



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks rose at the end last week in line with strength in equity markets in Asia. Market breadth ends positively with 580 gainers against 390 losers. The healthcare sector was the top percentage gainer leading by an increase of 1.53%, while the plantation sector was the top loser declining by 0.07%. NESTLE (4707) was the top gainer increasing by RM1.60 or 1.2%. The FBM KLCI increased by 0.77% to 1,477.19.

We expect Malaysian stocks to trend higher this week once the US Federal Open Market Committee meeting resolves.

ECONOMICS

- Strong growth in wholesale and retail trade to RM133.9b in October — DOSM

COMPANY

- Petra Energy (5133)** secures one-year extension to MCM contract from Petronas Carigali
- Signature International (7246)** acquires 19.9m shares or a 0.72% stake in Hextar Industries for RM11.51m
- Datasonic (5216)** inks deal with Republic of Guinea on digitisation, land management matters
- NanoMalaysia** inks MOU with Malaysian Rubber Council to commercialise local IPs
- Muhibbah (5703)** secures RM116 mil contract from Institute of Technology Petronas

EXPRESSO FOR THE DAY

- Technical Watch – Vitrox (0097)** – Entry Price RM7.94, Target Price RM8.73, Stop Loss RM6.79, Support RM7.54, Resistance RM7.70
- Technical Watch – AMMB (1015)** – Entry Price RM4.22, Target Price RM4.64, Stop Loss RM3.61, Support RM4.01, Resistance RM4.20

INVESTMENT HIGHLIGHT

- SKP Resources (7155)** – Entry Price RM1.66, Target Price RM2.00, Recommend **BUY**

Local		(%)
FBMKLCI	1,477.20	0.8
Volume (mil)	3,243.10	1.7
Value (RM'mil)	1,939.00	5.8
Gainers	580	
Losers	390	
Unchanged	369	
Foreign		(%)
Dow Jones	33,476.5	(0.9)
Nasdaq CI	11,004.6	(0.7)
S&P 500	3,934.4	(0.7)
FTSE 100	7,476.6	0.1
Nikkei 225	27,901.0	1.2
Shanghai CI	3,207.0	0.3
HSI	19,900.9	2.3
STI	3,246.0	0.3
Most Active		RM
SAPNRG	0.045	0.005
BORNOIL	0.025	0.000
DATAPRP	0.310	0.005
MQTECH	0.055	0.005
PTRB	0.495	0.060
Top Gainer		RM
NESTLE	136.800	1.600
VITROX	7.940	0.340
PEIGAS	16.840	0.320
F&N	21.260	0.220
PEIDAG	22.200	0.220
Top Loser		RM
CARLSBG	22.880	(0.200)
KLK	20.800	(0.200)
HEXTECH	13.180	(0.180)
UTDPLT	14.880	(0.120)
ANALABS	1.330	(0.110)
Other Stats		(%)
USD/MYR	4.40	0.15
USD/RMB	6.96	(0.13)
Brent (USD/barrel)	76.10	(0.07)
Gold (USD/troy oz)	1,797.32	0.46
CPO (RM/metric t)	3,933.5	(1.30)

**DAILY NEWSWATCH****ECONOMICS**

Malaysia's wholesale and retail trade continued to record a sturdy growth of 15.2% to RM133.9 billion in October 2022, said the Department of Statistics Malaysia (DOSM). In a statement on Friday (Dec 9), chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the increase in October was attributed to the retail trade sub-sector, which rose RM12.0 billion or 26.0% to RM58.3 billion. (The Edge)

COMPANY

Petra Energy Bhd (5133) has secured a one-year extension to the contract from Petronas Carigali Sdn Bhd for the provision of offshore maintenance, construction and modification services. In a Bursa Malaysia filing on Friday (Dec 9), Petra Energy said its wholly owned subsidiary Petra Resources Sdn Bhd on Sept 30 accepted a letter of contract amendment and extension from Petronas Carigali. (The Edge)

Signature International Bhd (7246), a company involved in the design, marketing and distribution of kitchen and wardrobe systems, has acquired 19.9 million shares or 0.72% of the paid-up share capital of Hextar Industries Bhd for RM11.51 million. According to Signature International's bourse filing on Friday (Dec 9), the company purchased the shares in six tranches between Nov 21 and Dec 7 at an average price of 57.8 sen apiece. (The Edge)

Datasonic Group Bhd (5216) has entered into a Memorandum of Agreement with the West African nation of Guinea relating to the printing of secure documents, digitisation, and improvement of land management solutions and services. Under the deal, Datasonic will be the prime contractor while Guinea's Ministry of Urban Planning, Housing and Territorial Development (MUHAT) will be the project owner. (The Edge)

