



# PHILLIP RESEARCH SDN BHD

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## Morning Pole Position

| 17<sup>th</sup> November 2022 |

All market data as at previous trading day

### Market indices

Indices	Last	Daily chg	YTD chg%
<b>Local</b>			
FBM KLCI	1,448.38	-2.16	-7.60
FBM Emas	10,294.96	-20.71	-8.96
FBM Syariah	10,452.81	8.84	-14.76
FBM Small Cap	14,432.94	-11.61	-8.42
FBM ACE	4,997.17	-15.95	-22.16
F4G BM	832.93	-1.25	-5.38
F4G BMS	865.91	2.45	-11.87
<b>Funds Flows</b>			
			<b>Net Buy (MYR'm)</b>
Local Institutions	39.2		
Local Retails	40.7		
Foreign	-79.9		
<b>Foreign</b>			
Dow Jones	33,553.83	-39.09	-7.66
S&P 500	3,958.79	-32.94	-16.94
Nasdaq	11,183.66	-174.75	-28.52
FTSE	7,351.19	-18.25	-0.45
Hang Seng	18,256.48	-86.64	-21.97
Nikkei	28,028.30	38.13	-2.65
Shanghai CI	3,119.98	-14.1	-14.28
Strait Times	3,266.17	-9.11	4.56

### Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.5475	0.0010	9.18
GBP / MYR	5.4043	0.0219	-4.02
JPY100 / MYR	3.2565	-0.0025	-10.01
EUR/MYR	4.7321	0.0001	0.38
SGD / MYR	3.3226	-0.0024	7.69
CNY / MYR	0.6419	-0.0046	-1.96
AUD / MYR	3.0764	0.0098	1.65

### Bond Yield Movements

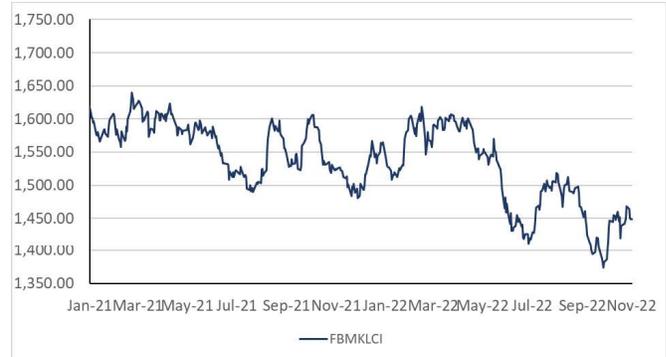
		Yield	Daily Change (bps)
<b>MGS</b>	3- year	3.8	0
	10- year	4.31	-3
<b>GII</b>	3- year	3.89	3
	10- year	4.41	-1
<b>UST</b>	2- year	4.35	-2
	10- year	3.67	-13

### Commodities

	Last	Daily chg	Daily chg %
CPO (3 <sup>rd</sup> month)	4,022.00	-44	-1.08
Brent (1 <sup>st</sup> month)	92.65	-1.12	-1.19
Gold (spot)	1,773.88	-4.37	-0.25

Source: Treasury.gov, Bursa and BNM

### FBMKLCI and statistics



Source: Bloomberg

### Market Turnover

Vol (m shrs)	2,318
Value (MYR m)	1,711

Top 5 Value	Last	Daily chg %	Value (MYR m)
CIMB	5.350	-1.11	144.995
PBBANK	4.300	-1.60	70.142
IHH	5.950	-0.17	63.211
TOPGLOV	0.960	-1.03	53.204
HLBANK	20.500	-0.49	52.222

Top 5 Gainers	Last	Daily chg %	Value (MYR m)
VSOLAR	0.010	100.00	0.001
EAH	0.015	50.00	0.149
ANZO	0.015	50.00	0.002
MASTEEL	0.360	35.85	18.576
ALAM	0.020	33.33	0.014

Top 5 Losers	Last	Daily chg %	Value (MYR m)
KGROUP	0.005	-50.00	0.007
COMPUGT	0.010	-33.33	0.000
PGF-PA	0.300	-26.83	0.017
FOCUS	0.015	-25.00	0.009
XOX	0.020	-20.00	0.492

