



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks rose last Friday as market sentiments on Malaysia's economic prospect gradually improves. Market breadth was positive with 519 gainers against 382 losers. The transportation & logistics sector was the top gainer leading by an increase of 1.6%, while the construction sector was the top loser declining by -0.7%. MPI (3867) was the top gainer for the day again increasing by RM0.78 or 2.5%. The FBM KLCI rose by 0.43% to 1,495.03.

We expect Malaysian stocks to be bullish in line with the performance of Asian equity markets.

ECONOMICS

- **Global PC shipments** down 16.2% y-o-y in 2022, says Gartner

COMPANY

- **Aurelius (5302)** plans 10% placement to raise RM75 mil, proposes to buy land for RM13.58 mil
- **Adventa's (7191)** unit buys plot in Jawa Tengah, Indonesia for RM13m to set up manufacturing facility
- **Ace Market-bound TT Vision (0107)** makes RM1.8m net profit in 3Q
- **MGB (0272)** inks preliminary deal with Saudi company for RM2.89b IBS collaboration
- **MCE Holdings (7004)** gets contract to supply parts of Perodua's new model, expects RM60.7m revenue

EXPRESSO FOR THE DAY

- **Technical Watch – Press Metal (8869)** – Entry Price RM5.08, Target Price RM5.59, Stop Loss RM4.34, Support RM4.83, Resistance RM4.95
- **Technical Watch – 7-Eleven (5250)** – Entry Price RM1.90, Target Price RM2.09, Stop Loss RM1.62, Support RM1.81, Resistance RM1.99

INVESTMENT HIGHLIGHT

- **Sime Darby Berhad (4197)** – Entry Price RM2.31, Target Price RM2.71, **Recommend - Buy**

Local		(%)
FBMKLCI	1,495.00	0.4
Volume (mil)	3,405.20	(4.8)
Value (RM'mil)	2,018.60	(26.7)
Gainers	519	
Losers	382	
Unchanged	406	

Foreign		(%)
Dow Jones	34,302.6	0.3
Nasdaq CI	11,079.2	0.7
S&P 500	3,999.1	0.4
FTSE 100	7,844.1	0.6
Nikkei 225	26,119.5	(1.2)
Shanghai CI	3,195.3	1.0
HSI	21,738.7	1.0
STI	3,293.8	0.8

Most Active	RM	Chg
SERBADK	0.020	0.010
NATGATE	1.060	0.060
ZENTECH	0.040	0.015
VELESTO	0.175	0.015
VINVEST	0.185	(0.020)

Top Gainer	RM	Chg
MPI	33.740	1.360
PETDAG	22.400	0.280
MSC	1.930	0.160
VITROX	7.990	0.160
TOYOVEN	1.120	0.145

Top Loser	RM	Chg
NESTLE	135.000	(2.300)
RAPID	15.840	(0.360)
PPB	17.520	(0.100)
SAM	4.900	(0.090)
Y&G	0.850	(0.080)

Other Stats		(%)
USD/MYR	4.34	(0.56)
USD/RMB	6.70	(0.42)
Brent (USD/barrel)	85.28	1.49
Gold (USD/troy oz)	1,920.23	1.22
CPO (RM/metric t)	3,849.0	0.76

**DAILY NEWSWATCH****ECONOMICS**

Global PC shipments fell 16.2% year-on-year (y-o-y) in 2022 to 286.2 million units, and dropped 28.5% from the fourth quarter of 2021 (4Q2021) to 65.3 million units in 4Q2022. (The Edge)

COMPANY

Kulim-based industrial electronic products and semiconductor components manufacturer **Aurelius Technologies Bhd (5302)** has on Friday (Jan 13) proposed a 10% shares placement to raise about RM75 million. The proceeds from the corporate exercise will be mainly used to partly repay bank loans and to purchase additional surface mount technology (SMT) lines. (The Edge)

Adventa Bhd's (7191) unit is buying a 32,400 sq m industrial plot in Indonesia for RM13.06 million (45.04 billion rupiah) to set up a manufacturing facility there. The healthcare supplies and equipment provider said PT Adventa Biotech International will be buying the property, located in Jawa Tengah, Indonesia, from PT Kawasan Industri Kendal. (The Edge)

Education technology products and services provider **Eduspec Holdings Bhd (0107)** has proposed to undertake a rights issue with free warrants to raise as much as RM29.9 million for the repayment of borrowings, as well as to fund its education programs and digital school solutions business. (The Edge)

