



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks fell yesterday despite recovery in regional markets overnight. Market breadth ends negatively with 411 gainers against 485 losers. The construction sector was the top percentage gainer leading by an increase of 1.66%, while the health care sector was the top loser declining by 1.15%. F&N (3689) was the top gainer increasing by RM0.52 or 2.4%. The FBM KLCI declined by 0.29% to 1,470.12.

We maintain a bullish outlook on Malaysian stocks on the back of lower US CPI data revealed yesterday.

ECONOMICS

- **Asia Pacific region's economic growth to lose steam in 2023** amid challenging global outlook, says Moody's Analytics

COMPANY

- **L&P Global** aims to raise RM33.9m from IPO
- **DS Sigma** to raise RM50.15m via IPO en route to ACE Market listing
- **Jaycorp (7152)** 1Q profit jumps with gain on disposal of subsidiary
- **Advancecon (5281)** unit secures RM87m subcontract job from KEB
- **Hartalega (5168)** buys land for RM54.32 mil to facilitate expansion plan

EXPRESSO FOR THE DAY

- **Technical Watch – F&N (3689)** – Entry Price RM22.12, Target Price RM24.33, Stop Loss RM18.91, Support RM21.01, Resistance RM21.46
- **Technical Watch – Harn Len (7501)** – Entry Price RM1.97, Target Price RM2.17, Stop Loss RM1.68, Support RM1.87, Resistance RM2.10

Local		(%)
FBMKLCI	1,470.10	(0.3)
Volume (mil)	2,686.30	6.5
Value (RM'mil)	1,837.70	21.0
Gainers	411	
Losers	485	
Unchanged	388	

Foreign		(%)
Dow Jones	34,078.1	0.2
Nasdaq CI	11,276.7	1.2
S&P 500	4,052.8	1.5
FTSE 100	7,502.9	0.8
Nikkei 225	27,954.9	0.4
Shanghai CI	3,176.3	(0.1)
HSI	19,596.2	0.7
STI	3,271.3	1.0

Most Active	RM	Chg
SNS	0.250	0.025
VELESTO	0.165	0.010
YEWLEE	0.390	0.030
TOPGLOV	0.785	(0.040)
TWL	0.035	0.000

Top Gainer	RM	Chg
TIMECOM	5.200	0.250
TECGUAN	1.390	0.080
VITROX	7.810	0.080
YSPSAH	2.490	0.060
TAKAFUL	3.510	0.040

Top Loser	RM	Chg
TAANN	3.980	(0.080)
TM	5.300	(0.070)
WPRTS	3.550	(0.060)
TEXCHEM	2.280	(0.050)
SOLUTN	0.290	(0.040)

Other Stats		(%)
USD/MYR	4.43	0.26
USD/RMB	6.95	(0.37)
Brent (USD/barrel)	81.05	3.86
Gold (USD/troy oz)	1,806.91	1.42
CPO (RM/metric t)	3,808.0	(3.19)

**DAILY NEWSWATCH****ECONOMICS**

Economic growth in the Asia Pacific (APAC) region would likely lose steam next year amid a challenging global backdrop. “Across the region, we expect economic growth in 2023 to be weaker than 2022. And that has to do with the slowing global economy, the rapid pace of rate hikes, inflation, etc. Broadly speaking, though, we expect Asia Pacific to avoid a recession, with the exception of New Zealand,” said Moody’s Analytics senior economist Stefan Angrick in a virtual briefing on the APAC economic outlook for 2023. (The Edge)

COMPANY

DS Sigma Holdings Bhd, a packaging product provider, has launched its prospectus in conjunction with its proposed listing on the ACE Market of Bursa Malaysia on Jan 6, 2023. Managing director Lucille Teoh Soo Lien said that following the listing, the company will have more opportunities to grow its market share, which currently stands at 2.5% of the Malaysian market. (The Edge)

L&P Global Bhd, an integrated industrial packaging solution provider bound for Bursa Malaysia’s ACE Market, aims to raise RM33.9 million from its initial public offering. The company, which is slated to be listed on Jan 3, 2023, said it plans to use RM10 million of the proceeds for capital expenditure, mainly for the construction of a new factory in Johor, and RM2 million for business expansion. (The Edge)

Jaycorp Bhd's (7152) net profit for 1QFY2023 surged 244.67% to RM10.31 million, from RM2.99 million, mainly due to a gain on the deemed disposal of a subsidiary. Earnings per share jumped to 3.84 sen from 1.11 sen, according to the group's Bursa Malaysia filing. (The Edge)