Top 5 DBT	Value (MYR m)	Volume (m shares)	Price (MYR)
ABFMY1	27.140	23.600	0
KAB	8.643	19.593	0.475
TWL	4.160	113.000	0.035
TANCO	4.045	13.707	0.35
ANCOMNY	2.952	3.280	0.93

## Market Pulse



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

The KLCI closed lower yesterday, lost 2.16 points or 0.15% at 1,448.38 on a mixed market sentiment. KLCI constituents saw 15 losers and 12 gainers while 3 remain unchanged. The gainers were led by Dialog Group Bhd and Petronas Dagangan Bhd, which gained 2.46% and 2.27%, respectively, mainly contributed by the rebound in oil prices. On the broader market, decliners outpaced gainers 493 to 351, while 401 counters were unchanged.

U.S. market extended their losses as investor sentiment was hit by poorly-received earnings reports by Target. Investors were taken aback particularly because Walmart's earnings a day earlier painted a much more robust picture of the state of the U.S. consumer plus the value of overall retail purchases climbed 1.3%, beating consensus expectation of 1.0% last month after stagnating in September. Target's signal that a consumer spending recession was unfolding heading into the all-important holiday shopping season came as a shock to some investors after Walmart reassured trends were ok. Nevertheless, the stocks' divergent highlight the difference between 'staple' and 'discretionary' labels.

Back in Malaysia, after days of profit taking activity with voting on the doorstep, we expect KLCI to rebound today following the formation of the hammer yesterday. Should the formation of an uprising triangle remain which indicates a continuation pattern, KLCI may trade as high as the 0.382 Fibonacci level of 1,467.74 today. The stochastic oscillator also shows a potential cross over between the two lines, which indicates a reversal of momentum may occur. Although, we do expect further profit taking activity to ensue today by cautious investors as multi-cornered fights and the possibility of changing alliances post-elections make the GE15 hard to call. We marked the 0.236 Fibonacci level of 1,431.67 as the support level for today. Our picks are in Exhibit 1.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
<b>Fundamental</b>					
Bermaz Auto	BAUTO MK	Buy	1.90	2.45	28.95
Guan Chong	GUAN MK	Outperform	2.26	2.78	23.01
<b>Technical</b>					
QL Resources	QLG MK	Outperform	5.50	5.77	4.91

Opcom Holdings	OHB MK	Buy	0.810	1.24	53.09
Gamuda	GAM MK	Outperform	3.58	4.30	20.11
Pentamaster Corporation	PENT MK	Buy	4.10	5.26	28.29
Formosa Prosonic Industries	FOR MK	Buy	3.18	3.92	23.27
Kerjaya Prospek Group	KPG MK	Outperform	1.13	1.39	23.01
MMS Ventures	MMSV MK	Buy	0.665	1.20	80.45
FM Global Logistics Holdings	FMH MK	Buy	0.535	0.82	53.27
Hibiscus Petroleum	HIBI MK	Buy	1.01	1.32	30.69
OSK Holdings	OSK MK	Buy	0.91	1.12	23.76
UWC	UWC MK	Buy	3.89	5.03	29.31
Dayang Enterprise	DEHB MK	Buy	1.26	1.44	14.29
CTOS Digital	CTOS MK	Buy	1.38	1.78	28.99
Ancom Nylex	ANC MK	Buy	0.93	1.24	33.33
BP Plastics Holdings	BPP MK	Buy	1.38	1.80	30.43
CCK Consolidated Holdings	CCK MK	Outperform	0.62	0.71	14.52
Vitrox Corp Bhd	VITRO BHD	Buy	7.06	7.88	11.54
Pecca Group BHD	PECCA MK	Buy	0.84	1.16	37.50
Nova Wellness Group Bhd	NOVA MK	Outperform	0.91	1.07	17.68
Duopharma Biotech Bhd	DBB MK	Outperform	1.40	1.44	2.86
Mega First Corp	MFCB MK	Outperform	3.28	3.63	10.52
Malton Bhd	MALT MK	Buy	0.39	0.44	12.82
MyEG Services Bhd	MYEG MK	Outperform	0.82	0.94	15.34
WCT Holdings Bhd	WCT MK	Outperform	0.37	0.43	16.22
<b>ETF</b>					
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 16<sup>th</sup> November 2022

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## Malaysian news highlights

