



# PHILLIP RESEARCH SDN BHD

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## Morning Pole Position

| 13<sup>th</sup> December 2022 |

All market data as at previous trading day

### Market indices

Indices	Last	Daily chg	YTD chg%
<b>Local</b>			
FBM KLCI	1,474.38	-2.81	-5.94
FBM Emas	10,586.52	-20.89	-6.39
FBM Syariah	10,877.91	-25.35	-11.30
FBM Small Cap	15,196.03	-30.68	-3.58
FBM ACE	5,493.64	-23.86	-14.42
F4G BM	858.33	-1.35	-2.50
F4G BMS	891.29	-4.75	-9.29
<b>Funds Flows</b>			
		<b>Net Buy (MYR'm)</b>	
Local Institutions		37.7	
Local Retails		14.5	
Foreign		-52.2	
<b>Foreign</b>			
Dow Jones	34,005.04	528.58	-6.42
S&P 500	3,990.56	56.18	-16.27
Nasdaq	11,143.74	139.12	-28.77
FTSE	7,445.97	-30.66	0.83
Hang Seng	19,463.63	-437.24	-16.81
Nikkei	27,842.33	-58.68	-3.30
Shanghai CI	3,179.04	-27.91	-12.66
Strait Times	3,239.66	-6.31	3.71

### Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.4160	0.0120	6.03
GBP / MYR	5.4120	0.0215	-3.89
JPY100 / MYR	3.2265	-0.0057	-10.84
EUR/MYR	4.6567	0.0056	-1.22
SGD / MYR	3.2619	0.0051	5.72
CNY / MYR	0.6331	-0.0004	-3.30
AUD / MYR	2.9910	0.0143	-1.17

### Bond Yield Movements

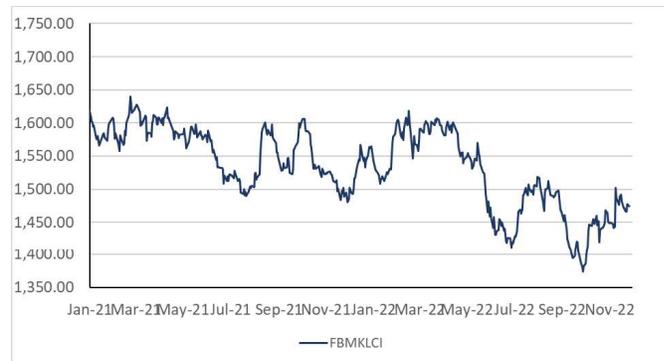
		Yield	Daily Change (bps)
<b>MGS</b>	3- year	3.73	8
	10- year	4.09	3
<b>GII</b>	3- year	3.8	0
	10- year	4.21	3
<b>UST</b>	2- year	4.39	6
	10- year	3.61	4

### Commodities

	Last	Daily chg	Daily chg %
CPO (3 <sup>rd</sup> month)	3,764.00	-268	-6.65
Brent (1 <sup>st</sup> month)	78.10	1.14	1.48
Gold (spot)	1,781.43	-13.70	-0.76

Source: Treasury.gov, Bursa and BNM

### FBM KLCI and statistics



Source: Bloomberg

### Market Turnover

Vol (m shrs)	2,522
Value (MYR m)	1,518

### Top 5 Value

	Last	Daily chg %	Value (MYR m)
CIMB	5.740	1.59	131.796
PBBANK	4.400	-0.23	113.946
PCHEM	8.480	-0.59	52.583
GAMUDA	3.850	-2.04	52.572
MAYBANK	8.700	0.12	30.748

### Top 5 Gainers

	Last	Daily chg %	Value (MYR m)
FINTEC-PA	0.010	100.00	0.001
FOCUS-PA	0.010	100.00	0.001
TALAMT	0.020	33.33	0.001
BIOHLDG-PA	0.040	33.33	0.000
GOCEAN	0.025	25.00	0.281

