



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks rose yesterday on the back of selected heavyweight counters in the banking sector. Market breadth ends positively with 482 gainers against 398 losers. The financial services sector was the percentage gainer again leading by an increase of 1.02%, while the energy sector was the top loser declining by -1.19%. PANAMY (3719) was the top gainer for the day increasing by RM0.30 or 1.3%. The FBM KLCI rose by 0.78% to 1,491.63.

We expect Malaysian stocks to rise following strong gains on Wall Street overnight.

ECONOMICS

- Malaysia PPI slows for sixth consecutive month to 3.2% y-o-y in November

COMPANY

- ACE Market-bound **TT Vision (0272)** IPO to raise RM32.3 mil
- Boustead Holdings (2771)** declares first interim dividend in four years
- Pharmaniaga's (7081)** concession with MOH extended by six months
- PTT Synergy (7010)** to buy industrial land in Klang from Sime Darby Property
- Nasdaq-bound **Graphjet Technology** to build RM400m production plant in Kuantan

EXPRESSO FOR THE DAY

- Technical Watch – SMI (4375)** – Entry Price RM0.61, Target Price RM0.67, Stop Loss RM0.52, Support RM0.58, Resistance RM0.59
- Technical Watch – RHBBANK (1163)** – Entry Price RM5.75, Target Price RM6.33, Stop Loss RM4.92, Support RM5.46, Resistance RM5.75

Local		(%)
FBMKLCI	1,491.60	0.8
Volume (mil)	2,429.10	(8.3)
Value (RM'mil)	1,523.80	(16.2)
Gainers	482	
Losers	398	
Unchanged	404	
Foreign		(%)
Dow Jones	33,220.8	1.0
Nasdaq CI	10,478.1	2.6
S&P 500	3,849.3	1.7
FTSE 100	7,512.7	0.2
Nikkei 225	26,093.7	(0.9)
Shanghai CI	3,073.7	(0.4)
HSI	19,741.1	(0.8)
STI	3,249.2	(0.5)
Most Active		RM Chg
TOPGLOV	0.910	0.015
EAH	0.010	0.000
VINVEST	0.195	0.000
EDUSPEC	0.020	0.000
CYPARK	0.420	(0.005)
Top Gainer		RM Chg
PANAMY	23.100	0.300
KLK	21.960	0.260
SUNMOW	0.900	0.260
AJI	12.800	0.160
HLBANK	20.540	0.160
Top Loser		RM Chg
HEIM	25.380	(0.260)
IMASPRO	5.700	(0.180)
F&N	21.580	(0.140)
GREATEC	4.770	(0.120)
APOLLO	3.840	(0.100)
Other Stats		(%)
USD/MYR	4.42	(0.12)
USD/RMB	6.96	(0.25)
Brent (USD/barrel)	83.46	(1.20)
Gold (USD/troy oz)	1,814.78	0.59
CPO (RM/metric t)	4,045.5	4.09

**DAILY NEWSWATCH****ECONOMICS**

Malaysia's Producer Price Index (PPI) slowed to 3.2% year-on-year in November, from 4% in October, said the Department of Statistics Malaysia (DOSM), representing the sixth consecutive decline from May. (The Edge)

COMPANY

TT Vision Holdings Bhd (0272) has set a price of 34 sen per share for its initial public offering (IPO) exercise that will raise RM32.3 million, including an offer for sale by existing shareholders for RM3.57 million. Slated to list on the ACE Market of Bursa Malaysia on Jan 18, the IPO exercise entails a public issue of 84.5 million new shares to raise RM28.73 million and an offer for sale of 10.5 million existing shares to selected investors for RM3.57 million by way of private placement. (The Edge)

Boustead Holdings Bhd (2771) has announced an interim dividend of 1.5 sen for its financial year ending Dec 31, 2022 (FY2022) — its first in four years. The dividend will be paid on March 27, 2023 with a Feb 27 ex-date and a Feb 28 entitlement date, the group said in its Bursa Malaysia filing on Thursday (Dec 29). (The Edge)

