



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks declined yesterday in line with the weak performance of the US stock markets and market sentiments on the incoming general election. Market breadth was on the negative side with 332 gainers versus 541 losers. The plantation sector was the top percentage gainer leading by an increase of 1.83%, while transportation and logistics sector was the losing sector declining by 1.21%. BLDPLNT (3867) was the top gainer increasing by RM1.39 or 14.5% in line with the strength in the plantation counters. The FBM KLCI declined by 0.92% to 1,450.54.

We expect Malaysian stocks to remain bearish amid cautious sentiment ahead of the general election.

ECONOMICS

- **Ringgit closes higher** against greenback on positive US-China discussions.
- **Oil & gas stocks** retreat as crude oil prices extend losses

COMPANY

- **Ranhill (5272)** bags RM124 mil FPSO service contract from Brazil's Petrobras
- **Tanco (2429)** sees RM23 mil worth of shares traded off market
- **Dialog's (7277)** 1Q net profit down slightly on higher project, operation cost
- **Dutch Lady (3026)** records 20% rise in 3Q net profit on strong demand, higher prices
- Higher costs and tax expenses drag down **Teo Seng's (7252)** 3Q net profit by 77%

EXPRESSO FOR THE DAY

- **Technical Watch – Berjaya Food (5196)** – Entry Price RM1.05, Target Price RM1.16, Stop Loss RM0.90, Support RM1.00, Resistance RM1.45
- **Technical Watch – MSC (5916)** – Entry Price RM1.70, Target Price RM1.87, Stop Loss RM1.45, Support RM1.62, Resistance RM1.83

Local (%)		
FBMKLCI	1,450.50	(0.9)
Volume (mil)	2,781.50	(0.5)
Value (RM'mil)	1,677.20	7.1
Gainers	332	
Losers	541	
Unchanged	376	
Foreign (%)		
Dow Jones	33,592.9	0.2
Nasdaq CI	11,358.4	1.4
S&P 500	3,991.7	0.9
FTSE 100	7,369.4	(0.2)
Nikkei 225	27,757.6	0.1
Shanghai CI	3,134.1	1.6
HSI	18,343.1	4.1
STI	3,275.3	0.4
Most Active RM Chg		
ASB	0.140	0.005
TOPGLOV	1.020	0.060
HSI-HKS	0.275	(0.040)
TECHNAX	0.030	0.005
ICON	0.145	0.010
Top Gainer RM Chg		
BLDPLNT	9.610	0.580
IMASPRO	5.600	0.500
SIGN	2.980	0.360
PETDAG	21.940	0.300
CHINHIN	3.370	0.220
Top Loser RM Chg		
NESTLE	130.200	(1.400)
HEXTECH	15.400	(1.100)
HSI-HE7	1.350	(0.480)
MPI	25.760	(0.420)
HEIM	24.580	(0.320)
Other Stats (%)		
USD/MYR	4.59	(1.14)
USD/RMB	7.05	(0.33)
Brent (USD/barrel)	93.86	(2.97)
Gold (USD/troy oz)	1,778.39	0.43
CPO (RM/metric t)	4,004.5	(4.03)



DAILY NEWSWATCH

ECONOMICS

The ringgit closed higher against the US dollar on Tuesday (Nov 15), buoyed by positive discussions between Chinese President Xi Jinping and his US counterpart Joe Biden at the Group of 20 Summit. (The Edge)

Shares in oil and gas (O&G)-linked stocks declined in the morning trades on Tuesday (Nov 15) as oil prices extended losses in early Asian trade on Tuesday after the Organization of the Petroleum Exporting Countries cut its 2022 global demand forecast, while rising Covid-19 case numbers in China clouded the outlook for fuel consumption in the world's top crude importing nation. (The Edge)

COMPANY

Ranhill Utilities Bhd (5272) has bagged a US\$27 million contract to perform detail design engineering services for a new floating, production, storage and offloading vessel for Brazil's state-owned oil and gas company Petrobras. (The Edge)

Property developer **Tanco Holdings Bhd (2429)** saw 82.37 million or 4.62% of its shares traded off-market on Monday (The Edge)

Dialog Group Bhd's (7277) net profit for the first quarter ended Sept 30, 2022 slipped 2.35% to RM125.79 million, from RM128.82 million a year earlier, due to higher project and operation cost. (The Edge)

Dutch Lady Milk Industries Bhd's (3026) net profit for the third quarter ended Sept 30, 2022 rose 19.74% to RM24.4 million, from RM20.38 million a year earlier, on robust demand for the group's products, higher sale prices and strong cost management actions. (The Edge)

Teo Seng Capital Bhd's (7252) net profit plunged 77.34% to RM516,000 in the third quarter ended Sept 30, 2022, compared to RM2.28 million in the same quarter a year ago, dragged down by higher operating costs, finance costs and tax expenses.



