

Daily Newswatch

Market Review

The FBMKLCI ended Tuesday on a positive note, even as other markets in the region displayed varying performance. The market saw improved risk sentiment driven by increased interest in bargain hunting activities. Market breadth was positive with 410 gainers and 398 losers. The utilities sector was the top gainer increasing by +1.18%, while the transportation & logistics sector was the top loser declining by -0.29%. RAPID (7765) was the top gainer surging by RM0.52 or +2.0%. The FBMKLCI rose by +0.2% to 1,442.14.

Economics

- **Hong Kong's** Q3 economic growth accelerates.
- **China's manufacturing activity** contracts in October.

Companies

- **DNeX (4456)** secures RM3.09 mil onboarding and data migration project from SC.
- **PTT Synergy (7010)** clinches RM53 mil construction from Sime Darby property.
- **Tri-Mode (0199)** to acquire RM42 mil leasehold land for Port Klang expansion.
- **Selangor Dredging (2224)** to acquire land in Selangor for RM87.9 mil for future development.

Expresso for the Day

- **Technical Watch – JETSONS (9083)** Entry Price: RM0.27, Target Price: RM0.29, Stop Loss: RM0.23, Support: RM0.25, Resistance: RM0.33
- **Technical Watch – PJBUMI (7163)** Entry Price: RM0.96, Target Price: RM1.05, Stop Loss: RM0.82, Support: RM0.91, Resistance: RM1.05

Local	Close	(%)
FBMKLCI	1,442.1	0.20
Volume (mil)	2,988.1	6.41
Value (RM'mil)	1,848.0	21.88
Gainers	410	
Losers	398	
Unchanged	486	

Foreign	Close	(%)
Dow Jones	33,052.87	0.4
Nasdaq CI	12,851.24	0.5
S&P 500	4,193.80	0.6
FTSE 100	7,321.72	(0.1)
Nikkei 225	30,858.9	0.5
Shanghai CI	3,018.8	(0.1)
HSI	17,112.5	(1.7)
STI	3,067.7	0.1

Most Active	RM	Chg (RM)
CLASSITA	0.065	0.000
KANGER	0.125	(0.010)
IMPIANA	0.155	0.015
WIDAD	0.450	0.000
SALUTE	1.020	0.175

Top Gainer	RM	Chg (RM)
RAPID	26.800	0.520
HLBANK	19.400	0.240
BURSA	6.790	0.190
PETGAS	17.200	0.180
SALUTE	1.020	0.175

Top Loser	RM	Chg (RM)
MPI	25.740	(0.860)
NESTLE	123.800	(0.700)
PANAMY	17.900	(0.200)
HAPSENG	4.910	(0.180)
HEIM	23.840	(0.120)

Other Stats	RM	(%)
USD/MYR	4.7620	0.04
USD/RMB	7.32	0.06
Brent (USD/barrel)	87.42	(0.03)
Gold (USD/troy oz)	1,993.70	(0.59)
CPO (RM/metric t)	3,630.00	(0.19)

Daily Newswatch

Economics

CHINA: Hong Kong's economy grew 4.1% year-on-year in the third quarter, missing the forecast but surpassing the previous two quarters' figures. The government expects inbound tourism and private consumption to drive continued growth for the rest of the year. Exports of goods and investment remain challenged by the geopolitical environment and high interest rates. The government has increased its GDP forecast for 2023 to between 4.0% and 5.0%. However, Hong Kong's deficit for this fiscal year is expected to exceed HK\$100 billion (\$12.8 billion) due to a slow post-pandemic recovery, higher government spending, and decreased revenue from land sales and stamp duty. (Reuters)

CHINA: China's official purchasing managers' index (PMI) for manufacturing unexpectedly fell to 49.5 in October, below the 50-point threshold indicating contraction. This data is in contrast to recent signs of economic recovery. Despite several measures implemented by policymakers to stimulate growth, further support may be necessary to achieve China's annual growth target of about 5%. While China's economy grew faster than expected in the third quarter, challenges remain, including a property crisis and a global economic slowdown. (Reuters)

