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Morning Pole Position

| 11th November 2022 |

All market data as at previous trading day

Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,449.74	3.55	-7.51
FBM Emas	10,271.01	11.56	-9.18
FBM Syariah	10,323.89	0.15	-15.81
FBM Small Cap	14,252.45	-48.49	-9.57
FBM ACE	4,983.79	51.45	-22.37
F4G BM	832.60	0.94	-5.42
F4G BMS	853.89	-0.71	-13.10

Funds Flows

Net Buy (MYR'm)

Local Institutions	-78.8
Local Retails	-18.6
Foreign	97.4

Foreign

Dow Jones	33,715.37	1201.43	-7.22
S&P 500	3,956.37	207.8	-16.99
Nasdaq	11,114.15	760.97	-28.96
FTSE	7,375.34	79.09	-0.12
Hang Seng	16,081.04	-277.48	-31.27
Nikkei	27,446.10	-270.33	-4.67
Shanghai CI	3,036.13	-12.04	-16.58
Strait Times	3,173.18	7.68	1.58

Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.6998	0.0158	12.84
GBP / MYR	5.3511	-0.0570	-4.97
JPY100 / MYR	3.2132	-0.0084	-11.21
EUR/MYR	4.6960	-0.0208	-0.39
SGD / MYR	3.3521	-0.0007	8.65
CNY / MYR	0.6486	0.0014	-0.93
AUD / MYR	3.0102	-0.0400	-0.54

Bond Yield Movements

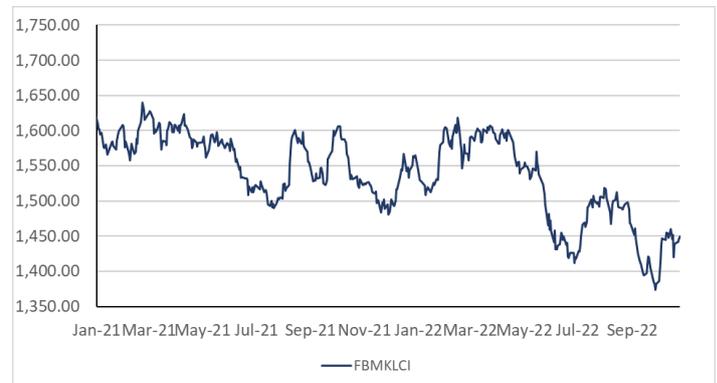
		Yield	Daily Change (bps)
MGS	3- year	3.93	-2
	10- year	4.49	0
GII	3- year	3.99	0
	10- year	4.62	0
UST	2- year	4.34	-27
	10- year	3.82	-30

Commodities

	Last	Daily chg	Daily chg %
CPO (3 rd month)	4,198.00	-21	-0.50
Brent (1 st month)	93.35	0.88	0.95
Gold (spot)	1,755.61	49.08	2.88

Source: Treasury.gov, Bursa and BNM

FBMKLCI and statistics



Source: Bloomberg

Market Turnover

Vol (m shrs)	3,477
Value (MYR m)	1,453

Top 5 Value

	Last	Daily chg %	Value (MYR m)
TOPGLOV	0.885	5.36	80.923
CIMB	5.480	0.74	59.820
MAYBANK	8.640	0.12	58.646
ASB	0.130	13.04	49.420
PBBANK	4.430	0.68	40.512

Top 5 Gainers

	Last	Daily chg %	Value (MYR m)
FINTEC	0.015	50.00	1.505
AT	0.015	50.00	0.173
EAH	0.015	50.00	0.016
XOXNET	0.035	40.00	0.278
BSLCORP	0.130	36.84	7.311

Top 5 Losers

	Last	Daily chg %	Value (MYR m)
LITRAK	0.490	-90.26	20.060
NEXGRAM	0.005	-50.00	0.016
VSOLAR	0.005	-50.00	0.008
COMPUGT	0.010	-33.33	0.001
EURO	0.105	-22.22	11.635

Top 5 DBT

	Value (MYR m)	Volume (m shares)	Price (MYR)
MYEG	10.885	13.146	0.835
EPMB	10.030	10.030	1.05
PTRANS	8.000	7.079	1.1
HEXTECH	5.175	0.460	14.98
TROP	5.000	3.623	1.39

Market Pulse

The KLCI closed marginally higher at 1,449.74, where it gained 3.55 points or 0.25%. KLCI's constituents saw 15 gainers, 11 losers, and 4 unchanged. The losers were led by Dialog Group Bhd, which shredded 2.94% to be the only constituent to lose more than 1% in the day's trading session, mainly contributed by the falling oil prices in the past few days. Meanwhile, the gainers were led by Top Glove Corp Bhd and Hartalega Holdings Bhd, which gained 5.36% and 3.52%, respectively. On the broader market, decliners beat gainers 468 to 344, while 394 counters were unchanged.

