



Daily Newswatch

Market Review

The FBMKLCI wrapped up the first trading day of the week with a 1.02% increase in the benchmark index, reaching an eight-month high, attributed to widespread buying momentum driven by the improving regional market sentiment. Market breadth was positive with 665 gainers and 284 losers. The technology sector was the top gainer increasing by +1.89%, while the construction sector was the top loser declining by -0.04%. MPI (3867) was the top gainer surging by RM1.12 or +4.30%. The FBMKLCI rose by +1.02% to 1,464.67.

Economics

- Services producer price index up 1.4% in 3Q – DOSM
- Oil prices rise as Saudi Arabia and Russia extend output cuts

Companies

- Edaran (5036) secures RM89.88 mil contract for customs system maintenance.
- Econpile (5253) signs MoU for elevated highway project with SKL
- Kerjaya Prospek (7161) bags RM104.73mil Penang residential construction job
- Sedania (0178) to acquire majority stake in Tanamera

Expresso for the Day

- Technical Watch – P.I.E. (7095) Entry Price: RM3.17, Target Price: RM3.49, Stop Loss: RM2.71, Support: RM3.01, Resistance: RM3.17
- Technical Watch – KERJAYA (7161) Entry Price: RM1.48, Target Price: RM1.63, Stop Loss: RM1.27, Support: RM1.41, Resistance: RM1.48

Local	Close	(%)
FBMKLCI	1,464.7	1.02
Volume (mil)	3,762.8	4.27
Value (RM'mil)	2,343.3	15.75
Gainers	665	
Losers	284	
Unchanged	441	

Foreign	Close	(%)
Dow Jones	34,095.9	0.1
Nasdaq CI	13,518.8	0.3
S&P 500	4,366.0	0.2
FTSE 100	7,417.8	0.0
Nikkei 225	32,708.5	(0.3)
Shanghai CI	3,058.4	0.9
HSI	17,966.6	1.7
STI	3,180.5	0.0

Most Active	RM	Chg (RM)
FITTESS	0.045	0.005
SMTRACK	0.045	0.000
WIDAD	0.450	0.000
DNEX	0.440	0.015
PDZ	0.055	0.015

Top Gainer	RM	Chg (RM)
MPI	27.100	1.120
RAPID	26.980	0.620
AEONCR	11.720	0.280
ALLIANZ	16.420	0.220
QL	5.800	0.210

Top Loser	RM	Chg (RM)
NESTLE	123.100	(0.500)
HEXTECH	23.120	(0.480)
F&N	26.000	(0.120)
PETDAG	22.700	(0.120)
BKAWAN	20.600	(0.100)

Other Stats	RM	(%)
USD/MYR	4.64	(1.95)
USD/RMB	7.27	(0.07)
Brent (USD/barrel)	85.18	0.34
Gold (USD/troy oz)	1,977.52	(0.73)
CPO (RM/metric t)	3,662.50	0.30



Daily Newswatch

Economics

MALAYSIA: In the third quarter of 2023, Malaysia's Services Producer Price Index (SPPI) increased by 1.4% to reach 115.4 points, according to the Department of Statistics Malaysia (DOSM). This rise in the SPPI reflects price changes in various service sectors, with all subsectors experiencing growth except for information and communication, while on a quarter-on-quarter basis, the SPPI increased by 0.4%. (Bernama)

COMMODITY: Oil prices rose on Monday following Saudi Arabia and Russia's reaffirmed commitment to maintaining voluntary oil output cuts until year-end, thereby limiting the oil supply. Brent crude futures increased by 35 cents to \$84.89 per barrel, while U.S. West Texas Intermediate crude climbed 41 cents to \$80.92 per barrel. Geopolitical factors and Chinese economic data will be closely monitored this week, as well as the potential impact of the U.S. House of Representatives' bill imposing stricter sanctions on Iranian oil exports, which may still allow for waivers and continued Chinese imports of Iranian oil, while the number of U.S. oil rigs dropped to its lowest point since January 2022. (Reuters)

