



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks rose yesterday as late buying occur despite declines on Wall Street stocks. Market breadth ends negatively with 367 gainers against 564 losers. The telecommunications & media sector was the percentage gainer again leading by an increase of 0.69%, while the health care sector was the top loser declining by 2.05%. PETGAS (6033) was the top gainer for the day increasing by RM0.32 or 1.9%. The FBM KLCI slightly rose by 0.37% to 1,480.11.

We maintain that Malaysian stocks will be less volatile in the short term until year end.

ECONOMICS

- Malaysia's total trade in November up 15.6% y-o-y to RM238.2b — DOSM

COMPANY

- Main Market-bound Kitacon to raise RM51.7 million from IPO
- Cypark sets private placement price at 38 sen per share to raise RM68m
- Tiong Nam enters JV agreement with JLand to develop high-tech logistics park
- Berjaya Corp buys RM408.8m Yokohama land for development of Four Seasons project
- EP Manufacturing signs deal to distribute Chinese EV Lingbox in Malaysia, Indonesia

EXPRESSO FOR THE DAY

- Technical Watch – Bank Islam (5158)** – Entry Price RM2.73, Target Price RM3.00, Stop Loss RM2.33, Support RM2.59, Resistance RM2.74
- Technical Watch – Allianz (1163)** – Entry Price RM14.20, Target Price RM15.62, Stop Loss RM12.14, Support RM13.49, Resistance RM13.88

Local		(%)
FBMKLCI	1,480.10	0.4
Volume (mil)	2,648.40	(13.3)
Value (RM'mil)	1,818.80	(1.6)
Gainers	367	
Losers	564	
Unchanged	386	

Foreign		(%)
Dow Jones	32,875.7	(1.1)
Nasdaq CI	10,213.3	(1.4)
S&P 500	3,783.2	(1.2)
FTSE 100	7,497.2	0.0
Nikkei 225	26,340.5	(0.4)
Shanghai CI	3,087.4	(0.3)
HSI	19,898.9	0.0
STI	3,267.0	0.0

Most Active	RM	Chg
TOPGLOV	0.895	(0.030)
CYPARK	0.425	(0.015)
GOB	0.260	(0.005)
VINVEST	0.195	0.005
BJCORP	0.290	(0.005)

Top Gainer	RM	Chg
F&N	21.720	0.320
PETGAS	17.120	0.320
ALLIANZ	14.200	0.280
QUALITY	1.320	0.270
BKAWAN	21.900	0.260

Top Loser	RM	Chg
NESTLE	138.100	(0.900)
MPI	28.920	(0.740)
HEXTECH	16.120	(0.580)
TOYOVEN	0.960	(0.230)
GENETEC	2.410	(0.200)

Other Stats		(%)
USD/MYR	4.43	0.02
USD/RMB	6.98	0.31
Brent (USD/barrel)	83.26	(1.27)
Gold (USD/troy oz)	1,804.34	(0.51)
CPO (RM/metric t)	3,886.5	(0.17)

**DAILY NEWSWATCH****ECONOMICS**

Malaysia's total trade in November 2022 rose by 15.6% year-on-year (y-o-y) to RM238.2 billion, said the Department of Statistics Malaysia (DOSM). In its export and import statistics by state for November, the DOSM reported that exports improved by 15.6% or RM17.6 billion to RM130.2 billion y-o-y during the month, while imports increased by 15.6% or RM14.5 billion y-o-y to RM107.9 billion. (The Edge)

COMPANY

Kumpulan Kitacon Bhd has set its initial public offering (IPO) price at 68 sen per share, raising RM51.74 million to fund the purchase of construction equipment and construction of a storage and refurbishment facility. (The Edge)

Cypark Resources Bhd has fixed the issue price of its private placement exercise at 38 sen per share to raise about RM68 million, which is lower than what it had planned earlier. In a filing with Bursa Malaysia on Wednesday (Dec 28), the company said the issue price represents a discount of almost 8% to the volume-weighted average price of the units for the five market days up to and including Dec 27 of 41.27 sen apiece. (The Edge)

Tiong Nam Logistics Holdings has entered into a joint venture (JV) agreement with Johor Corp to develop a high-tech logistics industrial park on a 300-acre land at Sedenak Technology Valley, Johor. (The Edge)

