



Daily Newswatch

Market Review

The FBMKLCI Bursa Malaysia declined for the third consecutive day on Thursday mirrored by the subdued performance of other markets in the region, reflecting a cautious sentiment among investors in anticipation of the upcoming US Fed speech. Market breadth was negative with 439 gainers and 470 losers. The utilities sector was the top gainer increasing by +1.45%, while the energy sector was the top loser declining by -0.76%. YNHPROP (3158) was the top gainer surging by RM0.09 or +1.80%. The FBMKLCI declined by -0.37% to 1,452.27.

Economics

- Indonesia's thermal coal exports reach record levels
- Philippines exceeds third quarter growth expectations, yet risks persist

Companies

- Westports (5246) reports 30% rise in third quarter net profit to RM195mil
- Southern Steel (5665) reduces first quarter losses due to increased sales volume and enhanced margin
- Karyon Industries (0054) acquires industrial land in Johor for RM7.6mil
- Mi Technovation (5286) records 30% decline in third quarter net profit to RM14.1mil
- Samaiden (0223) secures 43.32 MWac allocation via CGPP

Expresso for the Day

- Technical Watch – Hup Seng (5024) Entry Price: RM0.80, Target Price: RM0.88, Stop Loss: RM0.68, Support: RM0.76, Resistance: RM0.84
- Technical Watch – Toyoven (7173) Entry Price: RM1.43, Target Price: RM1.57, Stop Loss: RM1.22, Support: RM1.36, Resistance: RM1.47

Local	Close	(%)
FBMKLCI	1,452.3	(0.37)
Volume (mil)	3,324.0	(3.76)
Value (RM'mil)	1,943.8	(1.62)
Gainers	439	
Losers	470	
Unchanged	440	

Foreign	Close	(%)
Dow Jones	33,891.9	(0.6)
Nasdaq CI	13,521.5	(0.9)
S&P 500	4,347.4	(0.8)
FTSE 100	7,455.7	0.7
Nikkei 225	32,646.5	(0.3)
Shanghai CI	3,053.3	0.0
HSI	17,511.3	(0.3)
STI	3,135.3	0.0

Most Active	RM	Chg (RM)
VELESTO	0.250	(0.005)
PDZ	0.060	0.005
SCIB	0.590	0.005
SWIFT	0.565	0.015
WIDAD	0.455	0.000

Top Gainer	RM	Chg (RM)
YNHPROP	5.020	0.090
UCHITEC	3.510	0.080
OPPSTAR	1.650	0.060
PTRANS	1.260	0.060
SAMAIDEN	1.170	0.060

Top Loser	RM	Chg (RM)
NESTLE	122.000	(2.800)
RAPID	26.700	(0.380)
UTDPLT	16.580	(0.340)
PPB	14.500	(0.200)
PCHEM	7.200	(0.110)

Other Stats	RM	(%)
USD/MYR	4.69	0.21
USD/RMB	7.28	0.12
Brent (USD/barrel)	80.01	0.59
Gold (USD/troy oz)	1,958.47	0.43
CPO (RM/metric t)	3,649.00	0.16



Daily Newswatch

Economics

INDONESIA: During the first ten months of 2023, Indonesia's export of thermal coal exceeded 413 million metric tons, marking a record high and solidifying its position as the leading exporter of this high-emission energy source. Indonesia's coal shipments experienced a notable 11.5% increase compared to the same period in 2022, which is approximately twice the growth rate of worldwide coal exports. Despite global efforts to transition away from fossil fuels, the overall coal exports are on course to reach unprecedented levels in 2023. (Reuters)

PHILIPPINES: The Philippine economy experienced a robust recovery in the third quarter, backed by a resurgence in government spending. However, the prospects of increased interest rates and weak global growth might pose challenges in maintaining this positive momentum. In the September quarter, the Gross Domestic Product (GDP) expanded by 5.9%, surpassing the 4.7% projection in a Reuters poll. This growth was supported by an upturn in government spending, offsetting a slowdown in household consumption. (Reuters)

Companies

Westports Holdings Berhad (5246) reported an increase in net profit for the third quarter ending on September 30, 2023, amounting to RM195 million, compared to RM150.39 million in the corresponding period last year. The revenue also experienced growth, rising to RM542.31 million from RM520.54 million. The rise in revenue was primarily due to an increase in container revenue, contributing to the overall growth in net profit, and was supported by a reduction in the cost of sales and administrative expenses, as stated by the group. (The Star)

