



PHILLIP RESEARCH SDN BHD

199001007125 (198695-X)

B-18-6, Megan Avenue II, No 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

Tel No: 03-2783 0300

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
<i>Funds Flows</i>			
			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

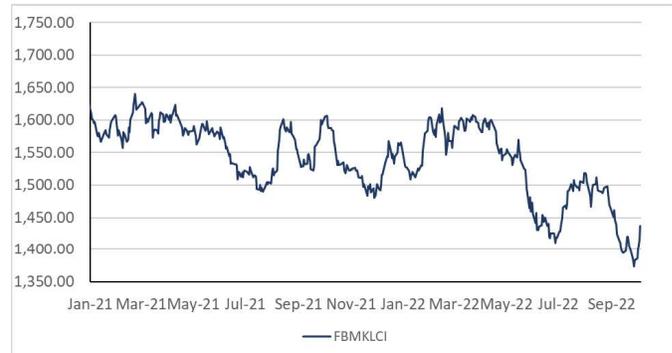
		Yield	Daily Change (bps)
MGS	3- year	3.93	-1
	10- year	4.5	5
GII	3- year	3.88 *	0
	10- year	4.57	0
UST	2- year	4.62	7
	10- year	4.24	10

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](#))

DISCLAIMER

Legal and Regulatory Notices (Electronic Communications)
© 2018 PRSB.

Important disclosures

This research report is strictly confidential and has been prepared for information purposes only by Phillip Research Sdn Bhd ("PRSB"), a subsidiary of Phillip Capital Holdings Sdn Bhd ("PCH") and is meant for circulation to its clients and clients of other subsidiaries companies of PCH particularly Phillip Mutual Berhad ("PMB"), Phillip Capital Management Sdn Bhd ("PCM"), Phillip Wealth Planners Sdn Bhd ("PWP") and Phillip Capital Sdn Bhd ("PCSB") (collectively refer to as Phillip Group other licensed intermediaries ("PGOLI")) only or such other persons as may be deemed eligible to receive such research report, information or opinion contained herein. Neither the publication/communication nor any portion hereof may be reprinted, distributed, sold, resold, redistributed, copied, reproduced, published, republished, displayed, posted or transmitted in any form or media or by any means without the written consent of PRSB.

The policy of PRSB is to only publish research that is impartial, independent, clear, fair, and not misleading. Analysts never receive compensation from companies they cover. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to a research report as below. This research disclosure is for your information only and does not constitute any recommendation, representation or warranty. Absence of a disclosable position should not be taken as endorsement on the validity or quality of the research report or recommendation.

To maintain the independence and integrity of PRSB's research, PGOLI activities such as fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, financial planning and research business lines are distinct from one another. This means that PRSB is not part of and does not report to any of PGOLI. Accordingly, PGOLI does not supervise nor control the activities of PRSB's research analysts. PRSB's research analysts report to the Head of Research, who in turn report to PRSB's senior management.

PRSB and PGOLI have in place internal controls designed to manage conflicts of interest that may arise as a result of PGOLI engaging in fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, financial planning and PRSB activities. Some examples of these controls include: the use of information barriers and other information controls designed to ensure that confidential information is only shared on a "need to know" basis and in compliance with PRSB and PGOLI's Chinese Wall policies and procedures; measures designed to ensure that interactions that may occur among PRSB's research personnel, fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, and financial planning, PGOLI's financial product issuers and PRSB's research analysts do not compromise the integrity and independence of PRSB's research.

Neither analysts nor their household members/associates/may have a financial interest in, or be an officer, director or advisory board member of companies covered by the analyst unless disclosed herein. In circumstances where an analyst has a pre-existing holding in any securities under coverage, those holdings are grandfathered and the analyst is prohibited from trading such securities up to the date of the publication of this research report.

Unless specified otherwise, PRSB did not receive investment banking/non-investment banking income from, and did not manage/co-manage a public offering for, the listed company during the past 12 months, and it does not expect to receive investment banking compensation from the listed company within the coming three months. Unless mentioned otherwise, PRSB does not own a material disclosable position, and does not make a market, in the securities.

We hereby certify that the views expressed in this research report accurately reflect our views about the securities and/or the issuers and that no part of our compensation were or will be directly or indirectly related to the specific recommendation or views contained in this report or to any investment banking relationship with the subject company covered in this report (for the past one year) or otherwise any other relationship with such company which leads to receipt of fees from the company except in ordinary course of business of the company. We hereby confirm that our analyst(s) has/have not been placed under any undue influence, intervention or pressure by any person(s) in compiling this research report. This report is prepared without any intention to raise, lower or maintaining the price of the securities covered or to induce the recipient to buy or sell the securities covered. In addition, our analyst(s) included herein attest that he/she/they was/were not in possession of any material, non-public price sensitive information regarding the subject company at the time of publication of the report. Save from the disclosure below (if any), we are not aware of any material conflict of interest.

Key to PRSB investment ratings:

Equity:

BUY: Total stock return (including dividends) expected to exceed 20% annually;

O-PF: Total expected return below 20% annually but exceeding market return;

U-PF: Total expected return positive but below market return;

SELL: Total return expected to be negative.

For relative performance, we benchmark the 12-month total forecast return (including dividends) for the stock against the 12-month forecast return (including dividends) for the market on which the stock trades.