Pharmaniaga Bhd's (7081) unit has been granted a six-month extension till end-June 2023 of the concession agreement for the provision of medicines and medical supplies to Ministry of Health facilities, pending the finalisation of a new concession agreement. (The Edge)

PTT Synergy Group Bhd (7010) has proposed to acquire a piece of industrial land in Bandar Bukit Raja, Klang from Sime Darby Property Bhd for RM12.25 million. The freehold land, measuring 4,987 square metres, has a double-storey detached factory erected on it, PTT Synergy said in a Bursa Malaysia filing. (The Edge)

Nasdaq-bound **Graphjet Technology Sdn Bhd**, the world's leading graphite and single-layer graphene producer, has signed a letter of offer to build its RM400 million production facility in Phase 3 of the Malaysia-China Kuantan Industrial Park. (The Edge)



South Malaysia Industries Berhad

Technical Watch - “BUY on Potential Breakout”

Bloomberg: SMI MK | KLSE Stock Code: 4375

Main Market

Property

Subsector – Property

Current Price: RM0.61

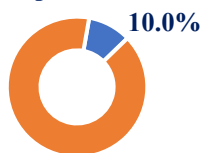
Target Price: RM0.67

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 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: 0

Holds: 0

Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	5.1	13.0	10.2
P/B	0.4	0.3	0.3
P/CF	12.8	23.7	21.4
P/S	1.1	0.8	0.6

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

Company Overview

South Malaysia Industries Berhad operates in property investment and trades assorted wires and property development. The Company, through its subsidiaries, manages properties, operates films exhibitor, distributes films and copyrights, and provides leisure and entertainment services.



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Entry Price	RM0.61
Market Cap (m)	RM128.1
52w high	RM0.62
52w low	RM0.15
Stop Loss	RM0.52
Immediate Support	RM0.58
Immediate Resistance	RM0.59 (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)	1,536,647.6



RHB Bank Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: RHBBANK MK | KLSE Stock Code: 1066

**Main Market
Financial Services
Subsector – Banking**

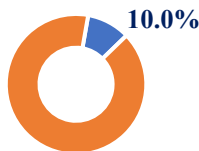
**Current Price: RM5.75
Target Price: RM6.33**

Investment Highlights

On an downtrend, 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 >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



**Buys: 14
Holds: 2
Sells: 0**

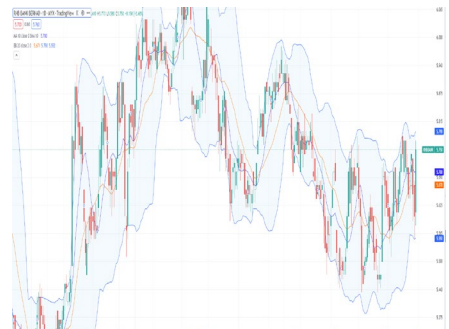
Fundamentals

	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	11.2
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.



