



## DAILY NEWSWATCH

## MARKET REVIEW

Malaysian stocks were mixed with 425 gainers versus 404 losers. The transportation & logistics sector was the top percentage gainer surging by 1.68%, while the energy sector was the top percentage loser declining by 0.39%. Hextar Technologies Solutions (5136) was the top gainer leaping by RM1.60 or 13.33%. The FBM KLCI rose by 0.34% to 1,446.19.

We expect Malaysian stocks to fall following steep losses on Wall Street overnight as Republican gains in the midterm elections were below expectations.

## ECONOMICS

- **Breweries** among top gainers as border reopening raises spirits
- **Crypto markets** extend drop as doubts about FTX-Binance deal grow

## COMPANY

- **CapitaLand Malaysia Trust (5180)** to acquire Penang's Queensbay Mall for RM990.5m
- **Duopharma's (7148)** 3Q net profit down 3.6%, dragged by higher finance and operating costs
- **Gamuda (5398)** on track to achieve RM25 bn order book for FY2022-23, says MD
- **Hup Seng (5024)** 3Q net profit drops 6% on higher raw material costs

## EXPRESSO FOR THE DAY

- **Technical Watch – Tropicana (5401)** – Entry Price RM1.38, Target Price RM1.52, Stop Loss RM1.18, Support RM1.31, Resistance RM1.34
- **Technical Watch – PMB Tech (7172)** – Entry Price RM4.05, Target Price RM4.46, Stop Loss RM3.46, Support RM3.85, Resistance RM4.18

| Local              |          | (%)     |
|--------------------|----------|---------|
| FBMKLCI            | 1,446.19 | 0.3     |
| Volume (mil)       | 3,071.07 | 0.7     |
| Value (RM'mil)     | 1,722.29 | 9.3     |
| Gainers            | 425      |         |
| Losers             | 404      |         |
| Unchanged          | 400      |         |
| Foreign            |          | (%)     |
| Dow Jones          | 32,513.9 | (2.0)   |
| Nasdaq CI          | 10,353.2 | (2.5)   |
| S&P 500            | 3,748.6  | (2.1)   |
| FTSE 100           | 7,296.3  | (0.1)   |
| Nikkei 225         | 27,716.4 | (0.6)   |
| Shanghai CI        | 3,048.2  | (0.5)   |
| HSI                | 16,358.5 | (1.2)   |
| STI                | 3,165.5  | 0.6     |
| Most Active        |          | RM Chg  |
| ASB                | 0.115    | (0.010) |
| TOPGLOV            | 0.840    | (0.005) |
| AVI                | 0.105    | 0.015   |
| EURO               | 0.135    | 0.045   |
| CITAGLB            | 0.260    | (0.030) |
| Top Gainer         |          | RM Chg  |
| HEXTECH            | 13.600   | 1.600   |
| HEIM               | 24.660   | 1.220   |
| CARLSBG            | 22.620   | 0.500   |
| DIN040000223       | 101.000  | 0.400   |
| F&N                | 20.160   | 0.220   |
| Top Loser          |          | RM Chg  |
| NESTLE             | 130.000  | (0.400) |
| HSI-HKI            | 1.360    | (0.250) |
| KLK                | 21.000   | (0.180) |
| HSI-HKH            | 2.240    | (0.150) |
| HENGYUAN           | 4.540    | (0.130) |
| Other Stats        |          | (%)     |
| USD/MYR            | 4.69     | (0.94)  |
| USD/RMB            | 7.24     | 0.14    |
| Brent (USD/barrel) | 92.65    | (2.84)  |
| Gold (USD/troy oz) | 1,706.74 | (0.33)  |
| CPO (RM/metric t)  | 4,135.5  | (1.06)  |



## DAILY NEWSWATCH

### ECONOMICS

**Brewery counters** were among the top gainers on Bursa Malaysia on Wednesday (Nov 9) after Heineken Malaysia Bhd's strong third-quarter corporate earnings raised investors' spirits on prospects ahead for breweries. (The Edge)

**Cryptocurrencies extended declines** as Binance's potential takeover of embattled rival exchange FTX highlighted how strains in the digital-asset industry are now buffeting some of its top players. (The Edge)

