



Daily Newswatch

Market Review

The FBMKLCI declined further on Wednesday on the back of losses in heavyweight counters led by banking stocks. Market breadth was positive with 490 gainers and 412 losers. The utilities sector was the top gainer increasing by +2.5%, while the energy sector was the top loser declining by -0.68%. NESTLE (4707) was the top gainer surging by RM0.80 or +0.60%. The FBMKLCI declined by -0.4% to 1,457.6.

Economics

- Oil stalls close to lowest point in three months amid growing demand worries
- ECB policymakers aim to temper enthusiasm amid declining inflation

Companies

- TENAGA (5347) and Chargeplus collaborates for cross-border electric vehicle charging solutions
- MGRC (0155) plans to utilize blockchain for tracing purposes
- OCK (0172) secures RM48.73mil ICT rental contract with MoE
- HUPSENG (5024) records tripled third quarter net profit of RM13.02mil
- SWIFT (5303) records over two-fold increase in third quarter net profit due to gain from bargain purchase

Expresso for the Day

- Technical Watch – Allianz (1163) Entry Price: RM16.72, Target Price: RM18.39, Stop Loss: RM14.30, Support: RM15.88, Resistance: RM16.74
- Technical Watch – KUPS (5843) Entry Price: RM0.84, Target Price: RM0.92, Stop Loss: RM0.72, Support: RM0.80, Resistance: RM0.84

Local	Close	(%)
FBMKLCI	1,457.6	(0.39)
Volume (mil)	3,453.7	5.72
Value (RM'mil)	1,975.9	(8.82)
Gainers	490	
Losers	412	
Unchanged	454	

Foreign	Close	(%)
Dow Jones	34,112.3	(0.1)
Nasdaq CI	13,650.4	0.1
S&P 500	4,382.8	0.1
FTSE 100	7,401.7	(0.1)
Nikkei 225	32,166.5	(0.3)
Shanghai CI	3,052.4	(0.2)
HSI	17,568.5	(0.6)
STI	3,129.7	0.0

Most Active	RM	Chg (RM)
SMTRACK	0.045	0.005
TOPGLOV	0.790	0.010
KANGER	0.095	0.000
WIDAD	0.455	0.005
TWL	0.035	0.005

Top Gainer	RM	Chg (RM)
NESTLE	124.800	0.800
MPI	27.100	0.300
PBA	1.120	0.300
KPS	0.840	0.145
UTDPLT	16.920	0.140

Top Loser	RM	Chg (RM)
HLFG	17.140	(0.460)
PPB	14.700	(0.340)
HLBANK	19.120	(0.180)
HEXTECH	23.480	(0.120)
PETGAS	17.000	(0.120)

Other Stats	RM	(%)
USD/MYR	4.68	0.28
USD/RMB	7.28	(0.05)
Brent (USD/barrel)	79.54	(2.54)
Gold (USD/troy oz)	1,950.68	(0.98)
CPO (RM/metric t)	3,643.00	0.41



Daily Newswatch

Economics

COMMODITY: Oil prices experienced a decline of over \$1 on Wednesday, reaching their lowest point in more than three months, primarily driven by concerns surrounding diminished demand in the United States and China. Brent crude futures dropped by \$1.11 to \$80.50 per barrel, while U.S. crude decreased by \$1.20 to \$76.17, marking their lowest levels since late July. Analysts from ING, including Warren Patterson and Ewa Manthey, noted that the market is currently less worried about potential disruptions in Middle Eastern supply and is instead concentrating on a shift in the balance, reflecting relaxed crude supply conditions. (Reuters)

GERMANY: On Wednesday, ECB policymakers emphasized the need for continued efforts to curb inflationary pressures, calling for collaboration from businesses and governments to avoid tightening policies further. Last month, the ECB concluded a streak of ten consecutive rate hikes, and there is a growing expectation among investors that the next move may be a reduction, potentially as early as April, as consumer price growth has now dropped below 3% from over 10% in just one year. (Reuters)

