



## DAILY NEWSWATCH

## MARKET REVIEW

Malaysian stocks declined yesterday on the back of overnight announcement of US Fed interest rate hike. Market breadth ends negatively with 411 gainers against 485 losers. The energy sector was the only percentage gainer leading by an increase of 1.49%, while most sectors declined with telecommunications & media was the top loser declining by 2.42%. HEXTECH (5136) was the top gainer increasing by RM0.88 or 6.4%. The FBM KLCI fell by 1.09% to 1,467.13.

We believe that Malaysian stocks will remain bearish as investors panic-sell over weak regional market performance.

## ECONOMICS

- **Agricommodity sector** contributed RM61.3 bil to GDP as of 3Q2022
- **Property sector** to remain challenging in 2023 on oversupply, say developers
- **Malaysia-South Korea bilateral trade** volume surpasses US\$20 mil

## COMPANY

- **Inta Bina (0192)** unit gets RM93.73 mil construction contract from Sime Darby Property
- **Axis REIT (5106)** declares fourth income distribution of 2.09 sen per unit
- **Omesti (9008)** disposes 12.63% stake in Microlink for RM74.25 mil
- **Comintel Corp (7195)** unit wins building works contract worth RM170.7 mil

## EXPRESSO FOR THE DAY

- **Technical Watch – BAT (4262)** – Entry Price RM11.32, Target Price RM12.45, Stop Loss RM9.68, Support RM10.75, Resistance RM11.34
- **Technical Watch – Press Metal (8869)** – Entry Price RM4.93, Target Price RM5.42, Stop Loss RM4.22, Support RM4.68, Resistance RM4.89

Local		(%)
FBMKLCI	1,467.10	(1.1)
Volume (mil)	2,535.50	0.8
Value (RM'mil)	1,907.00	0.2
Gainers	411	
Losers	485	
Unchanged	388	

Foreign		(%)
Dow Jones	33,202.2	(2.3)
Nasdaq CI	10,810.5	(3.2)
S&P 500	3,895.8	(2.5)
FTSE 100	7,426.2	(0.9)
Nikkei 225	28,051.7	(0.4)
Shanghai CI	3,168.6	(0.2)
HSI	19,368.6	(1.5)
STI	3,273.8	(0.1)

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	4.42	0.52
USD/RMB	6.97	0.34
Brent (USD/barrel)	81.49	(1.46)
Gold (USD/troy oz)	1,776.89	(1.69)
CPO (RM/metric t)	3,889.0	(0.19)



## DAILY NEWSWATCH

### ECONOMICS

**The agricommodity sector** has contributed RM61.3 billion to the country's gross domestic product (GDP) up until the third quarter of this year (3Q2022), said Deputy Prime Minister Datuk Seri Fadillah Yusof. (The Edge)

The **property sector** would remain challenging moving into 2023, with a lot of market correction needing to be put in place, due to a clear oversupply of properties in certain sectors and locations in the country, said developers. (The Edge)

**Bilateral trade volume** between Malaysia and South Korea surpassed US\$20 million (US\$1=RM4.41) for the first 10 months of 2022, said South Korea Ambassador to Malaysia Yeo Seung Bae. He said the significant increase was driven by the semiconductor, electrical and electronic products (E&E) industry and petrochemical products. (The Edge)

### COMPANY

**Inta Bina Group Bhd's (0192) unit Inta Bina Sdn Bhd** has secured a RM93.73 million contract for superstructure works from Sime Darby Property (KL East) Sdn Bhd in Selangor. (The Edge)

**Axis Real Estate Investment Trust (5106)** has declared a fourth interim income distribution of 2.09 sen per unit bringing its total income distribution for FY2022 to 9.51 sen. (The Edge)

**Omesti Bhd's (9008)** wholly-owned subsidiary Omesti Holdings Bhd (OHB) has entered into share sale agreements with Gading Sari Ventures Sdn Bhd and Mary Anne Woon Lai Kheng for the disposal of 135 million ordinary shares in Microlink Solutions Bhd for RM74.25 million. (The Edge)

**Comintel Corporation Bhd (7195)** said its wholly-owned subsidiary Total Package Work Sdn Bhd has accepted a letter of award from Butirjaya Maxim Development Sdn Bhd, worth RM170.7 million, on Thursday (Dec 15). (The Edge)

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# British American Tobacco Malaysia Berhad

