



Daily Newswatch

Market Review

The FBMKLCI closed marginally higher on the back of bargain hunting activities on undervalued stocks after the selloffs on the previous day. Market breadth was positive with 575 gainers and 300 losers. The utilities sector was the top gainer increasing by +2.97%, while the transportations and logistics sector was the top loser declining by -1.03%. MPI (3867) was the top gainer surging by RM0.56 or +2.2%. The FBMKLCI rose by +0.31% to 1,439.77.

Economics

- Bank Negara Malaysia maintains interest rates at 3%
- Malaysia to implement tax on high-value goods from May 1, 2024 - MoF

Companies

- Atrium REIT (5130) acquires Shah Alam property for RM41 mil cash in related-party deal.
- **Pentamaster's (7160) 3Q** earnings jump 17.1% on significant
- YTL Power (6742) acquires substantial stake in Ranhill.
- PLYTECH (0289) oversubscribed IPO by 6.72 times.

Expresso for the Day

- Technical Watch – Padini (7052) Entry Price: RM3.97, Target Price: RM4.37, Stop Loss: RM3.39, Support: RM3.77, Resistance: RM4.01
- Technical Watch – YTLPower (5209) Entry Price: RM2.29, Target Price: RM2.52, Stop Loss: RM1.96, Support: RM2.18, Resistance: RM2.29

Local	Close	(%)
FBMKLCI	1,439.8	0.31
Volume (mil)	3,385.0	20.95
Value (RM'mil)	1,932.8	7.41
Gainers	575	
Losers	300	
Unchanged	425	

Foreign	Close	(%)
Dow Jones	33,839.1	1.7
Nasdaq CI	13,294.2	1.8
S&P 500	4,317.8	1.9
FTSE 100	7,446.5	1.4
Nikkei 225	31,949.9	(0.3)
Shanghai CI	3,009.4	(0.5)
HSI	17,230.6	0.8
STI	3,082.5	0.0

Most Active	RM	Chg (RM)
SMTRACK	0.050	0.020
RANHILL	0.785	0.050
WIDAD	0.455	0.005
SALUTE	0.690	(0.035)
SCIB	0.570	0.010

Top Gainer	RM	Chg (RM)
MPI	25.980	0.560
NESTLE	122.900	0.400
LPI	12.160	0.160
SBAGAN	3.390	0.150
SAM	4.410	0.120

Top Loser	RM	Chg (RM)
PPB	15.000	(0.200)
LYSAGHT	2.180	(0.100)
TOCEAN	1.750	(0.100)
OCB	0.710	(0.065)
PANAMY	17.640	(0.060)

Other Stats	RM	(%)
USD/MYR	4.75	(0.44)
USD/RMB	7.31	(0.02)
Brent (USD/barrel)	86.92	2.62
Gold (USD/troy oz)	1,985.67	0.16
CPO (RM/metric t)	3,649.00	1.19



Daily Newswatch

Economics

MALAYSIA: Bank Negara Malaysia (BNM) has maintained its overnight policy rate (OPR) at 3% during its Monetary Policy Committee (MPC) meeting. This marks the third consecutive session where the MPC kept the OPR at the same level. Despite some calls for an interest rate hike to stabilize the ringgit, which is near a 25-year low against the US dollar, the central bank opted to maintain the status quo. BNM noted that the advance GDP estimate indicated an improvement in economic activity in the third quarter and expects growth in 2024 to be driven by resilient domestic expenditure and a recovery in electrical and electronic exports. The central bank will continue to monitor developments to assess the outlook for domestic inflation and growth and ensure that the monetary policy stance remains conducive to sustainable economic growth and price stability. (The Edge)

MALAYSIA: Malaysia is set to implement a tax on high-value goods starting from May 1, 2024. The tax will be introduced at a rate of 5% to 10%, although the specific goods and tax rates have yet to be finalized. Prime Minister Datuk Seri Anwar Ibrahim announced this move when presenting the country's spending plan for 2024 in parliament, and the tax on high-value goods was previously mentioned in a previous budget announcement. (The Edge)