### COMPANY

**CapitaLand Malaysia Trust (5180)** is buying 91.8% of the total strata floor area of retail parcels in Penang's Queensbay Mall from parties related to CapitaLand Investment Ltd for RM990.5m in a related-party transaction. (The Edge)

**Duopharma Biotech Bhd's (7148)** third quarter net profit slipped 3.62% to RM16.35m, from RM16.96m a year earlier, pressured by higher finance and operating costs. (The Edge)

**Gamuda Bhd (5398)** has clinched RM15 bn worth of construction orders, putting it on track to achieve its target of a cumulative RM25 bn order book for the two financial years ending July 31, 2023 (FY2022-23). (The Edge)

**Hup Seng Industries Bhd's (5024)** net profit for 3QFY2022 dropped 6.05% to RM3.84m from RM4.08m in the same period last year, dragged down by higher raw material costs. (The Edge)

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## Tropicana Corporation Berhad

### Technical Watch - "BUY on Potential Upside"

Bloomberg: TRCB MK | KLSE Stock Code: 5401

### Main Market

### Property

### Subsector – Property

Current Price: RM1.38

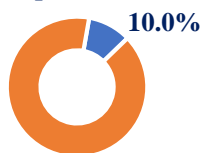
Target Price: RM1.52

#### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by a bullish engulfing with a strong momentum on the stock (RSI >70).

With higher volatility as seen from an expanding bollinger band, we think that prices could potentially trade with higher downside risk moving forward. Trading within the 2SD, we project a 10% upside to the current price and expect EMA and SMA to hold moving forward.

#### Potential Upside



#### Bloomberg Analyst Ratings



**Buy:** 0

**Hold:** 0

**Sell:** 0

#### Fundamentals

|             | 2Y Avg (x) | 5Y Avg (x) | 10Y Avg (x) |
|-------------|------------|------------|-------------|
| <b>P/E</b>  | 18.4       | 9.2        | 7.2         |
| <b>P/B</b>  | 0.3        | 0.3        | 0.4         |
| <b>P/CF</b> | N/A        | 6.8        | 38.5        |
| <b>P/S</b>  | 1.5        | 1.1        | 1.0         |

\*CF – Cashflow per share, S – Sales per share

#### Company Overview

Tropicana Corporation Berhad is involved in the development of residential and commercial properties including golf courses and resorts. The Company is also involved in mechanical engineering, general trading services, and credit leasing business.



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|                            |                                 |
|----------------------------|---------------------------------|
| Entry Price                | RM1.38                          |
| Market Cap (m)             | RM2,714.8                       |
| <b>52w high</b>            | RM1.38                          |
| <b>52w low</b>             | RM0.94                          |
| Stop Loss                  | RM1.18                          |
| Immediate Support          | RM1.31                          |
| Immediate Resistance       | RM1.34 (Previous high)          |
| Moving Average (EMA)       | Bullish                         |
| Moving Average (SMA)       | Bullish                         |
| Bollinger Bands (Long Run) | More volatile over the long run |
| RSI                        | Strong Momentum                 |
| Volume (4-Weeks Average)   | 1,376,087.0                     |



## PMB Technology Berhad

### Technical Watch - “BUY on Potential Upside”

Bloomberg: PMBT MK | KLSE Stock Code: 7172

Main Market  
Industrial Products & Services  
Subsector – Metals

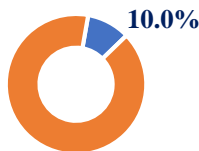
Current Price: RM4.05  
Target Price: RM4.46

#### Investment Highlights

On an uptrend, the stock is currently trading below the MA20. We think that there is a potential upside supported by a bullish engulfing coupled with a strong momentum on the stock (RSI >50).

With lower volatility as seen from a contracting bollinger band, we think that prices could potentially trade with lower downside risk moving forward. Trading within 2SD, we project a 10% upside to the current price and expect EMA and SMA to crossover moving forward.