Companies

Innovation Associates Consulting (IAC), a sub-subsidiary of **Dagang NeXchange Bhd (4456)**, has secured a project valued at RM3.09 million from the Securities Commission Malaysia (SC). The project involves the implementation of the Aras 2.0 onboarding and data migration platform, which is intended to enhance the registration, licensing, and authorization processes. This initiative is part of the SC's Technology and Analytics Masterplan, aimed at managing technology risks in the digitalized capital market. The project is slated to run for 27 months, starting from October 24, 2023, with an option for renewal. (The Edge)

PTT Synergy Bhd (7010) has secured a RM53.29 million contract for construction and completion of works related to Phase A (Package 1) of Elmina Business Park 2 in Rawang. The project, awarded by Sime Darby Property Bhd, is scheduled to commence on November 13, 2023, and be completed by May 12, 2025. (The Edge)

Tri-Mode System (M) Bhd (0199) plans to acquire three parcels of leasehold land in Pulau Indah, Klang, for RM42 million to support its future operational needs in the Port Klang region, allowing the group to expand its warehouse and logistics capacity to meet customer demands. The land will be purchased from Central Spectrum (M) Sdn Bhd, with the acquisitions set for completion in the first quarter of next year, funded by internal resources and/or bank borrowings. (The Edge)

Selangor Dredging's (2224) subsidiary is acquiring 29.19 acres of land in Dengkil, Selangor, for RM87.9 million. The land, located in the Taman Putra Perdana township, has a gross development value estimated at approximately RM609 million and will be developed into around 550 terraced houses. (The Edge)

Kumpulan Jetson Berhad

Bloomberg: KJB MK | KLSE Stock Code: 9083

Technical Watch

“BUY on Potential Upside”

Company Overview

Kumpulan Jetson Berhad operates as design and build turnkey contractor for civil construction works, general building projects, interior, renovation and restoration projects, and exposition and exhibition works. The Company, through its subsidiaries, manufactures silicone rubber products, customized polymer products, adhesives and sealants, moulds and tools, and manages hostel.

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 > 75).

Expanding Bollinger Bands suggest 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.

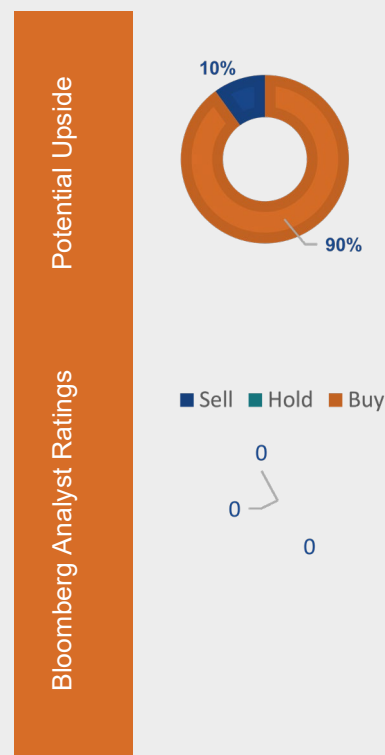
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	N/A	N/A	385.5
P/B	0.9	0.7	0.6
P/CF	14.5	10.1	11.6
P/S	0.3	0.3	0.3

Entry Price	RM0.27
Market Cap (m)	RM71.0
52w high	RM0.44
52w low	RM0.19
Stop Loss	RM0.23
Immediate Support	RM0.25
Immediate Resistance	RM0.33 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	7,466,405.0

Main Market

Industrial Products & Services
Subsector – Auto Parts
Current Price: RM0.27
Target Price: RM0.29



PJBUMI International Bhd

Bloomberg: PJSB MK | KLSE Stock Code: 7163

Technical Watch

“BUY on Potential Upside”

Company Overview

PJBUMI Berhad provides engineering and construction services. The Company offers designing and manufacturing of tanks and treatment plant by using fiberglass technology. PJBUMI serves energy, water, sewage, and municipal solid waste disposal industries.

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 rising momentum on the stock (RSI > 55).

Contracting Bollinger Bands suggest 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.