Companies

Atrium REIT Managers Sdn Bhd (5130), the asset manager for Atrium Real Estate Investment Trust (Atrium REIT), has acquired buildings and leasehold land in Shah Alam, Selangor, from related party Amazing Blitz Sdn Bhd (ABSB) for RM41 million in cash. The purchase price is slightly discounted compared to the appraised market value of RM41.5 million. The land, covering 24,295.208 square meters, is located near i-City and is surrounded by residential, commercial, and industrial developments. Funding for the acquisition will come from Atrium REIT's internally-generated funds and/or bank borrowings. (The Edge)

Pentamaster Corp Bhd (7160) reported a 17.1% increase in net profit to RM23.5 million for Q3 2023, thanks to improvements in its business segments, particularly the factory automation solutions (FAS) segment. Revenue also rose by 16.2% to RM180.74 million. The FAS segment saw notable growth, with revenue increasing by approximately 63.2% to RM88.3 million. For the nine months ending September 30, 2023, the company's net profit increased by 14.7% to RM68.43 million. The outlook is positive, with the automotive and medical devices industries expected to drive growth. Pentamaster's shares closed at RM4.89, with a market capitalization of RM3.5 billion. (The Edge)

YTL Power International Bhd (6742) has acquired an 18.87% stake in Ranhill Utilities Bhd, making it a substantial shareholder. This move comes shortly after Ranhill signed a memorandum of understanding with China Energy International Group Co Ltd (CEIG) for a water supply project in Indonesia. Analysts view this as a strategic investment for YTL Power, as it aligns with its interest in regulated assets. YTL Power has been expanding its presence in Johor and the renewable energy sector. (The Edge)

The public portion of Plytec Holdings Bhd's (0289) initial public offering (IPO) has been oversubscribed by 6.72 times. The construction engineering solution provider received 3,451 applications for 233.87 million shares, with an oversubscription rate of 4.89 times for the Bumiputera portion and 8.54 times for the remaining portion. The company is set to be listed on the ACE Market on November 15 and is expected to raise RM37.1 million through the IPO exercise, with funds allocated for various purposes including debt repayment and capital expenditure. (The Edge)

Padini Holdings Berhad

Bloomberg: PAD MK | KLSE Stock Code: 7052

Technical Watch

“BUY on Potential Upside”

Company Overview

Padini Holdings Berhad is an investment holding company. The Company, through its subsidiaries, manufactures and retails garments, shoes, ancillary products, and accessories.

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 rising momentum on the stock (RSI > 50).

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 crossover moving forward.

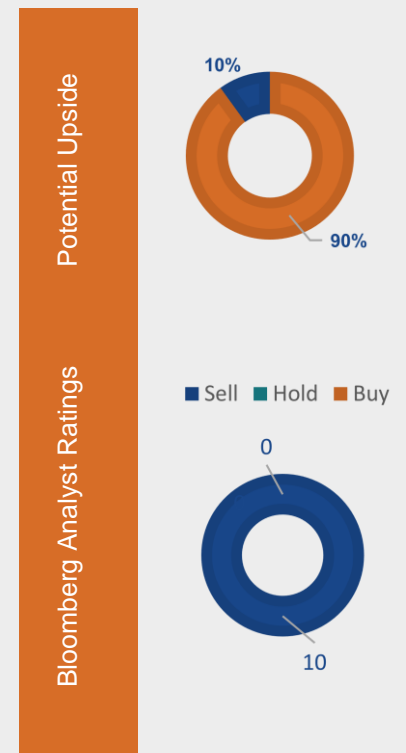
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	22.7	25.1	18.6
P/B	2.4	2.5	2.8
P/CF	11.6	14.6	12.5
P/S	1.6	1.4	1.3

Entry Price	RM3.97
Market Cap (m)	RM2,611.9
52w high	RM4.16
52w low	RM3.15
Stop Loss	RM3.39
Immediate Support	RM3.77
Immediate Resistance	RM4.01 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising momentum
Volume (4-Weeks Average)	308,449.8

Main Market

Consumer Products & Services
 Subsector – Retailers
 Current Price: RM3.97
 Target Price: RM4.37



YTL Power International Bhd

Bloomberg: YTLP MK | KLSE Stock Code: 6742

Technical Watch

“BUY on Potential Upside”

Company Overview

YTL Power International Bhd is an investment holding and management company. The Company, through its subsidiaries, provides power generation, electricity transmission, water supply, and communications services. YTL PowerInternational serves customers worldwide.