Companies

Tenaga Nasional Berhad (5347) and Chargeplus Sdn Bhd (Charge+) have initiated a collaboration to establish a pioneering cross-border roaming platform. The platform aims to interconnect customers to EV charging points spanning across Malaysia and Singapore. Charge+ is a subsidiary of Charge+ Pte Ltd, renowned for its comprehensive EV charging solutions in Southeast Asia. The partnership was officially solidified through a memorandum of understanding (MoU) exchange at the TNB Energy Conference 2023 in August. (The Star)

Malaysian Genomics Resource Centre Berhad (0155) has revealed plans for its subsidiary, MGRC Biopharma Sdn Bhd, to leverage AntChain Technology Pte Ltd's cutting-edge technologies, primarily focusing on blockchain traceability. The company aims to collaborate with AntChain, a subsidiary of Ant Group Digital Technologies, to implement their unique traceability technologies, along with their expertise in data analytics and intelligent risk management. Through strategic local partnerships in the healthcare sector, MGRC Biopharma intends to integrate Ant Group Digital Technologies' AntChain TaaS traceability solution. (The Star)

OCK Group Berhad (0172)'s subsidiary, OCK Setia Engineering Sdn Bhd, has been awarded a RM48.73 million contract from the Ministry of Education. The contract entails the leasing of environmentally friendly ICT hardware, meeting green standards, on a lease-to-use basis. The hardware is designated for Phase 3 of the Ministry's school computer laboratories to support teaching and learning activities. The duration of the contract spans 65 months, starting from October 26, 2023, to March 25, 2029. (The Star)

Hup Seng Industries Berhad (5024) recorded a significant threefold increase in net profit, reaching RM13.02 million in the third quarter ending on September 30, 2023, compared to RM3.84 million in the corresponding period the previous year. The company's improved earnings per share rose to 1.63 sen from 0.48 sen. The quarterly revenue also experienced notable growth, expanding by 34.19% to RM94.19 million, attributed to heightened contributions from export markets, particularly Thailand and Singapore. (The Edge)

Swift Haulage Berhad (5303)'s net profit surged to RM28.39 million in the third quarter ended Sept 30, 2023 (3QFY2023), more than doubling from RM11.72 million in the preceding year. This increase was attributed to higher other income derived from a gain from bargain purchase following the acquisition of a 17.5% stake in Global Vision Logistics Sdn Bhd (GVL). The company's earnings per share also rose to 3.22 sen from 1.32 sen. (The Edge)

Allianz Malaysia Berhad

Bloomberg: ALLZ MK | KLSE Stock Code: 1163

Technical Watch

“BUY on Potential Upside”

Company Overview

Allianz Malaysia Berhad underwrites all classes of general insurance. Through its subsidiaries, the Company underwrites life insurance and investment linked business. Malaysia British Assurance also provides insurance broking and nominee services.

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 > 80).

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.

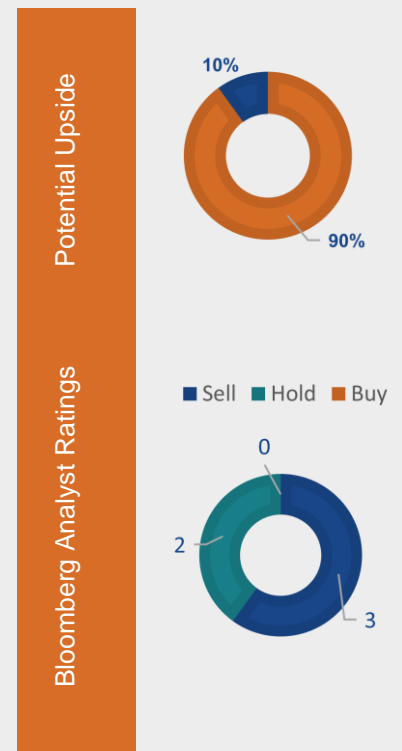
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	5.0	4.6	4.9
P/B	0.6	0.7	0.7
P/CF	2.7	4.0	11.4
P/S	0.4	0.4	0.4

Entry Price	RM16.72
Market Cap (m)	RM2,975.6
52w high	RM16.76
52w low	RM13.24
Stop Loss	RM14.30
Immediate Support	RM15.88
Immediate Resistance	RM16.74 (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)	22,409.6

Main Market

Financial Services
Subsector – Insurance
Current Price: RM16.72
Target Price: RM18.39



Kumpulan Perangsang Selangor Bhd

Bloomberg: KUPS MK | KLSE Stock Code: 5843

Technical Watch

“BUY on Potential Upside”

Company Overview

Kumpulan Perangsang Selangor Bhd. operates as an investment holding company. The Company, through its subsidiaries, invests in the manufacturing sector, as well as businesses in the trading, licensing, and infrastructure sectors.