### Top 5 Losers

	Last	Daily chg %	Value (MYR m)
KGROUP	0.010	-33.33	0.014
AT	0.015	-25.00	0.726
MTRONIC	0.020	-20.00	0.071
MLAB	0.020	-20.00	0.000
PRKCORP	0.235	-18.97	0.005

### Top 5 DBT

	Value (MYR m)	Volume (m shares)	Price (MYR)
HEXTECH	31.940	2.470	13.2
GREATEC	25.000	5.000	5.05
CFM	10.250	5.000	2.44
EPMB	10.040	10.040	1.08
SSTEEL	7.094	11.630	0

## Market Pulse



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

The KLCI lost 2.81 points or 0.19% yesterday to close at 1,474.38 as the KLCI constituents saw 16 losers and 10 gainers while 4 remained unchanged. Telecommunications stocks plummeted while the buying interests revolved around some Plantation and Banking stocks. The losers were led by Axiata Group Bhd and Digi.com Bhd where they lost 3.24% and 2.81% respectively. While the gainers were led by PPB Group Bhd and CIMB Group Holdings Bhd where they gained 1.83% and 1.59% respectively. Similarly, the broader market shared negative sentiment with losers beating gainers 532 to 368, while 377 counters were unchanged.

U.S market rallied last night as optimism replaced caution ahead of U.S. consumer price data and the Fed decision this week. Market consensus widely expected for the Fed to hike 50bps to a range of 4.25-4.50%, marking the downshift in the size of rate increases after the Fed delivered 75bps rate hikes four times consecutively between June and November. Before that, consensus is expecting November's inflation to slows down to 7.3% YoY from 7.7% YoY in October, hoping for further signs of cooling. However, PPI came in higher than expected last week posing a danger for investors to be caught in disappointment.

Since Malaysia have a positive correlation with the U.S. market coupled with the hammer and bullish marubozu candle formed last week, KLCI may stage a rebound today. Additionally, KLCI has been trading within the uptrend channel that since October. Thus, we think that KLCI will trade between the rangebound of 1,467.74 and 1,496.90 (0.382 – 0.500 Fibonacci level). 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	2.14	2.45	14.49
Guan Chong	GUAN MK	Outperform	2.36	2.78	17.80
<b>Technical</b>					
QL Resources	QLG MK	Outperform	5.48	5.77	5.29

Opcom Holdings	OHB MK	Buy	0.755	1.24	64.24
Gamuda	GAM MK	Outperform	3.85	4.30	11.69
Pentamaster Corporation	PENT MK	Buy	4.66	5.26	12.88
Formosa Prosonic Industries	FOR MK	Buy	3.23	3.92	21.36
Kerjaya Prospek Group	KPG MK	Outperform	1.22	1.38	12.70
MMS Ventures	MMSV MK	Buy	0.670	1.20	79.10
FM Global Logistics Holdings	FMH MK	Buy	0.550	0.82	49.09
Hibiscus Petroleum	HIBI MK	Buy	1.05	1.23	16.67
OSK Holdings	OSK MK	Buy	0.98	1.12	14.87
UWC	UWC MK	Buy	4.34	5.03	15.90
Dayang Enterprise	DEHB MK	Buy	1.29	1.44	11.63
CTOS Digital	CTOS MK	Buy	1.38	1.78	28.99
Ancom Nylex	ANC MK	Buy	0.98	1.24	27.18
Vitrox Corp Bhd	VITRO BHD	Buy	7.73	7.88	1.88
Pecca Group Bhd	PECCA MK	Buy	0.80	1.16	44.38
Nova Wellness Group Bhd	NOVA MK	Outperform	0.90	1.07	18.33
Mega First Corp	MFCB MK	Outperform	3.34	3.63	8.53
Malton Bhd	MALT MK	Buy	0.40	0.44	10.00
Press Metal Aluminium	PMAH MK	Buy	4.86	6.09	25.31
Sime Darby Plantation	SDPL MK	Buy	4.36	5.29	21.33
Rexit Bhd	REXI MK	Buy	0.74	0.94	27.21
Time DOTCOM	TDC MK	Outperform	4.95	5.54	11.82
JF Technology Bhd	JFTB MK	Buy	0.81	1.07	31.48
Kumpulan H&L High-Tech Bhd	H&L MK	Buy	0.93	1.19	27.96
Mobilia Holdings	MOBILIA MK	O-PF	0.21	0.24	17.07
<b>ETF</b>					
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.81	0.92	13.41
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.61	1.80	12.12
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Strong Buy	1.76	2.44	38.91