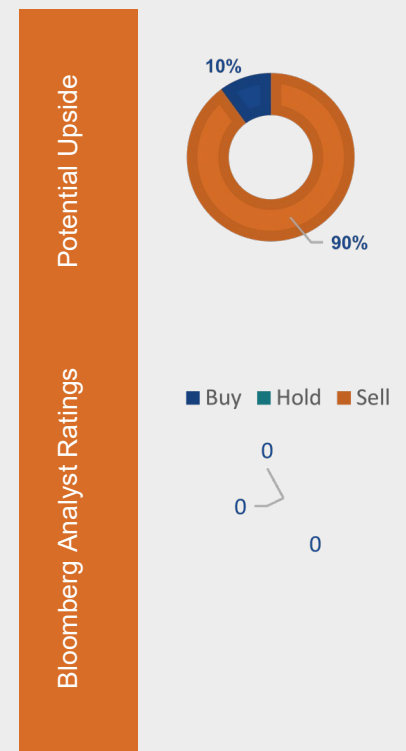
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	264.8	182.6	155.4
P/B	2.1	1.6	1.3
P/CF	131.4	156.7	155.7
P/S	5.9	4.2	3.2

Entry Price	RM0.96
Market Cap (m)	RM78.3
52w high	RM1.62
52w low	RM0.51
Stop Loss	RM0.82
Immediate Support	RM0.91
Immediate Resistance	RM1.05 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising momentum
Volume (4-Weeks Average)	1,292,404.8

Main Market

Industrial Products & Services
 Subsector – Industrial Services
 Current Price: RM0.96
 Target Price: RM1.05





