

Daily Newswatch

Market Review

The FBMKLCI concluded last week with strong gains, in line with Wall Street stocks following the temporary pause in US interest rate hike. Market breadth was positive with 621 gainers and 309 losers. The consumer products and services sector was the top gainer increasing by +0.87%, while the construction sector was the top loser declining by -0.04%. YOYCB (5159) was the top gainer surging by RM0.12 or +7.59%. The FBMKLCI rose by +0.71% to 1,449.93.

Economics

- Turkey's inflation dips slightly to 61.4% in October
- Panama Canal traffic affected by climate change.

Companies

- GFM (0039) acquires full 51% stake in Highbase Strategic for RM18.2mil
- Infomina (0265) secures RM49.4mil contract from Home Affairs Ministry
- EA Technique (5259) secures RM6mil contract from Northport
- Paragon Globe (3611) plans to acquire RM16.54 mil land in Johor Bharu

Expresso for the Day

- Technical Watch – SAMAIDEN (0223) Entry Price: RM1.15, Target Price: RM1.27, Stop Loss: RM0.98, Support: RM1.09, Resistance: RM1.33
- Technical Watch – GENP (2291) Entry Price: RM5.45, Target Price: RM5.99, Stop Loss: RM4.66, Support: RM5.18, Resistance: RM6.13

Local	Close	(%)
FBMKLCI	1,449.9	0.71
Volume (mil)	3,608.8	6.61
Value (RM'mil)	2,024.5	4.74
Gainers	621	
Losers	309	
Unchanged	440	
Foreign	Close	(%)
Dow Jones	34,061.3	0.7
Nasdaq CI	13,478.3	1.4
S&P 500	4,358.3	0.9
FTSE 100	7,417.7	(0.4)
Nikkei 225	31,949.9	(0.3)
Shanghai CI	3,030.8	0.7
HSI	17,664.1	2.5
STI	3,143.7	0.0
Most Active	RM	Chg (RM)
ZENTECH	0.020	0.000
WIDAD	0.450	(0.005)
UEMS	0.815	0.025
TANCO	0.565	(0.010)
VELESTO	0.255	(0.005)
Top Gainer	RM	Chg (RM)
YOYCB	1.700	0.120
UMS	1.980	0.100
TENAGA	9.970	0.070
TAANN	3.390	0.060
UNISEM	3.060	0.060
Top Loser	RM	Chg (RM)
UNIMECH	1.860	(0.060)
TAKAFUL	3.690	(0.050)
YNHPROP	5.040	(0.050)
WPRTS	3.330	(0.040)
TRIMODE	0.310	(0.030)
Other Stats	RM	(%)
USD/MYR	4.73	(0.45)
USD/RMB	7.28	(0.53)
Brent (USD/barrel)	85.10	(2.26)
Gold (USD/troy oz)	1,988.85	0.35
CPO (RM/metric t)	3,651.50	1.26



Daily Newswatch

Economics

TURKEY: Turkish annual consumer price inflation decreased for the first time in three months to 61.36% in October, according to official data released on Friday. The dip was attributed to a lessening impact from the lira's sharp decline in the summer and post-election tax hikes. Month-on-month, inflation rose by 3.43%. Since June, more than a 33% drop in the lira and increases in wages, taxes, and fees have primarily contributed to the upward trend in inflation. September's rate was recorded at 61.53%. The central bank's latest projections suggest that inflation will continue to rise, reaching its peak in May 2024 at approximately 70-75%. (Reuters)

WASHINGTON: A lack of rainfall attributed to climate change is causing water levels in the Panama Canal to decline, resulting in shipping restrictions. Quotas on the number of ships allowed to pass through the canal are causing disruptions in the transportation of energy, consumer goods, and food. The situation is expected to persist for at least another year, driving ships to take alternative routes, such as the Suez Canal or around the bottom of South America. These detours result in longer journeys, increased fuel consumption, and higher freight costs, impacting global trade. The crisis reflects similar water-related trade disruptions seen in Europe during heatwaves in 2022. (Bloomberg)

Companies

GFM Services Bhd (0039) has agreed to purchase the remaining 51% share in Highbase Strategic Sdn Bhd for RM18.2mil, specializing in O&G facilities maintenance for downstream operators. The acquisition signifies a significant milestone for GFM, having recognized Highbase's potential despite initial operational and financial challenges back in December 2019. GFM anticipates a positive impact on its consolidated financial performance upon completion, expecting enhanced earnings and contributing to overall profitability and growth, particularly from FY2024 onwards. (The Star)

Infomina Bhd (0265) has been awarded a contract worth RM49.39mil by the Home Affairs Ministry to manage the maintenance, upgrades, and technical support services for the National Registration Department's (NRD) applications. In a statement, Infomina emphasized its critical role in ensuring the reliability and functionality of the NRD's essential core business systems, particularly the Business Utama ICT. (The Star)