NanoMalaysia Bhd (NMB), the agency of nanotechnology and advanced solution commercialisation under the Ministry of Science, Technology and Innovation, has signed a memorandum of understanding (MOU) with the Malaysian Rubber Council (MRC) to promote successful uptake and commercialisation of local intellectual properties (IPs) and products developed by Malaysian companies related to the rubber industry. (The Edge)

Muhibbah Engineering (M) Bhd (5703) has been awarded a contract worth RM116.4 million by Petroliam Nasional Bhd's (Petronas) subsidiary, Institute of Technology Petronas Sdn Bhd. The project, which is slated to start from Dec 15, is for the planned construction of student accommodation and a student centre at Universiti Teknologi Petronas in Bandar Seri Iskandar, Perak. (The Edge)



Vitrox Corporation Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: VITRO MK | KLSE Stock Code: 0097

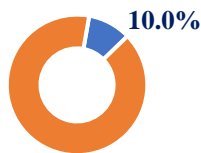
**Main Market
Technology
Subsector – Semiconductors**
Current Price: RM7.94
Target Price: RM8.73

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).

An expanding Bollinger bands suggests higher volatility and higher potential upside 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: 3
Holds: 5
Sells: 2

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	51.6	45.7	30.6
P/B	11.3	9.6	6.6
P/CF	73.7	60.9	55.9
P/S	12.4	11.0	7.6

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

Company Overview

Vitrox Corporation Bhd, through its subsidiary, develops and produces automated vision inspection systems. The Company provides machine vision solutions for semiconductor integrated circuit inspection.



Ronnie Tan
ronnie-tan@mersec.com.my

Entry Price	RM7.94
Market Cap (m)	RM7,500.6
52w high	RM10.29
52w low	RM5.90
Stop Loss	RM6.79
Immediate Support	RM7.54
Immediate Resistance	RM7.70 (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)	1,415,965.9



AMMB Holdings Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: AMM MK | KLSE Stock Code: 1015

Main Market
Financial Services
Subsector – Banking

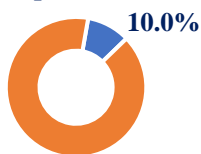
Current Price: RM4.22
Target Price: RM4.64

Investment Highlights

On an uptrend the stock is currently trading above the MA20. We think that there is a potential upside supported by a marubozu coupled with a rising momentum on the stock (RSI >60).

An expanding Bollinger bands suggests higher volatility and higher potential upside 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: 9
Holds: 5
Sells: 1

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	8.3	8.2	8.5
P/BV	0.7	0.6	0.8
P/CF	2.9	2.8	5.5
P/S	1.7	1.6	1.8

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

Company Overview

AMMB Holdings Berhad is an investment holding company. The Company, through its subsidiaries, provides merchant and commercial banking, retail financing, stock and futures broking, and investment advisory. AMMB also underwrites general insurance, provides asset and unit trust management, and nominee services.



Ronnie Tan
ronnie-tan@mersec.com.my

Entry Price	RM4.22
Market Cap (m)	RM13,967.0
52w high	RM4.25
52w low	RM3.12
Stop Loss	RM3.61
Immediate Support	RM4.01
Immediate Resistance	RM4.20 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Rising Momentum
Volume (4-Weeks Average)	3,962,669.9