ETFs (Criteria applies to rating assignments from 16th December 2019):

STRONG BUY: Total return (including dividends) expected to exceed 20% annually;

BUY: Total expected return below 20% but exceed 5% or then 1-year rate, whichever is higher;

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:

The rating a mathematical scoring system that include risks (standard deviation, Sharpe Ratio) and returns (1-year, 3-year, 5-year and consistency)BUY: Total return (including income distribution) is positive and above peers' average while risk factors are low;

O-PF: Total return is positive and above peers' average but has higher risk factors;SELL: Total return is negative.

For a history of the recommendations and price targets for companies mentioned in this report, as well as company specific disclosures, please write to: Phillip Research Sdn Bhd, B-18-6, Block B Level 18, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Malaysia.

The information, opinions and estimates herein are not directed at, or intended for distribution to or use by, any person or entity in any jurisdiction where doing so would be contrary to law or regulation or which would subject PRSB and/or its associate companies to any additional registration or licensing requirement within such jurisdiction. The information and statistical data herein have been obtained from sources we believe to be reliable. Such information has not been independently verified and we make no representation or warranty as to its accuracy, completeness or correctness. Any opinions or estimates herein reflect the judgment of PRSB at the date of this publication/communication and are subject to change at any time without notice. Where any part of the information, opinions or estimates contained herein reflects the views and opinions of a sales person (include but not limited to Financial Planners and Marketing Representative or a non-analyst), such views and opinions may not correspond to the published view of PRSB. This is not a solicitation or any offer to buy or sell. This publication/communication is for information purposes only and does not constitute any recommendation, representation, warranty or guarantee of performance. Any price target given in the report may be projected from one or more valuation models and hence any price target may be subject to the inherent risk of the selected model as well as other external risk factors. This is not intended to provide professional, investment or any other type of advice or recommendation and does not take into account the particular investment objectives, financial situation or needs of individual recipients. Before acting on any information in this publication/communication, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice, including tax advice. PRSB, and PGOLI do not accept any responsibility and cannot be held liable for any person's use of, or reliance on the information and opinions contained herein. To the extent permitted by applicable securities laws and regulations, PRSB accepts no liability whatsoever for any direct or consequential loss arising from the use of this publication/communication or its contents. Where the publication does not contain ratings, the material should not be construed as research but is offered as factual commentary. It is not intended to, nor should it be used to form an investment opinion about the non-rated companies.

Subject to any applicable laws and regulations at any given time, PRSB, PGOLI and their respective affiliates or companies or individuals connected with PRSB may have used the information contained herein before publication and may have positions in, may from time to time purchase or sell or have a material interest in any of the securities mentioned or related securities, or may currently or in future have or have had a business or financial relationship with, or may provide or have provided investment banking, capital markets and/or other services to, the entities referred to herein, their advisors and/or any other connected parties. As a result, investors should be aware that PRSB, PGOLI and/or their respective affiliates or companies or such individuals may have one or more conflicts of interest. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to research reports. Details of the disclosable interest can be found in certain reports as required by the relevant rules and regulation. Disclosures therein include the position of PRSB and PGOLI only. Unless specified otherwise, PRSB did not receive any compensation or other benefits from the subject company covered in this publication/communication.

The analysts/contributors to this publication/communication may be employed by any relevant PGOLI entity, which is different from the entity that distributes the publication/communication in the respective jurisdictions.

PRSB, PGOLI and/or its officers, directors and employees, may, to the extent permitted by applicable law and/or regulation, deal as principal, agent, or otherwise, or have long or short positions in, or buy or sell, the securities, commodities or instruments, or options or other derivative instruments based thereon, of issuers or securities mentioned herein. PGOLI may also act as market maker or liquidity provider (within the meaning of applicable regulations in the UK) in the financial instruments of the issuer. Where the activity of market maker is carried out in accordance with the definition given to it by specific laws and regulations of the US or other jurisdictions, this will be separately disclosed within the specific issuer disclosures.

Investors should not consider this report as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. PRSB produces a number of different types of research product including, among others, fundamental analysis and quantitative analysis; recommendations contained in one type of research product may differ from recommendations contained in other types of research product, whether as a result of differing time horizons, methodologies or otherwise. PRSB and PGOLI publishes research product in a number of different ways including the posting of product on the PGOLI portals and/or distribution directly to clients. Different groups of clients may receive different products and services from the research department depending on their individual requirements.

Figures presented herein may refer to past performance or simulations based on past performance which are not reliable indicators of future performance. Where the information contains an indication of future performance, such forecasts may not be a reliable indicator of future performance. Moreover, simulations are based on models and simplifying assumptions which may oversimplify and not reflect the future distribution of returns. Any figure, strategy or index created and published for illustrative purposes within this report is not intended for "use" as a "benchmark".

Certain securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment.

With respect to Fixed Income Research: Recommendations fall into two categories: tactical, which typically last up to three months; or strategic, which typically last from 6-12 months. However, trade recommendations may be reviewed at any time as circumstances change. 'Stop loss' levels for trades are also provided; which, if hit, closes the trade recommendation automatically. Prices and yields shown in recommendations are taken at the time of submission for publication and are based on either indicative Bloomberg, Reuters or PGOLI prices or yields at that time. The prices and yields shown are not necessarily those at which the trade recommendation can be implemented.

The securities described herein may not have been registered under the US Securities Act of 1933 (the '1933 Act'), and, in such case, may not be offered or sold in the US or to US persons unless they have been registered under the 1933 Act, or except in compliance with an exemption from the registration requirements of the 1933 Act. Unless governing law permits otherwise, any transaction should be executed via PhillipCapital Group entity in your home jurisdiction.