A unit of **Berjaya Corp Bhd** (BCorp) is acquiring six parcels of freehold land collectively measuring about 20,977.15 square metres in Yokohama, Japan, for ¥12.66 billion (RM408.82 million) cash. BCorp said its wholly owned subsidiary Berjaya Yokohama Hospitality Asset TMK is contemplating the development of a Four Seasons Yokohama Harbour Edge project on these lands, comprising a luxury hotel and upscale residences, aquarium and retail outlets. (The Edge)

EP Manufacturing Bhd has entered into an exclusive distributor agreement with Hubei Dongfeng Power Auto Trade Co Ltd and Xiamen Tsingyan Hylong Motor Technology Co Ltd to assemble and sell Lingbox electric vehicles (EVs) in Malaysia and Indonesia. (The Edge)



Bank Islam Malaysia Berhad

Technical Watch - “BUY on Potential Breakout”

Bloomberg: BIMB MK | KLSE Stock Code: 5258

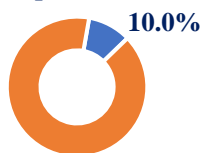
Main Market
Financial Services
Subsector – Banking
Current Price: RM2.73
Target Price: RM3.00

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 marubozu with a strong momentum on the stock (RSI >65).

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: 6
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	11.4	10.9	10.9
P/B	1.1	1.2	1.2
P/CF	2.2	2.3	4.9
P/S	2.0	2.0	2.1

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

Company Overview

Bank Islam Malaysia Berhad operates as an Islamic bank. The Company offers deposit accounts, financing products, electronic banking, wealth management, financial trading, and treasury services. Bank Islam Malaysia serves customers in Malaysia.



Ronnie Tan

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Entry Price	RM2.73
Market Cap (m)	RM5,883.9
52w high	RM3.27
52w low	RM2.40
Stop Loss	RM2.33
Immediate Support	RM2.59
Immediate Resistance	RM2.74 (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)	2,627,991.1



Allianz Malaysia Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: ALLZ MK | KLSE Stock Code: 1163

Main Market
Financial Services
Subsector – Insurance

Current Price: RM14.20

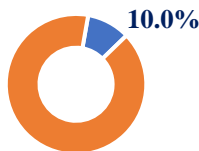
Target Price: RM15.62

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential upside supported by a 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 to hold and SMA to crossover moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 4

Holds: 1

Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	4.7	4.9	5.2
P/BV	0.7	0.8	0.7
P/CF	4.2	4.6	13.0
P/S	0.4	0.4	0.4

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

Company Overview

Allianz Malaysia Berhad underwrites all classes of general insurance. Through its subsidiaries, the Company underwrites life insurance and investment linked business. Malaysia British Assurance also provides insurance broking and nominee services.



Ronnie Tan

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Entry Price	RM14.20
Market Cap (m)	RM2,527.2
52w high	RM14.20
52w low	RM12.18
Stop Loss	RM12.14
Immediate Support	RM13.49
Immediate Resistance	RM13.88 (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)	51,104.8



