



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks rebounded yesterday in line with the rally on Wall Street last night. Market breadth ends positively with 447 gainers against 386 losers. The health care sector was the percentage gainer leading by an increase of 1.94%, while the energy sector was the top loser declining by 0.31%. NESTLE (4707) was the top gainer for the day increasing by RM1.7 or 1.2%. The FBM KLCI increased by 0.4% to 1,468.35.

We think that Malaysian stocks will stay flat as investors maintain a cautious position ahead of the long weekend owing to the Christmas holiday on Monday.

ECONOMICS

- Ringgit snaps five-day losing streak against US dollar
- BNM's international reserves stood at US\$110.3b

COMPANY

- Citaglobal (7245) exits bauxite mining business
- Dufu (7233) Technology acquires properties in Penang for RM45.4 mil
- Mynews (5275) sees better performance in 4Q on improved sales
- Yinson's (7293) 3Q net profit up 58% on higher contribution from EPCIC business activities
- Apollo Food's (6432) 2Q earnings jump over 10 times on stronger sales, low base effect

EXPRESSO FOR THE DAY

- **Technical Watch – Genting Plantation (2291)** – Entry Price RM6.04, Target Price RM6.64, Stop Loss RM5.16, Support RM5.74, Resistance RM6.07
- **Technical Watch – Supercomnet (0001)** – Entry Price RM1.67, Target Price RM1.84, Stop Loss RM1.43, Support RM1.59, Resistance RM1.68

Local		(%)
FBMKLCI	1,468.40	0.4
Volume (mil)	2,502.50	(14.1)
Value (RM'mil)	1,329.40	(22.5)
Gainers	447	
Losers	386	
Unchanged	423	

Foreign		(%)
Dow Jones	32,893.9	(1.4)
Nasdaq CI	10,430.3	(2.6)
S&P 500	3,801.2	(2.0)
FTSE 100	7,469.3	(0.4)
Nikkei 225	26,507.9	0.5
Shanghai CI	3,054.4	(0.5)
HSI	19,679.2	2.7
STI	3,269.5	0.4

Most Active	RM	Chg
ASB	0.180	0.000
SERBADK	0.010	0.000
RENEUCO	0.300	0.045
TOPGLOV	0.755	0.035
CITAGLB	0.295	0.005

Top Gainer	RM	Chg
NESTLE	138.800	1.700
PCHEM	8.400	0.320
SEM	1.900	0.250
DKSH	4.560	0.160
PJBUMI	0.965	0.155

Top Loser	RM	Chg
KLUANG	3.660	(0.270)
HLFG	18.480	(0.240)
HEIM	25.340	(0.220)
PPB	17.200	(0.180)
PANAMY	22.860	(0.120)

Other Stats		(%)
USD/MYR	4.42	(0.35)
USD/RMB	6.90	0.05
Brent (USD/barrel)	81.47	(0.89)
Gold (USD/troy oz)	1,789.92	(1.35)
CPO (RM/metric t)	3,901.5	0.22



DAILY NEWSWATCH

ECONOMICS

The ringgit rebounded from five days of losses to end higher against the US dollar on Thursday (Dec 22), as stronger external factors boosted sentiment for the domestic currency, said an analyst. (The Edge)

Bank Negara Malaysia's (BNM) international reserves stood at US\$110.3 billion as at Dec 15, 2022, according to the central bank. The reserves position is sufficient to finance 5.3 months of imports of goods and services and is 1.1 times of the total short-term external debt, said BNM in a statement on Thursday (Dec 22).

COMPANY

Citaglobal Bhd (7245), formerly WZ Satu Bhd, is exiting its bauxite mining venture under SE Satu Sdn Bhd to focus on a portfolio of businesses that include civil engineering and construction, oil and gas, power generation, property development, manufacturing and renewable energy. (The Edge)

Dufu Technology Corp Bhd's (7233) wholly-owned subsidiary Dufusion Sdn Bhd is buying two properties in Penang from Merbau Sejati Sdn Bhd (MSSB) for RM45.37 million. (The Edge)

Mynews Holdings Bhd (5275) reported a net profit of RM1.37 million for its 4QFY2022, compared to a net loss of RM9.03 million a year earlier, mainly contributed by an improvement in sales mix and higher margin of the CU convenience store business. (The Edge)

