



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

| 8th November 2022 |

All market data as at previous trading day

Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,442.12	3.84	-8.00
FBM Emas	10,244.89	27.40	-9.41
FBM Syariah	10,361.86	34.77	-15.50
FBM Small Cap	14,290.51	-24.87	-9.33
FBM ACE	4,949.83	30.65	-22.90
F4G BM	829.62	2.59	-5.76
F4G BMS	857.87	4.19	-12.69

Funds Flows	Net Buy (MYR'm)
Local Institutions	-82.7
Local Retails	-7.2
Foreign	89.9

<i>Foreign</i>			
Dow Jones	32,827.00	423.78	-9.66
S&P 500	3,806.80	36.25	-20.13
Nasdaq	10,564.52	89.27	-32.47
FTSE	7,299.99	-34.85	-1.14
Hang Seng	16,595.91	434.77	-29.07
Nikkei	27,527.64	327.9	-4.39
Shanghai CI	3,077.82	7.02	-15.44
Strait Times	3,141.31	11.20	0.56

Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.7450	-0.0030	13.93
GBP / MYR	5.4209	0.0927	-3.73
JPY100 / MYR	3.2309	0.0166	-10.72
EUR/MYR	4.7393	0.0986	0.53
SGD / MYR	3.3776	0.0245	9.47
CNY / MYR	0.6568	0.0030	0.32
AUD / MYR	3.0655	0.0491	1.29

Bond Yield Movements

		Yield	Daily Change (bps)
MGS	3- year	3.95	8
	10- year	4.45	10
GII	3- year	3.91	12
	10- year	4.61	11
UST	2- year	4.72	6
	10- year	4.22	5

Commodities

	Last	Daily chg	Daily chg %
CPO (3 rd month)	4,476.00	67	1.52
Brent (1 st month)	97.99	1.13	1.17
Gold (spot)	1,674.97	2.09	0.12

Source: Treasury.gov, Bursa and BNM

FBMKLCI and statistics



Source: Bloomberg

Market Turnover

Vol (m shrs)	2,796
Value (MYR m)	1,649

Top 5 Value	Last	Daily chg %	Value (MYR m)
PCHEM	8.550	0.47	78.642
MAYBANK	8.480	0.36	63.978
CIMB	5.350	-0.37	63.774
PBBANK	4.350	-0.23	61.335
KLK	21.000	0.38	48.754

Top 5 Gainers	Last	Daily chg %	Value (MYR m)
MNC	0.120	1100.00	1.032
MNC-PA	0.050	900.00	0.000
FINTEC	0.010	100.00	0.011
KGROUP	0.010	100.00	0.007
VSOLAR	0.010	100.00	0.006

Top 5 Losers	Last	Daily chg %	Value (MYR m)
SJC	0.670	-74.13	0.013
NEXGRAM	0.005	-50.00	0.007
GOCEAN	0.010	-33.33	0.001
AGES-PA	0.030	-25.00	0.000
SANICHI	0.020	-20.00	0.003

Top 5 DBT	Value (MYR m)	Volume (m shares)	Price (MYR)
MYEG	12.250	14.000	0.875
BLDPLNT	11.369	1.590	0
WIDAD	6.996	17.890	0.41
MICROLN	3.590	4.039	0.985
JETSON	3.045	15.225	0.22

Market Pulse



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

The KLCI rebounded from yesterday morning's trading session to close at 1,442.12 where it gained 3.84 points or 0.27%. Albeit buying interest was seen steadily in the evening trading session, the sentiment was more mixed as KLCI's constituent saw 15 gainers, 10 losers, and 5 unchanged. Top glove and PPB Group gained 3.27% and 2.84%, respectively, to close as the top gainers of the day. Similarly, the broader market sentiment was also mixed with gainers overtaking losers by 441 to 438, while 380 counters were unchanged.

The U.S. market closed solidly higher in the final hour of trading last night, kicking off a busy week that includes the latest read on inflation and midterm elections that will determine control of Congress, as third-quarter corporate earnings season hits the home stretch.

We expect KLCI to be traded in a rangebound between 0.236 and 0.382 Fibonacci levels (1,431.67-1,467.74) today with an upside bias. This is also supported by an intersection on the stochastic oscillator which indicates that a reversal of buying momentum may occur. Although, our local market does have GE15 as the market catalyst as the candidate campaign goes into full swing, raising the risk of a hung parliament put a cap on the market's potential upside. Our picks in Exhibit 1.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
Fundamental					
Bermaz Auto	BAUTO MK	Buy	1.98	2.45	23.74
Guan Chong	GUAN MK	Outperform	2.12	2.78	31.13
Technical					
QL Resources	QLG MK	Outperform	5.27	5.77	9.49
Opcom Holdings	OHB MK	Buy	0.875	1.24	41.71
Gamuda	GAM MK	Outperform	3.75	4.30	14.67

