



DAILY NEWSWATCH

MARKET REVIEW

Malaysian equities declined further for the second day as market sentiment remained uncertain against the Malaysian political scenario. Market breadth was negative with 363 gainers versus 427 losers. The energy sector was the top percentage gainer leading by an increase of 0.40%, while the health care sector was the top loser declining by 1.11%. TIMEdotcom (5031) was the top gainer increasing by RM0.30 or 6.5%. The FBM KLCI declined by 0.46% to 1,441.29.

We anticipate that Malaysian stocks will remain bearish until the current political scenario in Malaysia stabilizes.

ECONOMICS

- **China's key money rate hits near 2-year low**, but softening seen fleeting
- **EU set to propose emergency brake on gas prices** at 275 euros

COMPANY

- **Uzma (7250)** secures contract from PETRONAS
- **Hibiscus Petroleum's (5199)** 1Q net profit lifted to RM135.26mil on high energy prices
- **Ni Hsin (7215)** unveils EV motorcycles, aims to sell 15,000 units a year
- **Sime Darby Plantation's (5285)** 3Q earnings slip on lower FFB production
- **QES (5285)** 3QFY22 net profit jumps 2.5 times on strong demand from semiconductor customers

EXPRESSO FOR THE DAY

- **Technical Watch – CYL (7157)** – Entry Price RM1.00, Target Price RM1.09, Stop Loss RM0.85, Support RM0.95, Resistance RM0.98
- **Technical Watch – Berjaya Food (5196)** – Entry Price RM1.08, Target Price RM1.19, Stop Loss RM0.92, Support RM1.03, Resistance RM1.05

Local		(%)
FBMKLCI	1,441.30	(0.5)
Volume (mil)	4,573.80	6.6
Value (RM'mil)	2,115.80	(15.4)
Gainers	367	
Losers	427	
Unchanged	415	

Foreign		(%)
Dow Jones	34,098.1	1.2
Nasdaq CI	11,174.4	1.4
S&P 500	4,003.6	1.4
FTSE 100	7,452.8	1.0
Nikkei 225	28,115.7	0.6
Shanghai CI	3,088.9	0.1
HSI	17,424.4	(1.3)
STI	3,259.6	0.3

Most Active	RM	Chg
ASB	0.180	0.020
EDEN	0.175	(0.020)
MUIIND	0.100	0.000
DNEX	0.610	0.040
THRIVEN	0.145	(0.010)

Top Gainer	RM	Chg
HIS-HE3	2.040	0.310
TIMECOM	4.950	0.300
HEXTECH	12.860	0.280
MFLOUR-LA	1.240	0.190
BAT	10.680	0.160

Top Loser	RM	Chg
NESTLE	130.400	(1.400)
PETDAG	21.440	(0.720)
BKAWAN	21.140	(0.480)
PPB	16.220	(0.280)
CARLSBG	21.780	(0.220)

Other Stats		(%)
USD/MYR	4.58	(0.04)
USD/RMB	7.17	(0.35)
Brent (USD/barrel)	87.45	1.04
Gold (USD/troy oz)	1,750.68	0.13
CPO (RM/metric t)	3,847.0	(0.17)

**DAILY NEWSWATCH****ECONOMICS**

Liquidity conditions in China's interbank money markets eased further on Tuesday, as cash supply far outpaced demand, despite a huge withdrawal of funds by the central bank. (The Edge)

The **European Union's executive is designing an emergency natural gas price cap** in an effort to avoid the kind of record highs seen in August. The commission has drafted a regulation to propose a cap level of 275 euros per megawatt-hour. That's well above current levels of about 120 euros, but below the spikes the continent suffered in the summer. (The Edge)

COMPANY

Uzma Bhd's (7250) subsidiary Uzma Engineering Sdn Bhd has secured a contract from PETRONAS Carigali Sdn Bhd for the provision of leasing, operation and maintenance of a D18 water injection facility. (The Edge)