Yinson Holdings Bhd's (7293) net profit rose 58.16% to RM155 million for its 3QFY2023, from RM98 million a year earlier, mainly due to higher contribution from its engineering, procurement, construction, installation and commissioning (EPCIC) business activities. (The Edge)

Apollo Food Holdings Bhd's (6432) net profit jumped over 10 times year-on-year for its 2QFY2023 on stronger sales and low base effect, after earnings were hit by Covid-19 disruptions in the same quarter last year. (The Edge)



Genting Plantation Berhad

Technical Watch - “BUY on Potential Breakout”

Bloomberg: GENP MK | KLSE Stock Code: 2291

Main Market Plantation

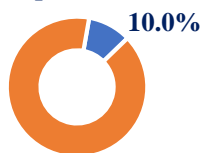
Subsector – Plantation
Current Price: RM6.04
Target Price: RM6.64

Investment Highlights

On a sideways, 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 >55).

A contracting Bollinger bands suggests lower volatility and lower 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: 5
Holds: 10
Sells: 2

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	18.6	34.1	29.7
P/B	1.3	1.5	1.6
P/CF	10.3	24.1	22.8
P/S	2.3	3.1	3.9

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

Company Overview

Genting Plantations Berhad is an investment holding company which operates plantations. The Company, through its subsidiaries, also develops and invests in properties, processes fresh fruit bunches, trades rubber wood, provides palm oil mill management services, and operates golf course.



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Entry Price	RM6.04
Market Cap (m)	RM5,419.1
52w high	RM9.48
52w low	RM5.50
Stop Loss	RM5.16
Immediate Support	RM5.74
Immediate Resistance	RM6.07 (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)	2,103,312.3



Supercomnet Technologies Berhad

Technical Watch - "BUY on Potential Reversal"

Bloomberg: SCT MK | KLSE Stock Code: 0001

Main Market
Health Care
Subsector – Equipment & Svc

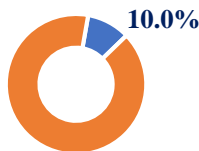
Current Price: RM1.67
Target Price: RM1.84

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think that there is a potential upside supported by marubozu coupled with a rising momentum on the stock (RSI >55).

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



Buy: 1
Hold: 0
Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	43.3	38.9	36.2
P/BV	4.0	3.5	2.2
P/CF	54.7	38.3	95.4
P/S	7.8	6.0	3.6

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

Company Overview

Supercomnet Technologies Berhad manufactures wires and cables. The Company produces equipment cables, shielded wires, computer cables, power supply cords, speaker wires, jumper cables, keyboard cables, monitor cables, coaxial cables, printer cables, USB cables, patch cord cables, and other products.



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Entry Price	RM1.67
Market Cap (m)	RM1,272.3
52w high	RM2.08
52w low	RM1.08
Stop Loss	RM1.43
Immediate Support	RM1.59
Immediate Resistance	RM1.68 (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)	2,279,809.5