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Entry Price	RM5.75
Market Cap (m)	RM24,422.4
52w high	RM6.31
52w low	RM5.32
Stop Loss	RM4.92
Immediate Support	RM5.46
Immediate Resistance	RM5.75 (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
2/12/2022	MPI	3867	31.700	28.920	27.100	34.870	0.0	-8.8	-
2/12/2022	Dufu	7233	1.950	1.810	1.670	2.150	1.7	-7.2	-
5/12/2022	PowerRoot	7237	2.360	2.060	2.020	2.600	1.5	-12.7	SL Triggered
5/12/2022	Heineken	3255	25.980	25.380	22.210	28.580	-1.0	-2.3	-
6/12/2022	Bonia	9288	2.460	2.180	2.100	2.700	-1.8	-11.4	SL Triggered
6/12/2022	Master-Pack	7029	2.410	2.360	2.060	2.650	-2.9	-2.1	-
7/12/2022	LPI	8621	13.020	12.720	11.130	14.320	-0.3	-2.3	-
7/12/2022	AME	5293	1.370	1.260	1.170	1.510	-1.6	-8.0	-
8/12/2022	SDS	0212	0.800	0.750	0.680	0.880	3.4	-6.3	SL Triggered
8/12/2022	Aemulus	0181	0.480	0.485	0.410	0.520	4.3	1.0	-
9/12/2022	Ajiya	7609	1.740	1.600	1.490	1.910	0.6	-8.0	SL Triggered
9/12/2022	Signature	7246	2.950	2.420	2.510	3.220	4.3	-18.0	SL Triggered
12/12/2022	Vitrox	0097	7.940	7.650	6.790	8.730	0.2	-3.7	-
12/12/2022	AMMB	1015	4.220	4.180	3.610	4.640	1.7	-0.9	-
13/12/2022	Kotra	0002	6.050	6.410	5.170	6.660	0.9	6.0	TP Achieved
13/12/2022	PPB	4065	17.820	17.380	15.240	19.600	-0.6	-2.5	-
14/12/2022	F&N	3689	22.120	21.580	18.910	24.330	-0.6	-2.4	-
14/12/2022	HarnLen	7501	1.970	2.000	1.680	2.170	1.5	1.5	-
15/12/2022	QLResources	7084	5.650	5.550	4.830	6.220	0.2	-1.8	-
15/12/2022	PublicBank	1295	4.440	4.350	3.800	4.880	1.2	-2.0	-
16/12/2022	BAT	4162	11.320	11.300	9.680	12.450	0.4	-0.2	-
16/12/2022	PressMetal	8869	4.930	4.870	4.220	5.420	0.4	-1.2	-
19/12/2022	HapSeng	3034	5.650	6.480	5.370	6.220	0.8	14.7	TP Achieved
19/12/2022	IoiCorp	1961	3.980	4.050	3.400	4.380	0.0	1.8	-
20/12/2022	IHH	5225	5.900	6.230	5.040	6.490	1.6	5.6	-
20/12/2022	Gamuda	5398	3.700	3.750	3.160	4.070	-0.8	1.4	-
21/12/2022	HLFG	1082	18.780	18.500	16.060	20.660	0.2	-1.5	-
21/12/2022	SEQB	9822	4.860	4.770	4.160	5.350	1.1	-1.9	-
22/12/2022	KeinHing	7199	2.050	2.050	1.750	2.260	0.0	0.0	-
22/12/2022	Maybank	1155	8.780	8.740	7.510	9.660	0.3	-0.5	-
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	0.0	-6.0	-
27/12/2022	7-Eleven	2289	1.990	1.910	1.700	2.190	3.2	-4.0	-
27/12/2022	RHBBank	4579	5.740	5.750	4.910	6.310	2.7	0.2	-
28/12/2022	SuperMax	7106	0.910	0.885	0.780	1.000	1.1	-2.7	-
28/12/2022	GenP	2291	6.400	6.400	5.470	7.040	0.0	0.0	-
29/12/2022	BIMB	5258	2.730	2.650	2.330	3.000	0.9	-2.9	-
29/12/2022	Allianz	1163	14.200	14.200	12.140	15.620	0.0	0.0	-
30/12/2022	SMI	4375	0.610	0.610	0.520	0.670	17.3	0.0	-
30/12/2022	RHBBank	1066	5.750	5.750	4.920	6.330	2.7	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	(4.8)	21.3	14.7	17.4	14.7	13.0	
Finance	6.2	13.0	11.5	12.3	11.8	9.8	
Property	(8.3)	13.8	8.5	11.5	8.5	8.8	
Plantation	7.6	94.6	9.3	43.4	9.3	15.2	
Consumer	0.9	25.6	14.6	22.0	14.6	16.3	
Technology	(34.2)	29.8	19.1	24.3	22.5	22.0	
Construction	(1.5)	22.2	9.6	17.1	9.6	11.9	
Energy	10.0	-	-	-	8.7	9.9	
Health care	(25.2)	52.6	26.1	39.3	26.1	28.2	
Ind Prod	(10.6)	38.6	10.0	23.7	10.0	12.3	
REIT	(2.3)	-	-	-	20.1	15.0	
Telco	(8.4)	25.1	22.7	23.9	22.7	18.3	
Transportations	(1.3)	-	-	-	-	16.4	
Utilities	0.1	-	-	-	12.9	12.3	

Source: Bloomberg

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