## Technical Watch - "BUY on Potential Upside"

Bloomberg: ROTH MK | KLSE Stock Code: 4162

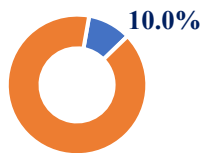
Main Market  
Consumer Product & Services  
Subsector – Personal Goods  
Current Price: RM11.32  
Target Price: RM12.45

### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by a bullish engulfing 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: 2**  
**Holds: 7**  
**Sells: 3**

### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	12.5	12.5	12.6
P/B	8.9	11.8	16.3
P/CF	40.9	25.0	18.7
P/S	1.3	1.7	2.0

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

### Company Overview

British American Tobacco Malaysia Berhad manufactures, imports, and sells cigarettes, pipe tobaccos, cigars, and luxury consumer products. The Company also provides travel and advertising and promotional services.



**Ronnie Tan**  
ronnie-tan@mersec.com.my

Entry Price	RM11.32
Market Cap (m)	RM3,232.2
<b>52w high</b>	RM14.20
<b>52w low</b>	RM10.00
Stop Loss	RM9.68
Immediate Support	RM10.75
Immediate Resistance	RM11.34 (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)	299,433.4



## Press Metal Aluminium Berhad

### Technical Watch - "BUY on Potential Upside"

Bloomberg: PMAH MK | KLSE Stock Code: 8869

## Main Market Industrial Products & Services Subsector – Metals

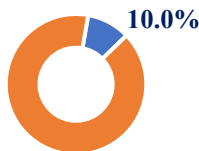
Current Price: RM4.93  
Target Price: RM5.42

#### Investment Highlights

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

A contracting Bollinger bands suggests lower volatility and lower 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: 2**  
**Sells: 0**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	55.2	42.7	32.7
P/BV	11.1	8.0	5.1
P/CF	98.3	55.0	33.9
P/S	4.4	3.0	1.9

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

#### Company Overview

Press Metal Aluminium Holdings Berhad operates as a holding company. The Company, through its subsidiaries, provides aluminium ingots, billets, fluorocarbon, and other products. Press Metal Aluminium Holdings serves customers worldwide.



**Ronnie Tan**  
ronnie-tan@mersec.com.my

Entry Price	RM4.93
Market Cap (m)	RM40,621.3
<b>52w high</b>	RM7.40
<b>52w low</b>	RM3.90
Stop Loss	RM4.22
Immediate Support	RM4.68
Immediate Resistance	RM4.89 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising Momentum
Volume (4-Weeks Average)	14,696,746.7



