



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks rose yesterday in line with the rally on global markets for the second consecutive day. Market breadth was optimistic with 667 gainers versus 275 losers. The tech sector was the top percentage gainer leading by an increase of 5.34%, while REIT sector was the only losing sector declining by 0.17%. MPI (3867) was the top gainer increasing by RM2.30 or 9.63% in line with strength in tech counters. The FBM KLCI rose by 1.3% to 1,468.21.

We expect Malaysian equities to be more volatile in line with expected weaker interest rate hikes by the US Federal Reserve.

ECONOMICS

- **BNM** - Malaysia's 3Q GDP grows 14.2% y-o-y.
- **Global growth** to slow in 2023, says **Moody's**

COMPANY

- **Kelington (0151)** to build second carbon dioxide gas recovery plant in Kerteh.
- **Carlsberg Malaysia (2836)** 3Q net profit nearly triples, declares RM0.19 dividend
- **Euro Holdings (7208)** to sell Rawang warehouse land for RM13.8mil cash
- **Southern Score Builders (SSB8)** wins RM173 mil apartment block project in KL

EXPRESSO FOR THE DAY

- **Technical Watch – MPI (3867)** – Entry Price RM26.10, Target Price RM28.71, Stop Loss RM22.32, Support RM24.80, Resistance RM26.60
- **Technical Watch – Greatech (0208)** – Entry Price RM3.91, Target Price RM4.30, Stop Loss RM3.34, Support RM3.71, Resistance RM4.08

Local		(%)
FBMKLCI	1,468.21	1.3
Volume (mil)	3,436.20	(1.2)
Value (RM'mil)	2,427.90	67.0
Gainers	667	
Losers	275	
Unchanged	401	

Foreign		(%)
Dow Jones	33,747.9	0.1
Nasdaq CI	11,323.3	1.9
S&P 500	3,992.9	0.9
FTSE 100	7,318.0	(0.8)
Nikkei 225	28,263.6	3.0
Shanghai CI	3,087.3	1.7
HSI	17,325.7	7.7
STI	3,228.3	1.7

Most Active	RM	Chg
TOPGLOV	0.960	0.075
XOX	0.025	0.005
SUPERMX	0.940	(0.010)
TECHNAX	0.025	(0.005)
UEMS	0.220	0.015

Top Gainer	RM	Chg
MPI	26.180	2.300
NESTLE	131.600	1.400
PMBTECH-LA	21.000	0.500
PMETAL	4.800	0.350
PENTA	4.130	0.310

Top Loser	RM	Chg
SP500-H13	1.710	(0.890)
SP500-H19	0.780	(0.340)
SP500-H15	0.185	(0.215)
NDX-H4	0.300	(0.135)
SP500-H17	0.240	(0.125)

Other Stats		(%)
USD/MYR	4.62	(1.59)
USD/RMB	7.10	(1.24)
Brent (USD/barrel)	95.99	2.48
Gold (USD/troy oz)	1,771.24	0.90
CPO (RM/metric t)	4,042.5	(2.23)

**DAILY NEWSWATCH****ECONOMICS**

Malaysia's economy, as measured by gross domestic product (GDP), grew by 14.2% year-on-year (y-o-y) in the third quarter of 2022 (3Q2022) on the back of continued expansion of domestic demand, a firm recovery in the labour market and income condition amid normalising economic activity, as well as ongoing policy support, Bank Negara Malaysia (BNM) said on Friday (The Edge)

Moody's Investors Service has lowered its economic growth expectations for 2023, and said the global economy is on the verge of a downturn amid extraordinarily high levels of uncertainty amid persistent inflation, monetary policy tightening, fiscal challenges, geopolitical shifts, and financial market volatility. (The Edge)

COMPANY

Kelington Group Bhd (0151) is investing RM45 million to set up its second carbon dioxide gas recovery plant at the existing site in Kerteh, Terengganu. The group said the existing plant is operating at more than 80% of its capacity, and so it is the right time to invest in the second plant to capture future opportunities. Kelington said the construction of the plant to manufacture an additional 70,000 tonnes per year of beverage grade liquid carbon dioxide will commence in December, and it is expected to be completed by December 2023. (The Edge)

Carlsberg Brewery Malaysia Bhd's (2836) net profit for the third quarter ended Sept 30, 2022 (3QFY22) climbed almost three-fold to RM76.39 million from RM25.98 million in the same period last year, contributed by higher contributions from both Malaysian and Singaporean operations, but they were partly offset by a one-off prosperity tax. The group declared a third interim dividend of 19 sen during the quarter under review, to be payable on Dec 9. (The Edge)