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
5/10/2023	Stella	5006	0.925	1.010	0.791	1.018	0.000	9.2	TP Achieved
5/10/2023	Nextgreen	7241	0.885	0.930	0.757	0.974	0.000	5.1	-
6/10/2023	SMISCorp	7132	0.815	N/A	0.697	0.897	N/A	N/A	-
6/10/2023	Techbond	5289	0.445	0.430	0.380	0.490	0.000	-3.4	-
9/10/2023	UNISEM	5005	3.25	2.960	2.779	3.575	1.718	-8.9	SL Triggered
9/10/2023	VERSATL	4995	0.61	0.590	0.522	0.671	0.000	-3.3	-
10/10/2023	Jaya Tiasa	4383	0.905	0.860	0.774	0.996	0.585	-5.0	-
10/10/2023	Unique	0257	0.24	0.230	0.205	0.264	-2.128	-4.2	-
11/10/2023	Kelington	0151	1.51	1.490	1.291	1.661	-0.667	-1.3	-
11/10/2023	Supercomnet	0001	1.37	1.330	1.171	1.507	0.000	-2.9	-
12/10/2023	Senheng	5305	0.39	0.335	0.333	0.429	1.515	-14.1	SL Triggered
12/10/2023	Duopharma	7148	1.26	1.190	1.077	1.386	-0.833	-5.6	-
13/10/2023	MRC	1651	0.49	0.430	0.419	0.539	0.000	-12.2	SL Triggered
13/10/2023	PAOS	5022	0.31	0.290	0.265	0.341	0.000	-6.5	-
16/10/2023	MCEMENT	3794	3.71	3.640	3.172	4.081	0.275	-1.9	-
16/10/2023	SURIA	6521	1.56	1.580	1.334	1.716	0.000	1.3	-
17/10/2023	PMETAL	8869	4.92	4.920	4.207	5.412	0.820	0.0	-
17/10/2023	YSPSAH	7178	2.47	2.540	2.112	2.717	0.395	2.8	-
18/10/2023	QLResources	7084	5.55	5.530	4.745	6.105	-1.250	-0.4	-
18/10/2023	Tasco	5140	0.825	0.815	0.705	0.908	0.000	-1.2	-
19/10/2023	EATECH	5259	0.330	0.330	0.280	0.360	1.538	0.0	-
19/10/2023	FPI	9172	2.910	2.860	2.760	3.200	-0.348	-1.7	-
20/10/2023	LiiHen	7089	0.930	0.965	0.800	1.020	2.116	3.8	-
20/10/2023	MalayCement	3794	3.650	3.640	3.120	4.020	0.275	-0.3	-
23/10/2023	CitaGlobal	7245	1.530	1.590	1.310	1.680	0.000	3.9	-
23/10/2023	Tomei	7230	1.240	1.220	1.060	1.360	0.826	-1.6	-
24/10/2023	MPI	3867	26.960	25.740	23.050	29.660	-3.233	-4.5	-
24/10/2023	Greatec	0208	4.280	4.620	3.660	4.710	1.094	7.9	-
25/10/2023	PWF	7134	0.730	0.720	0.620	0.800	0.000	-1.4	-
25/10/2023	Solarvest	0215	1.260	1.260	1.080	1.390	2.439	0.0	-
26/10/2023	Greatec	0208	4.500	4.620	3.850	4.950	1.094	2.7	-
26/10/2023	D&O	7204	3.220	3.280	2.750	3.540	1.548	1.9	-
27/10/2023	Tomei	7230	1.230	1.220	1.050	1.350	0.826	-0.8	-
27/10/2023	Genetec	0104	2.510	2.360	2.150	2.760	-4.453	-6.0	-
30/10/2023	Teo Seng	7252	1.340	1.340	1.150	1.470	-1.471	0.0	-
30/10/2023	ChinHin	5273	3.890	3.810	3.330	4.260	-0.781	-2.1	-
31/10/2023	Westports	5246	3.410	3.360	2.920	3.750	-1.466	-1.5	-
31/10/2023	PESTECH	5219	0.360	0.350	0.310	0.396	-2.778	-2.8	-
1/11/2023	Jetson	9083	0.270	0.265	0.230	0.290	26.190	-1.9	-
1/11/2023	PJBumi	7163	0.960	0.955	0.820	1.050	6.111	-0.5	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM BERHAD	TELCO	5.32	0.73	13.70
UOA DEVELOPMENT BERHAD	PROPERTY	1.69	0.20	11.83
HEKTAR REITS	REITs	0.62	0.06	10.08
MBM RESOURCES BHD	CONSUMER	3.90	0.39	10.08
YTL HOSPITALITY REIT	REITs	1.00	0.09	9.40
TALIWORKS CORPORATION BHD	UTILITIES	0.80	0.07	8.43
SPORTS TOTO BERHAD	CONSUMER	1.45	0.12	8.14
UOA REITS	REITs	1.09	0.09	7.89
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
BERMAZ AUTO BERHAD	CONSUMER	2.50	0.19	7.76
SENTRAL REIT	REITs	0.83	0.06	7.76
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.40	0.73	7.71
SCICOM (MSC) BHD	IND. PROD.	1.05	0.08	7.62
CAPITALAND MALAYSIA TRUST	REITs	0.55	0.04	7.52
MAG HOLDINGS BERHAD	CONSUMER	1.07	0.08	7.48

Source: Bloomberg

User guide: Mercury Securities compiles a list of dividend-yielding stocks for conservative long-term passive investors looking for regular income whilst capping downside risk of their investment.

Methodology: The list above includes stocks that have a high dividend yield, estimated to be greater than 4% per annum. These stocks also have a history of paying dividends consistently, having paid dividends for the past 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. 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.

Index	Return (%)		Valuation P/E (x)			
	YTD		5-Years		Current	1 Yr-Fwd
		High	Low	Average		
KLCI	(3.6)	24.1	17.0	18.8	14.5	13.1
Finance	(1.5)	13.0	10.1	12.3	10.1	9.7
Property	32.1	25.1	7.4	11.3	9.8	-
Plantation	(2.5)	95.5	14.1	36.7	14.1	16.9
Consumer	(6.1)	22.5	16.0	21.7	16.0	14.9
Technology	(3.6)	48.6	22.5	26.9	26.3	22.4
Construction	22.1	36.8	16.1	19.2	16.1	11.6
Energy	11.9	10.3	-	-	10.3	9.7
Healthcare	(4.1)	36.1	23.1	29.6	23.1	30.6
Ind. Prod.	(5.2)	24.9	14.6	21.9	14.6	14.2
REIT	0.2	13.8	-	-	13.8	15.2
Telco	(5.0)	28.6	19.8	24.2	28.6	20.8

Source: Bloomberg

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