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- **Bursa Malaysia signs three-year MOU with SSM on initiatives for SMEs.**  
Bursa Malaysia Bhd has signed a memorandum of understanding (MOU) with the Companies Commission of Malaysia (SSM) on a three-year collaboration to support small and medium enterprises (SMEs). The collaboration contains three core initiatives which include exploring commercial opportunities for Bursa and SSM on supporting digital economy growth, data sharing, and driving environmental, social and governance (ESG) agenda in the business ecosystem, according to a joint statement issued on Wednesday (Nov 16). (Source: [TheEdgeMarkets](#))
- **New car sales down 10% m-o-m in October, up 50% YTD — MAA.**  
Malaysia's new car sales volume or total industry volume (TIV) came in at 61,002 units in October, down 10% month-on-month (m-o-m) from 67,698 units sold in September, according to the Malaysian Automotive Association (MAA). This took into account the fulfilment of bookings by car companies for many bookings received prior to June 30, albeit at a slower pace. Year-on-year, car sales dipped 5.8% from 64,762 units sold in October 2021. (Source: [TheEdgeMarkets](#))

## Global news highlights

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- **US Retail Sales Rise Most in Eight Months as Consumers Hold On.**  
The value of overall retail purchases climbed 1.3% last month after stagnating in September, Commerce Department data showed Wednesday. Excluding gasoline and autos, retail sales were up 0.9%. The figures aren't adjusted for inflation. (Source: [Bloomberg](#))
- **US Factory Output Barely Rises After Tepid Gains in Prior Months.**  
The 0.1% increase in factory production last month followed a downwardly revised 0.2% advance in September, according to Federal Reserve data released Wednesday. Including mining and utilities, total industrial output fell 0.1% in October, the second decline in three months. (Source: [Bloomberg](#))
- **US Mortgage Rates Drop Below 7% in Biggest Decline Since July.**  
The contract rate on a 30-year fixed mortgage decreased 24 basis points to 6.9% in the week ended Nov. 11, according to Mortgage Bankers Association data released Wednesday. The group's index of applications to buy a home rose 4.4% -- the most since June -- but is still near the weakest level since 2015. (Source: [Bloomberg](#))
- **US Homebuilder Sentiment Extends Year's Decline as Rates Rise.**  
The National Association of Home Builders/Wells Fargo gauge decreased 5 points to 33 this month, figures showed Wednesday. The median estimate in a Bloomberg survey of economists called for a reading of 36. Sentiment has fallen every month this year, extending what was already the longest stretch of declines in data back to 1985. The housing market, which is especially susceptible to higher borrowing costs, has been among the first sectors to feel the impact of the Federal Reserve's tightening campaign. (Source: [Bloomberg](#))
- **PBOC Sees Risk of Rising Inflation, Vows to Keep Economy Stable.**  
The central bank "will pay serious attention to the underlying possibility of rising inflation, especially changes in the demand side," it said in its quarterly monetary policy report released Wednesday. At the same time, the Chinese central bank added it will increase support for the economy and keep liquidity reasonably ample. (Source: [Bloomberg](#))

## Corporate news

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- **Apex Healthcare posts new record high quarterly profit, revenue.**  
Apex Healthcare Bhd's third quarter net profit surged 91.87% to RM26.88 million, from RM14.01 million a year earlier, helped by a significantly stronger share of net-of-tax earnings from its associated company. (Source: [TheEdgeMarkets](#))
- **Improved property, pharmaceutical segments push Kobay's 1Q earnings 8.2% higher.**  
Improved property, pharmaceutical segments push Kobay's 1Q earnings 8.2% higher Kobay Technology Bhd kick-started its financial year ending June 30, 2023 (FY23) with a 8.18% rise in net profit to RM10.52 million for the first quarter ending Sept 30, 2022 (1QFY23), from RM9.72 million in the same period last year. (Source: [TheEdgeMarkets](#))
- **Bursa Malaysia Derivatives Clearing receives TC-CCP recognition, greater access to EU investment communities.**  
Bursa Malaysia Derivatives Clearing Bhd, a wholly owned subsidiary of Bursa Malaysia Derivatives Bhd, received recognition as a Third Country Central Counterparty (TC-CCP) by the European Securities and Markets Authority on Nov 7. (Source: [TheEdgeMarkets](#))

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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):

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The ratings are based on the forecast total return (including dividends) over the next 12 months.

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