Berjaya Food Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: BFD MK | KLSE Stock Code: 5196

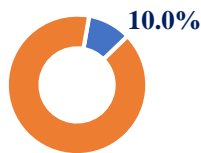
Main Market
Consumer Products & Services
Subsector – Travel, Leisure & H
Current Price: RM1.05
Target Price: RM1.16

Investment Highlights

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

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: 6
Holds: 1
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	48.6	80.3	47.6
P/B	2.2	1.7	1.9
P/CF	4.4	5.9	13.5
P/S	1.2	0.9	1.4

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

Company Overview

Berjaya Food Bhd, through its subsidiary, develops and operates a chain of restaurants in Malaysia. The Company operates a chain of mid-casual dining restaurants specializing in rotisserie roasted chicken.



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Entry Price	RM1.05
Market Cap (m)	RM1,842.0
52w high	RM1.06
52w low	RM0.35
Stop Loss	RM0.90
Immediate Support	RM1.00
Immediate Resistance	RM1.01
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)	7,260,214.5



Malaysia Smelting Corporation

Technical Watch - "BUY on Potential Upside"

Bloomberg: SMELT MK | KLSE Stock Code: 5916

Main Market
Industrial Product & Services
Subsector – Metal

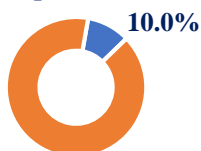
Current Price: RM1.70
Target Price: RM1.87

Investment Highlights

On a downtrend, 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 >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 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: 2
Holds: 1
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	17.6	46.2	37.0
P/BV	2.0	1.3	1.2
P/CF	52.3	22.7	12.4
P/S	1.0	0.6	0.4

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

Company Overview

Malaysia Smelting Corporation Berhad smelts tin concentrates and tin bearing materials as well as produces refined tin metal and by-products. The Company, through its subsidiaries, also provides authorized warehouse for tin metal.



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Entry Price	RM1.70
Market Cap (m)	RM714.0
52w high	RM5.46
52w low	RM1.28
Stop Loss	RM1.45
Immediate Support	RM1.62
Immediate Resistance	RM1.83 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	2,620,166.0



