



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

| 24th November 2022 |

All market data as at previous trading day

Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,443.50	2.21	-7.91
FBM Emas	10,266.22	19.06	-9.22
FBM Syariah	10,416.73	37.47	-15.06
FBM Small Cap	14,364.02	-14.79	-8.86
FBM ACE	4,973.73	1.30	-22.52
F4G BM	832.23	1.80	-5.46
F4G BMS	863.16	3.73	-12.15
Funds Flows			
			Net Buy (MYR'm)
Local Institutions			46.9
Local Retails			9.7
Foreign			-56.6
<i>Foreign</i>			
Dow Jones	34,194.06	95.96	-5.90
S&P 500	4,027.26	23.68	-15.50
Nasdaq	11,285.32	110.91	-27.87
FTSE	7,465.24	12.4	1.09
Hang Seng	17,523.81	99.4	-25.10
Nikkei	28,115.74	170.95	-2.35
Shanghai CI	3,096.91	7.96	-14.91
Strait Times	3,255.99	-3.57	4.24

Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.5750	0.0035	9.84
GBP / MYR	5.4401	0.0297	-3.39
JPY100 / MYR	3.2377	0.0116	-10.53
EUR/MYR	4.7187	0.0229	0.10
SGD / MYR	3.3091	-0.0042	7.25
CNY / MYR	0.6391	-0.0012	-2.38
AUD / MYR	3.0437	0.0135	0.57

Bond Yield Movements

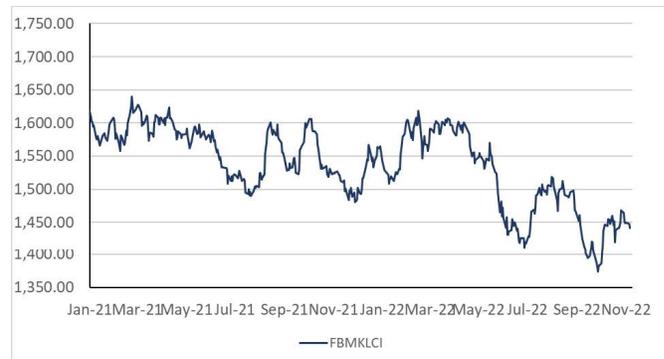
		Yield	Daily Change (bps)
MGS	3- year	3.91	0
	10- year	4.38	0
GII	3- year	3.94	-2
	10- year	4.39	-12
UST	2- year	4.46	-1
	10- year	3.71	-5

Commodities

	Last	Daily chg	Daily chg %
CPO (3 rd month)	4,105.00	101	2.52
Brent (1 st month)	84.75	-3.60	-4.07
Gold (spot)	1,749.94	8.62	0.50

Source: Treasury.gov, Bursa and BNM

FBM KLCI and statistics



Source: Bloomberg

Market Turnover

Vol (m shrs)	2,684
Value (MYR m)	1,633

Top 5 Value

	Last	Daily chg %	Value (MYR m)
ASB	0.175	-2.78	93.136
CIMB	5.510	0.00	84.861
PBBANK	4.280	-0.23	80.100
GENM	2.520	-1.95	62.656
GENTING	4.210	-1.17	49.118

Top 5 Gainers

	Last	Daily chg %	Value (MYR m)
PHB	0.010	100.00	0.016
VSOLAR	0.010	100.00	0.010
ANZO	0.015	50.00	0.000
XOXTECH	0.040	33.33	0.106
AEM	0.020	33.33	0.001

Top 5 Losers

	Last	Daily chg %	Value (MYR m)
FINTEC	0.005	-50.00	0.007
EAH	0.010	-33.33	0.004
MINETEC-PA	0.010	-33.33	0.003
NEXGRAM	0.070	-30.00	0.353
PASUKGB	0.015	-25.00	0.009

Top 5 DBT

	Value (MYR m)	Volume (m shares)	Price (MYR)
UNISEM	30.960	16.000	2.68
SCOMNET	16.200	10.000	1.75
ANCOMNY	12.441	14.300	0.92
MYEG	9.400	11.750	0.795
XL	2.900	5.000	0.725

Market Pulse



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

The KLCI had a mixed sentiment yesterday and closed almost flat at 1,443.50, where it gained 2.21 points or 0.15% as the new government formation still remains hung after days of negotiation. KLCI constituents saw 13 gainers and 13 losers with 4 remaining unchanged. The gainers were led by Dialog Group Bhd and Press Metal Aluminium Holdings Bhd, which gained 2.45% and 2.33%, respectively. The broader market shares mixed sentiment, where gainers and losers were almost equal at 389 to 382, while 417 counters were unchanged.