EA Technique (M) Bhd (5259), a provider of oil tanker and port marine services, has secured a contract extension worth RM6.35 million from Northport (Malaysia) Bhd. The contract entails the operation and chartering of two Z-Peller harbour tug boats. The company expects the contract to have a positive impact on its earnings and net tangible assets for the financial year ending December 31, 2024. (The Edge)

Paragon Globe Bhd (3611) plans to acquire a freehold land in Johor Bahru for RM16.54 million. The acquisition will be made through its subsidiary, PGB Iconic Sdn Bhd, and the company aims to accumulate strategic land for investment purposes. Funding for the acquisition will come from internally generated funds and/or bank borrowings. This move aligns with the company's objective to enhance its presence in the property market in Johor and secure its financial future. (The Edge)

Samaiden Group Berhad

Bloomberg: SAMAIKEN MK | KLSE Stock Code: 0223

Technical Watch

“BUY on Potential Upside”

Company Overview

Samaiden Group Berhad. provides engineering, procurement, construction, and commissioning (EPCC) solutions. The Company offers renewable energy and environmental consulting, waste management, and maintenance services. Samaiden Group serves customers in Malaysia.

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).

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.

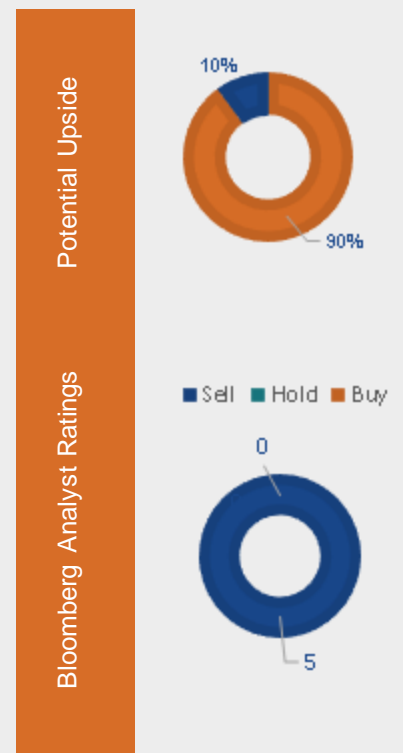
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	30.6	31.6	31.6
P/B	3.7	4.9	4.9
P/CF	305.0	305.0	305.0
P/S	2.2	2.6	2.6

Entry Price	RM1.15
Market Cap (m)	RM471.3
52w high	RM1.35
52w low	RM0.71
Stop Loss	RM0.98
Immediate Support	RM1.09
Immediate Resistance	RM1.33 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Rising momentum
Volume (4-Weeks Average)	723,944.0

Main Market

Industrial Products & Services
Subsector – Industrial Services
Current Price: RM1.15
Target Price: RM1.27



Genting Plantations Berhad

Bloomberg: GENP MK | KLSE Stock Code: 2291

Technical Watch

“BUY on Potential Upside”

Company Overview

Genting Plantations Berhad is an investment holding company which operates plantations. The Company, through its subsidiaries, also develops and invests in properties, processes fresh fruit bunches, trades rubber wood, provides palm oil mill management services, and operates golf course.

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by 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	13.7	31.8	28.0
P/B	1.1	1.4	1.5
P/CF	7.0	21.7	20.4
P/S	1.8	2.6	3.5

Entry Price	RM5.45
Market Cap (m)	RM4,889.5
52w high	RM6.42
52w low	RM5.11
Stop Loss	RM4.66
Immediate Support	RM5.18
Immediate Resistance	RM6.13 (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)	256,056.1

