

All eyes on Budget 2021 vote

Market Review

Malaysia: The FBM KLCI (+1.2%) moved higher for a third session, tracking the gains on overnight Wall Street rally, where the Dow hit the 30k mark. We noticed energy stocks were traded actively, following a breakout of USD46 in the Brent oil. The lower liners were mostly green, while the broader market ended mixed.

Global markets: US stockmarkets took a pause overnight as the Dow (-0.6%) and S&P500 (-0.2) fell on negative market sentiment caused by disappointing jobs data, but Nasdaq ended on record. Asia stocks closed mostly lower, while the European stockmarkets ended mostly mixed.

The Day Ahead

It was a firm performance on the FBM KLCI, mirroring the gains on Wall Street overnight as US President-elect Joe Biden is stepping up to improve global trade relations. Back home, investors will be keeping an eye on the Budget 2021 vote to provide further clarity on the political landscape in Malaysia. The lower liners are attempting for a recovery, but gains will be choppy as quick profit taking remains on the table with investors opting to keep their trades short due to the recent volatility.

Sector focus: While the financial services sector is poised for further upside, the energy is expected to remain upbeat due to the higher crude oil prices (Brent oil edging towards US\$50 level). Meanwhile, the construction sector is finding stability as the passing of Budget 2021 vote may accelerate the tenders and awards of mega-infrastructure projects.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI gapped up to recover all its previous session losses as the key index rebounded off the daily EMA9 level. With the downward pressure appears to have abated, the consolidation on the local bourse may continue with the immediate resistance set at 1,610, followed by 1,640. Meanwhile, the supports are at 1,570, followed by 1,540. Indicators are mixed as the MACD Histogram has extended another red bar, while the RSI is trading near overbought.

Disclaimer: This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.

Research Team
research@msec.com.my
(603) 2201 2100

Market Scorecard

Key indices	Last price	Change (%)
Dow Jones	29,872.47	-0.58
S&P 500	3,629.65	-0.16
NASDAQ	12,094.40	0.48
FBM KLCI	1597.58	1.22
FBM Small Cap	14,264.19	0.75
FBM ACE	10,579.47	0.95
Construction	168.95	-0.51
Consumer	589.64	0.56
Energy	810.43	4.52
Financial Services	14,227.41	1.84
Healthcare	3,895.10	-0.05
Ind Products	168.61	0.59
Plantation	7,313.53	0.62
Property	638.23	1.11
REITs	832.25	0.16
Technology	62.68	1.99
Telco & Media	605.35	0.61
Transport	746.21	-0.34
Utilities	954.70	-0.08
Trading Vol (m)	8,909.95	6.57
Trading Val (RM m)	4,222.55	-1.44
Advance/Decline	132	
FKLI	1599.50	1.20
FCPO (RM)	3,285.00	1.11
Brent oil (USD)	48.61	1.57
Gold (USD)	1,807.56	0.00
USD	4.0872	-0.02
GBP	5.454	0.16
EURO	4.868	-0.35
SGD	3.044	0.01

Trading participation 5-day trend and value (m)		
Institution	Retail	Foreign
-47.4	127.4	-79.9

Source: Bloomberg, Bursa Market Place

Company Brief

Malaysian Pacific Industries Bhd (MPI)'s 1QFY21 net profit rose 50.3% YoY to RM55.3m, on higher sales. Revenue for the quarter increased 19.4% YoY to RM440.6m. (The Edge)

Parkson Holdings Bhd's 1QFY21 net losses reduced to RM21.7m, from RM44.6m recorded in the previous corresponding quarter, due to better operating profits from the group's Malaysia and China operations. Revenue for the quarter, however, fell 8.0% YoY to RM812.1m. (The Edge)

IJM Corp Bhd's 2QFY21 net profit ballooned by 78.4x YoY to RM99.5m, on business recovery from the Movement Control Order (MCO). Revenue for the quarter increased 62.4% YoY to RM1.43bn. A first interim dividend of two sen per share, payable on 30th December 2020 was declared. (The Edge)

Glomac Bhd's 2QFY21 net profit grew 63.0% YoY to RM9.1m, on resumption of construction activities post-lockdown. Revenue for the quarter rose 70.1% YoY to RM104.6m. (The Edge)

Genting Plantations Bhd's (GenP) 3QFY20 net profit surged 241.8% YoY to RM61.4m, driven by higher palm oil prices. Revenue for the quarter grew 35.8% YoY to RM645.6m. (The Edge)

