



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks continued their momentum to recovery last friday on the back of gains on Wall Street. Market breadth ends negatively with 393 gainers against 430 losers. The health care sector was the percentage gainer again leading by an increase of 2.59%, while the plantation sector was the top loser declining by 0.54%. PPB (4065) was the top gainer for the day increasing by RM0.4 or 2.3%. The FBM KLCI increased by 0.43% to 1,474.68.

We opine that Malaysian stock will decline on the back of market pessimism over expected BNM interest rate hike.

ECONOMICS

- Another 25bps **OPR hike** expected in January as November inflation stays elevated
- **Malaysia's CPI** stays at 4% in November, core inflation inches up to 4.2%

COMPANY

- **Apollo (6432)** emerges as top gainer on strong 2Q earnings
- **MyEG (0138)** plans to distribute Agmo shares as dividend-in-specie to shareholders
- **Gamuda (5398)** shares up after construction contract win in Australia
- **Samaiden's (0223)** 531 kWp PV system at Sunway Nexis commences operations

EXPRESSO FOR THE DAY

- **Technical Watch – 7-Eleven Malaysia (5250)** – Entry Price RM1.99, Target Price RM2.39, Stop Loss RM1.70, Support RM1.89, Resistance RM1.99
- **Technical Watch – RHB Bank (1066)** – Entry Price RM5.74, Target Price RM6.31, Stop Loss RM4.91, Support RM5.45, Resistance RM5.77

Local		(%)
FBMKLCI	1,474.70	0.4
Volume (mil)	2,116.20	(14.1)
Value (RM'mil)	1,232.40	(22.5)
Gainers	393	
Losers	430	
Unchanged	415	

Foreign		(%)
Dow Jones	33,203.9	0.5
Nasdaq CI	10,497.9	0.2
S&P 500	3,844.8	0.6
FTSE 100	7,473.0	0.0
Nikkei 225	26,405.9	(1.0)
Shanghai CI	3,065.6	(0.3)
HSI	19,593.1	(0.4)
STI	3,257.7	(0.4)

Most Active	RM	Chg
TOPGLOV	0.820	0.065
CAREPLS	0.460	0.035
ASB	0.175	(0.005)
YEWLEE	0.380	(0.020)
SUNVIEW	0.630	(0.020)

Top Gainer	RM	Chg
PPB	17.600	0.400
HARISON	6.900	0.370
APOLLO	3.860	0.220
NESTLE	139.000	0.200
CARLSBG	23.080	0.180

Top Loser	RM	Chg
RAPID	16.000	(0.260)
BKAWAN	21.380	(0.240)
NHFATT	2.740	(0.200)
SUNMOW	0.640	(0.190)
MUDA	1.840	(0.100)

Other Stats		(%)
USD/MYR	4.42	0.02
USD/RMB	6.96	0.07
Brent (USD/barrel)	83.92	3.63
Gold (USD/troy oz)	1,798.20	0.32
CPO (RM/metric t)	3,886.5	(0.17)

**DAILY NEWSWATCH****ECONOMICS**

As robust consumer demand drove November's **consumer price index** up 4% year-on-year — with core inflation hitting a new high of 4.2% — economists expect the upbeat momentum to continue and result in Bank Negara Malaysia having to raise the overnight policy rate or OPR by another 25 basis points to 3% in its Monetary Policy Committee meeting next month. (The Edge)

**Malaysia's inflation** in November 2022 increased by 4% year-on-year with food inflation continuing to be the main driver, said the Department of Statistics Malaysia (DOSM). “This increase was partly driven by the increase in the price of cooked food, mainly chicken and flour-based [food],” it said. CPI grew at the same rate in October from a year earlier. (The Edge)

**COMPANY**

**Apollo Food Holdings Bhd (6432)** has emerged as the top gainer early on Friday (Dec 23), after the confectionery maker posted a strong quarterly net profit for 2QFY2023, boosted by strong sales and low base effect. (The Edge)

**My EG Services Bhd (0138)** plans to distribute its entire 25.8% equity interest in Agmo Holdings Bhd by way of dividend-in-specie to its shareholders. In a filing with the local bourse, MyEG said the stake, comprising 84 million shares, is currently held via its wholly-owned MY EG Capital Sdn Bhd. On completion of the distribution, based on an entitlement date that is yet to be fixed, MYEG Capital will cease to be a major shareholder of Agmo. (The Edge)