Southern Steel Berhad (5665) reported a 38.5% reduction in net loss to RM39.59 million for the first financial quarter that concluded on September 30, 2023, compared to RM64.44 million a year earlier. The improved performance was attributed to increased sales volume and better margins. The company also reported a 4.8% increase in revenue, which reached RM601.81 million, up from RM574.03 million in the corresponding period. (The Edge)

Karyon Industries Berhad (0054) plans to purchase a parcel of freehold industrial land spanning 3,842 square meters in Johor Baru from Premetal Stamping Ind Sdn Bhd for RM7.6 million. The move is seen as an opportunity for the chemical industry company to expand its existing factories, enhance storage capacity, and potentially establish new manufacturing lines in the near future. (The Star)

Mi Technovation Berhad (5286) remains optimistic about advancing its long-term business strategy to consolidate its position as a comprehensive solutions provider. The semiconductor company reported an increase in its overall revenue for the third quarter of the current fiscal year. This positive performance occurred despite the semiconductor market experiencing a blend of growth and contraction globally, leading to uncertainties in the market. (The Star)

Samaiden Group Berhad (0223)'s wholly-owned subsidiary, Samaiden Sdn Bhd, has received an individual export capacity allocation of 13.42 megawatts (MWac) as part of the recent Corporate Green Power Programme facilitated by the Energy Commission (EC). In collaboration with Premier Supreme Sdn Bhd, Samaiden has secured an additional significant quota of 29.90 MWac, solidifying its position in the renewable energy (RE) sector. In total, Samaiden has won a capacity of 43.32 MWac. (The Star)

Hup Seng Industries Berhad

Bloomberg: HSI MK | KLSE Stock Code: 5024

Technical Watch

“BUY on Potential Upside”

Company Overview

Hup Seng Industries Bhd is an investment holding company. Through its subsidiaries, the Company manufactures, sells, and distributes biscuits, confectioneries, and other foodstuffs.

Investment Highlights

On asidaway, the stock is currently trading above the MA20. We think there is a potential upside supported by a morning star with a strong momentum on the stock (RSI > 85).

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.

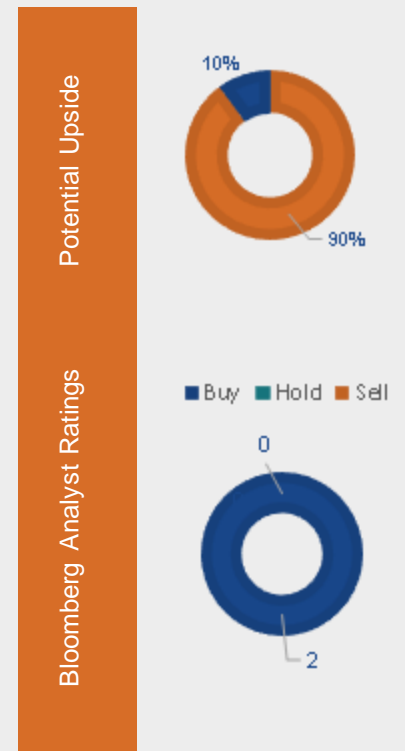
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	20.9	18.1	16.3
P/B	4.1	4.2	4.3
P/CF	19.4	15.7	14.2
P/S	1.8	1.9	2.1

Entry Price	RM0.80
Market Cap (m)	RM640.0
52w high	RM0.85
52w low	RM0.63
Stop Loss	RM0.68
Immediate Support	RM0.76
Immediate Resistance	RM0.84 (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)	135,593.8

Main Market

Consumer Products & Services
 Subsector – Food & Beverages
 Current Price: RM0.80
 Target Price: RM0.88



Toyo Ventures Holdings Bhd

Technical Watch

Bloomberg: TOYOVEN MK | KLSE Stock Code: 7173

“BUY on Potential Upside”

Company Overview

Toyo Ventures Holdings Berhad operates as an investment holding company.

Investment Highlights

On a sideways, the stock is currently trading above the MA20. We think there is a potential upside supported by bullish engulfing 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.