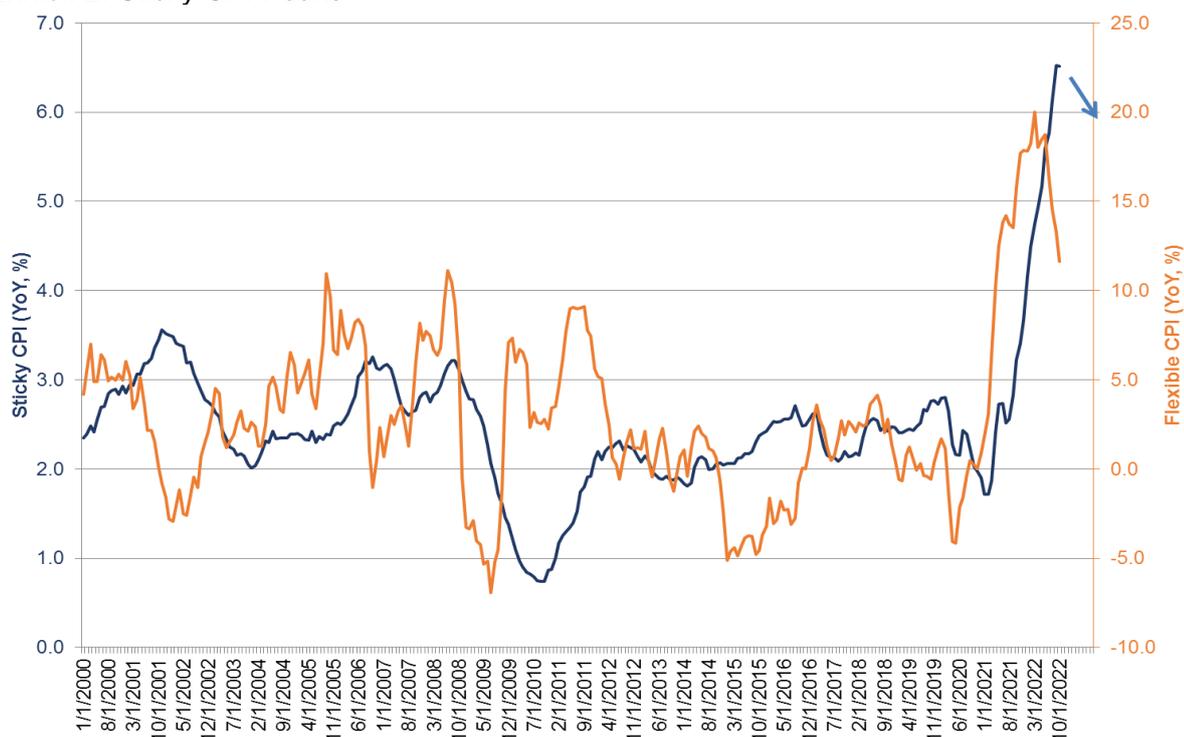
US core CPI moderated noticeably to 0.272% MoM in October from 0.576%, below market consensus of 0.5%, corresponding to 6.3% YoY, down from 6.6%. As we have commented in our *Market Pulse* (24th August 2022), Fed is unlikely to change its monetary path (Exhibit 1) until sticky-price CPI peaks in December (Exhibit 2) since Oct CPI alone may not allow for "peak Fed, bull market" narratives to thrive yet. In fact, the market has already priced in a slowdown in Fed hikes, that is, 50bp for December and 4.84% for the terminal rate. Historically, sticky-price CPI will peak 9 months after flexible CPI peaks. Flexible-price CPI comprises food and energy goods, the remainder being largely autos, apparel, and lodging away from home. The sticky-price CPI includes many service-based categories, including medical services, education, and personal care services, as well as most of the housing categories, which change only infrequently.

Exhibit 1: Fed Monetary Path

FOMC	Rate Hike (%)	FF Upper Limit	QT (USD b)
4/5/2022	+0.50	1.00	
15/6/2022	+0.75	1.75	47.5
27/7/2022	+0.75	2.50	47.5
	Jackson Hole Economic Symposium		47.5
21/9/2022	+0.75	3.25	95
	No FOMC		95
2/11/2022	+0.75	4.00	95
	8/11 Mid-term Election		
14/12/2022	+0.50	4.50	95
1/2/2023	+0.25	4.75	95

Source: Fed, compiled by PRSB

Exhibit 2: Sticky CPI Peaks



Source: Atlanta Fed, compiled by PRSB

The local market will likely cheer and surf along with US markets today. Our picks are in Exhibit 1.