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by three white soldiers 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	6.4	17.6	12.6
P/B	0.5	0.4	0.5
P/CF	3.2	3.1	4.2
P/S	0.4	0.4	0.5

Entry Price	RM2.29
Market Cap (m)	RM18,553.9
52w high	RM2.33
52w low	RM0.66
Stop Loss	RM1.96
Immediate Support	RM2.18
Immediate Resistance	RM2.29 (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)	1,133,275.2

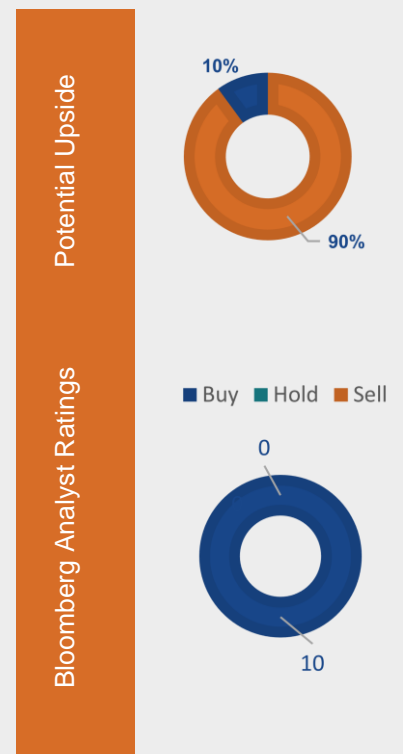
Main Market

Utilities

Subsector – Gas, Water & Multi-Utilities

Current Price: RM2.29

Target Price: RM2.52





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
9/10/2023	UNISEM	5005	3.25	3.000	2.779	3.575	1.695	-7.7	SL Triggered
9/10/2023	VERSATL	4995	0.61	0.585	0.522	0.671	-0.847	-4.1	-
10/10/2023	Jaya Tiasa	4383	0.905	0.870	0.774	0.996	3.571	-3.9	-
10/10/2023	Unique	0257	0.24	0.230	0.205	0.264	0.000	-4.2	-
11/10/2023	Kelington	0151	1.51	1.510	1.291	1.661	0.667	0.0	-
11/10/2023	Supercomnet	0001	1.37	1.310	1.171	1.507	-0.758	-4.4	-
12/10/2023	Senheng	5305	0.39	0.330	0.333	0.429	0.000	-15.4	SL Triggered
12/10/2023	Duopharma	7148	1.26	1.180	1.077	1.386	0.000	-6.3	-
13/10/2023	MRC	1651	0.49	0.440	0.419	0.539	4.762	-10.2	SL Triggered
13/10/2023	PAOS	5022	0.31	N/A	0.265	0.341	N/A	N/A	-
16/10/2023	MCEMENT	3794	3.71	3.710	3.172	4.081	1.090	0.0	-
16/10/2023	SURIA	6521	1.56	1.550	1.334	1.716	-1.274	-0.6	-
17/10/2023	PMETAL	8869	4.92	4.840	4.207	5.412	0.415	-1.6	-
17/10/2023	YSPSAH	7178	2.47	2.550	2.112	2.717	0.394	3.2	-
18/10/2023	QLResources	7084	5.55	5.560	4.745	6.105	0.000	0.2	-
18/10/2023	Tasco	5140	0.825	0.795	0.705	0.908	-0.625	-3.6	-
19/10/2023	EATECH	5259	0.330	0.315	0.280	0.360	0.000	-4.5	-
19/10/2023	FPI	9172	2.910	2.840	2.760	3.200	-1.045	-2.4	-
20/10/2023	LiiHen	7089	0.930	0.980	0.800	1.020	3.704	5.4	-
20/10/2023	MalayCement	3794	3.650	3.710	3.120	4.020	1.090	1.6	-
23/10/2023	CitaGlobal	7245	1.530	1.630	1.310	1.680	0.000	6.5	-
23/10/2023	Tomei	7230	1.240	1.200	1.060	1.360	0.840	-3.2	-
24/10/2023	MPI	3867	26.960	25.980	23.050	29.660	2.203	-3.6	-
24/10/2023	Greatec	0208	4.280	4.610	3.660	4.710	0.436	7.7	-
25/10/2023	PWF	7134	0.730	0.745	0.620	0.800	0.676	2.1	-