Hibiscus Petroleum Bhd (5199) is keeping to a rosy outlook as it is confident the current macro trends driving the high energy prices and strong performing US dollar will continue. The oil and gas exploration and production company posted a net profit of RM135.26mil in the first quarter of its financial year ended Sept 30, 2022, which was more than triple the net profit in the same quarter last year. (The Edge)

Ni Hsin Group Bhd's (7215) wholly-owned subsidiary, Ni Hsin EV Tech Sdn Bhd (NH EV Tech), has launched its new TAILG EBIXON EV electric vehicle (EV) motorcycle models, which are imported and assembled at the company's manufacturing facilities in Seri Kembangan, Selangor. (The Edge)

Amid operational challenges, **Sime Darby Plantation Bhd (5285)** expects fresh fruit bunch production to be lower in 2022 than in the previous year while crude palm oil prices have begun to normalise. For 3QFY22, the group said FFB production in Malaysia dropped 27% year-on-year, offsetting higher production in Indonesia and Papua New Guinea. Overall, the group said it experienced an 8% reduction in FFB production for the quarter. (The Edge)

QES Group Bhd's (0196) net profit jumped by 2.5 times to RM9.52 million in 3QFY22 from RM3.77 million posted a year ago. (The Edge)



CYL Corporation Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: CYLC MK | KLSE Stock Code: 7157

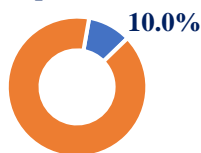
Main Market
Industrial Products & Services
Subsector – Packaging Materials
Current Price: RM1.00
Target Price: RM1.09

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential breakout of resistance supported by a marubozu with a strong momentum on the stock (RSI >75).

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



Buys: 0
Holds: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	34.3	91.9	48.5
P/B	0.8	0.7	0.8
P/CF	20.3	16.3	10.6
P/S	1.1	1.0	0.9

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

Company Overview

CYL Corporation Berhad is an investment holding company. The Company, through its subsidiaries, manufactures and supplies plastic packaging products.



Ronnie Tan
ronnie-tan@mersec.com.my

Entry Price	RM1.00
Market Cap (m)	RM99.5
52w high	RM1.01
52w low	RM0.35
Stop Loss	RM0.85
Immediate Support	RM0.95
Immediate Resistance	RM0.98 (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)	31,727.3



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: RM1.08

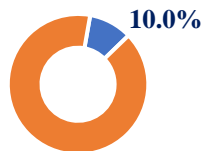
Target Price: RM1.19

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential breakout of the resistance 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 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	48.3	80.2	47.6
P/BV	2.2	1.7	1.9
P/CF	4.4	5.8	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.



Ronnie Tan

ronnie-tan@mersec.com.my

Entry Price	RM1.08
Market Cap (m)	RM1,894.6
52w high	RM1.09
52w low	RM0.35
Stop Loss	RM0.92
Immediate Support	RM1.03
Immediate Resistance	RM1.05 (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)	7,260,214.5