Investment Highlights

On a sideways, the stock is currently trading above the MA20. We think there is a potential upside supported by marubozu with a strong momentum on the stock (RSI > 80).

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.

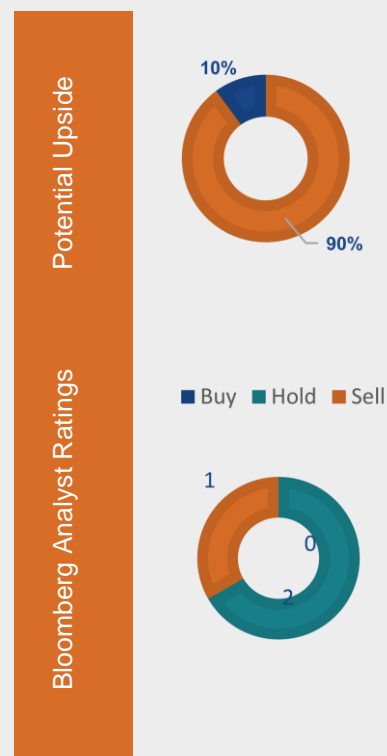
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	6.0	8.5	28.5
P/B	0.3	0.3	0.3
P/CF	4.0	3.1	7.0
P/S	0.3	0.4	1.2

Entry Price	RM0.84
Market Cap (m)	RM451.4
52w high	RM0.93
52w low	RM0.64
Stop Loss	RM0.72
Immediate Support	RM0.80
Immediate Resistance	RM0.84 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	301,127.7

Main Market

Industrial Products & Services
Subsector – Diversified
Industrials
Current Price: RM0.84
Target Price: RM0.92