Advancecon Holdings Bhd's (5281) wholly-owned subsidiary Advancecon Infra Sdn Bhd (AISB) has secured subcontract works worth RM86.75 million from KEB Builders Sdn Bhd. In a filing to Bursa Malaysia on Tuesday (Dec 13), the company said AISB accepted a letter from KEB for its appointment as the subcontractor for the "Preliminaries, Site Clearance and Earthworks, Geotechnical Works, Erosion Sediment and Control Plan" job. (The Edge)

Glove maker **Hartalega Holdings Bhd (5168)** is buying land for RM54.32 million for its expansion plan. Hartalega's wholly owned unit, Hartalega NSM Sdn Bhd (HNSM), signed an agreement with Northern Gateway Sdn Bhd' (NGX) unit Northern Gateway Free Zone Sdn Bhd (NGFZ). (The Edge)



Fraser & Neave Holdings Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: FNH MK | KLSE Stock Code: 3689

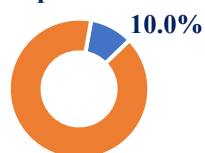
Main Market
Consumer Product & Services
Subsector – Food & Beverages
Current Price: RM22.12
Target Price: RM24.33

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: 6
Holds: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	23.4	27.8	24.2
P/B	3.2	4.1	3.8
P/CF	28.6	27.3	22.9
P/S	2.2	2.6	2.1

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

Company Overview

Fraser & Neave Holdings Berhad is an investment holding company which provides management services. The Company, through its subsidiaries, manufactures and sells glass containers, soft drinks, and dairy products. Fraser & Neave also operates in property development and investment.



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Entry Price	RM22.12
Market Cap (m)	RM8,113.1
52w high	RM25.74
52w low	RM19.24
Stop Loss	RM18.91
Immediate Support	RM21.01
Immediate Resistance	RM21.46 (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)	145,500.9



Harn Len Corporation Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: HARN MK | KLSE Stock Code: 7501

**Main Market
Plantation
Subsector – Plantation**

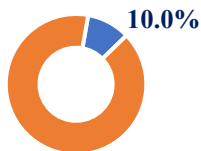
**Current Price: RM1.97
Target Price: RM2.17**

Investment Highlights

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

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 crossover 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	103.5	72.5	67.7
P/BV	0.6	0.5	0.5
P/CF	29.1	8.6	8.4
P/S	1.0	0.8	0.7

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

Company Overview

Harn Len Corporation Berhad is an investment holding company. The Company, through its subsidiaries, operates oil palm plantation, processes fresh fruit bunches (FFB) into crude palm oil (CPO) and palm kernel (PK). The Company also invests in properties, provides transportation service, and operates hotel business.



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Entry Price	RM1.97
Market Cap (m)	RM404.0
52w high	RM2.13
52w low	RM0.68
Stop Loss	RM1.68
Immediate Support	RM1.87
Immediate Resistance	RM2.10 (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)	2,023,914.3