**Gamuda Bhd's (5398)** shares on Bursa Malaysia rose on Friday (Dec 23) morning after its joint venture (JV) company secured a highway construction contract worth A\$1.03 billion (RM3.03 billion) in New South Wales, Australia. (The Edge)

A rooftop photovoltaic system solar investment project at **Sunway Nexis** here by **Samaiden Group Bhd's (0223)** wholly-owned subsidiary commenced operations on Friday. Samaiden Capital Management Sdn Bhd will operate and maintain the system, which has a capacity of 531 kilowatt-peak (kWp) for a duration of 20 years, it said in a statement. (The Edge)

---



## 7-Eleven Malaysia Holdings Berhad

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

Bloomberg: SEM MK | KLSE Stock Code: 5250

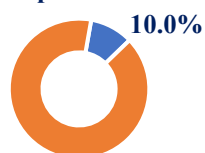
**Main Market**  
**Consumer Products & Services**  
**Subsector – Retailers**  
**Current Price: RM1.99**  
**Target Price: RM2.19**

#### 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 >75).

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: 5**  
**Holds: 1**  
**Sells: 0**

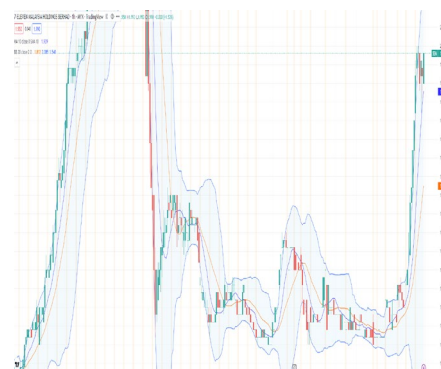
#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
<b>P/E</b>	26.4	29.6	29.7
<b>P/B</b>	20.4	19.1	55.7
<b>P/CF</b>	4.7	11.2	13.5
<b>P/S</b>	0.5	0.6	0.7

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

#### Company Overview

7-Eleven Malaysia Holdings Berhad owns, operates, and franchises a chain of convenience stores under the 7-Eleven brand name.



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

Entry Price	RM1.99
Market Cap (m)	RM2,209.0
<b>52w high</b>	RM2.45
<b>52w low</b>	RM1.36
Stop Loss	RM1.70
Immediate Support	RM1.89
Immediate Resistance	RM1.99 (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)	31,635.7



# RHB Bank Berhad

## Technical Watch - "BUY on Potential Reversal"

Bloomberg: RHBBANK MK | KLSE Stock Code: 1066

Main Market  
Financial Services  
Subsector – Banking

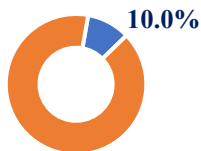
Current Price: RM5.74  
Target Price: RM6.31

### Investment Highlights

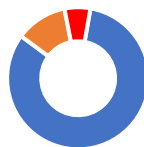
On a downtrend, the stock is currently trading above the MA20. We think that there is a potential upside supported by three white soldiers coupled with a rising momentum on the stock (RSI >60).

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 to hold and SMA to crossover moving forward.

#### Potential Upside



#### Bloomberg Analyst Ratings



Buys: 14  
Holds: 2  
Sells: 1

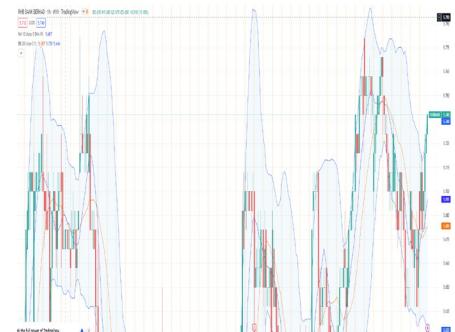
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	8.9	8.3	8.4
P/BV	0.8	0.7	0.8
P/CF	12.2	8.4	11.3
P/S	2.0	1.8	1.7

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

### Company Overview

RHB Bank BHD provides banking services. The Company offers commercial and consumer banking, corporate and investment banking, and international banking services. RHB also provides savings accounts, foreign currency accounts, home and travel insurance, and investment planning.



