



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks sank for the third day in a row yesterday, as market pessimism led to continuous selling in heavyweight counters. Market breadth ends negatively with 357 gainers against 502 losers. The health care sector was the percentage gainer leading by an increase of 1.05%, while the technology sector was the top loser declining by 1.10%. HEIM (3255) was the top gainer for the day increasing by RM0.56 or 2.2%. The FBM KLCI fell by 0.33% to 1,462.55.

We think that Malaysian stocks will slowly rebound on the back of slow recovery in Wall Street stocks.

ECONOMICS

- **Ringgit flat** against US dollar in early trade

COMPANY

- **YSP Southeast (7178)** Asia buys property in Bandar Baru Bangi for RM31 mil
- ACE Market-bound **L&P Global's (0268)** IPO oversubscribed by 36.14 times
- **Reneuco (7130) & Citaglobal (7245)** consortium wins bid to develop IPP project for ECRL
- **BCorp (3395)** ups REDTone stake to 47.76%. Announces e-money partnership with Indonesia firm.
- **Supercomnet (0001)** now expects to transfer ACE listing to Main Market by end-June next year
- **ELK-Desa (5228)** proposes one-for-two bonus issue
- **EXPRESSO FOR THE DAY**
- **Technical Watch – Kein Hing (7199)** – Entry Price RM2.05, Target Price RM2.26, Stop Loss RM1.75, Support RM1.95, Resistance RM2.02
- **Technical Watch – Maybank (1155)** – Entry Price RM8.78, Target Price RM9.66, Stop Loss RM7.51, Support RM8.34, Resistance RM8.74

Local		(%)
FBMKLCI	1,462.60	(0.3)
Volume (mil)	2,913.60	5.0
Value (RM'mil)	1,714.40	(3.8)
Gainers	357	
Losers	502	
Unchanged	413	
Foreign		(%)
Dow Jones	33,326.5	1.5
Nasdaq CI	10,708.3	1.5
S&P 500	3,876.2	1.4
FTSE 100	7,497.3	1.7
Nikkei 225	26,387.7	(0.7)
Shanghai CI	3,068.4	(0.2)
HSI	19,160.5	0.3
STI	3,256.2	0.1
Most Active		RM
CITAGLB	0.290	0.015
ASB	0.180	(0.005)
UNIQUE	0.245	0.015
NYLEX	0.375	0.055
JAKS	0.240	(0.040)
Top Gainer		RM
HEIM	25.560	0.560
KEINHIN	2.050	0.310
PERSTIM	4.600	0.230
PPB	17.380	0.200
TOYOVEN	0.850	0.130
Top Loser		RM
MPI	29.340	(1.220)
F&N	21.020	(0.580)
PETGAS	16.300	(0.340)
KLK	21.260	(0.240)
TIMECOM	4.800	(0.200)
Other Stats		(%)
USD/MYR	4.44	0.13
USD/RMB	6.98	0.29
Brent (USD/barrel)	82.18	2.76
Gold (USD/troy oz)	1,816.48	(0.08)
CPO (RM/metric t)	3,893.0	(0.59)

**DAILY NEWSWATCH****ECONOMICS**

The **ringgit was almost flat against the US dollar in early trade on Wednesday** (Dec 21), as investors remained on the sidelines, awaiting fresh leads to move the market. (The Edge)

COMPANY

Pharmaceutical and veterinary products manufacturer **YSP Southeast Asia Holdings Bhd (7178)** is buying a property in Bandar Baru Bangi, Selangor for RM31 million. The property will be used for the group's future expansion for the production of food and health supplements, it said in a Bursa Malaysia filing on Wednesday (**Dec 21**). (The Edge)

Integrated industrial packaging solutions provider **L&P Global Bhd (0268)** said its initial public offering (IPO) was oversubscribed by 36.14 times by the Malaysian public, ahead of its listing on Bursa Malaysia's ACE Market on Jan 3. (The Edge)

Berjaya Corp Bhd (3995) has raised its stake in REDTone Digital Bhd to 366.86 million shares, or 47.76% of the company. Berjaya Corp Bhd has also signed a preliminary non-binding term sheet with Indonesia's MNC Group to explore e-money business in Malaysia. (The Edge)

A 50:50 joint venture consortium between **Reneuco Bhd (7130)** and **Citaglobal Bhd (7245)** has won a tender to develop an independent power producer (IPP) project for the East Coast Rail Link (ECRL) network. The consortium, which accepted a letter of intent from Malaysia Rail Link Sdn Bhd (MRL), will undertake the planning, design, financing, development, construction, installation, completion, commissioning and operation of the project, said Reneuco in a statement. (The Edge)