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
25/11/2022	Greatech	0208	4.590	4.920	3.920	5.050	0.0	7.2	TP Achieved
25/11/2022	Bursa	1818	7.000	6.750	5.990	7.700	0.3	-3.6	-
29/11/2022	Padini	7052	3.350	3.340	2.860	3.690	0.9	-0.3	-
29/11/2022	Bursa	7293	2.350	2.430	2.010	2.590	0.0	3.4	-
30/11/2022	Pantech	5125	0.720	0.725	0.620	0.790	-1.4	0.7	-
30/11/2022	Agmo	0258	0.740	0.765	0.630	0.810	-4.4	3.4	-
1/12/2022	Hibiscus	5199	1.110	1.080	0.950	1.220	0.0	-2.7	-
1/12/2022	Coraza	0240	0.720	0.825	0.620	0.800	-1.8	14.6	TP Achieved
2/12/2022	MPI	3867	31.700	29.300	27.100	34.870	-0.1	-7.6	-
2/12/2022	Dufu	7233	1.950	1.850	1.670	2.150	0.0	-5.1	-
5/12/2022	PowerRoot	7237	2.360	2.110	2.020	2.600	1.4	-10.6	SL Triggered
5/12/2022	Heineken	3255	25.980	25.340	22.210	28.580	-0.9	-2.5	-
6/12/2022	Bonia	9288	2.460	2.210	2.100	2.700	-3.5	-10.2	SL Triggered
6/12/2022	Master-Pack	7029	2.410	2.560	2.060	2.650	0.8	6.2	-
7/12/2022	LPI	8621	13.020	12.900	11.130	14.320	0.0	-0.9	-
7/12/2022	AME	5293	1.370	1.290	1.170	1.510	-0.8	-5.8	-
8/12/2022	SDS	0212	0.800	0.780	0.680	0.880	-2.5	-2.5	-
8/12/2022	Aemulus	0181	0.480	0.510	0.410	0.520	-1.0	6.3	-
9/12/2022	Ajiya	7609	1.740	1.560	1.490	1.910	0.6	-10.3	SL Triggered
9/12/2022	Signature	7246	2.950	2.540	2.510	3.220	2.8	-13.9	SL Triggered
12/12/2022	Vitrox	0097	7.940	7.680	6.790	8.730	0.3	-3.3	-
12/12/2022	AMMB	1015	4.220	4.240	3.610	4.640	0.2	0.5	-
13/12/2022	Kotra	0002	6.050	6.440	5.170	6.660	-1.5	6.4	TP Achieved
13/12/2022	PPB	4065	17.820	17.200	15.240	19.600	-1.0	-3.5	-
14/12/2022	F&N	3689	22.120	21.080	18.910	24.330	0.3	-4.7	-
14/12/2022	HarnLen	7501	1.970	2.010	1.680	2.170	1.5	2.0	-
15/12/2022	QLResources	7084	5.650	5.540	4.830	6.220	-0.2	-1.9	-
15/12/2022	PublicBank	1295	4.440	4.400	3.800	4.880	-0.2	-0.9	-
16/12/2022	BAT	4162	11.320	11.360	9.680	12.450	0.0	0.4	-
16/12/2022	PressMetal	8869	4.930	4.600	4.220	5.420	2.2	-6.7	-
19/12/2022	HapSeng	3034	5.650	6.340	5.370	6.220	0.3	12.2	TP Achieved
19/12/2022	IoiCorp	1961	3.980	3.940	3.400	4.380	2.6	-1.0	-
20/12/2022	IHH	5225	5.900	6.000	5.040	6.490	0.8	1.7	-
20/12/2022	Gamuda	5398	3.700	3.700	3.160	4.070	1.1	0.0	-
21/12/2022	HLFG	1082	18.780	18.480	16.060	20.660	-1.3	-1.6	-
21/12/2022	SEQB	9822	4.860	4.820	4.160	5.350	0.8	-0.8	-
22/12/2022	KeinHing	7199	2.050	2.130	1.750	2.260	3.9	3.9	-
22/12/2022	Maybank	1155	8.780	8.710	7.510	9.660	-0.8	-0.8	-
23/12/2022	GenP	2291	6.040	6.040	5.160	6.640	0.0	0.0	-
23/12/2022	Scomnet	0001	1.670	1.670	1.430	1.840	0.0	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	1.790	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	(6.3)	21.3	14.5	17.4	14.5	12.9	
Finance	6.3	13.0	11.5	12.3	11.9	9.8	
Property	(7.9)	13.8	8.5	11.5	8.5	9.4	
Plantation	4.1	94.6	9.0	43.4	9.0	14.5	
Consumer	0.5	25.6	14.6	22.0	14.6	16.2	
Technology	(33.9)	29.8	19.1	24.3	22.6	21.9	
Construction	(1.8)	22.2	9.5	17.1	9.5	11.8	
Energy	11.1	-	-	-	8.7	9.4	
Health care	(28.6)	52.6	25.3	38.9	25.3	26.8	
Ind Prod	(11.9)	38.6	9.9	23.7	9.9	12.3	
REIT	(3.1)	-	-	-	20.0	15.0	
Telco	(9.5)	25.1	22.7	23.9	22.7	18.2	
Transportations	(0.9)	-	-	-	-	16.0	
Utilities	(1.4)	-	-	-	12.7	12.2	

Source: Bloomberg



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