The U.S. market rose last after the latest minutes of the FOMC meeting showed most policymakers expect a slower pace of rate hikes will “soon be appropriate”, but they were uncertain how high the benchmark interest rate will rise. However, the minutes also showed that the Fed’s staff for the first time said a recession will be possible in the next year with some saying there is an increasing risk that the Fed’s actions “would exceed what was required” to bring inflation down to acceptable levels. Nevertheless, it appears that investors deem this as good news as they do not see the minutes shedding any new light on the policy debate as we have outlined in our Daily Morning Pole Position dated 3rd November 2022.

As for Malaysia, we are still waiting for the new government to form. After Agong met with the 30 BN MPs yesterday, Agong announced a Special Meeting of the Malay Rulers, which is to be held today at Istana Negara for the Agong to seek the views of the Malay Rulers concerning the formation of a new federal government. Meanwhile, caretaker Prime Minister Datuk Seri Ismail Sabri reassured the public that the caretaker government under his leadership and the caretaker Cabinet, consisting of Members of Parliament that contested in the 15th general election and won their seats, will continue to function.

As such, investors are expected to continue to adopt a ‘sell first and watch’ mentality in the immediate term until the dust settles. Thus, technically, although we can see KLCI continue to trade in the uptrend channel, this will hinge upon the conclusion of the coalition party that formed the government. Since the situation is still very fluid, we think KLCI would be trading on rangebound today, between 0.236 and 0.382 Fibonacci levels of 1,431.67 to 1,467.74. Our picks are in Exhibit 1.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
Fundamental					
Bermaz Auto	BAUTO MK	Buy	1.91	2.45	28.27
Guan Chong	GUAN MK	Outperform	2.21	2.78	25.79
Technical					
QL Resources	QLG MK	Outperform	5.50	5.77	4.91
Opcom Holdings	OHB MK	Buy	0.785	1.24	57.96
Gamuda	GAM MK	Outperform	3.77	4.30	14.06
Pentamaster Corporation	PENT MK	Buy	4.11	5.26	27.98
Formosa Prosonic Industries	FOR MK	Buy	3.28	3.92	19.51
Kerjaya Prospek Group	KPG MK	Outperform	1.15	1.39	20.87
MMS Ventures	MMSV MK	Buy	0.610	1.20	96.72
FM Global Logistics Holdings	FMH MK	Buy	0.535	0.82	53.27
Hibiscus Petroleum	HIBI MK	Buy	1.05	1.32	25.71
OSK Holdings	OSK MK	Buy	0.91	1.12	23.76
UWC	UWC MK	Buy	3.84	5.03	30.99
Dayang Enterprise	DEHB MK	Buy	1.35	1.44	6.67
CTOS Digital	CTOS MK	Buy	1.38	1.78	28.99
Ancom Nylex	ANC MK	Buy	0.92	1.24	34.78
CCK Consolidated Holdings	CCK MK	Outperform	0.61	0.71	16.39
Vitrox Corp Bhd	VITRO BHD	Buy	7.16	7.88	9.99
Pecca Group BHD	PECCA MK	Buy	0.82	1.16	40.85
Nova Wellness Group Bhd	NOVA MK	Outperform	0.87	1.07	23.12
Duopharma Biotech Bhd	DBB MK	Outperform	1.34	1.44	7.46
Mega First Corp	MFCB MK	Outperform	3.33	3.63	8.86
Malton Bhd	MALT MK	Buy	0.41	0.44	7.32
MyEG Services Bhd	MYEG MK	Outperform	0.80	0.94	18.24
WCT Holdings Bhd	WCT MK	Outperform	0.40	0.43	8.86
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	1.80	2.44	35.82

BP Plastics Holdings was removed as it hits our cut loss.

