energies in other countries in 2021, according to data published by the Development Ministry on Thursday. That's less than the annual €6 billion until 2025 that Germany pledged at the G-7 summit in Cornwall, England, last year. (Source: [TheEdgeMarkets](#))

- **UK Inflation May Hit 15% Without Further Energy Support**

UK inflation could soar to 15% or more early next year unless the government sets out further measures to protect households from a jump in energy bills, economists said. Chancellor of the Exchequer Jeremy Hunt's decision this week to subsidize household fuel bills only until April will expose consumers and businesses to the full force of rising natural gas and electricity prices. (Source: [Bloomberg](#))

- **Japan's Big Trade Deficit Fuels Inflation Via Yen's Decline**

The trade shortfall was 2.09 trillion yen (\$14 billion), exceeding 2 trillion yen for a second month after hitting a record in August, the finance ministry reported on Thursday. Imports, led by soaring energy prices, continued to exceed exports, which has been the case for months. Making imports more expensive was the yen's historic slide. (Source: [Bloomberg](#))

- **China's Big Leadership Reveal Will Show Extent of Xi's Power**

It's all but certain that President Xi Jinping, 69, will secure a precedent-busting third term in office. Whoever follows him on the Politburo Standing Committee will show how he intends to rule over the next five years. Several major questions hang over the proceedings: Will Xi break an informal retirement rule of 68 only for himself or will he extend it to other top party leaders? How many of his key allies will get important roles? Will he signal a possible successor? (Source: [Bloomberg](#))

Corporate news

- **Malaysia Airlines, Firefly offer discounted fares up to 20% to help voters travel for GE15**

Malaysia Airlines Bhd has launched its "Jom Balik Mengundi" campaign, offering as much as 20% discounted fares to help voters travel, following the 15th general election (GE) announcement. Passengers can book the tickets from Thursday (Oct 20) to Nov 19 for travel between Nov 11 and 27, the airline said in a statement. The 20% discount applies to all fare categories: Lite, Basic and Flex for Economy Class, and Basic and Flex for Business Class. (Source: [TheEdgeMarkets](#))

- **TNB repowers Sungai Perak power stations, expects Ebit of RM200 mil per year**
National utility Tenaga Nasional Bhd (TNB) will repower Sungai Perak power stations (SSJ Sungai Perak) with a capacity of 650.75 megawatt (MW) to support Malaysia's renewable energy (RE) aspiration and to ensure its sustainable business growth. TNB, via its wholly owned unit, TNB Power Generation Sdn Bhd (TNB Genco), has received approval from the Energy Commission to implement the Hydro Life Extension Programme for six stations in SSJ Sungai Perak, with an investment of RM5.8 billion commencing this year. (Source: [TheEdgeMarkets](#))
- **UOB Malaysia successfully prices RM1 bil Subordinated Medium Term Notes**
United Overseas Bank (M) Bhd successfully priced a RM1 billion Basel III-compliant Tier 2 Subordinated Medium Term Notes this week, which marked it as the first locally incorporated foreign financial institution to enter the Malaysian bond market since 2020, said its joint lead manager HSBC Bank Malaysia Bhd. In a statement by HSBC Bank on Thursday (Oct 20), the bank highlighted that it is the largest ringgit issuance for UOB Malaysia since 2015. (Source: [TheEdgeMarkets](#))

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