ACE Market-listed **Supercomnet Technologies Bhd (0001)**, which has been saying it wants to apply for a transfer of its listing status to the Main Market of Bursa Malaysia, plans to submit its application to the regulators in the next three months. (The Edge)

ELK-Desa Resources Bhd (5228) has proposed to undertake a proposed bonus issue of up to 151.60 million new shares on the basis of one new share for every two existing shares. (The Edge)



Kein Hing International Berhad

Technical Watch - "BUY on Potential Breakout"

Bloomberg: KEIN MK | KLSE Stock Code: 7199

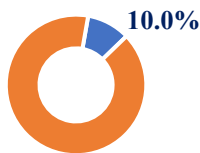
Main Market
Industrial Products & Services
Subsector – Metals
Current Price: RM2.05
Target Price: RM2.26

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential breakout of the resistance 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: 0
Holds: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	8.4	9.2	9.2
P/B	0.9	0.9	1.0
P/CF	5.2	4.8	3.8
P/S	2.3	2.1	1.9

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

Company Overview

Kein Hing International Berhad is an investment holding company. The Company, through its subsidiaries, provides sheet metal forming as well as precision machining and components assembly. Kein Hing International also trades electrical and electronic products and home appliances.



Ronnie Tan
ronnie-tan@mersec.com.my

Entry Price	RM2.05
Market Cap (m)	RM223.2
52w high	RM2.05
52w low	RM0.91
Stop Loss	RM1.75
Immediate Support	RM1.95
Immediate Resistance	RM2.02 (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)	285,390.5



Malayan Banking Berhad

Technical Watch - “BUY on Potential Reversal”

Bloomberg: MAY MK | KLSE Stock Code: 1155

Main Market
Financial Services
Subsector – Banking

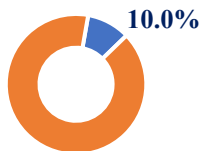
Current Price: RM8.78
Target Price: RM9.66

Investment Highlights

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

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: 11
Holds: 8
Sells: 1

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	12.1	10.6	9.2
P/BV	1.1	1.0	1.0
P/CF	17.3	14.3	13.9
P/S	2.9	2.4	2.2

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

Company Overview

Malayan Banking Berhad operates as a bank. The Company provides financial services such as insurance, asset management, stock broking, nominee services, venture capital, leasing, and Internet banking. Malayan Banking Berhad serves customers in South East Asia.



Ronnie Tan

ronnie-tan@mersec.com.my

Entry Price	RM8.78
Market Cap (m)	RM105,835.2
52w high	RM9.18
52w low	RM8.14
Stop Loss	RM7.51
Immediate Support	RM8.34
Immediate Resistance	RM8.74 (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)	14,155,455.9