TT Vision Holdings Bhd (0272), slated to list on the ACE Market of Bursa Malaysia on Jan 18, has reported a net profit of RM1.82 million for 3QFY2022. The Penang-based automated machine vision solutions company made a revenue of RM10.85 million during the quarter, its Bursa Malaysia filing showed. Earnings per share came in at 0.47 sen. (The Edge)

Construction engineering company **MGB Bhd (7595)** on Friday (Jan 13) inked a memorandum of understanding (MOU) with real estate development company SANY Alameriah For Construction Co Ltd to collaborate on projects in Saudi Arabia. (The Edge)

MCE Holdings Bhd's (7004) unit has secured a contract to supply various electronic and mechatronics parts of a new car model under Perusahaan Otomobil Kedua Sdn Bhd (Perodua), which is expected to generate a total revenue of about RM60.69 million. (The Edge)



Press Metal Aluminium Holdings Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: PMAH MK | KLSE Stock Code: 8869

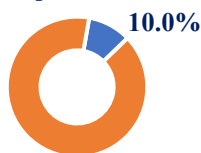
Main Market
Industrial Products & Services
Subsector – Metals
Current Price: RM5.08
Target Price: RM5.59

Investment Highlights

On a sideways, the stock is currently trading above the MA20. We think there is a potential upside supported by a 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 crossover moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 9
Holds: 2
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	53.4	42.6	32.9
P/B	11.0	7.9	5.2
P/CF	99.0	54.4	34.0
P/S	4.3	3.0	1.9

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

Company Overview

Press Metal Aluminium Holdings Berhad operates as a holding company. The Company, through its subsidiaries, provides aluminium ingots, billets, fluorocarbon, and other products. Press Metal Aluminium Holdings serves customers worldwide.



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Entry Price	RM5.08
Market Cap (m)	RM41,857.3
52w high	RM7.40
52w low	RM3.90
Stop Loss	RM4.34
Immediate Support	RM4.83
Immediate Resistance	RM4.95 (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)	14,696,746.7



7-Eleven Malaysia Holdings Bhd

Technical Watch - "BUY on Potential Upside"

Bloomberg: SEM MK | KLSE Stock Code: 5250

Main Market
Consumer Products & Services
Subsector – Retailers

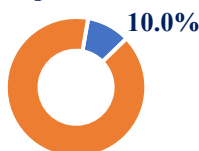
Current Price: RM1.90
Target Price: RM2.09

Investment Highlights

On a sideways, the stock is currently trading above the MA20. We think that there is a potential upside supported by a bullish engulfing coupled with a strong momentum on the stock (RSI >60).

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



Buy: 4
Hold: 1
Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	26.0	29.5	29.7
P/BV	20.3	19.0	55.4
P/CF	4.7	10.8	13.4
P/S	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.



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Entry Price	RM1.90
Market Cap (m)	RM2,109.1
52w high	RM2.45
52w low	RM1.36
Stop Loss	RM1.62
Immediate Support	RM1.81
Immediate Resistance	RM1.99 (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)	31,635.7