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
15/11/2022	Ajaya	7609	1.490	1.710	1.270	1.640	-1.7	14.8	TP Achieved
15/11/2022	Affin	5185	2.350	2.040	2.010	2.590	-1.0	-13.2	SL Triggered
16/11/2022	BerjayaFood	5196	1.050	1.010	0.900	1.160	0.0	-3.8	-
16/11/2022	MSC	5916	1.700	1.630	1.450	1.870	0.6	-4.1	SL Triggered
17/11/2022	Genetech	0104	2.420	2.670	2.070	2.660	0.0	10.3	TP Achieved
17/11/2022	TNB	5347	8.480	9.200	7.250	9.330	-1.4	8.5	TP Achieved
21/11/2022	Allianz	1163	13.400	13.780	11.460	14.740	0.7	2.8	-
21/11/2022	BermazAuto	5248	1.940	2.140	1.660	2.130	-2.7	10.3	TP Achieved
22/11/2022	BAT	4162	10.520	11.340	8.990	11.570	0.5	7.8	-
23/11/2022	CIMB	1023	5.510	5.740	4.710	6.060	1.6	4.2	-
23/11/2022	CYL	2116	1.000	1.050	0.850	1.090	-0.9	5.0	TP Achieved
23/11/2022	BerjayaFood	5196	1.080	1.010	0.920	1.190	0.0	-6.5	SL Triggered
24/11/2022	PChem	5183	8.780	8.480	7.510	9.660	-0.6	-3.4	-
24/11/2022	PressMetal	8896	4.830	4.860	4.130	5.310	0.4	0.6	-
25/11/2022	Greatech	0208	4.590	5.050	3.920	5.050	-0.8	10.0	TP Achieved
25/11/2022	Bursa	1818	7.000	6.670	5.990	7.700	-0.6	-4.7	-
29/11/2022	Padini	7052	3.350	3.370	2.860	3.690	-0.9	0.6	-
29/11/2022	Bursa	7293	2.350	2.480	2.010	2.590	1.2	5.5	-
30/11/2022	Pantech	5125	0.720	0.760	0.620	0.790	1.3	5.6	-
30/11/2022	Agmo	0258	0.740	0.750	0.630	0.810	-1.3	1.4	-
1/12/2022	Hibiscus	5199	1.110	1.050	0.950	1.220	0.0	-5.4	-
1/12/2022	Coraza	0240	0.720	0.790	0.620	0.800	-1.3	9.7	TP Achieved
2/12/2022	MPI	3867	31.700	29.800	27.100	34.870	2.8	-6.0	-
2/12/2022	Dufu	7233	1.950	1.950	1.670	2.150	-2.5	0.0	-
5/12/2022	PowerRoot	7237	2.360	2.220	2.020	2.600	0.9	-5.9	-
5/12/2022	Heineken	3255	25.980	25.400	22.210	28.580	0.2	-2.2	-
6/12/2022	Bonia	9288	2.460	2.360	2.100	2.700	-1.7	-4.1	-
6/12/2022	Master-Pack	7029	2.410	2.350	2.060	2.650	-3.3	-2.5	-
7/12/2022	LPI	8621	13.020	12.800	11.130	14.320	-2.4	-1.7	-
7/12/2022	AME	5293	1.370	1.330	1.170	1.510	1.5	-2.9	-
8/12/2022	SDS	0212	0.800	0.750	0.680	0.880	-3.8	-6.3	-
8/12/2022	Aemulus	0181	0.480	0.465	0.410	0.520	0.0	-3.1	-
9/12/2022	Ajiya	7609	1.740	1.710	1.490	1.910	-1.7	-1.7	-
9/12/2022	Signature	7246	2.950	2.850	2.510	3.220	-0.3	-3.4	-
12/12/2022	Vitrox	0097	7.940	7.730	6.790	8.730	-2.6	-2.6	-
12/12/2022	AMMB	1015	4.220	4.220	3.610	4.640	0.0	0.0	-
13/12/2022	Kotra	0002	6.050	6.050	5.170	6.660	8.0	0.0	-
13/12/2022	PPB	4065	17.820	17.820	15.240	19.600	1.8	0.0	-
14/12/2022	F&N	3689	22.120	21.600	18.910	24.330	1.6	-2.4	-
14/12/2022	HarnLen	7501	1.970	1.920	1.680	2.170	1.6	-2.5	-

*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	1.900	0.18	9.5
YTL Hospitality REIT	REIT	0.890	0.08	8.8
British American Tobacco Malay	Consumer	11.280	0.92	8.2
UOA REIT	REIT	1.140	0.09	7.5
RCE Capital Bhd	Finance	1.950	0.14	7.4
Tambun Indah Land Bhd	Property	0.785	0.06	7.4
Capitaland Malaysia Trust	REIT	0.535	0.04	7.3
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	3.370	0.22	6.5
AmFirst REIT	REIT	0.350	0.02	6.5
Pavilion REIT	REIT	1.230	0.08	6.3
Malayan Banking Bhd	Finance	8.750	0.55	6.3
Sunway REIT	REIT	1.460	0.09	6.1
YTL Power International Bhd	Utilities	0.745	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	(6.2)	21.3	14.8	17.5	14.8	13.0	
Finance	6.5	13.0	11.5	12.3	11.9	9.8	
Property	(6.8)	13.8	8.6	11.5	8.6	9.7	
Plantation	2.0	94.6	8.8	43.3	8.8	14.2	
Consumer	0.3	25.6	14.6	22.0	14.6	16.1	
Technology	(31.7)	29.8	19.1	24.5	23.4	22.7	
Construction	(0.8)	22.2	9.7	17.1	9.7	11.9	
Energy	11.5	-	-	-	8.6	9.3	
Health care	(29.6)	52.6	25.0	38.8	25.0	25.1	
Ind Prod	(10.9)	38.6	10.0	23.7	10.0	12.5	
REIT	(2.7)	-	-	-	20.1	15.1	
Telco	(7.6)	25.1	23.4	24.3	23.4	19.0	
Transportations	(3.4)	-	-	-	-	16.3	
Utilities	(0.9)	-	-	-	12.8	12.3	

Source: Bloomberg



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