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
11/11/2022	GasMsia	5209	3.390	3.340	2.900	3.730	0.0	-1.5	-
11/11/2022	ChinHin	5273	2.990	3.200	2.560	3.290	0.6	7.0	TP Achieved
14/11/2022	MPI	5401	26.100	29.000	22.320	28.710	0.0	11.1	TP Achieved
14/11/2022	Greatech	0208	3.910	5.090	3.340	4.300	1.6	30.2	TP Achieved
15/11/2022	Ajaya	7609	1.490	1.740	1.270	1.640	0.0	16.8	TP Achieved
15/11/2022	Affin	5185	2.350	2.060	2.010	2.590	0.0	-12.3	SL Triggered
16/11/2022	BerjayaFood	5196	1.050	1.010	0.900	1.160	5.8	-3.8	-
16/11/2022	MSC	5916	1.700	1.620	1.450	1.870	-0.6	-4.7	SL Triggered
17/11/2022	Genetech	0104	2.420	2.670	2.070	2.660	0.4	10.3	TP Achieved
17/11/2022	TNB	5347	8.480	9.330	7.250	9.330	2.0	10.0	TP Achieved
21/11/2022	Allianz	1163	13.400	13.680	11.460	14.740	-0.6	2.1	-
21/11/2022	BermazAuto	5248	1.940	2.200	1.660	2.130	10.6	13.4	TP Achieved
22/11/2022	BAT	4162	10.520	11.280	8.990	11.570	0.2	7.2	-
23/11/2022	CIMB	1023	5.510	5.650	4.710	6.060	0.7	2.5	-
23/11/2022	CYL	2116	1.000	1.060	0.850	1.090	-6.2	6.0	TP Achieved
23/11/2022	BerjayaFood	5196	1.080	1.010	0.920	1.190	5.8	-6.5	SL Triggered
24/11/2022	PChem	5183	8.780	8.530	7.510	9.660	1.4	-2.8	-
24/11/2022	PressMetal	8896	4.830	4.840	4.130	5.310	-0.2	0.2	-
25/11/2022	Greatech	0208	4.590	5.090	3.920	5.050	1.6	10.9	TP Achieved
25/11/2022	Bursa	1818	7.000	6.710	5.990	7.700	-1.0	-4.1	-
29/11/2022	Padini	7052	3.350	3.400	2.860	3.690	0.0	1.5	-
29/11/2022	Bursa	7293	2.350	2.450	2.010	2.590	-1.2	4.3	-
30/11/2022	Pantech	5125	0.720	0.750	0.620	0.790	0.7	4.2	-
30/11/2022	Agmo	0258	0.740	0.760	0.630	0.810	4.8	2.7	-
1/12/2022	Hibiscus	5199	1.110	1.050	0.950	1.220	5.0	-5.4	-
1/12/2022	Coraza	0240	0.720	0.800	0.620	0.800	0.0	11.1	TP Achieved
2/12/2022	MPI	3867	31.700	29.000	27.100	34.870	0.0	-8.5	-
2/12/2022	Dufu	7233	1.950	2.000	1.670	2.150	0.5	2.6	-
5/12/2022	PowerRoot	7237	2.360	2.200	2.020	2.600	-1.3	-6.8	-
5/12/2022	Heineken	3255	25.980	25.340	22.210	28.580	-0.1	-2.5	-
6/12/2022	Bonia	9288	2.460	2.400	2.100	2.700	0.4	-2.4	-
6/12/2022	Master-Pack	7029	2.410	2.430	2.060	2.650	-0.8	0.8	-
7/12/2022	LPI	8621	13.020	13.120	11.130	14.320	N/A	0.8	-
7/12/2022	AME	5293	1.370	1.310	1.170	1.510	-1.5	-4.4	-
8/12/2022	SDS	0212	0.800	0.785	0.680	0.880	-1.9	-1.9	-
8/12/2022	Aemulus	0181	0.480	0.465	0.410	0.520	-1.1	-3.1	-
9/12/2022	Ajiya	7609	1.740	1.740	1.490	1.910	0.0	0.0	-
9/12/2022	Signature	7246	2.950	2.860	2.510	3.220	-2.4	-3.1	-
12/12/2022	Vitrox	0097	7.940	7.940	6.790	8.730	4.5	0.0	-
12/12/2022	AMMB	1015	4.220	4.220	3.610	4.640	2.9	0.0	-

*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	1.860	0.18	9.7
YTL Hospitality REIT	REIT	0.880	0.08	8.9
British American Tobacco Malay	Consumer	11.280	0.92	8.2
UOA REIT	REIT	1.130	0.09	7.6
Tambun Indah Land Bhd	Property	0.800	0.06	7.3
Capitaland Malaysia Trust	REIT	0.540	0.04	7.2
Matrix Concepts Holdings Bhd	Property	1.510	0.10	6.8
Al-'Aqar Healthcare REIT	REIT	1.230	0.08	6.7
Uchi Technologies Bhd	Industrial	3.340	0.22	6.6
AmFirst REIT	REIT	0.355	0.02	6.4
Pavilion REIT	REIT	1.220	0.08	6.4
Malayan Banking Bhd	Finance	8.690	0.55	6.4
YTL Power International Bhd	Utilities	0.730	0.05	6.2
Sunway REIT	REIT	1.460	0.09	6.1
SHL Consolidated Bhd	Property	1.860	0.18	9.7

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	(5.8)	21.3	14.8	17.5	14.8	13.1	
Finance	6.0	13.0	11.5	12.3	11.8	9.8	
Property	(6.1)	13.8	8.7	11.5	8.7	9.8	
Plantation	2.7	94.6	8.8	43.3	8.8	14.3	
Consumer	0.4	25.6	14.6	22.0	14.6	16.1	
Technology	(31.8)	29.8	19.1	24.5	23.3	22.6	
Construction	1.9	22.2	9.9	17.1	9.9	12.3	
Energy	10.5	-	-	-	8.5	9.3	
Health care	(28.7)	52.6	25.3	38.9	25.3	25.4	
Ind Prod	(10.4)	38.6	10.0	23.7	10.0	12.6	
REIT	(2.8)	-	-	-	20.1	15.0	
Telco	(7.3)	25.1	23.3	24.2	23.3	19.1	
Transportations	(3.1)	-	-	-	-	16.3	
Utilities	(0.8)	-	-	-	12.8	12.3	

Source: Bloomberg



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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.my

Email: mercurykl@mersec.com.my