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
17/11/2022	Genetech	0104	2.420	2.680	2.070	2.660	-1.8	10.7	TP Achieved
17/11/2022	TNB	5347	8.480	9.210	7.250	9.330	-1.4	8.6	TP Achieved
21/11/2022	Allianz	1163	13.400	13.740	11.460	14.740	-0.6	2.5	-
21/11/2022	BermazAuto	5248	1.940	2.180	1.660	2.130	-2.7	12.4	TP Achieved
22/11/2022	BAT	4162	10.520	11.320	8.990	11.570	0.5	7.6	-
23/11/2022	CIMB	1023	5.510	5.750	4.710	6.060	-1.4	4.4	-
23/11/2022	CYL	2116	1.000	1.130	0.850	1.090	0.9	13.0	TP Achieved
23/11/2022	BerjayaFood	5196	1.080	1.020	0.920	1.190	3.0	-5.6	SL Triggered
24/11/2022	PChem	5183	8.780	8.460	7.510	9.660	-0.5	-3.6	-
24/11/2022	PressMetal	8896	4.830	4.930	4.130	5.310	1.4	2.1	-
25/11/2022	Greatech	0208	4.590	5.000	3.920	5.050	-3.1	8.9	TP Achieved
25/11/2022	Bursa	1818	7.000	6.710	5.990	7.700	-0.1	-4.1	-
29/11/2022	Padini	7052	3.350	3.280	2.860	3.690	-1.1	-2.1	-
29/11/2022	Bursa	7293	2.350	2.480	2.010	2.590	0.0	5.5	-
30/11/2022	Pantech	5125	0.720	0.755	0.620	0.790	-1.3	4.9	-
30/11/2022	Agmo	0258	0.740	0.795	0.630	0.810	3.2	7.4	-
1/12/2022	Hibiscus	5199	1.110	1.100	0.950	1.220	0.9	-0.9	-
1/12/2022	Coraza	0240	0.720	0.825	0.620	0.800	-1.2	14.6	TP Achieved
2/12/2022	MPI	3867	31.700	30.500	27.100	34.870	-0.7	-3.8	-
2/12/2022	Dufu	7233	1.950	1.930	1.670	2.150	-1.5	-1.0	-
5/12/2022	PowerRoot	7237	2.360	2.180	2.020	2.600	-0.5	-7.6	-
5/12/2022	Heineken	3255	25.980	25.200	22.210	28.580	-1.9	-3.0	-
6/12/2022	Bonia	9288	2.460	2.340	2.100	2.700	-2.5	-4.9	-
6/12/2022	Master-Pack	7029	2.410	2.450	2.060	2.650	2.5	1.7	-
7/12/2022	LPI	8621	13.020	13.100	11.130	14.320	0.3	0.6	-
7/12/2022	AME	5293	1.370	1.320	1.170	1.510	0.0	-3.6	-
8/12/2022	SDS	0212	0.800	0.790	0.680	0.880	-1.3	-1.3	-
8/12/2022	Aemulus	0181	0.480	0.500	0.410	0.520	-1.0	4.2	-
9/12/2022	Ajiya	7609	1.740	1.620	1.490	1.910	3.2	-6.9	-
9/12/2022	Signature	7246	2.950	2.630	2.510	3.220	-3.3	-10.8	SL Triggered
12/12/2022	Vitrox	0097	7.940	7.800	6.790	8.730	-0.6	-1.8	-
12/12/2022	AMMB	1015	4.220	4.210	3.610	4.640	-0.7	-0.2	-
13/12/2022	Kotra	0002	6.050	6.410	5.170	6.660	-3.3	6.0	-
13/12/2022	PPB	4065	17.820	17.500	15.240	19.600	-1.0	-1.8	-
14/12/2022	F&N	3689	22.120	22.100	18.910	24.330	0.5	-0.1	-
14/12/2022	HarnLen	7501	1.970	1.950	1.680	2.170	-1.5	-1.0	-
15/12/2022	QLResources	7084	5.650	5.630	4.830	6.220	-0.4	-0.4	-
15/12/2022	PublicBank	1295	4.440	4.380	3.800	4.880	-1.4	-1.4	-
16/12/2022	BAT	4162	11.320	11.320	9.680	12.450	0.5	0.0	-
16/12/2022	PressMetal	8869	4.930	4.930	4.220	5.420	1.4	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	1.900	0.18	9.5
YTL Hospitality REIT	REIT	0.885	0.08	8.8
British American Tobacco Malay	Consumer	11.320	0.92	8.1
UOA REIT	REIT	1.140	0.09	7.5
RCE Capital Bhd	Finance	1.940	0.15	7.5
Tambun Indah Land Bhd	Property	0.780	0.06	7.4
Capitaland Malaysia Trust	REIT	0.530	0.04	7.4
Matrix Concepts Holdings Bhd	Property	1.510	0.10	6.8
Al-'Aqar Healthcare REIT	REIT	1.210	0.08	6.8
AmFirst REIT	REIT	0.345	0.02	6.6
Uchi Technologies Bhd	Industrial	3.390	0.22	6.5
Pavilion REIT	REIT	1.220	0.08	6.4
Malayan Banking Bhd	Finance	8.700	0.55	6.4
Sunway REIT	REIT	1.450	0.09	6.1
Pharmaniaga Bhd	Consumer	0.530	0.03	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	(6.4)	21.3	14.7	17.4	14.7	13.0	
Finance	6.2	13.0	11.5	12.3	11.8	9.8	
Property	(7.4)	13.8	8.5	11.5	8.5	9.6	
Plantation	2.3	94.6	8.8	43.3	8.8	14.2	
Consumer	0.5	25.6	14.6	22.0	14.6	16.2	
Technology	(32.4)	29.8	19.1	24.4	23.2	22.4	
Construction	(1.8)	22.2	9.5	17.1	9.5	11.7	
Energy	12.9	-	-	-	8.7	9.4	
Health care	(30.8)	52.6	24.6	38.6	24.6	25.6	
Ind Prod	(10.7)	38.6	10.1	23.7	10.1	12.6	
REIT	(3.1)	-	-	-	20.0	15.0	
Telco	(9.9)	25.1	22.6	23.8	22.6	18.1	
Transportations	(1.4)	-	-	-	-	16.6	
Utilities	(0.6)	-	-	-	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](http://www.mercurysecurities.com.my)

Email: [mercurykl@mersec.com.my](mailto:mercurykl@mersec.com.my)

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