Source: Bursa, Bloomberg, PRSB, price as of 12<sup>th</sup> December 2022

## Global news highlights

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- **World Debt-GDP Ratio Plummets But Remains Above Pre-Covid Level.**  
While total public and private debt hit a record \$235 trillion last year, it plummeted when expressed as a percentage of economic output, which rebounded last year after the steep Covid-19 recession of 2020, the fund said Monday in a blog accompanying the latest update of its Global Debt Database. (Source: [Bloomberg](#))
- **Biden's Student-Loan Relief Plan Gets Expanded Review From Supreme Court.**  
The court was already set to hear arguments early next year from six Republican-led states that say the president lacked authority to issue the sweeping plan. The new challenge also contends the Education Department took an improper procedural shortcut by not letting the public comment on the plan before finalizing it. (Source: [Bloomberg](#))
- **Japan to Join US Effort to Tighten Chip Exports to China.**  
The two countries are likely to announce in the coming weeks that they'll adopt at least some of the sweeping measures the US rolled out in October to restrict the sale of advanced semiconductor manufacturing equipment, according to the people, who asked not to be named because they are not authorized to speak publicly on the matter. The Biden administration has said the measures are aimed at preventing Beijing's military from obtaining advanced semiconductors. (Source: [Bloomberg](#))
- **China Tries to Push Back on US Chip Sanctions With WTO Case.**  
China lodged the complaint with the WTO on Monday, according to a statement from its Ministry of Commerce. With the trade rules threatening its foothold in the \$580 billion industry, the country is arguing that the US is unfairly using vague security-related justifications to hold back its rival. (Source: [Bloomberg](#))
- **India's Inflation Eases Below 6% for the First Time in 2022.**  
India's retail inflation slowed below 6% for the first time in 2022 amid cooling global commodity prices and higher borrowing costs, providing reprieve for policymakers. The consumer price index rose 5.88% from a year earlier, according to data released by the Statistics Ministry on Monday. That's slower than a median estimate for a 6.35% gain in a Bloomberg survey of economists, and compares to the 6.77% pace in October. (Source: [Bloomberg](#))

## Corporate news

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- **Capital A sees 2023 a watershed year for business turnaround.**  
After being mired in the red for the last few years as demand for air travel was clobbered by Covid-19-related restrictions, Capital A Bhd is positive that the group is poised to see an earnings turnaround in 2023. It incurred a loss of RM283 million in financial year 2019 (FY2019), which ballooned to RM5.89 billion in FY2020. In FY2021, it made a net loss of RM3.72 billion. For the cumulative first nine months ended Sept 30, 2022 (9MFY2022), Capital A's net loss expanded to RM2.74 billion from RM2.23 billion in 9MFY2021, although revenue grew to RM4.24 billion from RM1.02 billion, mainly due to its share of losses from associates and forex losses. (Source: [TheEdgeMarkets](#))
- **Capital A launches new cross-border mobile gifting service for airasia Super App.**  
Capital A has launched "airasia gifts", the latest feature in its airasia Super App, in partnership with South Korea's mobile platform company COOP Marketing Group. Capital A said users are now able to experience cross-border mobile gifting via airasia chat. "airasia Super App has set up the right infrastructure, such as airasia chat, which can facilitate mobile gifting easily, especially cross-border gifting. (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.

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

Funds:

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