Source: Bursa, Bloomberg, PRSB, price as of 23rd November 2022

- **US Economy Shows Signs of Slowing as Fed Hikes Filter Through.**
Business activity contracted for a fifth month in November and applications for unemployment benefits rose last week to a three-month high. While consumer sentiment and new-home sales improved, both remain depressed and indicate a weaker spending appetite and subdued housing demand. (Source: [Bloomberg](#))
- **US Mortgage Rates Drop for a Second Week, Hit Two-Month Low.**
The contract rate on a 30-year fixed mortgage decreased 23 basis points to 6.67% in the week ended Nov. 18, according to Mortgage Bankers Association data released Wednesday. (Source: [Bloomberg](#))
- **US New-Home Sales Unexpectedly Rise, Driven by Demand in South.**
Purchases of new single-family homes increased 7.5% to an annualized 632,000 pace last month after falling in September, government data showed Wednesday. The median estimate in a Bloomberg survey of economists called for a 570,000 rate. (Source: [Bloomberg](#))
- **US Business Activity Contracts for a Fifth-Straight Month.**
The S&P Global flash November composite purchasing managers' index slid about 2 points to 46.3, the second-lowest level since the immediate aftermath of the pandemic, the group reported Wednesday. Readings below 50 indicate shrinking activity and the latest print was among the worst in data back to 2009. (Source: [Bloomberg](#))
- **US Business Equipment Orders Rebounded Sharply in October.**
The value of core capital goods orders, a proxy for investment in equipment that excludes aircraft and military hardware, rose 0.7% last month after a downwardly revised 0.8% decline in September, Commerce Department figures showed Wednesday. The data aren't adjusted for inflation. (Source: [Bloomberg](#))
- **US Jobless Claims Hit Three-Month High as Labor Market Cools.**
Initial unemployment claims increased by 17,000 to 240,000 in the week ended Nov. 19, Labor Department data showed Wednesday. The median estimate in a Bloomberg survey of economists called for 225,000. (Source: [Bloomberg](#))
- **Euro-Area Businesses Signal a Shallower Slump Than Feared.**
A gauge measuring activity in manufacturing and services unexpectedly rose in November, according to S&P Global. While it still firmly indicates a recession in the 19-nation region is underway, it offers some room to think the downturn may be shallower than previously predicted. (Source: [Bloomberg](#))
- **Big China Industry Events Disrupted as Covid Curbs Tighten Again.**
Covid continues to disrupt events in China, with at least two major automotive conferences affected as authorities tighten restrictions again in a bid to stem a rise in infections. After just half a day of the China Automotive Overseas Development Summit in Shanghai, organizers canceled sessions due to "sudden disruptions from Covid," and said "different forms of presentation" would be used to complete the two-day agenda. (Source: [Bloomberg](#))

- **KPJ posts four-fold spike in 3Q net profit; declares one sen dividend.**

KPJ Healthcare Bhd posted a four-fold spike in its net profit for the third quarter ended Sept 30, 2022 (3QFY22) to RM54.28 million from RM12.64 million in the previous year's corresponding quarter, on improved hospital activities. It declared a single tier interim dividend of one sen per share, to be paid on Dec 28, the group said in a bourse filing on Wednesday (Nov 23). Earnings per share rose to 1.25 sen from 0.29 sen. (Source: [TheEdgeMarkets](#))
- **Farm Fresh 2Q net profit drops 65% on lower fair value gain on valuation of assets, higher costs.**

Farm Fresh Bhd's net profit for the second quarter ended Sept 30, 2022 (2QFY23) dropped 64.53% to RM11.19 million from RM31.53 million for the same quarter last year, despite higher revenue, as it recorded significantly lower fair value gain on valuation of biological assets and higher costs. Fair value gain on valuation of biological assets fell to RM200,000 in the current quarter — as compared with RM10.5 million in 2QFY22 — partially offset by higher gross loss, impairment loss and redundancy costs totalling RM7.1 million incurred from the IXL fruit jam business in the corresponding quarter. (Source: [TheEdgeMarkets](#))
- **Pecca 1Q earnings surge on low base effect.**

Pecca Group Bhd reported that its net profit jumped over 16 times year-on-year (y-o-y) in the first quarter ended Sept 30, 2022 (1QFY22), as its operations normalised from being restricted last year due to the Covid-19 lockdown. Net profit rose to RM8.35 million in 1QFY22, from RM514,000 a year ago, while revenue more than doubled to RM54.86 million from RM22.79 million, said the automotive leather upholstery company in a stock exchange filing on Nov 23. (Source: [TheEdgeMarkets](#))
- **IOI Properties starts FY23 with net profit triple than that of 1QFY22.**

IOI Properties Group Bhd (IOIPG) recorded a stellar performance for the first quarter ended Sept 30, 2022 (1QFY23), recording net profit of RM640.29 million, which was three times higher than 1QFY22's. The property development group attributed the outstanding performance to improvements across all its business segments particularly the hospitality and leisure segment, which saw a sterling recovery of more than 400% in revenue. The revenue growth in their hospitality and leisure segment was mainly attributed by the strong demand for domestic tourism. Similarly, their property investment segment also saw a strong improvement contributed by the commencement of recurring leasing income from their newly launched IOI City Mall Phase 2. (Source: [TheEdgeMarkets](#))
- **Maybank 3Q earnings rise 28.5% on stronger interest income, lower impairment.**

Malayan Banking Bhd's (Maybank) net profit grew 28.5% for the third quarter ended Sept 30, 2022 (3QFY2022) as the group benefited from higher net fund and fee-based income, as well as reduction in net impairment losses. According to the group's financial results announcement to Bursa Malaysia on Wednesday (Nov 23), its net profit rose to RM2.17 billion for 3QFY2022, from RM1.68 billion a year ago, as its net operating income increased by 20.6% year-on-year (y-o-y) to reach RM7.41 billion. (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.