#### Potential Upside



#### Bloomberg Analyst Ratings



Buys: 0  
Holds: 1  
Sells: 0

#### Fundamentals

|      | 2Y Avg (x) | 5Y Avg (x) | 10Y Avg (x) |
|------|------------|------------|-------------|
| P/E  | 33.5       | 44.6       | 29.6        |
| P/BV | 4.3        | 3.0        | 1.9         |
| P/CF | 120.0      | 70.1       | 38.7        |
| P/S  | 2.8        | 1.9        | 1.1         |

\*CF – Cashflow per share, S – Sales per share

#### Company Overview

PMB Technology Berhad is an investment holding company. The Company, through its subsidiaries, designs, fabricates and installs aluminum curtain wall, cladding system as well as manufactures and trades aluminum related products.



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|                            |                                 |
|----------------------------|---------------------------------|
| Entry Price                | RM4.05                          |
| Market Cap (m)             | RM5,076.4                       |
| 52w high                   | RM4.49                          |
| 52w low                    | RM2.40                          |
| Stop Loss                  | RM3.46                          |
| Immediate Support          | RM3.85                          |
| Immediate Resistance       | RM4.18 (Previous high)          |
| Moving Average (EMA)       | Bullish                         |
| Moving Average (SMA)       | Bullish                         |
| Bollinger Bands (Long Run) | Less volatile over the long run |
| RSI                        | Strong Momentum                 |
| Volume (4-Weeks Average)   | 1,348,215.0                     |



