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### Morning Pole Position

| 15<sup>th</sup> November 2022 |

All market data as at previous trading day

#### Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,464.00	-4.21	-6.60
FBM Emas	10,395.17	-21.73	-8.08
FBM Syariah	10,520.38	-9.20	-14.21
FBM Small Cap	14,452.80	14.54	-8.30
FBM ACE	5,010.03	-83.28	-21.96
F4G BM	841.15	-2.78	-4.45
F4G BMS	870.74	-2.13	-11.38

Funds Flows	Net Buy (MYR'm)
Local Institutions	-34.3
Local Retails	-21.3
Foreign	55.6

<i>Foreign</i>			
Dow Jones	33,536.70	-211.16	-7.71
S&P 500	3,957.25	-35.68	-16.97
Nasdaq	11,196.22	-127.11	-28.44
FTSE	7,385.17	67.13	0.01
Hang Seng	17,619.71	294.05	-24.69
Nikkei	27,963.47	-300.1	-2.88
Shanghai CI	3,083.40	-3.89	-15.29
Strait Times	3,260.80	32.47	4.39

#### Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.5925	-0.0300	10.26
GBP / MYR	5.4297	-0.0096	-3.57
JPY100 / MYR	3.2849	-0.0024	-9.23
EUR/MYR	4.7505	0.0032	0.77
SGD / MYR	3.3467	-0.0096	8.47
CNY / MYR	0.6524	0.0018	-0.35
AUD / MYR	3.0788	-0.0063	1.73

#### Bond Yield Movements

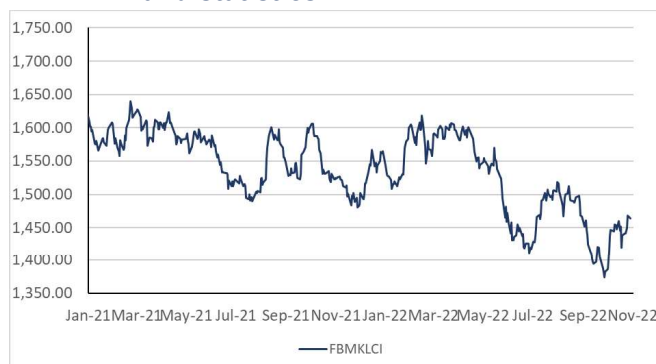
		Yield	Daily Change (bps)
<b>MGS</b>	3- year	3.88	-4
	10- year	4.39	-1
<b>GII</b>	3- year	3.88	0
	10- year	4.46	1
<b>UST</b>	2- year	4.4	6
	10- year	3.88	6

#### Commodities

	Last	Daily chg	Daily chg %
CPO (3 <sup>rd</sup> month)	4,162.00	-162	-3.75
Brent (1 <sup>st</sup> month)	92.52	-4.29	-4.43
Gold (spot)	1,771.29	7.78	0.44

Source: Treasury.gov, Bursa and BNM

#### FBM KLCI and statistics



Source: Bloomberg

#### Market Turnover

Vol (m shrs)	2,796
Value (MYR m)	1,565

Top 5 Value	Last	Daily chg %	Value (MYR m)
TOPGLOV	1.020	6.25	153.959
MAYBANK	8.590	-0.12	64.002
CIMB	5.490	-0.54	58.803
PBBANK	4.380	-1.57	51.773
ASB	0.140	3.70	38.890

Top 5 Gainers	Last	Daily chg %	Value (MYR m)
DGB	0.020	33.33	0.004
MTRONIC	0.025	25.00	0.022
BCMALL	0.025	25.00	0.008
TECHNAX	0.030	20.00	2.280
G3	0.030	20.00	1.449

Top 5 Losers	Last	Daily chg %	Value (MYR m)
NEXGRAM	0.005	-50.00	0.017
VSOLAR	0.005	-50.00	0.012
AT	0.010	-33.33	0.050
FOCUS	0.015	-25.00	0.160
ALAM	0.015	-25.00	0.033

Top 5 DBT	Value (MYR m)	Volume (m shares)	Price (MYR)
TANCO	22.999	82.370	0.34
FGV	13.200	10.000	1.32
CHINHIN	9.986	3.170	3.37
HEXTECH	5.206	0.380	15.4
VS	2.715	3.311	0.815

## Market Pulse

The KLCI closed lower yesterday at 1,464 where it lost 4.21 points or 0.29% on profit-taking activities after the strong rally last week. KLCI constituents saw 13 gainers and 13 losers with the remaining 4 unchanged. The gainers were led by Top Glove Corp Bhd and Hartalega Holdings Bhd, which gained 6.25% and 2.38%, respectively. Meanwhile, the losers were led by Axiata Group Bhd and Press Metal Aluminium Holdings Bhd, which lost 1.68% and 1.67%, respectively. The broader market also shares the mixed sentiment, where losers led gainers 445 to 431, while 393 counters were unchanged.

US markets were weak because comments from Fed's Brainard were not as dovish as markets had expected although she acknowledged the Fed will likely slow the pace of rate hikes "soon," likely referring to the December FOMC meeting as is widely expected.

On the domestic front, the Malaysian Meteorological Department has forecasted a rainy day for most of the country on November 19 (<https://www.met.gov.my/info/pru15/>). While rain affects voter turnout is a long-held belief, there is no scientific evidence on the relationship between rainfall and actual turnout. We, therefore, maintain our wild guess scenario mentioned in yesterday's Daily News. (14<sup>th</sup> November).