Exhibit 3: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
Fundamental					
Bermaz Auto	BAUTO MK	Buy	1.95	2.45	25.64
Guan Chong	GUAN MK	Outperform	2.10	2.78	32.38
Technical					
QL Resources	QLG MK	Outperform	5.26	5.77	9.70
Opcom Holdings	OHB MK	Buy	0.835	1.24	48.50
Gamuda	GAM MK	Outperform	3.70	4.30	16.22
Pentamaster Corporation	PENT MK	Buy	3.82	5.26	37.70
Formosa Prosonic Industries	FOR MK	Buy	3.12	3.92	25.64
Kerjaya Prospek Group	KPG MK	Outperform	1.13	1.39	23.01
MMS Ventures	MMSV MK	Buy	0.650	1.20	84.62
FM Global Logistics Holdings	FMH MK	Buy	0.540	0.82	51.85
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	3.65	5.03	37.81
Dayang Enterprise	DEHB MK	Buy	1.21	1.44	19.01
CTOS Digital	CTOS MK	Buy	1.36	1.78	30.88
Ancom Nylex	ANC MK	Buy	0.94	1.24	32.62
BP Plastics Holdings	BPP MK	Buy	1.37	1.80	31.39
CCK Consolidated Holdings	CCK MK	Outperform	0.61	0.71	17.36
Vitrox Corp Bhd	VITRO BHD	Buy	7.05	7.88	11.70

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	1.35	1.44	6.67
Mega First Corp	MFCB MK	Outperform	3.23	3.63	12.23
Malton Bhd	MALT MK	Buy	0.39	0.44	14.29
MyEG Services Bhd	MYEG MK	Outperform	0.84	0.94	12.57
WCT Holdings Bhd	WCT MK	Outperform	0.36	0.43	19.44
ETF					
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.84	0.92	10.01
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.68	1.80	7.12
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Strong Buy	1.90	2.44	28.67

Source: Bursa, Bloomberg, PRSB, price as of 10th November 2022

Malaysian news highlights

- **Bursa Malaysia to revise review process for FTSE Bursa Malaysia Index Series.**
Bursa Malaysia Bhd will be revising the index review process of its FTSE Bursa Malaysia Index Series from the December 2022 review onwards. In a statement on Thursday (Nov 10), the stock exchange said it will be publishing a preliminary index review announcing the expected additions and deletions affecting the FTSE Bursa Malaysia KLCI (FMBKLCI) and FTSE Bursa Malaysia Mid 70 Index (FMB70) on the Wednesday before the first Thursday of June and December, respectively. (Source: [TheEdgeMarkets](#))

Global news highlights

- **US Inflation Slows More Than Forecast, Gives Fed Downshift Room.**
The consumer price index was up 7.7% from a year earlier, the smallest annual advance since the start of the year and down from 8.2% in September, according to a Labor Department report Thursday. Core prices, which exclude food and energy and are regarded as a better underlying indicator of inflation, advanced 6.3%, pulling back from a 40-year high. (Source: [Bloomberg](#))
- **China's bank loans drop to worst since 2017 as economy slows.**
Chinese banks lent the least amount of money in almost five years last month, with overall credit growth also slowing down more than expected despite the central bank's recent efforts to boost lending. (Source: [TheEdgeMarkets](#))

Corporate news

- **Bumi Armada comes out empty-handed in US\$284 mil legal battle against former client.**
Bumi Armada Bhd has concluded its six-year legal dispute with former client Australia-based Woodside Energy Julimar Pty Ltd (WEJ), with the offshore production and support services provider failing to obtain any of the claims it sought. The dispute relates to a terminated RM1.46 billion charter contract between Bumi Armada's unit Armada Balnaves Pte Ltd (ABPL) and WEJ, which prompted ABPL to file a suit in 2016 at the Supreme Court of Western Australia to seek a declaration that WEJ's termination of the contract was a repudiatory breach. (Source: [TheEdgeMarkets](#))
- **Berjaya Food 1Q net profit jumps nearly threefold y-o-y, but down 14.67% q-o-q.**
Berjaya Food Bhd (BFood) began its financial year ending June 30, 2023 (FY23) on a strong note with a net profit of RM34.7 million for the first quarter ended Sept 30, 2022 (1QFY23), a nearly three-fold jump from RM11.63 million in the same period last year. This was in tandem with the higher revenue recorded for the quarter coupled with the turnaround of the Kenny Rogers Roasters business performance, according to a bourse filing on Thursday (Nov 10) by BFood, which is also the Starbucks franchise operator. (Source: [TheEdgeMarkets](#))
- **KLCCP Stapled's 3Q net profit jumps 30%, declares eight sen dividend.**
KLCCP Stapled Group reported a 30.43% rise in net profit to RM176.59 million for the third quarter ended Sept 30, 2022 (3QFY22), from RM135.39 million a year earlier, on the back of improved performances across all business segments. Quarterly revenue rose 43.65% to RM373.98 million from RM260.35 million, said the group, comprising KLCC Property Holdings Bhd (KLCCP) and KLCC Real Estate Investment Trust (KLCC REIT), in a Bursa Malaysia filing. (Source: [TheEdgeMarkets](#))

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

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

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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.

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