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
1/12/2022	Hibiscus	5199	1.110	1.100	0.950	1.220	-0.9	-0.9	-
1/12/2022	Coraza	0240	0.720	0.760	0.620	0.800	0.0	5.6	TP Achieved
2/12/2022	MPI	3867	31.700	28.920	27.100	34.870	-2.5	-8.8	-
2/12/2022	Dufu	7233	1.950	1.780	1.670	2.150	-2.2	-8.7	-
5/12/2022	PowerRoot	7237	2.360	2.030	2.020	2.600	-2.4	-14.0	SL Triggered
5/12/2022	Heineken	3255	25.980	25.640	22.210	28.580	0.1	-1.3	-
6/12/2022	Bonia	9288	2.460	2.220	2.100	2.700	-0.4	-9.8	SL Triggered
6/12/2022	Master-Pack	7029	2.410	2.430	2.060	2.650	-2.0	0.8	-
7/12/2022	LPI	8621	13.020	12.760	11.130	14.320	-0.2	-2.0	-
7/12/2022	AME	5293	1.370	1.280	1.170	1.510	-0.8	-6.6	-
8/12/2022	SDS	0212	0.800	0.725	0.680	0.880	1.4	-9.4	SL Triggered
8/12/2022	Aemulus	0181	0.480	0.465	0.410	0.520	-3.1	-3.1	-
9/12/2022	Ajiya	7609	1.740	1.590	1.490	1.910	-0.6	-8.6	SL Triggered
9/12/2022	Signature	7246	2.950	2.320	2.510	3.220	-2.9	-21.4	SL Triggered
12/12/2022	Vitrox	0097	7.940	7.637	6.790	8.730	0.0	-3.8	-
12/12/2022	AMMB	1015	4.220	4.110	3.610	4.640	-0.7	-2.6	-
13/12/2022	Kotra	0002	6.050	6.350	5.170	6.660	-2.2	5.0	TP Achieved
13/12/2022	PPB	4065	17.820	17.480	15.240	19.600	-0.6	-1.9	-
14/12/2022	F&N	3689	22.120	21.720	18.910	24.330	1.5	-1.8	-
14/12/2022	HarnLen	7501	1.970	1.970	1.680	2.170	0.5	0.0	-
15/12/2022	QLResources	7084	5.650	5.540	4.830	6.220	-0.5	-1.9	-
15/12/2022	PublicBank	1295	4.440	4.300	3.800	4.880	0.0	-3.2	-
16/12/2022	BAT	4162	11.320	11.260	9.680	12.450	-0.4	-0.5	-
16/12/2022	PressMetal	8869	4.930	4.850	4.220	5.420	1.3	-1.6	-
19/12/2022	HapSeng	3034	5.650	6.430	5.370	6.220	1.3	13.8	TP Achieved
19/12/2022	IoiCorp	1961	3.980	4.050	3.400	4.380	0.2	1.8	-
20/12/2022	IHH	5225	5.900	6.130	5.040	6.490	-0.8	3.9	-
20/12/2022	Gamuda	5398	3.700	3.780	3.160	4.070	-0.8	2.2	-
21/12/2022	HLFG	1082	18.780	18.460	16.060	20.660	-0.9	-1.7	-
21/12/2022	SEQB	9822	4.860	4.720	4.160	5.350	-1.7	-2.9	-
22/12/2022	KeinHing	7199	2.050	2.050	1.750	2.260	-3.8	0.0	-
22/12/2022	Maybank	1155	8.780	8.710	7.510	9.660	0.8	-0.8	-
23/12/2022	GenP	2291	6.040	6.400	5.160	6.640	0.0	6.0	-
23/12/2022	Scomnet	0001	1.670	1.570	1.430	1.840	-2.5	-6.0	-
27/12/2022	7-Eleven	2289	1.990	1.850	1.700	2.190	-4.6	-7.0	-
27/12/2022	RHBBank	4579	5.740	5.600	4.910	6.310	-0.9	-2.4	-
28/12/2022	SuperMax	7106	0.910	0.875	0.780	1.000	-3.8	-3.8	-
28/12/2022	GenP	2291	6.400	6.400	5.470	7.040	0.0	0.0	-
29/12/2022	BIMB	5258	2.730	2.626	2.330	3.000	3.8	-3.8	-
29/12/2022	Allianz	1163	14.200	14.200	12.140	15.620	2.0	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	1.840	0.18	9.8
YTL Hospitality REIT	REIT	0.920	0.08	8.5
British American Tobacco Malay	Consumer	11.260	0.91	8.1
Tambun Indah Land Bhd	Property	0.760	0.06	7.6
UOA REIT	REIT	1.150	0.09	7.5
Capitaland Malaysia Trust	REIT	0.540	0.04	7.2
Matrix Concepts Holdings Bhd	Property	1.480	0.10	7.0
Uchi Technologies Bhd	Industrial	3.380	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	1.200	0.08	6.5
YTL Power International Bhd	Utilities	0.720	0.05	6.4
Malayan Banking Bhd	Finance	8.710	0.55	6.3
Sunway REIT	REIT	1.470	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	(5.6)	21.3	14.6	17.4	14.6	12.9	
Finance	5.2	13.0	11.5	12.3	11.7	9.7	
Property	(8.4)	13.8	8.5	11.5	8.5	8.8	
Plantation	6.8	94.6	9.2	43.4	9.2	15.1	
Consumer	0.8	25.6	14.6	22.0	14.6	16.3	
Technology	(34.4)	29.8	19.1	24.3	22.4	22.0	
Construction	(1.1)	22.2	9.6	17.1	9.6	11.9	
Energy	11.3	-	-	-	8.8	10.1	
Health care	(25.5)	52.6	26.0	39.3	26.0	28.1	
Ind Prod	(10.8)	38.6	9.9	23.7	9.9	12.3	
REIT	(2.3)	-	-	-	20.2	15.1	
Telco	(8.6)	25.1	22.6	23.8	22.6	18.3	
Transportations	(1.6)	-	-	-	-	16.1	
Utilities	(0.7)	-	-	-	12.8	12.2	

Source: Bloomberg

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