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
25/10/2022	PIE	7095	2.420	2.550	2.070	2.670	-0.4	5.4	TP Achieved
25/10/2022	Ambank	1015	4.150	3.960	3.550	4.570	-0.5	-4.6	-
26/10/2022	KLK	2445	22.420	21.180	19.170	24.660	-1.1	-5.5	-
26/10/2022	HapSeng	3034	6.080	6.680	5.200	6.690	2.8	9.9	-
27/10/2022	AeonCR	5139	13.300	12.700	11.370	14.630	0.3	-4.5	-
27/10/2022	Vitrox	0097	7.260	6.950	6.210	7.990	-0.4	-4.3	-
31/10/2022	GasMsia	5209	3.410	3.320	2.920	3.750	-2.4	-2.6	-
31/10/2022	Hexind	0161	0.600	0.550	0.130	0.650	3.8	-8.3	TP Achieved
1/11/2022	PetDag	5681	21.680	22.160	18.540	23.850	-2.9	2.2	-
1/11/2022	Dialog	7277	2.060	2.100	1.760	2.270	0.0	1.9	-
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	3.350	2.970	3.820	0.3	-3.5	-
3/11/2022	PetDag	5681	22.200	22.160	18.980	24.420	-2.9	-0.2	-
3/11/2022	SKP	7155	1.670	1.640	1.430	1.840	1.2	-1.8	-
4/11/2022	Unisem	5005	2.780	2.600	2.380	3.060	-0.4	-6.5	SL Triggered
4/11/2022	Carlsberg	2836	22.240	22.000	19.020	24.460	-5.2	-1.1	-
7/11/2022	Inari	0166	2.560	2.580	2.190	2.820	0.0	0.8	-
7/11/2022	QLRes	7084	5.340	5.420	4.570	5.870	-0.6	1.5	-
8/11/2022	GenP	2291	6.280	6.550	5.370	6.910	1.6	4.3	-
8/11/2022	Digi	6947	3.880	3.780	3.320	4.270	-1.5	-2.6	-
9/11/2022	Jentayu	5673	0.670	0.700	0.570	0.730	2.2	4.5	-
9/11/2022	Telekom	4863	5.450	5.490	4.660	6.000	2.6	0.7	-
10/11/2022	Tropicana	5401	1.380	1.360	1.180	1.520	3.0	-1.4	-
10/11/2022	PMBTech	7172	4.050	4.320	3.460	4.460	2.6	6.7	-
11/11/2022	GasMsia	5209	3.390	3.320	2.900	3.730	-2.4	-2.1	-
11/11/2022	ChinHin	5273	2.990	3.380	2.560	3.290	0.0	13.0	TP Achieved
14/11/2022	MPI	5401	26.100	26.820	22.320	28.710	2.8	2.8	-
14/11/2022	Greatech	0208	3.910	3.830	3.340	4.300	2.7	-2.0	-
15/11/2022	Ajaya	7609	1.490	1.570	1.270	1.640	2.6	5.4	-
15/11/2022	Affin	5185	2.350	2.350	2.010	2.590	0.4	0.0	-
16/11/2022	BerjayaFood	5196	1.050	1.030	0.900	1.160	1.0	-1.9	-
16/11/2022	MSC	5916	1.700	1.620	1.450	1.870	-6.4	-4.7	-
17/11/2022	Genetech	0104	2.420	2.470	2.070	2.660	2.5	2.1	-
17/11/2022	TNB	5347	8.480	8.410	7.250	9.330	0.4	-0.8	-
21/11/2022	Allianz	1163	13.400	13.400	11.460	14.740	0.0	0.0	-
21/11/2022	BermazAuto	5248	1.940	1.890	1.660	2.130	-2.6	-2.6	-
22/11/2022	BAT	4162	10.520	10.520	8.990	11.570	2.7	0.0	-
23/11/2022	CIMB	1023	5.510	5.510	4.710	6.060	1.8	0.0	-
23/11/2022	CYL	2116	1.000	0.885	0.850	1.090	2.3	-11.5	-
23/11/2022	BerjayaFood	5196	1.080	1.030	0.920	1.190	1.0	-4.6	-

*SL= Stop Loss

*TP=Target Price



STOCK SELECTION BASED ON DIVIDEND YIELD

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
SHL Consolidated Bhd	Property	1.800	0.18	10.0
YTL Hospitality REIT	REIT	0.900	0.08	8.4
British American Tobacco Malay	Consumer	10.680	0.89	8.4
Tambun Indah Land Bhd	Property	0.720	0.06	7.9
UOA REIT	REIT	1.120	0.09	7.7
Capitaland Malaysia Trust	REIT	0.545	0.04	7.2
Pharmaniaga Bhd	Consumer	0.530	0.04	7.0
YTL Power International Bhd	Utilities	0.660	0.05	7.0
Malayan Banking Bhd	Finance	8.540	0.57	6.7
Al-'Aqar Healthcare REIT	REIT	1.230	0.08	6.7
Pavilion REIT	REIT	1.200	0.08	6.5
Uchi Technologies Bhd	Industrial	3.270	0.21	6.4
Sunway REIT	REIT	1.410	0.09	6.2
AmFirst REIT	REIT	0.370	0.02	6.2
Matrix Concepts Holdings Bhd	Property	1.430	0.09	6.2