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
18/10/2022	Axiata	6888	2.630	2.920	2.250	2.890	-1.7	11.0	TP Achieved
18/10/2022	Telekom	4863	5.410	5.550	4.630	5.950	0.2	2.6	-
19/10/2022	PressMetal	8869	4.630	4.720	3.740	4.810	-1.7	1.9	-
19/10/2022	CIMB	1023	5.370	5.490	4.590	5.910	-0.5	2.2	-
20/10/2022	PChem	5183	8.850	8.720	7.580	9.750	-0.1	-1.5	-
20/10/2022	SimeDarbyPlt	5285	4.410	4.460	3.770	4.850	0.2	1.1	-
21/10/2022	BAT	4162	10.140	10.200	8.670	11.150	0.2	0.6	-
21/10/2022	Bursa	1818	6.280	6.380	5.370	6.910	-1.5	1.6	-
25/10/2022	PIE	7095	2.420	2.640	2.070	2.670	1.5	9.1	TP Achieved
25/10/2022	Ambank	1015	4.150	3.970	3.550	4.570	0.3	-4.3	-
26/10/2022	KLK	2445	22.420	21.100	19.170	24.660	-0.5	-5.9	-
26/10/2022	HapSeng	3034	6.080	6.390	5.200	6.690	-0.2	5.1	-
27/10/2022	AeonCR	5139	13.300	12.980	11.370	14.630	-0.2	-2.4	-
27/10/2022	Vitrox	0097	7.260	7.180	6.210	7.990	0.7	-1.1	-
31/10/2022	GasMsia	5209	3.410	3.350	2.920	3.750	0.6	-1.8	-
31/10/2022	Hexind	0161	0.600	0.560	0.130	0.650	-3.4	-6.7	TP Achieved
1/11/2022	PetDag	5681	21.680	21.940	18.540	23.850	1.4	1.2	-
1/11/2022	Dialog	7277	2.060	2.080	1.760	2.270	2.0	1.0	-
2/11/2022	ShinYing	5173	0.890	0.740	0.760	0.980	0.0	-16.9	SL Triggered
2/11/2022	UMW	4588	3.470	3.150	2.970	3.820	-3.1	-9.2	-
3/11/2022	PetDag	5681	22.200	21.940	18.980	24.420	1.4	-1.2	-
3/11/2022	SKP	7155	1.670	1.640	1.430	1.840	-1.8	-1.8	-
4/11/2022	Unisem	5005	2.780	2.610	2.380	3.060	-1.1	-6.1	SL Triggered
4/11/2022	Carlsberg	2836	22.240	23.200	19.020	24.460	-0.9	4.3	-
7/11/2022	Inari	0166	2.560	2.620	2.190	2.820	0.8	2.3	-
7/11/2022	QLRes	7084	5.340	5.360	4.570	5.870	0.8	0.4	-
8/11/2022	GenP	2291	6.280	6.520	5.370	6.910	0.3	3.8	-
8/11/2022	Digi	6947	3.880	3.900	3.320	4.270	0.0	0.5	-
9/11/2022	Jentayu	5673	0.670	0.690	0.570	0.730	0.7	3.0	-
9/11/2022	Telekom	4863	5.450	5.550	4.660	6.000	0.2	1.8	-
10/11/2022	Tropicana	5401	1.380	1.370	1.180	1.520	0.0	-0.7	-
10/11/2022	PMBTech	7172	4.050	4.290	3.460	4.460	0.9	5.9	-
11/11/2022	GasMsia	5209	3.390	3.350	2.900	3.730	0.6	-1.2	-
11/11/2022	ChinHin	5273	2.990	3.370	2.560	3.290	7.0	12.7	TP Achieved
14/11/2022	MPI	5401	26.100	25.760	22.320	28.710	-1.6	-1.3	-
14/11/2022	Greatech	0208	3.910	3.900	3.340	4.300	2.6	-0.3	-
15/11/2022	Ajaya	7609	1.490	1.530	1.270	1.640	8.5	2.7	-
15/11/2022	Affin	5185	2.350	2.330	2.010	2.590	1.7	-0.9	-
16/11/2022	BerjayaFood	5196	1.050	0.985	0.900	1.160	-0.5	-6.2	-
16/11/2022	MSC	5916	1.700	1.460	1.450	1.870	5.8	-14.1	-

*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	1.770	0.18	10.2
British American Tobacco Malay	Consumer	10.200	0.89	8.7
YTL Hospitality REIT	REIT	0.905	0.08	8.4
Tambun Indah Land Bhd	Property	0.735	0.06	7.8
UOA REIT	REIT	1.120	0.09	7.7
Capitaland Malaysia Trust	REIT	0.540	0.04	7.2
Pharmaniaga Bhd	Consumer	0.545	0.04	6.8
YTL Power International Bhd	Utilities	0.680	0.05	6.8
Malayan Banking Bhd	Finance	8.500	0.57	6.7
Al-'Aqar Healthcare REIT	REIT	1.230	0.08	6.7
Pavilion REIT	REIT	1.210	0.08	6.4
Uchi Technologies Bhd	Industrial	3.260	0.21	6.4
Sunway REIT	REIT	1.410	0.09	6.0
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	(7.5)	21.3	15.5	17.6	15.5	12.8	
Finance	3.9	13.0	11.5	12.4	12.5	9.5	
Property	(11.1)	13.8	10.2	11.8	10.2	8.9	
Plantation	5.8	94.6	8.5	43.3	8.5	14.3	
Consumer	(1.8)	25.6	17.6	22.6	17.6	16.1	
Technology	(38.1)	29.8	19.1	23.8	20.1	19.6	
Construction	(3.4)	22.2	9.8	17.1	9.8	11.5	
Energy	3.1	-	-	-	7.2	8.7	
Health care	(26.3)	52.6	20.4	36.5	20.4	25.6	
Ind Prod	(11.9)	38.6	10.0	23.7	10.0	12.5	
REIT	(3.5)	-	-	-	20.5	15.1	
Telco	(11.1)	26.1	25.1	25.6	26.1	18.0	
Transportations	(5.5)	-	-	-	-	16.3	
Utilities	(5.4)	-	-	-	12.3	11.9	

Source: Bloomberg



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