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Digesting Budget 2025

Market Review & Outlook

Global Markets	Close	Change	5-Day Trend
Dow Jones	43,275.91	+0.09%	
S&P 500	5,864.67	+0.40%	
Nasdaq	18,489.55	+0.63%	
FTSE 100	8,358.25	-0.32%	
Nikkei 225	38,981.75	+0.18%	
Shanghai Composite	3,261.56	+2.91%	
Shenzhen	10,357.68	+1.71%	
Hang Seng	20,804.11	+3.61%	
SET	1,489.82	-0.35%	
JCI	7,760.06	+0.32%	

Malaysia Markets	Close	Change	5-Day Trend
FBM KLCI	1,645.99	+0.28%	
FBM Top 100	12,067.57	+0.35%	
FBM Small Cap	17,399.50	+0.46%	
FBM ACE	5,120.80	+0.56%	

Market Activities	Value	Change
Trading Volume (m)	2,520.21	-6.1%
Trading Value (RM m)	2,167.66	-11.7%

Trading Participants	Change
Local Institution	-65.23 45.82%
Retail	-51.84 23.52%
Foreign	117.07 30.66%

Market Breadth	No. of stocks	5-Day Trend
Advancers	599 60.3%	
Decliners	395 39.7%	

Commodities	Close	Change	5-Day Trend
FKLI (Futures)	1,645.00	-0.15%	
3M CPO (Futures)	4,255.00	-0.54%	
Rubber (RM/kg)	872.00	+2.28%	
Brent Oil (USD/bbl)	73.06	-0.18%	
Gold (USD/oz)	2,721.46	+0.00%	

Forex	Close	Change	5-Day Trend
USD/MYR	4.3060	+0.07%	
SGD/MYR	3.2807	-0.04%	
CNY/MYR	0.6061	-0.18%	
JPY/MYR	2.8795	+0.04%	
EUR/MYR	4.6693	+0.21%	
GBP/MYR	5.6127	-0.25%	

Source: Bloomberg, Apex Securities

- Malaysia Market Review.** The FBM KLCI ticked marginally higher (+0.3%), spurred by optimism over the tabling of Budget 2025 on last Friday. Similarly, the lower liners also finished higher, while the Technology sector (+1.4%) outperformed the mostly positive sectorial peers.
- Global Markets Review.** The US stock markets closed higher, driven by broader gains across technology stocks, particularly Netflix which saw a 11% jump in share price after the streaming giant topped Wall Street estimates for subscriber additions. The European stock markets also extended their gains, while Asia Pacific stock markets finished broadly higher following the release of stronger-than-expected China's 3Q24 GDP data that expanded +4.6% yoy.
- Market Outlook.** We foresee the local bourse to turn sideways as investors digest Budget 2025. The surprise from the proposed 2% dividend tax on dividend income of RM100,000 may attribute to some negative impact the Malaysian equities today. The lower liners may also languish in the red with volatility taking the front seat. Meanwhile, investors will be keeping a close tab onto the preliminary reading of Malaysia's 3Q24 GDP data later today. Sector wise, the construction sector will continue to thrive backed by several infrastructure projects under the RM86.0bn development expenditure allocated in Budget 2025. On the other hand, we opined that investors may take this opportunity to lock in recent gains in the plantation sector. This is due to anticipated margin pressure from rising minimum wages and export duties, while the positive effect of the higher windfall profit threshold is expected to be insignificant.

FBM KLCI Technical Review & Outlook



Source: Bloomberg

- Technical Commentary:** The FBM KLCI formed another bullish candle to re-test SMA50 on last Friday. Indicators turned mixed as MACD Line hovered below the Signal Line, while the RSI hooked above 50. Immediate resistance is located at 1,675. Support is envisaged around 1,600.

Company News *(source: various)*

- **HeiTech Padu Bhd**, whose share price hit a record high of RM4.40, announced that it has won an RM892.2 million National Integrated Immigration System (NIISe) project.
- **Exsim Hospitality Bhd**, previously known as Pan Malaysia Holdings Bhd, said its wholly-owned subsidiary Exsim Concepto Sdn Bhd has won a sub-contract work package for RM60 million.
- **Sorento Capital Bhd**'s initial public offering (IPO) saw strong demand, with the 43 million shares available to the public being oversubscribed by 39 times at an offer price of 37 sen per share. The ACE Market-bound bathroom and kitchenware distributor's IPO involved a total of 229 million shares, comprising 155 million new shares and an offer for sale of 74 million shares.
- **OB Holdings Bhd**, slated for listing on the Ace Market of Bursa Malaysia on Oct 29, announced that the 19.58 million new shares it offered to the Malaysian public under its IPO have been oversubscribed by 109.47 times. The food and supplement maker's IPO offered a total of 120 million new shares, with a large portion of 92.59 million done through private placements.