Companies

Edaran Bhd (5036), through its subsidiary Edaran IT Services Sdn Bhd, has been granted a 48-month contract worth RM89.88 million by the Finance Ministry to maintain the Royal Malaysian Customs Department's customs operating system and Malaysia Sales and Services Tax application from 2023 to 2027. The contract, which commenced on September 1, 2023, will have a positive impact on Edaran Group's earnings from the fiscal year ending June 30, 2024, until June 30, 2027. (The Star)

Econpile Holdings Bhd (5253) has entered into a memorandum of understanding (MoU) with Sungai Klang Link Sdn Bhd (SKL) to potentially collaborate on the construction of an elevated highway project proposed by SKL to the government. Under the proposed partnership, Econpile's subsidiary, Econpile (M) Sdn Bhd, would leverage its expertise and resources for activities such as piling, pile-cap, and foundation work, in connection with SKL's initiative to secure approval to build, own, and operate a 53km elevated highway alongside the Klang River in the Klang Valley, featuring multiple interchanges with existing highway networks. (The Star)

Kerjaya Prospek Group Bhd (7161) has been awarded a contract worth RM104.73 million by Persada Mentari Sdn Bhd for the construction of a residential development in Penang. This contract, undertaken by Kerjaya Prospek (M) Sdn Bhd, involves building 69 three-storey semi-detached and three-storey terraced houses at Seksyen 2, Pulau Andaman, commencing on December 1, 2023, and expected to be completed within 26 months. With this addition, Kerjaya Prospek's year-to-date contract wins have exceeded RM1.6 billion, increasing its total outstanding order book to RM4.8 billion. (The Star)

Sedania Innovator Bhd (0178) has put forth a proposition to purchase a 51% stake in Tanamera Group Sdn Bhd, a personal care and food supplements brand, for RM8.18 million in cash. This move is part of Sedania's strategy to expand its presence in the sustainable healthcare sector, alongside its 51%-owned subsidiary Offspring Inc, a premium organic baby brand, and the acquisition is anticipated to be finalized by the first quarter of the financial year 2024. (The Star)

P.I.E. Industrial Berhad

Bloomberg: PIE MK | KLSE Stock Code: 7095

Technical Watch

“BUY on Potential Upside”

Company Overview

P.I.E. Industrial Berhad is an investment holding company which provides management services. Through its subsidiaries, the Company has operation in contract manufacturing services, manufactures raw wires and cables, and trades personal computer peripheral products.

Investment Highlights

On an uptrend, 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 > 60).

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.

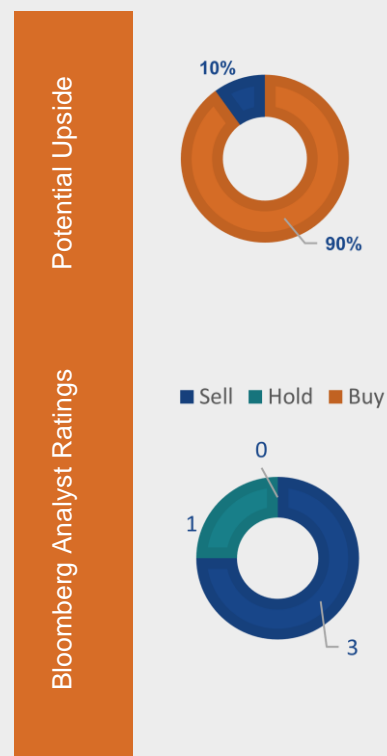
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	17.4	17.0	14.6
P/B	2.1	1.8	1.6
P/CF	27.2	14.2	23.3
P/S	1.0	1.0	0.9

Entry Price	RM3.17
Market Cap (m)	RM1,217.4
52w high	RM3.74
52w low	RM2.34
Stop Loss	RM2.71
Immediate Support	RM3.01
Immediate Resistance	RM3.17 (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)	137,657.1