Pentamaster Corporation	PENT MK	Buy	3.82	5.26	37.70
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	0.645	1.20	86.05
FM Global Logistics Holdings	FMH MK	Buy	0.530	0.82	54.72
Hibiscus Petroleum	HIBI MK	Buy	1.04	1.32	26.92
OSK Holdings	OSK MK	Buy	0.90	1.12	25.14
UWC	UWC MK	Buy	3.63	5.03	38.57
Dayang Enterprise	DEHB MK	Buy	1.25	1.44	15.20
CTOS Digital	CTOS MK	Buy	1.40	1.78	27.14
Ancom Nylex	ANC MK	Buy	0.94	1.24	31.91
BP Plastics Holdings	BPP MK	Buy	1.40	1.80	28.57
CCK Consolidated Holdings	CCK MK	Outperform	0.62	0.71	15.45
Vitrox Corp Bhd	VITRO BHD	Buy	7.06	7.88	11.54
Pecca Group Bhd	PECCA MK	Buy	0.85	1.16	35.88
Nova Wellness Group Bhd	NOVA MK	Outperform	0.89	1.07	20.34
Duopharma Biotech Bhd	DBB MK	Outperform	1.34	1.44	7.46
Mega First Corp	MFCB MK	Outperform	3.23	3.63	12.23
Malton Bhd	MALT MK	Buy	0.40	0.44	10.00
MyEG Services Bhd	MYEG MK	Outperform	0.88	0.94	7.43
WCT Holdings Bhd	WCT MK	Outperform	0.36	0.43	21.13
ETF					
MyETF Dow Jones U.S. Titans 50	METFUS50 MK	Buy	USD 1.64	USD 1.93	17.84
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.84	0.92	10.01
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.66	1.80	8.74
Principal FTSE China 50 ETF	CIMBC25 MK	Buy	1.13	1.39	23.32
TradePlus HSCEI Daily (2x) Leveraged Tracker	HSCEI2XL MK	Strong Buy	0.41	0.85	108.64

Supercomnet was removed as it hits our target price.

Source: Bursa, Bloomberg, PRSB, price as of 7th November 2022

Malaysian news highlights

- **Ismail Sabri: Essence of Budget 2023 is in BN manifesto.**

The essence of Budget 2023, which was tabled in the Dewan Rakyat on Oct 7, will become the Barisan Nasional (BN) manifesto, taking into account that the budget is based on the actual global situation, said caretaker Prime Minister Datuk Seri Ismail Sabri Yaakob. Ismail Sabri said that the essence of the largest budget ever prepared amounting to RM372.3 billion also covers all sectors and that the government has sufficient allocations to implement it. Ismail Sabri said the fact that some parties want to copy its essence indicates that it is a good and comprehensive budget. (Source: [TheEdgeMarkets](#))

Global news highlights

- **Inflation-Focused Voters Defy Biden's Bid to Change the Subject.**

After months of talk about reproductive rights, threats to democracy, climate change, immigration and crime, the US midterm elections are coming down to the way Americans feel about the overall state of the economy and, in particular, inflation. The last time voters called inflation the top issue during an election year was in August 1982, says Jeff Jones, a senior editor of the Gallup Poll. Back then, the country was in the grips of a deepening recession and a Republican was in the White House. This time around, "inflation has been up there as a top issue all year," Jones says. (Source: [Bloomberg](#))

- **Fed Study Suggests Policy Much Tighter Than Rates Alone Suggest.**

Financial conditions implied that the Fed's benchmark policy rate was above 5.25% in September, compared with the actual target range of 3% to 3.25%, according to the analysis published Monday in the San Francisco Fed's weekly economic letter. (Source: [Bloomberg](#))

- **BOE calls for tougher global regulation after UK pensions drama.**

Tighter global regulation may be needed to prevent dangerous levels of debt building up after the turmoil in the UK pensions industry wreaked havoc across financial markets, a senior Bank of England official said. Sarah Breeden, executive director for financial stability strategy and risk, said in a speech on Monday that the international community has made limited progress in addressing risks from leverage outside regulated banks. Regulators must have sight of leverage building up in the whole financial system, she added. "Beyond improving transparency, regulators will need to consider how best to ensure leverage is well managed," Breeden said. Measures could include "market regulations to ensure excessive leverage is better controlled by market pricing and margins." (Source: [TheEdgeMarkets](#))

Corporate news

- **AAX resumes flight to Tokyo's Haneda.**

AirAsia X Bhd's (AAX) has resumed its flight to Tokyo's Haneda Airport following the full reopening of the country's border for international tourism. In a statement, AAX said the thrice-weekly flights will be the airline's first flight to Japan post-pandemic, ahead of its second route launch to Sapporo (Shin-Chitose) in December. In commemoration of the service's resumption, AAX celebrated the flight with a send-off ceremony at the Kuala Lumpur International Airport. (Source: [TheEdgeMarkets](#))

- **Velesto bags RM640 mil contract from Hess.**

Offshore drilling services provider Velesto Energy Bhd has bagged a US\$135 million (RM640 million) contract from Hess Exploration and Production Malaysia BV for the provision of integrated rig, drilling and completion (I-RDC) services for Hess' North Malay Basin Full Field Development Campaign. The two-year job that will be completed by 2024 was secured via wholly owned subsidiary Velesto Drilling Sdn Bhd, said Velesto in a Bursa Malaysia filing. According to Velesto, jack-up rig NAGA 5 will be assigned for the contract to provide I-RDC services covering 14 wells, and that the expected

commencement date is in the fourth quarter of this year. (Source: [TheEdgeMarkets](#))

- **Touch 'n Go eWallet to expand to mainland China in collaboration with Alipay+.**
TNG Digital Sdn Bhd is expanding its Touch 'n Go eWallet's cross-border payment capabilities to mainland China in collaboration with Alipay+ operated by Ant Group. Touch 'n Go eWallet is the first Malaysian e-wallet that can be used for payments in mainland China, said Touch 'n Go Group in a statement. "This augurs well for all our users travelling there as they will enjoy the ease of making cashless payments, and in ringgit as well," TNG Digital chief executive officer Alan Ni said in the statement. (Source: [TheEdgeMarkets](#))

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