Main Market

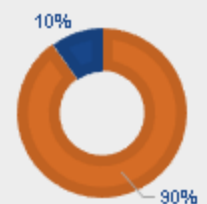
Plantation

Subsector – Plantation

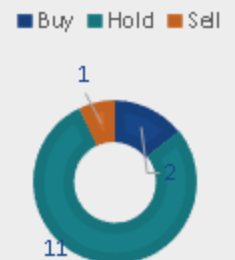
Current Price: RM5.45

Target Price: RM5.99

Potential Upside



Bloomberg Analyst Ratings





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
10/10/2023	Jaya Tiasa	4383	0.905	0.900	0.774	0.996	3.448	-0.6	-
10/10/2023	Unique	0257	0.24	0.240	0.205	0.264	4.348	0.0	-
11/10/2023	Kelington	0151	1.51	1.500	1.291	1.661	-0.662	-0.7	-
11/10/2023	Supercomnet	0001	1.37	1.310	1.171	1.507	0.000	-4.4	-
12/10/2023	Senheng	5305	0.39	0.340	0.333	0.429	3.030	-12.8	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	0.445	0.419	0.539	1.136	-9.2	SL Triggered
13/10/2023	PAOS	5022	0.31	0.290	0.265	0.341	#VALUE!	-6.5	-
16/10/2023	MCEMENT	3794	3.71	3.780	3.172	4.081	1.887	1.9	-
16/10/2023	SURIA	6521	1.56	1.550	1.334	1.716	0.000	-0.6	-
17/10/2023	PMETAL	8869	4.92	4.890	4.207	5.412	1.033	-0.6	-
17/10/2023	YSPSAH	7178	2.47	2.520	2.112	2.717	-1.176	2.0	-
18/10/2023	QLResources	7084	5.55	5.590	4.745	6.105	0.540	0.7	-
18/10/2023	Tasco	5140	0.825	0.800	0.705	0.908	0.629	-3.0	-
19/10/2023	EATECH	5259	0.330	0.315	0.280	0.360	0.000	-4.5	-
19/10/2023	FPI	9172	2.910	2.830	2.760	3.200	-0.352	-2.7	-
20/10/2023	LiHen	7089	0.930	0.960	0.800	1.020	-2.041	3.2	-
20/10/2023	MalayCement	3794	3.650	3.780	3.120	4.020	1.887	3.6	-
23/10/2023	CitaGlobal	7245	1.530	1.610	1.310	1.680	-1.227	5.2	-
23/10/2023	Tomei	7230	1.240	1.180	1.060	1.360	-1.667	-4.8	-
24/10/2023	MPI	3867	26.960	25.980	23.050	29.660	0.000	-3.6	-
24/10/2023	Greatec	0208	4.280	4.670	3.660	4.710	1.302	9.1	-
25/10/2023	PWF	7134	0.730	0.735	0.620	0.800	-1.342	0.7	-
25/10/2023	Solarvest	0215	1.260	1.280	1.080	1.390	0.000	1.6	-
26/10/2023	Greatec	0208	4.500	4.670	3.850	4.950	1.302	3.8	-
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	1.180	1.050	1.350	-1.667	-4.1	-
27/10/2023	Genetec	0104	2.510	2.420	2.150	2.760	2.542	-3.6	-
30/10/2023	Teo Seng	7252	1.340	1.350	1.150	1.470	-0.735	0.7	-
30/10/2023	ChinHin	5273	3.890	3.820	3.330	4.260	0.526	-1.8	-
31/10/2023	Westports	5246	3.410	3.330	2.920	3.750	-1.187	-2.3	-
31/10/2023	PESTECH	5219	0.360	0.330	0.310	0.396	3.125	-8.3	-
1/11/2023	Jetson	9083	0.270	0.290	0.230	0.290	11.538	7.4	-
1/11/2023	PJBumi	7163	0.960	0.940	0.820	1.050	-1.053	-2.1	-
2/11/2023	Nationgate	0270	1.190	1.210	1.020	1.310	0.000	1.7	-
2/11/2023	GasMsia	5209	3.380	3.380	2.890	3.720	-0.880	0.0	-
3/11/2023	Padini	7052	3.970	3.930	3.390	4.370	-1.008	-1.0	-
3/11/2023	YTLPOWER	6742	2.290	2.280	1.960	2.520	-0.437	-0.4	-
6/11/2023	Samaiden	0223	1.150	1.150	0.980	1.270	6.481	0.0	-
6/11/2023	GENP	2291	5.450	5.450	4.660	5.990	1.113	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM BERHAD	TELCO	5.28	0.73	13.81
UOA DEVELOPMENT BERHAD	PROPERTY	1.72	0.20	11.63
HEKTAR REITS	REITs	0.61	0.06	10.16
MBM RESOURCES BHD	CONSUMER	3.91	0.39	10.05
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
TALIWORKS CORPORATION BHD	UTILITIES	0.82	0.07	8.17
SPORTS TOTO BERHAD	CONSUMER	1.46	0.12	8.08
BERMAZ AUTO BERHAD	CONSUMER	2.42	0.19	8.02
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.87
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.49	0.74	7.83
UOA REITS	REITs	1.10	0.09	7.82
SENTRAL REIT	REITs	0.83	0.06	7.76
CAPITALAND MALAYSIA TRUST	REITs	0.55	0.04	7.45
SCICOM (MSC) BHD	IND. PROD.	1.08	0.08	7.41
MAG HOLDINGS BERHAD	CONSUMER	1.08	0.08	7.41

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	(3.0)	24.1	17.0	18.8	14.6	13.2
Finance	(1.2)	13.0	10.2	12.4	10.2	9.7
Property	33.0	25.1	7.4	11.3	10.0	#N/A N/A
Plantation	(1.9)	95.5	14.2	36.8	14.2	17.0
Consumer	(5.3)	22.5	16.1	21.7	16.1	15.1
Technology	(2.9)	48.6	22.5	26.9	26.6	22.7
Construction	21.8	36.8	16.2	19.2	16.2	11.7
Energy	12.8	10.4	-	-	10.4	9.9
Healthcare	(4.4)	36.1	23.2	29.6	23.2	31.0
Ind. Prod.	(5.5)	24.9	14.6	21.9	14.6	14.0
REIT	1.0	13.9	-	-	13.9	15.4
Telco	(3.8)	29.1	19.8	24.5	29.1	21.1

Source: Bloomberg

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