Main Market

Industrial Products & Services
 Subsector – Industrial Materials,
 Components & Equipment
 Current Price: RM3.17
 Target Price: RM3.49



Kerjaya Prospek Group Berhad

Bloomberg: KPG MK | KLSE Stock Code: 7161

Technical Watch

“BUY on Potential Upside”

Company Overview

Kerjaya Prospek Group Bhd manufactures aluminum lighting louvers and advertising point of sale and related products. The Company also manufactures high-pressure die casted alloy products, aluminum lighting louvers and disposable safety medical devices. Kerjaya Prospek Group also manufactures, assembles, supplies and sells light fittings and related products.

Investment Highlights

On an uptrend, 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).

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	12.7	11.6	9.9
P/B	1.2	1.2	1.3
P/CF	30.1	27.0	106.9
P/S	1.3	1.3	1.3

Entry Price	RM1.48
Market Cap (m)	RM1,866.4
52w high	RM1.48
52w low	RM1.05
Stop Loss	RM1.27
Immediate Support	RM1.41
Immediate Resistance	RM1.48 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	262,540.4

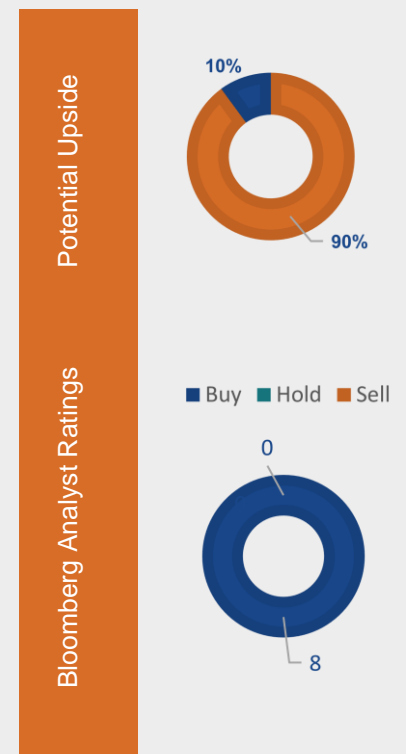
Main Market

Construction

Subsector – Construction

Current Price: RM1.48

Target Price: RM1.63





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
11/10/2023	Kelington	0151	1.51	1.520	1.291	1.661	1.333	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	0.355	0.333	0.429	4.412	-9.0	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	0.455	0.419	0.539	2.247	-7.1	SL Triggered
13/10/2023	PAOS	5022	0.31	0.295	0.265	0.341	1.724	-4.8	-
16/10/2023	MCEMENT	3794	3.71	3.770	3.172	4.081	-0.265	1.6	-
16/10/2023	SURIA	6521	1.56	1.630	1.334	1.716	5.161	4.5	-
17/10/2023	PMETAL	8869	4.92	4.880	4.207	5.412	-0.204	-0.8	-
17/10/2023	YSPSAH	7178	2.47	2.530	2.112	2.717	0.397	2.4	-
18/10/2023	QLResources	7084	5.55	5.800	4.745	6.105	3.757	4.5	-
18/10/2023	Tasco	5140	0.825	0.810	0.705	0.908	1.250	-1.8	-
19/10/2023	EATECH	5259	0.330	0.340	0.280	0.360	7.937	3.0	-
19/10/2023	FPI	9172	2.910	2.900	2.760	3.200	2.473	-0.3	-
20/10/2023	LiiHen	7089	0.930	0.940	0.800	1.020	-2.083	1.1	-
20/10/2023	MalayCement	3794	3.650	3.770	3.120	4.020	-0.265	3.3	-
23/10/2023	CitaGlobal	7245	1.530	1.620	1.310	1.680	0.621	5.9	-
23/10/2023	Tomei	7230	1.240	1.210	1.060	1.360	2.542	-2.4	-
24/10/2023	MPI	3867	26.960	27.100	23.050	29.660	4.311	0.5	-
24/10/2023	Greatec	0208	4.280	4.820	3.660	4.710	3.212	12.6	TP Achieved