## TECHNICAL ANALYSIS SCOREBOARD

| Date       | Stock         | Code | Entry (RM) | Prev Close (RM) | Stop Loss (RM) | TP (RM) | Day Change (%) | Gain/Loss from TP (%) | Remark       |
|------------|---------------|------|------------|-----------------|----------------|---------|----------------|-----------------------|--------------|
| 11/10/2022 | CIMB          | 1023 | 5.250      | 5.420           | 4.490          | 5.780   | 1.3            | 3.2                   | -            |
| 11/10/2022 | Gamuda        | 5398 | 3.980      | 3.660           | 3.400          | 4.380   | -2.4           | -8.0                  | -            |
| 12/10/2022 | Padini        | 7025 | 3.290      | 3.290           | 2.810          | 3.620   | -2.7           | 0.0                   | -            |
| 12/10/2022 | PowerRoot     | 7237 | 2.080      | 2.270           | 1.780          | 2.290   | 2.3            | 9.1                   | -            |
| 13/10/2022 | ChinHin       | 5273 | 2.650      | 2.850           | 2.270          | 2.920   | -1.0           | 7.5                   | -            |
| 13/10/2022 | Adventa       | 7191 | 0.590      | 0.690           | 0.500          | 0.650   | 3.0            | 16.9                  | TP Achieved  |
| 14/10/2022 | UWC           | 5292 | 3.610      | 3.640           | 3.090          | 3.970   | 0.3            | 0.8                   | -            |
| 14/10/2022 | PPB           | 4065 | 16.020     | 16.100          | 13.700         | 17.620  | -3.4           | 0.5                   | -            |
| 17/10/2022 | IHH           | 5225 | 5.820      | 6.000           | 4.980          | 6.400   | 0.0            | 3.1                   | -            |
| 17/10/2022 | HongLeongBank | 5819 | 20.580     | 20.660          | 17.600         | 22.640  | 0.3            | 0.4                   | -            |
| 18/10/2022 | Axiata        | 6888 | 2.630      | 2.860           | 2.250          | 2.890   | 0.0            | 8.7                   | -            |
| 18/10/2022 | Telekom       | 4863 | 5.410      | 5.450           | 4.630          | 5.950   | 1.9            | 0.7                   | -            |
| 19/10/2022 | PressMetal    | 8869 | 4.630      | 4.350           | 3.740          | 4.810   | -1.1           | -6.0                  | -            |
| 19/10/2022 | CIMB          | 1023 | 5.370      | 5.420           | 4.590          | 5.910   | 1.3            | 0.9                   | -            |
| 20/10/2022 | PChem         | 5183 | 8.850      | 8.550           | 7.580          | 9.750   | 0.0            | -3.4                  | -            |
| 20/10/2022 | SimeDarbyPlt  | 5285 | 4.410      | 4.330           | 3.770          | 4.850   | -0.7           | -1.8                  | -            |
| 21/10/2022 | BAT           | 4162 | 10.140     | 10.460          | 8.670          | 11.150  | -0.2           | 3.2                   | -            |
| 21/10/2022 | Bursa         | 1818 | 6.280      | 6.330           | 5.370          | 6.910   | -1.1           | 0.8                   | -            |
| 25/10/2022 | PIE           | 7095 | 2.420      | 2.500           | 2.070          | 2.670   | 4.6            | 3.3                   | TP Achieved  |
| 25/10/2022 | Ambank        | 1015 | 4.150      | 3.900           | 3.550          | 4.570   | -1.0           | -6.0                  | -            |
| 26/10/2022 | KLK           | 2445 | 22.420     | 21.180          | 19.170         | 24.660  | 0.9            | -5.5                  | -            |
| 26/10/2022 | HapSeng       | 3034 | 6.080      | 6.270           | 5.200          | 6.690   | 0.3            | 3.1                   | -            |
| 27/10/2022 | AeonCR        | 5139 | 13.300     | 12.900          | 11.370         | 14.630  | -0.6           | -3.0                  | -            |
| 27/10/2022 | Vitrox        | 0097 | 7.260      | 7.070           | 6.210          | 7.990   | 0.1            | -2.6                  | -            |
| 31/10/2022 | GasMsia       | 5209 | 3.410      | 3.300           | 2.920          | 3.750   | 0.0            | -3.2                  | -            |
| 31/10/2022 | Hexind        | 0161 | 0.600      | 0.565           | 0.130          | 0.650   | -1.7           | -5.8                  | TP Achieved  |
| 1/11/2022  | PetDag        | 5681 | 21.680     | 21.600          | 18.540         | 23.850  | 0.0            | -0.4                  | -            |
| 1/11/2022  | Dialog        | 7277 | 2.060      | 2.060           | 1.760          | 2.270   | -0.5           | 0.0                   | -            |
| 2/11/2022  | ShinYing      | 5173 | 0.890      | 0.745           | 0.760          | 0.980   | -2.0           | -16.3                 | SL Triggered |
| 2/11/2022  | UMW           | 4588 | 3.470      | 3.330           | 2.970          | 3.820   | 1.8            | -4.0                  | -            |
| 3/11/2022  | PetDag        | 5681 | 22.200     | 21.600          | 18.980         | 24.420  | 0.0            | -2.7                  | -            |
| 3/11/2022  | SKP           | 7155 | 1.670      | 1.620           | 1.430          | 1.840   | -1.2           | -3.0                  | -            |
| 4/11/2022  | Unisem        | 5005 | 2.780      | 2.670           | 2.380          | 3.060   | -0.7           | -4.0                  | -            |
| 4/11/2022  | Carlsberg     | 2836 | 22.240     | 22.120          | 19.020         | 24.460  | -1.7           | -0.5                  | -            |
| 7/11/2022  | Inari         | 0166 | 2.560      | 2.460           | 2.190          | 2.820   | -1.2           | -3.9                  | -            |
| 7/11/2022  | QLRes         | 7084 | 5.340      | 5.250           | 4.570          | 5.870   | -0.4           | -1.7                  | -            |
| 8/11/2022  | GenP          | 2291 | 6.280      | 6.280           | 5.370          | 6.910   | 0.0            | 0.0                   | -            |
| 8/11/2022  | Digi          | 6947 | 3.880      | 3.820           | 3.320          | 4.270   | -1.5           | -1.5                  | -            |
| 9/11/2022  | Jentayu       | 5673 | 0.670      | 0.665           | 0.570          | 0.730   | 8.1            | -0.7                  | -            |
| 9/11/2022  | Telekom       | 4863 | 5.450      | 5.450           | 4.660          | 6.000   | 1.9            | 0.0                   | -            |