Furniture maker **Euro Holdings Bhd (7208)** is selling a plot of freehold industrial land with a two-storey detached factory and a three-storey office building built on it in Rawang, Selangor — which is being used as the group's warehouse now — for RM13.8 million cash, to bolster its cash flow to repay bank borrowings and to fund its working capital. In a bourse filing on Thursday, Euro Holdings said its wholly-owned Euro Space Industries (M) Sdn Bhd has inked a sale and purchase agreement with Ban Hee Metal Sdn Bhd to sell the 82,602 sq ft land. (The Edge)

Southern Score Builders Bhd (SSB8) has managed to secure a RM173 million contract from developer Dataran Pertiwi Holdings Sdn Bhd (DPHSB) to build an apartment block in Kuala Lumpur. Previously known as G Neptune Bhd, Southern Score Builders told Bursa Malaysia in a filing that its wholly owned Southern Score Sdn Bhd (SSSB) accepted a letter of award dated Nov 10 from DPHSB to act as a turnkey contractor for the proposed development. The project is expected to take 48 months to complete. (The Edge)



Malaysian Pacific Industries Berhad

Technical Watch - "BUY on Potential Reversal"

Bloomberg: MPI MK | KLSE Stock Code: 5401

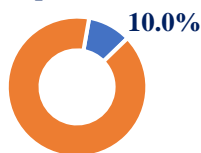
Main Market
Technology
Subsector – Semiconductors
Current Price: RM26.10
Target Price: RM28.71

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think there is a potential reversal supported by a marubozu with a strong momentum on the stock (RSI >55).

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 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



Buys: 5
Holds: 4
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	26.3	19.0	18.7
P/B	4.0	2.6	1.9
P/CF	12.1	7.9	5.7
P/S	3.4	2.2	1.5

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

Company Overview

Malaysian Pacific Industries Berhad is an investment holding company. The Company, through its subsidiaries, manufactures and sells semiconductor devices, electronic components, and lead frames.



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Entry Price	RM26.10
Market Cap (m)	RM5,191.2
52w high	RM51.50
52w low	RM23.60
Stop Loss	RM22.32
Immediate Support	RM24.80
Immediate Resistance	RM26.60
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	624,099.3



Greatech Technology Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: GREATEC MK | KLSE Stock Code: 0208

Main Market
Technology
Subsector – Tech Equipment

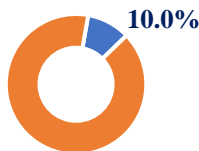
Current Price: RM3.91
Target Price: RM4.30

Investment Highlights

On a sideways, the stock is currently trading above the MA20. We think that there is a potential upside supported by a marubozu coupled with a strong momentum on the stock (RSI >75).

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: 6
Holds: 3
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	55.3	51.3	51.3
P/BV	17.4	14.1	14.1
P/CF	56.1	56.7	56.7
P/S	18.6	16.6	16.6

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

Company Overview

Greatech Technology Berhad provides automation solutions. The Company offers auto screw, water handler, robotics, fluid dispenser, semiconductor, battery, conveyor, sorter, tester, and other related products. Greatech Technology serves customers in the United States and Malaysia.



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Entry Price	RM3.91
Market Cap (m)	RM4,898.6
52w high	RM7.30
52w low	RM2.81
Stop Loss	RM3.34
Immediate Support	RM3.71
Immediate Resistance	RM4.08 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	8,166,936.2