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
13/10/2023	MRC	1651	0.49	0.450	0.419	0.539	1.124	-8.2	SL Triggered
13/10/2023	PAOS	5022	0.31	0.300	0.265	0.341	5.263	-3.2	-
16/10/2023	MCEMENT	3794	3.71	3.800	3.172	4.081	0.264	2.4	-
16/10/2023	SURIA	6521	1.56	1.710	1.334	1.716	-0.581	9.6	TP Achieved
17/10/2023	PMETAL	8869	4.92	4.890	4.207	5.412	-0.204	-0.6	-
17/10/2023	YSPSAH	7178	2.47	2.510	2.112	2.717	-0.791	1.6	-
18/10/2023	QLResources	7084	5.55	5.650	4.745	6.105	0.000	1.8	-
18/10/2023	Tasco	5140	0.825	0.815	0.705	0.908	0.617	-1.2	-
19/10/2023	EATECH	5259	0.330	0.330	0.280	0.360	-14.286	0.0	TP Achieved
19/10/2023	FPI	9172	2.910	2.900	2.760	3.200	-0.685	-0.3	-
20/10/2023	LiiHen	7089	0.930	0.955	0.800	1.020	1.058	2.7	-
20/10/2023	MalayCement	3794	3.650	3.800	3.120	4.020	0.264	4.1	-
23/10/2023	CitaGlobal	7245	1.530	1.600	1.310	1.680	0.629	4.6	-
23/10/2023	Tomei	7230	1.240	1.170	1.060	1.360	-0.847	-5.6	-
24/10/2023	MPI	3867	26.960	27.100	23.050	29.660	1.119	0.5	-
24/10/2023	Greatec	0208	4.280	4.790	3.660	4.710	0.419	11.9	TP Achieved
25/10/2023	PWF	7134	0.730	0.750	0.620	0.800	3.448	2.7	-
25/10/2023	Solarvest	0215	1.260	1.270	1.080	1.390	0.794	0.8	-
26/10/2023	Greatec	0208	4.500	4.790	3.850	4.950	0.419	6.4	-
26/10/2023	D&O	7204	3.220	3.340	2.750	3.540	0.300	3.7	-
27/10/2023	Tomei	7230	1.230	1.170	1.050	1.350	-0.847	-4.9	-
27/10/2023	Genetec	0104	2.510	2.420	2.150	2.760	0.415	-3.6	-
30/10/2023	Teo Seng	7252	1.340	1.360	1.150	1.470	0.000	1.5	-
30/10/2023	ChinHin	5273	3.890	3.780	3.330	4.260	-0.264	-2.8	-
31/10/2023	Westports	5246	3.410	3.340	2.920	3.750	0.602	-2.1	-
31/10/2023	PESTECH	5219	0.360	0.330	0.310	0.396	1.538	-8.3	-
1/11/2023	Jetson	9083	0.270	0.290	0.230	0.290	1.754	7.4	-
1/11/2023	PJBumi	7163	0.960	0.970	0.820	1.050	1.571	1.0	-
2/11/2023	Nationgate	0270	1.190	1.250	1.020	1.310	0.806	5.0	-
2/11/2023	GasMsia	5209	3.380	3.360	2.890	3.720	0.299	-0.6	-
3/11/2023	Padini	7052	3.970	3.920	3.390	4.370	0.513	-1.3	-
3/11/2023	YTLPOWER	6742	2.290	2.215	1.960	2.520	-1.730	-3.3	-
6/11/2023	Samaiden	0223	1.150	1.110	0.980	1.270	-0.893	-3.5	-
6/11/2023	GENP	2291	5.450	5.500	4.660	5.990	-0.181	0.9	-
7/11/2023	PIE	7095	3.170	3.180	2.710	3.490	1.923	0.3	-
7/11/2023	Kerjaya	7161	1.480	1.520	1.270	1.630	2.703	2.7	-
8/11/2023	Hartalega	5168	2.330	2.390	1.990	2.560	2.575	2.6	-
8/11/2023	MRDIY	5296	1.580	1.570	1.350	1.740	-0.633	-0.6	-
9/11/2023	ALLIANZ	1163	16.720	16.720	14.300	18.390	0.602	0.0	-
9/11/2023	KUPS	5843	0.840	0.840	0.720	0.920	20.863	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM BERHAD	TELCO	5.22	0.73	13.97
UOA DEVELOPMENT BERHAD	PROPERTY	1.73	0.20	11.56
HEKTAR REITS	REITs	0.60	0.06	10.33
MBM RESOURCES BHD	CONSUMER	4.02	0.39	9.78
YTL HOSPITALITY REIT	REITs	1.01	0.09	9.31
TALIWORKS CORPORATION BHD	UTILITIES	0.84	0.07	8.02
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.42	0.74	7.89
BERMAZ AUTO BERHAD	CONSUMER	2.47	0.19	7.85
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
SENTRAL REIT	REITs	0.83	0.06	7.76
UOA REITS	REITs	1.11	0.09	7.75
SCICOM (MSC) BHD	IND. PROD.	1.08	0.08	7.41
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.39
SPORTS TOTO BERHAD	CONSUMER	1.48	0.11	7.36
KIM LOONG RESOURCES BHD	PLANTATION	1.91	0.14	7.33

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	(2.5)	24.2	17.0	18.8	14.6	13.3
Finance	(0.8)	13.0	10.2	12.4	10.2	9.8
Property	33.7	25.1	7.4	11.4	10.0	#N/A N/A
Plantation	(1.8)	95.5	14.2	36.8	14.2	17.0
Consumer	(4.6)	22.5	16.3	21.8	16.3	15.2
Technology	(1.0)	48.6	22.5	27.0	27.2	23.2
Construction	23.1	36.8	16.4	19.3	16.4	11.8
Energy	11.4	10.3	-	-	10.3	9.7
Healthcare	(0.1)	36.1	24.3	30.2	24.3	32.0
Ind. Prod.	(4.6)	24.9	14.8	21.9	14.8	14.2
REIT	1.5	14.0	-	-	14.0	15.4
Telco	(2.8)	29.5	19.8	24.6	29.5	21.4

Source: Bloomberg

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