\*SL= Stop Loss

\*TP=Target Price



## STOCK SELECTION BASED ON DIVIDEND YIELD

| Company                        | Sector     | Price RM | Dividend / Share RM | Dividend Yield (%) |
|--------------------------------|------------|----------|---------------------|--------------------|
| AmFirst REIT                   | REIT       | 0.370    | 0.04                | 10.4               |
| SHL Consolidated Bhd           | Property   | 1.750    | 0.18                | 10.3               |
| British American Tobacco Malay | Consumer   | 10.420   | 0.88                | 8.5                |
| YTL Hospitality REIT           | REIT       | 0.895    | 0.08                | 8.5                |
| Tambun Indah Land Bhd          | Property   | 0.705    | 0.06                | 8.1                |
| UOA REIT                       | REIT       | 1.120    | 0.09                | 7.7                |
| Capitaland Malaysia Trust      | REIT       | 0.540    | 0.04                | 7.2                |
| Pharmaniaga Bhd                | Consumer   | 0.530    | 0.04                | 7.0                |
| Al-'Aqar Healthcare REIT       | REIT       | 1.220    | 0.08                | 6.7                |
| YTL Power International Bhd    | Utilities  | 0.695    | 0.05                | 6.6                |
| Malayan Banking Bhd            | Finance    | 8.630    | 0.56                | 6.5                |
| Uchi Technologies Bhd          | Industrial | 3.280    | 0.21                | 6.4                |
| Pavilion REIT                  | REIT       | 1.210    | 0.08                | 6.3                |
| Sunway REIT                    | REIT       | 1.390    | 0.09                | 6.1                |
| Malaysia Building Society Bhd  | Finance    | 0.580    | 0.04                | 6.0                |

Source: Bloomberg

**User guide:** Mercury Securities compile a list of **dividend stocks** for conservative long term passive investors looking for regular income while keeping the investment intact.

**Methodology:** The list below is made up of stocks that pay high dividend (Estimate dividend yield >4%) and paying dividend consistently (Paid dividend for the last 3 years)



## SECTORIAL VALUATION

The chart below depicts the performance of the respective KLCI sectors over a five-year period including the current and forward P/E. The sector's performance is ranked against each other based on absolute returns for that particular year. The user can track the historical performance of respective sectors and notice that the technology sector is the best performing sector over a five-year period between 2016 and 2020 with a compound annual growth rate. The user will also be able to identify sector value based on the current P/E and the corresponding 5-year high, low and average P/E. For example, finance sector PE is currently at 11.4 times against 5-year average P/E of 12.2 times, suggesting financials valuation is in line with the average of 12.2 times.

| Index           | Return (%) | Valuation P/E (X) |           |      |      |         |            |
|-----------------|------------|-------------------|-----------|------|------|---------|------------|
|                 |            | YTD               | 5 - Years |      |      | Current | 1 Yr – Fwd |
|                 |            |                   | High      | Low  | Avg  |         |            |
| KLCI            | (7.7)      | 21.3              | 15.4      | 17.6 | 15.4 | 12.7    |            |
| Finance         | 4.5        | 13.0              | 11.5      | 12.4 | 12.6 | 9.5     |            |
| Property        | (11.6)     | 13.8              | 10.2      | 11.9 | 10.2 | 8.8     |            |
| Plantation      | 4.5        | 94.6              | 8.4       | 43.2 | 8.4  | 14.1    |            |
| Consumer        | (3.0)      | 25.6              | 17.5      | 22.6 | 17.5 | 15.8    |            |
| Technology      | (39.7)     | 29.8              | 19.1      | 23.7 | 19.6 | 19.1    |            |
| Construction    | (3.5)      | 22.2              | 9.7       | 17.1 | 9.7  | 11.5    |            |
| Energy          | 2.5        | -                 | -         | -    | 7.1  | 8.5     |            |
| Health care     | (28.2)     | 52.6              | 19.7      | 36.1 | 19.7 | 23.9    |            |
| Ind Prod        | (14.0)     | 38.6              | 9.7       | 23.6 | 9.7  | 12.3    |            |
| REIT            | (3.9)      | -                 | -         | -    | 23.1 | 15.3    |            |
| Telco           | (10.7)     | 26.0              | 25.1      | 25.5 | 26.0 | 17.9    |            |
| Transportations | 1.8        | -                 | -         | -    | -    | 17.5    |            |
| Utilities       | (5.0)      | -                 | -         | -    | 12.1 | 11.9    |            |

Source: Bloomberg



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