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
14/10/2022	UWC	5292	3.610	3.890	3.090	3.970	6.6	7.8	-
14/10/2022	PPB	4065	16.020	16.400	13.700	17.620	1.1	2.4	-
17/10/2022	IHH	5225	5.820	6.000	4.980	6.400	0.5	3.1	-
17/10/2022	HongLeongBank	5819	20.580	20.600	17.600	22.640	0.0	0.1	-
18/10/2022	Axiata	6888	2.630	2.970	2.250	2.890	3.8	12.9	TP Achieved
18/10/2022	Telekom	4863	5.410	5.540	4.630	5.950	1.3	2.4	-
19/10/2022	PressMetal	8869	4.630	4.800	3.740	4.810	7.9	3.7	-
19/10/2022	CIMB	1023	5.370	5.520	4.590	5.910	0.7	2.8	-
20/10/2022	PChem	5183	8.850	8.730	7.580	9.750	1.0	-1.4	-
20/10/2022	SimeDarbyPlt	5285	4.410	4.450	3.770	4.850	2.3	0.9	-
21/10/2022	BAT	4162	10.140	10.180	8.670	11.150	-0.2	0.4	-
21/10/2022	Bursa	1818	6.280	6.480	5.370	6.910	1.6	3.2	-
25/10/2022	PIE	7095	2.420	2.600	2.070	2.670	4.8	7.4	TP Achieved
25/10/2022	Ambank	1015	4.150	3.960	3.550	4.570	0.8	-4.6	-
26/10/2022	KLK	2445	22.420	21.200	19.170	24.660	0.0	-5.4	-
26/10/2022	HapSeng	3034	6.080	6.400	5.200	6.690	4.1	5.3	-
27/10/2022	AeonCR	5139	13.300	13.000	11.370	14.630	0.9	-2.3	-
27/10/2022	Vitrox	0097	7.260	7.130	6.210	7.990	1.1	-1.8	-
31/10/2022	GasMsia	5209	3.410	3.330	2.920	3.750	-1.8	-2.3	-
31/10/2022	Hexind	0161	0.600	0.580	0.130	0.650	-5.7	-3.3	TP Achieved
1/11/2022	PetDag	5681	21.680	21.640	18.540	23.850	0.7	-0.2	-
1/11/2022	Dialog	7277	2.060	2.040	1.760	2.270	3.0	-1.0	-
2/11/2022	ShinYing	5173	0.890	0.740	0.760	0.980	0.7	-16.9	SL Triggered
2/11/2022	UMW	4588	3.470	3.250	2.970	3.820	0.0	-6.3	-
3/11/2022	PetDag	5681	22.200	21.640	18.980	24.420	0.7	-2.5	-
3/11/2022	SKP	7155	1.670	1.670	1.430	1.840	2.5	0.0	-
4/11/2022	Unisem	5005	2.780	2.640	2.380	3.060	6.5	-5.0	SL Triggered
4/11/2022	Carlsberg	2836	22.240	23.400	19.020	24.460	1.3	5.2	-
7/11/2022	Inari	0166	2.560	2.600	2.190	2.820	5.3	1.6	-
7/11/2022	QLRes	7084	5.340	5.320	4.570	5.870	1.1	-0.4	-
8/11/2022	GenP	2291	6.280	6.500	5.370	6.910	3.0	3.5	-
8/11/2022	Digi	6947	3.880	3.900	3.320	4.270	1.8	0.5	-
9/11/2022	Jentayu	5673	0.670	0.685	0.570	0.730	2.2	2.2	-
9/11/2022	Telekom	4863	5.450	5.540	4.660	6.000	1.3	1.7	-
10/11/2022	Tropicana	5401	1.380	1.370	1.180	1.520	-1.4	-0.7	-
10/11/2022	PMBTech	7172	4.050	4.250	3.460	4.460	6.5	4.9	-
11/11/2022	GasMsia	5209	3.390	3.330	2.900	3.730	-1.8	-1.8	-
11/11/2022	ChinHin	5273	2.990	3.150	2.560	3.290	5.4	5.4	-
14/11/2022	MPI	5401	26.100	26.180	22.320	28.710	9.6	0.3	-
14/11/2022	Greatech	0208	3.910	3.800	3.340	4.300	16.2	-2.8	-

*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	1.760	0.18	10.2
British American Tobacco Malay	Consumer	10.180	0.89	8.7
YTL Hospitality REIT	REIT	0.880	0.08	8.6
Tambun Indah Land Bhd	Property	0.725	0.06	7.9
UOA REIT	REIT	1.130	0.09	7.6
Capitaland Malaysia Trust	REIT	0.530	0.04	7.4
Pharmaniaga Bhd	Consumer	0.540	0.04	6.9
Al-'Aqar Healthcare REIT	REIT	1.200	0.08	6.8
YTL Power International Bhd	Utilities	0.675	0.05	6.8
Malayan Banking Bhd	Finance	8.630	0.56	6.5
Uchi Technologies Bhd	Industrial	3.290	0.21	6.4
Pavilion REIT	REIT	1.210	0.08	6.3
Sunway REIT	REIT	1.400	0.09	6.1
Matrix Concepts Holdings Bhd	Property	1.460	0.09	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	(6.6)	21.3	15.6	17.6	15.6	12.9	
Finance	5.1	13.0	11.5	12.4	12.6	9.6	
Property	(11.4)	13.8	10.2	11.9	10.2	8.9	
Plantation	5.0	94.6	8.5	43.3	8.5	14.2	
Consumer	(2.0)	25.6	17.7	22.6	17.7	16.0	
Technology	(37.2)	29.8	19.1	23.9	20.4	19.8	
Construction	(2.8)	22.2	9.8	17.1	9.8	11.6	
Energy	2.5	-	-	-	7.1	8.5	
Health care	(26.3)	52.6	20.4	36.5	20.4	25.4	
Ind Prod	(12.0)	38.6	9.9	23.7	9.9	12.7	
REIT	(4.0)	-	-	-	21.0	15.1	
Telco	(9.7)	26.5	25.1	25.8	26.5	18.2	
Transportations	(4.1)	-	-	-	-	15.9	
Utilities	(5.0)	-	-	-	12.1	12.0	

Source: Bloomberg



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