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
15/12/2022	BAT	4162	11.320	11.760	9.680	12.450	1.6	3.9	-
15/12/2022	PressMetal	8869	4.930	5.080	4.220	5.420	1.8	3.0	-
16/12/2022	HapSeng	3034	5.650	6.950	5.370	6.220	2.2	23.0	TP Achieved
16/12/2022	IoiCorp	1961	3.980	3.990	3.400	4.380	1.3	0.3	-
19/12/2022	IHH	5225	5.900	5.990	5.040	6.490	0.2	1.5	-
19/12/2022	Gamuda	5398	3.700	3.860	3.160	4.070	-0.8	4.3	-
20/12/2022	HLFG	1082	18.780	18.980	16.060	20.660	0.4	1.1	-
20/12/2022	SEQB	9822	4.860	4.900	4.160	5.350	-1.8	0.8	-
21/12/2022	KeinHing	7199	2.050	2.160	1.750	2.260	-4.8	5.4	TP Achieved
21/12/2022	Maybank	1155	8.780	8.860	7.510	9.660	0.7	0.9	-
22/12/2022	GenP	2291	6.040	6.040	5.160	6.640	-0.2	0.0	-
22/12/2022	Scomnet	0001	1.670	1.610	1.430	1.840	0.6	-3.6	-
23/12/2022	7-Eleven	2289	1.990	1.900	1.700	2.190	5.6	-4.5	SL Triggered
23/12/2022	RHBBank	4579	5.740	5.770	4.910	6.310	0.9	0.5	-
27/12/2022	SuperMax	7106	0.910	0.815	0.780	1.000	0.0	-10.4	SL Triggered
27/12/2022	GenP	2291	6.400	6.040	5.470	7.040	-0.2	-5.6	-
28/12/2022	BIMB	5258	2.730	2.500	2.330	3.000	-0.4	-8.4	-
28/12/2022	Allianz	1163	14.200	14.620	12.140	15.620	0.1	3.0	-
29/12/2022	SMI	4375	0.610	1.030	0.520	0.670	13.2	68.9	TP Achieved
29/12/2022	RHBBank	1066	5.750	5.770	4.920	6.330	0.9	0.3	-
30/12/2022	Bonia	9288	2.270	2.420	1.940	2.500	2.5	6.6	-
30/12/2022	PetDag	5681	23.000	22.400	19.670	25.300	1.3	-2.6	-
3/1/2023	Atech	5302	1.990	2.150	1.700	2.190	-1.4	8.0	-
3/1/2023	Pentamaster	7160	4.570	4.900	3.910	5.030	0.8	7.2	-
4/1/2023	AbleGlobal	7167	1.450	1.480	1.240	1.600	-1.3	2.1	-
4/1/2023	Tomei	7230	1.120	1.150	0.960	1.230	0.9	2.7	-
5/1/2023	CFM	8044	2.900	2.920	2.480	3.190	0.0	0.7	-
5/1/2023	HapSeng	3034	6.590	6.950	5.630	7.250	2.2	5.5	-
6/1/2023	UMW	4588	3.630	3.760	3.100	3.990	3.3	3.6	-
6/1/2023	Digi	6947	3.960	4.150	3.390	4.360	1.0	4.8	-
9/1/2023	AeonCredit	5139	12.780	12.920	10.930	14.060	0.0	1.1	-
9/1/2023	Dialog	7277	2.580	2.600	2.210	2.840	0.4	0.8	-
10/1/2023	KYM	8362	0.600	0.620	0.510	0.660	9.7	3.3	-
10/1/2023	AncomNylex	4758	1.140	1.190	0.970	1.250	3.5	4.4	-
11/1/2023	Padini	7052	3.550	3.530	3.040	3.910	-0.8	-0.6	-
11/1/2023	MBM	5983	3.450	3.450	2.950	3.800	0.3	0.0	-
12/1/2023	Unisem	5005	2.920	2.950	2.500	3.210	1.0	1.0	-
12/1/2023	Frontken	0128	3.310	3.240	2.830	3.640	-2.1	-2.1	-
13/1/2023	PressMetal	8869	5.080	5.080	4.340	5.590	1.8	0.0	-
13/1/2023	7-Eleven	5250	1.900	1.900	1.620	2.090	5.6	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	1.800	0.18	10.0
RCE Capital Bhd	Finance	1.860	0.18	9.7
YTL Hospitality REIT	REIT	0.935	0.08	8.3
British American Tobacco Malay	Consumer	11.760	0.91	7.7
UOA REIT	REIT	1.160	0.09	7.4
Tambun Indah Land Bhd	Property	0.795	0.06	7.3
Capitaland Malaysia Trust	REIT	0.535	0.04	7.3
Uchi Technologies Bhd	Industrial	3.210	0.23	7.2
Matrix Concepts Holdings Bhd	Property	1.500	0.10	6.9
Al-'Aqar Healthcare REIT	REIT	1.250	0.08	6.6
YTL Power International Bhd	Utilities	0.725	0.05	6.3
Pavilion REIT	REIT	1.230	0.08	6.3
AmFirst REIT	REIT	0.360	0.02	6.3
Malayan Banking Bhd	Finance	8.860	0.55	6.2
Hong Leong Industries Bhd	Industrial	9.080	0.55	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	(0.0)	21.3	14.8	17.5	14.8	12.6	
Finance	0.7	13.0	11.5	12.3	11.9	9.5	
Property	2.7	13.8	8.7	11.5	8.7	8.6	
Plantation	(2.3)	94.6	9.1	43.4	9.1	16.0	
Consumer	1.5	25.6	14.8	22.0	14.8	15.2	
Technology	5.5	29.8	7.3	21.3	7.3	21.3	
Construction	1.8	22.2	9.8	17.1	9.8	11.5	
Energy	6.0	-	-	-	9.4	11.2	
Health care	(3.7)	52.6	25.1	38.8	25.1	24.4	
Ind Prod	1.9	38.6	10.2	23.7	10.2	12.2	
REIT	2.9	-	-	-	20.5	15.0	
Telco	(1.0)	25.1	22.9	24.0	22.9	17.2	
Transportations	7.2	-	-	-	-	16.0	
Utilities	0.0	-	-	-	13.0	12.1	

Source: Bloomberg



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