25/10/2023	PWF	7134	0.730	0.735	0.620	0.800	0.000	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	4.820	3.850	4.950	3.212	7.1	-
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	1.210	1.050	1.350	2.542	-1.6	-
27/10/2023	Genetec	0104	2.510	2.450	2.150	2.760	1.240	-2.4	-
30/10/2023	Teo Seng	7252	1.340	1.380	1.150	1.470	2.222	3.0	-
30/10/2023	ChinHin	5273	3.890	3.820	3.330	4.260	0.000	-1.8	-
31/10/2023	Westports	5246	3.410	3.340	2.920	3.750	0.300	-2.1	-
31/10/2023	PESTECH	5219	0.360	0.335	0.310	0.396	1.515	-6.9	-
1/11/2023	Jetson	9083	0.270	0.295	0.230	0.290	1.724	9.3	-
1/11/2023	PJBumi	7163	0.960	0.920	0.820	1.050	-2.128	-4.2	-
2/11/2023	Nationgate	0270	1.190	1.200	1.020	1.310	-0.826	0.8	-
2/11/2023	GasMsia	5209	3.380	3.360	2.890	3.720	-0.592	-0.6	-
3/11/2023	Padini	7052	3.970	3.930	3.390	4.370	0.000	-1.0	-
3/11/2023	YTLPOWER	6742	2.290	2.270	1.960	2.520	-0.439	-0.9	-
6/11/2023	Samaiden	0223	1.150	1.130	0.980	1.270	-1.739	-1.7	-
6/11/2023	GENP	2291	5.450	5.510	4.660	5.990	1.101	1.1	-
7/11/2023	PIE	7095	3.170	3.170	2.710	3.490	2.589	0.0	-
7/11/2023	Kerjaya	7161	1.480	1.480	1.270	1.630	5.714	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	1.73	0.20	11.56
HEKTAR REITS	REITs	0.61	0.06	10.25
MBM RESOURCES BHD	CONSUMER	4.02	0.39	9.78
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
TALIWORKS CORPORATION BHD	UTILITIES	0.81	0.07	8.27
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.87
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.48	0.74	7.84
BERMAZ AUTO BERHAD	CONSUMER	2.48	0.19	7.82
SENTRAL REIT	REITs	0.82	0.06	7.80
UOA REITS	REITs	1.11	0.09	7.75
SCICOM (MSC) BHD	IND. PROD.	1.07	0.08	7.48
CAPITALAND MALAYSIA TRUST	REITs	0.55	0.04	7.45
SPORTS TOTO BERHAD	CONSUMER	1.48	0.11	7.36
MAG HOLDINGS BERHAD	CONSUMER	1.09	0.08	7.34

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	(2.1)	24.1	17.0	18.8	14.7	13.4
Finance	(0.3)	13.0	10.3	12.4	10.3	9.9
Property	34.7	25.1	7.4	11.4	10.1	#N/A N/A
Plantation	(1.3)	95.5	14.3	36.8	14.3	17.1
Consumer	(4.7)	22.5	16.3	21.8	16.3	15.1
Technology	(1.0)	48.6	22.5	27.0	27.1	23.2
Construction	23.3	36.8	16.4	19.3	16.4	11.8
Energy	12.9	10.4	-	-	10.4	9.9
Healthcare	(2.7)	36.1	23.6	29.8	23.6	31.6
Ind. Prod.	(4.7)	24.9	14.7	21.9	14.7	14.2
REIT	1.0	13.9	-	-	13.9	15.4
Telco	(2.3)	29.6	19.8	24.7	29.6	21.5

Source: Bloomberg

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