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## External Factors May Limit the Upside Move

### Market Review

**Malaysia:** The FBM KLCI (+0.02%) ended flat as investors stayed cautious while digesting the Budget 2024 announcement. The Construction (-0.50%) and Property (-0.58%) sectors reversed earlier gains as profit taking emerged. Meanwhile, the Telco & Media and Healthcare sectors rose 0.36% and 0.25%, respectively.

**Global markets:** Despite opening higher on the back of positive consumer sentiment data, coupled with stronger-than-expected banking earnings, Wall Street ended lower amid rising concerns over geopolitical tension. Both the European and Asian stock markets closed lower, the latter after China's CPI and PPI missed estimates.

### The Day Ahead

The FBM KLCI closed higher for the sixth session prior to the Budget 2024 as investors were anticipating positive catalysts from the event. However, the US stock markets pulled back amid rising geopolitical tension offsetting the stronger-than-expected quarterly earnings from the banking heavyweights. Given the growing geopolitical uncertainty in the Middle East region, we believe the upside could be limited on the local front. Nevertheless, the traders may focus on the Budget 2024 which may provide trading catalysts at least for the near term. Commodities wise, the Brent crude oil surged strongly above USD90/bbl after the Middle East tension intensified, while the CPO closed above RM3,700/MT with the improved China demand.

**Sector focus:** Following the Budget 2024, we expect the traders to focus on the poultry stocks with the intention of removing the price ceiling for chicken and eggs. Meanwhile, the other beneficiaries include the construction, solar-related, building materials and utilities sectors. Also, with the surge in crude oil prices, the energy sectors will be traded more positively.

### FBMKLCI Technical Outlook

The FBM KLCI ended flat, but maintained above the 1,430 level. The technical readings on the key index were more positive with the MACD Histogram extending another positive bar, and the RSI is hovering above 50. The resistance is envisaged around 1,450-1,460 and the support is located around 1,420-1,430.

## Company Brief

Employees Provident Fund (EPF) has raised its stake in **TIME dotCom Bhd** to 9% after acquiring a 1.47% stake in the telecommunications service provider and data centre operator. The pension fund acquired an aggregate 27.91m shares and disposed of 769,500 shares on Oct 10 — translating to a net acquisition of 27.14m shares or 1.47% stake. (The Edge)

**Hibiscus Petroleum Bhd**'s wholly owned unit Anasuria Hibiscus UK Ltd has received conditional approval for its proposed acquisition of a 42.5% stake in Rapid Oil Production Ltd's licence for an undeveloped oil field known as Fyne Field. Hibiscus said the approval by the North Sea Transition Authority is subject to the legal transfer of the farm-in-interest being done in a form approved by the authority. It is also subject to the acquisition being completed by Jan 9, 2024. (The Edge)

**One Glove Group Bhd** plans to undertake a capital reduction of RM120m to eliminate accumulated losses of the glove manufacturing company. The balance, if any, will be credited to a capital reserve account of the company, which will be used towards setting off future losses. As of Thursday, One Glove had a total of 441.21m shares in issue. In addition, it had 87.5m irredeemable convertible preference shares held by BT Capital Sdn Bhd, and 71m outstanding warrants 2023/2028 in the company. (The Edge)

Palm oil mill manufacturer **Dolphin International Bhd** has decided not to proceed with a rights issue that it had proposed early this year for now, as it intends to relook into the exercise in its entirety and revise the utilisation of the proceeds to be raised. Dolphin said the decision came after taking into consideration the group's recent financial performance, as well as the changes in its financial needs. (The Edge)

**Hexza Corp Bhd** spent US\$7.77m (RM36.72m) to acquire 185,000 shares in Nasdaq-listed robotics warehouse automation company Symbiotic Inc. Hexza spent US\$7.77m (RM36.72m) to acquire 185,000 shares in Nasdaq-listed robotics warehouse automation company Symbiotic Inc. Meanwhile, Hexza disposed of 10,000 shares in graphics processing unit designer Nvidia Corp for US\$4.63m on the Nasdaq stock market. It sold the block of shares at US\$463.20 apiece on Wednesday. (The Edge)

Higher rental income helped **IGB Real Estate Investment Trust** (IGB REIT) record a 9.99% increase in net property income (NPI) to RM111.29m for the third quarter ended Sept 30, 2023 (3QFY2023), from RM101.19m a year earlier. The REIT, whose portfolio includes the Mid Valley Megamall and The Gardens Mall, posted a 6.82% rise in revenue to RM149.68m versus RM140.12m previously. Distributable income rose 6.89% to RM95.76m as compared to RM89.59m a year ago. The REIT declared an income distribution per unit (DPU) of 2.6 sen, payable on Nov 20. (The Edge)

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