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Morning Pole Position

| 2nd November 2022 |

All market data as at previous trading day

Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,445.92	-14.46	-7.76
FBM Emas	10,267.13	-83.71	-9.21
FBM Syariah	10,335.70	-75.41	-15.72
FBM Small Cap	14,295.26	-1.46	-9.30
FBM ACE	4,878.02	19.09	-24.01
F4G BM	831.39	-8.01	-5.56
F4G BMS	853.22	-8.10	-13.17
Funds Flows			
		Net Buy (MYR'm)	
Local Institutions		77.6	
Local Retails		-10.6	
Foreign		-67.0	
<i>Foreign</i>			
Dow Jones	32,653.20	-79.75	-10.14
S&P 500	3,856.10	-15.88	-19.09
Nasdaq	10,890.84	-97.3	-30.39
FTSE	7,186.16	91.63	-2.69
Hang Seng	15,455.27	768.25	-33.95
Nikkei	27,678.92	91.46	-3.86
Shanghai CI	2,969.20	75.72	-18.42
Strait Times	3,130.50	37.39	0.22

Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.7345	0.0065	13.67
GBP / MYR	5.4579	-0.0015	-3.07
JPY100 / MYR	3.2089	0.0198	-11.33
EUR/MYR	4.6980	0.0064	-0.34
SGD / MYR	3.3545	0.0110	8.73
CNY / MYR	0.6509	0.0033	-0.58
AUD / MYR	3.0431	0.0186	0.55

Bond Yield Movements

		Yield	Daily Change (bps)
MGS	3- year	3.81	2
	10- year	4.31	-6
GII	3- year	3.85	0
	10- year	4.43	-3
UST	2- year	4.51	10
	10- year	4.10	8

Commodities

	Last	Daily chg	Daily chg %
CPO (3 rd month)	4,256.00	169	4.14
Brent (1 st month)	94.77	1.92	2.07
Gold (spot)	1,647.80	14.68	0.90

Source: Treasury.gov, Bursa and BNM

FBMKLCI and statistics



Source: Bloomberg

Market Turnover

Vol (m shrs)	2,978
Value (MYR m)	1,564

Top 5 Value

	Last	Daily chg %	Value (MYR m)
CIMB	5.480	-0.72	99.989
MAYBANK	8.540	-0.58	72.276
TOPGLOV	0.800	0.63	69.557
PBBANK	4.410	-1.34	52.976
SYSCORP	0.890	18.67	37.249

Top 5 Gainers

	Last	Daily chg %	Value (MYR m)
KGROUP	0.010	100.00	0.011
PHB	0.010	100.00	0.003
EAH	0.010	100.00	0.000
DBHD	0.750	70.45	1.008
TOPBLDS	0.020	33.33	0.075

Top 5 Losers

	Last	Daily chg %	Value (MYR m)
KNM	0.040	-52.94	11.447
AT	0.010	-33.33	0.003
MLAB	0.010	-33.33	0.001
MERIDIAN	0.020	-20.00	0.010
ALAM	0.025	-16.67	1.121

Top 5 DBT

	Value (MYR m)	Volume (m shares)	Price (MYR)
RHBBANK	136.220	24.500	5.64
TM	79.380	14.700	5.44
CTOS	70.000	50.000	1.39
AXIATA	42.450	15.000	2.84
ENGTEX	9.000	20.000	0.585

Market Pulse



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

The KLCI gave up Monday’s gain and closed at 1,445.92 where it lost 14.46 pts or 0.99%. The KLCI was broadly down throughout the trading session with losers outpacing gainers by 27 to 3. Top Glove, IHH, and Petronas Dagangan were the only gainers, where they gained 0.63%, 0.34%, and 0.09% respectively. Meanwhile, the losers were led by Kuala Lumpur Kepong and Sime Darby, who fell 3.23%, and 2.67%, respectively. Similarly, the broader market shared the same negative sentiment as losers beating gainers 479 to 381, while 388 counters were unchanged.

The U.S. market last night fell victim where good news is bad news after the Labour Department said U.S. job openings rose to 10.7 million in September, failing to provide any indication for the hot labour market to cool off. Good news on the economy can be viewed as bad news for stocks as the data will prevent the Fed from slowing the pace of rate hikes in its bid to get inflation under control; a process that Fed Chair Jerome Powell has said “We will keep at it until the job is done,” and “I wish there were a painless way to do that. There isn’t.” The Fed is expected to raise rates by 75 bps to a range of 3.75% to 4% when it concludes its meeting on Wednesday and another 50 bps in December. Investors will closely monitor the statement and Fed Chair Jerome Powell’s press conference at 2:30 p.m. Eastern for any signs of the central bank taking a more dovish stance going forward.