Weekly Corporate Actions

Company	Corporate Actions	Entitlement	Ex-Date	Last Price (RM)	Dividend Yield
My Eg Services Bhd	Interim	0.003	21/10/2024	0.91	0.3%
Kim Loong Resources Bhd	Interim	0.050	22/10/2024	2.42	2.1%
Crescendo Corporation Bhd	Special Cash	0.050	22/10/2024	155	3.2%
Crescendo Corporation Bhd	Interim	0.010	22/10/2024	155	0.6%
Rhone Ma Holdings Bhd	Interim	0.005	22/10/2024	0.70	0.7%
Apollo Food Holdings Bhd	Final	0.050	23/10/2024	6.66	0.8%
Keck Seng (Malaysia) Bhd	Interim	0.050	24/10/2024	5.91	0.8%
Atlan Holdings Berhad	Interim	0.038	24/10/2024	2.58	15%
Chin Well Holdings Bhd	Interim	0.018	24/10/2024	1.02	17%
Globaltec Formation Bhd	Final	0.007	24/10/2024	0.49	14%

Source: Bloomberg, Apex Securities

Weekly Economic Highlights

Date	Country	Key Events
Monday, 21 October, 2024	MY	3Q24 GDP Growth Rate (Preliminary)
Wednesday, 23 October, 2024	US	Existing Home Sales
Thursday, 24 October, 2024	US	Fed Beige Book
	MY	Inflation Rate
	US	Chicago Fed National Activity Index
	US	New Home Sales
Friday, 25 October, 2024	US	Michigan Consumer Sentiment (Final)

Source: TradingEconomics, Apex Securities

Futures Markets

Futures Kuala Lumpur Composite Index

	Nov	Dec	Jan	Feb
CHANGE	-3	-3	-3	-2
OPEN	1,648	1,650	1,654	1,640
High	1,648	1,651	1,654	1,642
Low	1,640	1,643	1,648	1,636
Settle	1,645	1,648	1,652	1,640
Volume	5,835	205	54	40
O.I.	39,446	555	997	435

Futures Crude Palm Oil

	Nov	Dec	Jan	Feb
CHANGE	-17	-18	-20	-18
OPEN	4,212	4,305	4,283	4,252
High	4,295	4,399	4,378	4,339
Low	4,168	4,250	4,230	4,200
Settle	4,189	4,274	4,255	4,223
Volume	7,275	18,243	50,737	9,960
O.I.	21,955	54,511	80,689	23,415

Top Market Participants

LOCAL			FOREIGN		
Stocks	Value	Price	Stocks	Value	Price
TENAGA	83670070	14.680	PBBANK	117403032	4.570
IHH	82881382	7.190	CIMB	106845978	8.150
YTLPOWR	74521266	3.520	GAMUDA	104946532	8.200
99SMART	73739397	2.370	TENAGA	86342795	14.680
CIMB	72804109	8.150	MAYBANK	66774974	10.660
YTL	70511915	2.310	99SMART	56367635	2.370
MAYBANK	65895264	10.660	YTL	52164978	2.310
WCT	46207117	0.925	IHH	39153754	7.190
PBBANK	43079547	4.570	YTLPOWR	38342142	3.520
NE	42213356	0.530	RHBBANK	35275501	6.420

RETAIL			INSTITUTION		
Stocks	Value	Price	Stocks	Value	Price
YTL	26555369	2.310	CIMB	175583951	8.150
99SMART	25700833	2.370	TENAGA	163509371	14.680
TANCO	23207003	1.430	PBBANK	135683907	4.570
NE	22301674	0.530	GAMUDA	122493892	8.200
TANCO-WC	21963661	1.120	MAYBANK	118106709	10.660
YTLPOWR	16446144	3.520	IHH	116859633	7.190
NATGATE	15257662	1.910	99SMART	91529019	2.370
BPURI	14907700	0.330	YTL	86898764	2.310
PBBANK	12283797	4.570	YTLPOWR	80840885	3.520
WCT	11997094	0.925	RHBBANK	64352747	6.420

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RESEARCH RECOMMENDATION FRAMEWORK

STOCK RECOMMENDATIONS

BUY: Total returns* are expected to exceed 10% within the next 12 months.
HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.
SELL: Total returns* are expected to be below -10% within the next 12 months.
TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.
TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.
 *Capital gain

SECTOR RECOMMENDATIONS

OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.
NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.
UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

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