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
24/11/2022	PChem	5183	8.780	8.520	7.510	9.660	-1.7	-3.0	-
24/11/2022	PressMetal	8896	4.830	4.773	4.130	5.310	-1.2	-1.2	-
25/11/2022	Greatech	0208	4.590	5.190	3.920	5.050	3.4	13.1	TP Achieved
25/11/2022	Bursa	1818	7.000	6.970	5.990	7.700	0.3	-0.4	-
29/11/2022	Padini	7052	3.350	3.375	2.860	3.690	0.6	0.7	-
29/11/2022	Bursa	7293	2.350	2.480	2.010	2.590	4.6	5.5	-
30/11/2022	Pantech	5125	0.720	0.740	0.620	0.790	0.7	2.8	-
30/11/2022	Agmo	0258	0.740	0.760	0.630	0.810	2.0	2.7	-
1/12/2022	Hibiscus	5199	1.110	1.120	0.950	1.220	-0.9	0.9	-
1/12/2022	Coraza	0240	0.720	0.785	0.620	0.800	-0.6	9.0	TP Achieved
2/12/2022	MPI	3867	31.700	30.098	27.100	34.870	-4.7	-5.1	-
2/12/2022	Dufu	7233	1.950	2.040	1.670	2.150	4.6	4.6	-
5/12/2022	PowerRoot	7237	2.360	2.328	2.020	2.600	3.5	-1.4	-
5/12/2022	Heineken	3255	25.980	25.980	22.210	28.580	2.0	0.0	-
6/12/2022	Bonia	9288	2.460	2.360	2.100	2.700	5.8	-4.1	-
6/12/2022	Master-Pack	7029	2.410	2.310	2.060	2.650	-2.9	-4.1	-
7/12/2022	LPI	8621	13.020	12.840	11.130	14.320	0.9	-1.4	-
7/12/2022	AME	5293	1.370	1.320	1.170	1.510	-1.5	-3.6	-
8/12/2022	SDS	0212	0.800	0.730	0.680	0.880	-2.0	-8.8	-
8/12/2022	Aemulus	0181	0.480	0.480	0.410	0.520	2.1	0.0	-
9/12/2022	Ajiya	7609	1.740	1.720	1.490	1.910	-1.7	-1.1	-
9/12/2022	Signature	7246	2.950	2.790	2.510	3.220	-0.4	-5.4	SL Triggered
12/12/2022	Vitrox	0097	7.940	7.770	6.790	8.730	2.4	-2.1	-
12/12/2022	AMMB	1015	4.220	4.140	3.610	4.640	0.0	-1.9	-
13/12/2022	Kotra	0002	6.050	5.730	5.170	6.660	0.0	-5.3	TP Achieved
13/12/2022	PPB	4065	17.820	17.260	15.240	19.600	0.9	-3.1	-
14/12/2022	F&N	3689	22.120	21.200	18.910	24.330	1.0	-4.2	-
14/12/2022	HarnLen	7501	1.970	2.100	1.680	2.170	2.4	6.6	-
15/12/2022	QLResources	7084	5.650	5.650	4.830	6.220	0.9	0.0	-
15/12/2022	PublicBank	1295	4.440	4.370	3.800	4.880	-1.3	-1.6	-
16/12/2022	BAT	4162	11.320	11.280	9.680	12.450	-0.5	-0.4	-
16/12/2022	PressMetal	8869	4.930	4.773	4.220	5.420	-1.2	-3.2	-
19/12/2022	HapSeng	3034	5.650	6.418	5.370	6.220	-0.9	13.6	TP Achieved
19/12/2022	IoiCorp	1961	3.980	3.870	3.400	4.380	0.5	-2.8	-
20/12/2022	IHH	5225	5.900	5.830	5.040	6.490	0.7	-1.2	-
20/12/2022	Gamuda	5398	3.700	3.533	3.160	4.070	-0.8	-4.5	-
21/12/2022	HLFG	1082	18.780	18.800	16.060	20.660	0.2	0.1	-
21/12/2022	SEQB	9822	4.860	5.270	4.160	5.350	1.5	8.4	-
22/12/2022	KeinHing	7199	2.050	1.250	1.750	2.260	5.0	-39.0	-
22/12/2022	Maybank	1155	8.780	8.580	7.510	9.660	-0.5	-2.3	-

*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	1.790	0.18	10.1
RCE Capital Bhd	Finance	1.690	0.15	8.6
YTL Hospitality REIT	REIT	0.915	0.08	8.5
British American Tobacco Malay	Consumer	11.360	0.91	8.0
Tambun Indah Land Bhd	Property	0.770	0.06	7.5
UOA REIT	REIT	1.150	0.09	7.5
Capitaland Malaysia Trust	REIT	0.535	0.04	7.3
Matrix Concepts Holdings Bhd	Property	1.480	0.10	7.0
Al-'Aqar Healthcare REIT	REIT	1.210	0.08	6.8
AmFirst REIT	REIT	0.345	0.02	6.6
Uchi Technologies Bhd	Industrial	3.380	0.22	6.6
Pavilion REIT	REIT	1.210	0.08	6.4
Malayan Banking Bhd	Finance	8.780	0.55	6.3
YTL Power International Bhd	Utilities	0.720	0.05	6.3
Sunway REIT	REIT	1.450	0.09	6.1

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	(6.7)	21.3	14.5	17.4	14.5	12.8	
Finance	6.7	13.0	11.5	12.3	11.9	9.8	
Property	(8.2)	13.8	8.5	11.5	8.5	9.4	
Plantation	3.4	94.6	8.9	43.3	8.9	14.4	
Consumer	0.2	25.6	14.5	22.0	14.5	16.1	
Technology	(34.0)	29.8	19.1	24.3	22.6	21.8	
Construction	(2.4)	22.2	9.5	17.1	9.5	11.7	
Energy	11.4	-	-	-	8.8	9.4	
Health care	(29.9)	52.6	24.9	38.7	24.9	25.9	
Ind Prod	(13.5)	38.6	9.7	23.6	9.7	12.1	
REIT	(2.8)	-	-	-	20.1	15.0	
Telco	(10.4)	25.1	22.4	23.7	22.4	18.0	
Transportations	(1.0)	-	-	-	-	16.0	
Utilities	(1.6)	-	-	-	12.7	12.1	

Source: Bloomberg

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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