For KLCI, yesterday’s selling pressure formed a bearish marubozu that was followed by a hammer formation the day before which may indicate a change of momentum. The stochastic indicator supports this as well since the two lines continue to intersect each other. The intersection of these two lines is considered to be a signal that a reversal may be in the works, as it indicates a shift in momentum from one day to the next. Nevertheless, the change of momentum may not hold as KLCI continues to be fueled by GE15. Thus, KLCI may trade between 0.236 and 0.382 Fibonacci levels (1,431.67-1,467.74) with bias on the downside since investors may take a step back today waiting for the Fed and BNM interest rate decision. Our Picks in Exhibit 1.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
Fundamental					
Bermaz Auto	BAUTO MK	Buy	2.00	2.45	22.50
Guan Chong	GUAN MK	Outperform	2.11	2.78	31.75
Technical					
QL Resources	QLG MK	Outperform	5.12	5.77	12.70
Opcom Holdings	OHB MK	Buy	0.900	1.24	37.78
Gamuda	GAM MK	Outperform	3.81	4.30	12.86
Supercomnet Technologies	SCT MK	Outperform	1.65	1.73	4.85
Pentamaster Corporation	PENT MK	Buy	3.85	5.26	36.62
Formosa Prosonic Industries	FOR MK	Buy	3.11	3.92	26.05
Kerjaya Prospek Group	KPG MK	Outperform	1.18	1.39	17.80
MMS Ventures	MMSV MK	Buy	0.680	1.20	76.47
FM Global Logistics Holdings	FMH MK	Buy	0.570	0.82	43.86
Hibiscus Petroleum	HIBI MK	Buy	1.00	1.32	32.66
OSK Holdings	OSK MK	Buy	0.89	1.12	25.84
UWC	UWC MK	Buy	3.64	5.03	38.19
Dayang Enterprise	DEHB MK	Buy	1.25	1.44	15.20
CTOS Digital	CTOS MK	Buy	1.39	1.78	28.06
Ancom Nylex	ANC MK	Buy	0.94	1.24	31.91
BP Plastics Holdings	BPP MK	Buy	1.37	1.80	31.39
CCK Consolidated Holdings	CCK MK	Outperform	0.64	0.71	11.81
Vitrox Corp Bhd	VITRO BHD	Buy	7.00	7.88	12.50
Pecca Group BHD	PECCA MK	Buy	0.88	1.16	31.25
Nova Wellness Group Bhd	NOVA MK	Outperform	0.89	1.07	19.66
Duopharma Biotech Bhd	DBB MK	Outperform	1.41	1.44	2.13
Mega First Corp	MFCB MK	Outperform	3.27	3.63	10.86
Malton Bhd	MALT MK	Buy	0.38	0.44	17.33
MyEG Services Bhd	MYEG MK	Outperform	0.89	0.94	5.62
WCT Holdings Bhd	WCT MK	Outperform	0.35	0.43	22.86
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	0.84	0.92	10.01
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.65	1.80	9.07
Principal FTSE China 50 ETF	CIMBC25 MK	Buy	1.12	1.39	24.42
TradePlus HSCEI Daily (2x) Leveraged Tracker	HSCEI2XL MK	Strong Buy	0.34	0.85	152.24

Note: TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker was removed from our picks as it hits our target price.
 Source: Bursa, Bloomberg, PRSB, price as of 1st November 2022

Malaysian news highlights

- **Zafrul: Budget 2023 may see some adjustments based on economy at time it is retabled.**
Budget 2023 may see some adjustments based on the economy during the time it is re-tabled, Caretaker Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said on Tuesday (Nov 1). Nonetheless, Tengku Zafrul stressed that the budget, which was tabled on Oct 7, is not only a “responsible budget” but is also “inclusive, more progressive” and most importantly it is “sustainable”. Speaking at The Straits Times’ inaugural Asia Future Summit here, Tengku Zafrul highlighted that the budget would see a deficit going down. (Source: [TheEdgeMarkets](#))

Global news highlights

- **US Manufacturing Nears Stagnation, Price Gauge at Two-Year Low.**
The Institute for Supply Management’s gauge of factory activity retreated 0.7 point to 50.2, the lowest since May 2020, according to data released Tuesday. The median projection in a Bloomberg survey of economists called for a drop to 50, the reading that separates expansion and contraction. (Source: [Bloomberg](#))
- **US Job Openings Post Surprise Increase, Keeping Pressure on Fed.**
The number of available positions increased to 10.7 million in September from a revised 10.3 million a month earlier, the Labor Department’s Job Openings and Labor Turnover Survey, or JOLTS, showed Tuesday. The median estimate in a Bloomberg survey of economists called for a drop to about 9.8 million. (Source: [Bloomberg](#))

Corporate news

- **AirAsia parent Capital A engages RHB, four others to regularise financial condition.**
AirAsia parent Capital A Bhd said on Tuesday (Nov 1) that it has engaged RHB Investment Bank Bhd, BDO Consulting Sdn Bhd, Deloitte Corporate Advisory Services Sdn Bhd and Ernst & Young PLT, besides law firm Adnan Sundra & Low, to help Capital A regularise its financial condition under Bursa Malaysia’s Practice Note 17 (PN17) scheme. “Other professional advisers, namely (the) independent market researcher and independent adviser, will be announced upon official appointment. (Source: [TheEdgeMarkets](#))
- **SunCon unit bags RM278 mil job from Sunway’s indirect subsidiary.**
Sunway Construction Group Bhd’s (SunCon) unit Sunway Construction Sdn Bhd has been awarded a construction project worth RM278 million from the indirect subsidiary of its parent company Sunway Bhd. The construction job is in respect of the main building works for the proposed development of two blocks of residential condominiums, which consist of a podium, car park, common facilities and swimming pool, located in Bukit Jalil, said SunCon in a filing with Bursa Malaysia. The project shall commence on Nov 1, 2022 and is expected to be completed on Oct 31, 2025. (Source: [TheEdgeMarkets](#))
- **Petronas Dagangan sells Bintulu LPG terminal to Pusaka.**
Pusaka Capital Group’s wholly-owned subsidiary Pusaka Integrated Resources Sdn Bhd has acquired the Bintulu liquefied petroleum gas (LPG) terminal from Petronas Dagangan Bhd, the Borneo Post reported on Tuesday (Nov 1). “The sale and purchase agreement was signed by both parties in a signing ceremony held at Dewan Seminar, Sarawak Timber Industry Development Corporation (STIDC) and witnessed by Deputy Premier of Sarawak Datuk Amar Awang Tengah Ali Hasan,” the Borneo Post reported without specifying the value of the transaction. (Source: [TheEdgeMarkets](#))

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