Ronnie Tan  
ronnie-tan@mersec.com.my

Entry Price	RM5.74
Market Cap (m)	RM24,379.9
52w high	RM6.31
52w low	RM5.32
Stop Loss	RM4.91
Immediate Support	RM5.45
Immediate Resistance	RM5.77 (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)	5,322,769.4



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
29/11/2022	Padini	7052	3.350	3.380	2.860	3.690	1.2	0.9	-
29/11/2022	Bursa	7293	2.350	2.420	2.010	2.590	-0.4	3.0	-
30/11/2022	Pantech	5125	0.720	0.725	0.620	0.790	0.0	0.7	-
30/11/2022	Agmo	0258	0.740	0.740	0.630	0.810	-3.3	0.0	-
1/12/2022	Hibiscus	5199	1.110	1.090	0.950	1.220	0.9	-1.8	-
1/12/2022	Coraza	0240	0.720	0.810	0.620	0.800	-1.8	12.5	TP Achieved
2/12/2022	MPI	3867	31.700	29.460	27.100	34.870	0.5	-7.1	-
2/12/2022	Dufu	7233	1.950	1.830	1.670	2.150	-1.1	-6.2	-
5/12/2022	PowerRoot	7237	2.360	2.090	2.020	2.600	-0.9	-11.4	SL Triggered
5/12/2022	Heineken	3255	25.980	25.360	22.210	28.580	0.1	-2.4	-
6/12/2022	Bonia	9288	2.460	2.200	2.100	2.700	-0.5	-10.6	SL Triggered
6/12/2022	Master-Pack	7029	2.410	2.530	2.060	2.650	-1.2	5.0	-
7/12/2022	LPI	8621	13.020	12.840	11.130	14.320	-0.5	-1.4	-
7/12/2022	AME	5293	1.370	1.260	1.170	1.510	-2.3	-8.0	-
8/12/2022	SDS	0212	0.800	0.780	0.680	0.880	0.0	-2.5	-
8/12/2022	Aemulus	0181	0.480	0.500	0.410	0.520	-2.0	4.2	-
9/12/2022	Ajiya	7609	1.740	1.540	1.490	1.910	-1.3	-11.5	SL Triggered
9/12/2022	Signature	7246	2.950	2.540	2.510	3.220	0.0	-13.9	SL Triggered
12/12/2022	Vitrox	0097	7.940	7.660	6.790	8.730	-0.3	-3.5	-
12/12/2022	AMMB	1015	4.220	4.240	3.610	4.640	0.0	0.5	-
13/12/2022	Kotra	0002	6.050	6.350	5.170	6.660	-1.4	5.0	TP Achieved
13/12/2022	PPB	4065	17.820	17.600	15.240	19.600	2.3	-1.2	-
14/12/2022	F&N	3689	22.120	21.140	18.910	24.330	0.3	-4.4	-
14/12/2022	HarnLen	7501	1.970	2.050	1.680	2.170	2.0	4.1	-
15/12/2022	QLResources	7084	5.650	5.550	4.830	6.220	0.2	-1.8	-
15/12/2022	PublicBank	1295	4.440	4.440	3.800	4.880	0.9	0.0	-
16/12/2022	BAT	4162	11.320	11.380	9.680	12.450	0.2	0.5	-
16/12/2022	PressMetal	8869	4.930	4.680	4.220	5.420	1.7	-5.1	-
19/12/2022	HapSeng	3034	5.650	6.370	5.370	6.220	0.5	12.7	TP Achieved
19/12/2022	IoiCorp	1961	3.980	3.900	3.400	4.380	-1.0	-2.0	-
20/12/2022	IHH	5225	5.900	6.150	5.040	6.490	2.5	4.2	-
20/12/2022	Gamuda	5398	3.700	3.760	3.160	4.070	1.6	1.6	-
21/12/2022	HLFG	1082	18.780	18.600	16.060	20.660	0.6	-1.0	-
21/12/2022	SEQB	9822	4.860	4.790	4.160	5.350	-0.6	-1.4	-
22/12/2022	KeinHing	7199	2.050	2.130	1.750	2.260	0.0	3.9	-
22/12/2022	Maybank	1155	8.780	8.780	7.510	9.660	0.8	0.0	-
23/12/2022	GenP	2291	6.040	6.030	5.160	6.640	-0.2	-0.2	-
23/12/2022	Scomnet	0001	1.670	1.640	1.430	1.840	-1.8	-1.8	-
27/12/2022	7-Eleven	2289	1.990	1.990	1.700	2.190	4.7	0.0	-
27/12/2022	RHBBank	4579	5.740	5.740	4.910	6.310	1.1	0.0	-