25/10/2023	Solarvest	0215	1.260	1.280	1.080	1.390	4.065	1.6	-
26/10/2023	Greatec	0208	4.500	4.610	3.850	4.950	0.436	2.4	-
26/10/2023	D&O	7204	3.220	3.230	2.750	3.540	0.000	0.3	-
27/10/2023	Tomei	7230	1.230	1.200	1.050	1.350	0.840	-2.4	-
27/10/2023	Genetec	0104	2.510	2.360	2.150	2.760	2.609	-6.0	-
30/10/2023	Teo Seng	7252	1.340	1.360	1.150	1.470	1.493	1.5	-
30/10/2023	ChinHin	5273	3.890	3.800	3.330	4.260	-0.262	-2.3	-
31/10/2023	Westports	5246	3.410	3.370	2.920	3.750	-0.590	-1.2	-
31/10/2023	PESTECH	5219	0.360	0.320	0.310	0.396	-5.882	-11.1	SL Triggered
1/11/2023	Jetson	9083	0.270	0.260	0.230	0.290	-1.887	-3.7	-
1/11/2023	PJBumi	7163	0.960	0.950	0.820	1.050	0.000	-1.0	-
2/11/2023	Nationgate	0270	1.190	1.210	1.020	1.310	1.681	1.7	-
2/11/2023	GasMsia	5209	3.380	3.410	2.890	3.720	0.888	0.9	-
3/11/2023	Padini	7052	3.970	3.970	3.390	4.370	1.795	0.0	-
3/11/2023	YTLPower	6742	2.290	2.290	1.960	2.520	5.046	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM BERHAD	TELCO	5.26	0.73	13.86
UOA DEVELOPMENT BERHAD	PROPERTY	1.71	0.20	11.70
HEKTAR REITS	REITs	0.61	0.06	10.25
MBM RESOURCES BHD	CONSUMER	3.88	0.39	10.13
YTL HOSPITALITY REIT	REITs	1.01	0.09	9.31
TALIWORKS CORPORATION BHD	UTILITIES	0.81	0.07	8.27
BERMAZ AUTO BERHAD	CONSUMER	2.41	0.19	8.05
SPORTS TOTO BERHAD	CONSUMER	1.47	0.12	8.03
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.41	0.74	7.90
UOA REITS	REITs	1.09	0.09	7.89
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.87
SENTRAL REIT	REITs	0.83	0.06	7.71
SCICOM (MSC) BHD	IND. PROD.	1.05	0.08	7.62
MAG HOLDINGS BERHAD	CONSUMER	1.06	0.08	7.55
MAGNUM BERHAD	CONSUMER	1.06	0.08	7.55

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	(3.7)	24.1	17.0	18.8	14.5	13.1
Finance	(1.6)	13.0	10.1	12.4	10.1	9.7
Property	31.9	25.1	7.4	11.3	9.9	#N/A N/A
Plantation	(2.5)	95.5	14.1	36.8	14.1	16.9
Consumer	(6.2)	22.5	16.0	21.7	16.0	14.9
Technology	(3.6)	48.6	22.5	26.9	26.4	22.5
Construction	21.9	36.8	16.2	19.2	16.2	11.7
Energy	12.2	10.4	-	-	10.4	9.8
Healthcare	(5.0)	36.1	23.1	29.6	23.1	30.9
Ind. Prod.	(6.1)	24.9	14.5	21.9	14.5	14.1
REIT	0.6	13.8	-	-	13.8	15.3
Telco	(4.4)	28.9	19.8	24.3	28.9	21.0

Source: Bloomberg

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