Our picks in Exhibit 1.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
<b>Fundamental</b>					
Bermaz Auto	BAUTO MK	Buy	1.94	2.45	26.29
Guan Chong	GUAN MK	Outperform	2.14	2.78	29.91
<b>Technical</b>					
QL Resources	QLG MK	Outperform	5.36	5.77	7.65
Opcom Holdings	OHB MK	Buy	0.870	1.24	42.53
Gamuda	GAM MK	Outperform	3.73	4.30	15.28
Pentamaster Corporation	PENT MK	Buy	4.06	5.26	29.56
Formosa Prosonic Industries	FOR MK	Buy	3.14	3.92	24.84
Kerjaya Prospek Group	KPG MK	Outperform	1.14	1.39	21.93
MMS Ventures	MMSV MK	Buy	0.680	1.20	76.47
FM Global Logistics Holdings	FMH MK	Buy	0.545	0.82	50.46
Hibiscus Petroleum	HIBI MK	Buy	1.03	1.32	28.16
OSK Holdings	OSK MK	Buy	0.90	1.12	25.14
UWC	UWC MK	Buy	3.90	5.03	28.97
Dayang Enterprise	DEHB MK	Buy	1.25	1.44	15.20
CTOS Digital	CTOS MK	Buy	1.38	1.78	28.99
Ancom Nylex	ANC MK	Buy	0.94	1.24	32.62
BP Plastics Holdings	BPP MK	Buy	1.38	1.80	30.43
CCK Consolidated Holdings	CCK MK	Outperform	0.62	0.71	15.45
Vitrox Corp Bhd	VITRO BHD	Buy	7.18	7.88	9.68
Pecca Group Bhd	PECCA MK	Buy	0.87	1.16	33.53
Nova Wellness Group Bhd	NOVA MK	Outperform	0.91	1.07	17.68
Duopharma Biotech Bhd	DBB MK	Outperform	1.34	1.44	7.46
Mega First Corp	MFCB MK	Outperform	3.25	3.63	11.54
Malton Bhd	MALT MK	Buy	0.39	0.44	12.82

MyEG Services Bhd	MYEG MK	Outperform	0.84	0.94	12.57
WCT Holdings Bhd	WCT MK	Outperform	0.37	0.43	17.81
<b>ETF</b>					
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.83	0.92	11.35
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

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*Source: Bursa, Bloomberg, PRSB, price as of 14<sup>th</sup> November 2022*

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## Global news highlights

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- **US Treasury Has Scope to Avoid Debt Ceiling Gimmicks Entirely.**  
There's a chance that the US Treasury can escape the usual market-distorting gimmicks it's historically needed to avoid breaching the government's statutory debt ceiling -- if the politicians in Washington can actually get their act together soon enough. (Source: [Bloomberg](#))
- **Europe's Safest Firms Record Biggest Jump in Bond Coupons in Decade.**  
Blue-chip European companies saw the biggest weekly rise in the interest rates they pay on their bonds in a decade, a sign of the increased pressure on corporate balance sheets. Coupon payments -- or the average annual interest -- for notes in a Bloomberg index of investment grade securities rose three basis points. That's the biggest weekly jump since April 2012, coming as the region's primary market had one of its busiest weeks for sales all year. The average rate is at its highest level since January 2021. (Source: [Bloomberg](#))
- **Labor Shortages Help Drive UK Into £55 Billion Fiscal Hole.**  
Since the start of the pandemic, more than 600,000 people have dropped out of the workforce. Relative to pre-Covid trends, over a million people are missing. The shortages have left businesses scrambling for staff and in some cases reducing hours. (Source: [Bloomberg](#))
- **India's October inflation falls below 7% in respite for RBI.**  
India's retail inflation fell below 7% for the first time in three months, helped by tighter monetary policy and cooling global commodity prices. The consumer price index (CPI) for October rose 6.77% from a year earlier, compared with 7.4% in September, according to data released by India's statistics ministry on Monday. That was in line with the 6.7% estimate in a Bloomberg survey. While the easing in the headline print offers some respite for the Reserve Bank of India (RBI), it is not enough to force the central bank to consider pausing interest rate increases just yet. (Source: [TheEdgeMarkets](#))

## Corporate news

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- **PetGas' 3Q profit falls 27% on higher operating cost, unfavourable forex movement.**  
Petronas Gas Bhd's (PetGas) net profit for the third quarter ended Sept 30, 2022 (3QFY2022) fell 27% to RM425.82 million from RM580.84 million for the same period last year, amid higher operating cost — mainly relating to fuel gas and internal gas consumption costs, and the impact of unfavourable foreign exchange movements. The decline in 3QFY2022 profit came despite revenue climbing 9% to RM1.56 billion from RM1.43 billion, mainly lifted by a stronger utilities segment's contribution as a result of higher product prices, in line with higher fuel gas prices. (Source: [TheEdgeMarkets](#))
- **Second cash call by Axis REIT in less than a year to repay bank financing.**  
Axis Real Estate Investment Trust (REIT) has proposed to raise up to RM178 million via a private placement to repay bank financing. This is the REIT's second cash call in less than a year after it completed a private placement on Dec 20, 2021, which raised gross proceeds of RM334.72 million, also for repayment of bank financing. In a filing with Bursa Malaysia on Monday (Nov 14), Axis REIT said the latest placement involves issuing up to 100 million new units, representing up to 6.09% of the REIT's total issued units, to be placed out to investors to be identified later. (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;

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.

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