KNM Group Bhd's 3QFY20 net profit rose 60.2% YoY to RM18.0m, on higher unrealised exchange gain; gain on disposal of a non-profitable business unit in China, and cost savings from operations. Revenue for the quarter, however, fell 3.5% YoY to RM321.3m. (The Edge)

MMC Corp Bhd's 3QFY20 net profit fell 8.2% YoY to RM60.0m, on lower progress of the MRT2 (Putrajaya Line) project and lower passenger and cargo volumes at Senai Airport, due to the MCO. Revenue for the quarter declined 10.2% YoY to RM1.12bn. An interim dividend of 1.5 sen, payable on 23rd December 2020 was declared. (The Edge)

TDM Bhd's 3QFY20 net profit stood at RM22.4m vs. a net loss of RM3.8m recorded in the previous corresponding quarter, on higher plantation income. Revenue for the quarter rose 14.6% YoY to RM121.4m. (The Edge)

Telekom Malaysia Bhd's (TM) 3QFY20 net profit rose 26.0% YoY to RM329.4m, amid the higher demand arising from the shift to working from home. Revenue for the quarter, however, fell 5.7% YoY to RM2.69bn. (The Edge)

UOA Development Bhd's 3QFY20 net profit jumped 105.0% YoY to RM208.9m, on a fair value adjustment to investment properties of RM114.0m, with the revaluation of UOA Corporate Tower. Revenue for the quarter, however, fell 53.4% YoY to RM134.34m. (The Edge)

UEM Edgenta Bhd's 3QFY20 net loss narrowed to RM19.0m, from a net loss of RM26.9m recorded in the previous corresponding quarter that saw a one-off impairment of RM50.0m on unsold property inventories in the immediate preceding quarter. Revenue for the quarter improved 7.7% YoY to RM482.9m. (The Edge)

Technical Focus Tracker

Technical Focus Tracker											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Long Term Target (RM)	Support (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	ADVCON	4-Nov	0.365	0.435	0.455	0.475	0.345	0.340	0.360	-1.4%	On-going
2	GDEX	11-Nov	0.450	0.490	0.545	0.600	0.415	0.410	0.435	-3.3%	On-going
3	MYEG	16-Nov	1.490	1.530	1.610	1.700	1.410	1.400	1.530	2.7%	On-going
4	TSH	18-Nov	1.110	1.190	1.320	1.460	1.040	1.030	1.050	-5.4%	On-going
5	JTIASA	18-Nov	0.835	0.910	1.000	1.120	0.790	0.785	0.820	-1.8%	On-going
6	LBALUM	23-Nov	0.560	0.590	0.615	0.680	0.510	0.505	0.530	-5.4%	On-going
7	ASTRO	25-Nov	0.810	0.840	0.880	0.945	0.780	0.775	0.810	0.0%	On-going

4Q20 Stock Picks											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Long Term Target (RM)	Support (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	CAREPLS	6-Oct	3.540	4.030	4.540	4.800	2.970	2.900	2.800	-20.9%	Closed on 16-Nov
2	ESKERAM	6-Oct	0.625	0.690	0.780	0.870	0.505	0.445	0.525	-16.0%	Closed on 16-Nov
3	DNONCE	6-Oct	0.680	0.755	0.860	0.900	0.600	0.580	0.585	-14.0%	Closed on 16-Nov
4	PECCA	6-Oct	1.410	1.500	1.600	1.870	1.280	1.250	1.480	5.0%	On-going
5	TOMYPAK	6-Oct	0.805	0.870	1.000	1.060	0.710	0.675	0.855	6.2%	On-going
6	LCTITAN	6-Oct	2.300	2.560	2.800	3.000	2.080	2.000	2.480	7.8%	On-going
7	AME	6-Oct	1.940	2.120	2.270	2.400	1.750	1.820	2.280	17.5%	On-going
8	WEGMANS	6-Oct	0.335	0.405	0.420	0.500	0.300	0.285	0.360	7.5%	On-going

Technical Focus Tracker Summary	
Total recommendations	69
Total winners	32
Total losers	36
Portfolio performance (Since 10-Jun)	171.8%
Accuracy	46.4%
FBM KLCI (Since 10-Jun)	1.4%
FBM Small Cap (Since 10-Jun)	15.4%