\*SL= Stop Loss

\*TP=Target Price



## STOCK SELECTION BASED ON DIVIDEND YIELD

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
RCE Capital Bhd	Finance	1.680	0.18	10.7
SHL Consolidated Bhd	Property	1.810	0.18	9.9
YTL Hospitality REIT	REIT	0.915	0.08	8.5
British American Tobacco Malay	Consumer	11.380	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	1.450	0.10	7.1
Uchi Technologies Bhd	Industrial	3.370	0.23	6.8
Al-'Aqar Healthcare REIT	REIT	1.210	0.08	6.8
AmFirst REIT	REIT	0.350	0.02	6.5
Pavilion REIT	REIT	1.210	0.08	6.4
YTL Power International Bhd	Utilities	0.730	0.05	6.3
Malayan Banking Bhd	Finance	8.780	0.55	6.3
Sunway REIT	REIT	1.440	0.09	6.2

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	(5.9)	21.3	14.6	17.4	14.6	12.9	
Finance	6.8	13.0	11.5	12.3	11.9	9.9	
Property	(8.1)	13.8	8.5	11.5	8.5	9.4	
Plantation	3.6	94.6	8.9	43.3	8.9	14.6	
Consumer	0.7	25.6	14.6	22.0	14.6	16.2	
Technology	(33.7)	29.8	19.1	24.3	22.7	22.2	
Construction	(1.2)	22.2	9.6	17.1	9.6	11.9	
Energy	11.1	-	-	-	8.8	10.1	
Health care	(26.7)	52.6	25.8	39.2	25.8	27.6	
Ind Prod	(11.7)	38.6	9.9	23.7	9.9	12.4	
REIT	(3.0)	-	-	-	20.0	15.0	
Telco	(9.4)	25.1	22.6	23.8	22.6	18.2	
Transportations	(0.5)	-	-	-	-	16.2	
Utilities	(0.6)	-	-	-	12.8	12.3	

Source: Bloomberg



### **Disclaimers**

This report is prepared primarily for the use of Mercury Securities' clients in Malaysia and not for publication purposes, notwithstanding its public dissemination via external financial information providers such as Bloomberg LP. This report should not be reproduced, altered in any way, transmitted to, copied, or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Mercury Securities. Mercury Securities, companies and individuals related to it accept no liability whatsoever for the actions of third parties in this respect.

This research report is prepared for general circulation and for information purposes, only and under no circumstances, should it be considered or intended as an offer to sell or a solicitation of an offer to buy the stocks or securities referred to in the report. Investors should note that the price, values or fundamentals of any securities may fluctuate over time. Past performance of any securities may not be an accurate guide to its future performance.

This report is not intended to provide personal investment advice and does not take into account the investment objectives, financial situation and risk appetite of persons who may receive or read this report. Investors are advised to trade at their own absolute discretion, and to seek financial, legal and other pertinent professional advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

Any information, views, opinions, recommendations, and advice in this report are given in good faith but without any legal responsibility or liability to Mercury Securities and connected parties. Information contained in this report has been obtained from public sources believed to be reliable, but such sources are not independently verified by Mercury Securities and consequently no representation is made as to the accuracy or completeness of this information, and it should not be relied upon as such. The views, recommendations and opinions in this research report are our own as of the date hereof and are subject to change without prior notice.

Mercury Securities expressly disclaims any obligation to update or revise any views, recommendations, forward looking statements, and forecasts in a timely manner to reflect new information, events, or circumstances after the date of this report publication or to reflect the occurrence of unanticipated events. Our views and recommendations are based on our own analysis of publicly available information. A subject company's fundamentals and prospects are subject to various risks and uncertainties that could cause its actual performance to differ from our opinion.

As such, Mercury Securities and its directors, officers, associates, connected parties and employees shall not be liable for any direct, indirect, or consequential losses or damages that may arise from the use of or reliance on this research report.

### **Disclosures**

Mercury Securities Sdn Bhd Registration No. 198401000672 (113193-W) is a Participating Organisation of Bursa Malaysia Securities Berhad and a principal holding a Capital Markets Services Licence ("CMSL") issued by the Securities Commission ("SC") of Malaysia. Its research analysts hold a Capital Markets Services Representative's Licence ("CMSRL"). Principals holding a CMSL and representatives holding a CMSRL are regulated by SC in accordance with the Capital Markets and Services Act 2007 ("CMSA").

Mercury Securities, companies or individuals connected with it may have used research material before publication and may have positions in or may be materially interested in any stocks or securities in the markets mentioned. Some of the subject companies covered by Mercury Securities for research purposes may be a client of Mercury Securities in the past, current or may be a potential client in the future. Possible business dealings may include, but is not limited to share trading, market making, underwriting, corporate finance and corporate advisory services.

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.my](http://www.mercurysecurities.com.my)

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

---