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	(8.1)	21.3	15.3	17.6	15.3	12.7	
Finance	3.9	13.0	11.5	12.4	12.5	9.5	
Property	(11.8)	13.8	9.9	11.8	9.9	8.7	
Plantation	4.4	94.6	8.4	43.2	8.4	13.9	
Consumer	(3.6)	25.6	17.3	22.5	17.3	15.8	
Technology	(38.9)	29.8	19.1	23.9	20.2	19.5	
Construction	(5.1)	22.2	9.6	17.1	9.6	11.3	
Energy	3.6	-	-	-	7.0	8.7	
Health care	(29.1)	52.6	22.7	37.6	22.7	24.3	
Ind Prod	(11.8)	38.6	10.0	23.7	10.0	12.5	
REIT	(3.9)	-	-	-	19.9	15.0	
Telco	(11.0)	26.0	25.1	25.6	26.0	17.9	
Transportations	(8.0)	-	-	-	-	15.9	
Utilities	(5.3)	-	-	-	12.3	11.9	

Source: Bloomberg

**Disclaimers**

This report is prepared primarily for the use of Mercury Securities' clients in Malaysia and not for publication purposes, notwithstanding its public dissemination via external financial information providers such as Bloomberg LP. This report should not be reproduced, altered in any way, transmitted to, copied, or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Mercury Securities. Mercury Securities, companies and individuals related to it accept no liability whatsoever for the actions of third parties in this respect.

This research report is prepared for general circulation and for information purposes, only and under no circumstances, should it be considered or intended as an offer to sell or a solicitation of an offer to buy the stocks or securities referred to in the report. Investors should note that the price, values or fundamentals of any securities may fluctuate over time. Past performance of any securities may not be an accurate guide to its future performance.

This report is not intended to provide personal investment advice and does not take into account the investment objectives, financial situation and risk appetite of persons who may receive or read this report. Investors are advised to trade at their own absolute discretion, and to seek financial, legal and other pertinent professional advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

Any information, views, opinions, recommendations, and advice in this report are given in good faith but without any legal responsibility or liability to Mercury Securities and connected parties. Information contained in this report has been obtained from public sources believed to be reliable, but such sources are not independently verified by Mercury Securities and consequently no representation is made as to the accuracy or completeness of this information, and it should not be relied upon as such. The views, recommendations and opinions in this research report are our own as of the date hereof and are subject to change without prior notice.

Mercury Securities expressly disclaims any obligation to update or revise any views, recommendations, forward looking statements, and forecasts in a timely manner to reflect new information, events, or circumstances after the date of this report publication or to reflect the occurrence of unanticipated events. Our views and recommendations are based on our own analysis of publicly available information. A subject company's fundamentals and prospects are subject to various risks and uncertainties that could cause its actual performance to differ from our opinion.

As such, Mercury Securities and its directors, officers, associates, connected parties and employees shall not be liable for any direct, indirect, or consequential losses or damages that may arise from the use of or reliance on this research report.

Disclosures

Mercury Securities Sdn Bhd Registration No. 198401000672 (113193-W) is a Participating Organisation of Bursa Malaysia Securities Berhad and a principal holding a Capital Markets Services Licence ("CMSL") issued by the Securities Commission ("SC") of Malaysia. Its research analysts hold a Capital Markets Services Representative's Licence ("CMSRL"). Principals holding a CMSL and representatives holding a CMSRL are regulated by SC in accordance with the Capital Markets and Services Act 2007 ("CMSA").

Mercury Securities, companies or individuals connected with it may have used research material before publication and may have positions in or may be materially interested in any stocks or securities in the markets mentioned. Some of the subject companies covered by Mercury Securities for research purposes may be a client of Mercury Securities in the past, current or may be a potential client in the future. Possible business dealings may include, but is not limited to share trading, market making, underwriting, corporate finance and corporate advisory services.

Published and printed by:

MERCURY SECURITIES SDN BHD

Registration No. 198401000672 (113193-W)

L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur

Telephone: (603) - 6203 7227 Website: www.mercurysecurities.com.myEmail: mercurykl@mersec.com.my