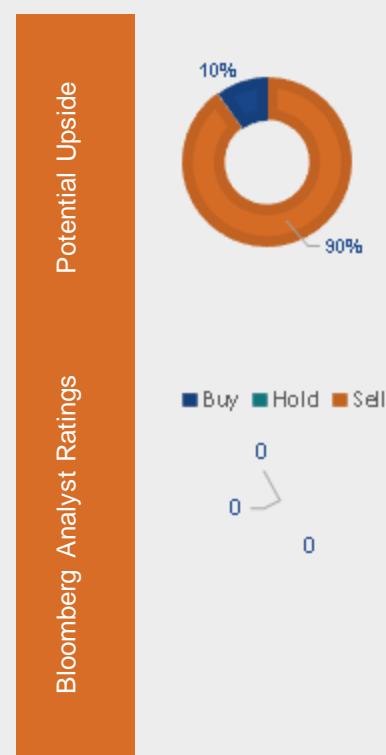
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	226.2	226.2	226.2
P/B	0.8	1.1	1.1
P/CF	82.7	78.7	78.7
P/S	1.3	1.3	1.3

Entry Price	RM1.43
Market Cap (m)	RM177.1
52w high	RM1.67
52w low	RM0.65
Stop Loss	RM1.22
Immediate Support	RM1.36
Immediate Resistance	RM1.47 (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)	1,210,657.1

Main Market

Industrial Products & Services
Subsector – Chemicals
Current Price: RM1.43
Target Price: RM1.57





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
16/10/2023	MCEMENT	3794	3.71	4.020	3.172	4.081	5.789	8.4	-
16/10/2023	SURIA	6521	1.56	1.720	1.334	1.716	0.585	10.3	TP Achieved
17/10/2023	PMETAL	8869	4.92	4.890	4.207	5.412	0.000	-0.6	-
17/10/2023	YSPSAH	7178	2.47	2.510	2.112	2.717	0.000	1.6	-
18/10/2023	QLResources	7084	5.55	5.600	4.745	6.105	-0.885	0.9	-
18/10/2023	Tasco	5140	0.825	0.815	0.705	0.908	0.000	-1.2	-
19/10/2023	EATECH	5259	0.330	0.325	0.280	0.360	-1.515	-1.5	TP Achieved
19/10/2023	FPI	9172	2.910	2.910	2.760	3.200	0.345	0.0	-
20/10/2023	LiiHen	7089	0.930	0.960	0.800	1.020	0.524	3.2	-
20/10/2023	MalayCement	3794	3.650	4.020	3.120	4.020	5.789	10.1	TP Achieved
23/10/2023	CitaGlobal	7245	1.530	1.600	1.310	1.680	0.000	4.6	-
23/10/2023	Tomei	7230	1.240	1.160	1.060	1.360	-0.855	-6.5	-
24/10/2023	MPI	3867	26.960	26.940	23.050	29.660	-0.590	-0.1	-
24/10/2023	Greatec	0208	4.280	4.760	3.660	4.710	-0.626	11.2	TP Achieved
25/10/2023	PWF	7134	0.730	0.735	0.620	0.800	-2.000	0.7	-
25/10/2023	Solarvest	0215	1.260	1.290	1.080	1.390	1.575	2.4	-
26/10/2023	Greatec	0208	4.500	4.760	3.850	4.950	-0.626	5.8	-
26/10/2023	D&O	7204	3.220	3.430	2.750	3.540	2.695	6.5	-
27/10/2023	Tomei	7230	1.230	1.160	1.050	1.350	-0.855	-5.7	-
27/10/2023	Genetec	0104	2.510	2.460	2.150	2.760	1.653	-2.0	-
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	3.750	3.330	4.260	-0.794	-3.6	-
31/10/2023	Westports	5246	3.410	3.380	2.920	3.750	1.198	-0.9	-
31/10/2023	PESTECH	5219	0.360	0.325	0.310	0.396	-1.515	-9.7	-
1/11/2023	Jetson	9083	0.270	0.310	0.230	0.290	6.897	14.8	TP Achieved
1/11/2023	PJBumi	7163	0.960	0.940	0.820	1.050	-3.093	-2.1	-
2/11/2023	Nationgate	0270	1.190	1.230	1.020	1.310	-1.600	3.4	-
2/11/2023	GasMsia	5209	3.380	3.370	2.890	3.720	0.298	-0.3	-
3/11/2023	Padini	7052	3.970	3.930	3.390	4.370	0.255	-1.0	-
3/11/2023	YTLPOWER	6742	2.290	2.260	1.960	2.520	2.032	-1.3	-
6/11/2023	Samaiden	0223	1.150	1.170	0.980	1.270	5.405	1.7	-
6/11/2023	GENP	2291	5.450	5.510	4.660	5.990	0.182	1.1	-
7/11/2023	PIE	7095	3.170	3.180	2.710	3.490	0.000	0.3	-
7/11/2023	Kerjaya	7161	1.480	1.510	1.270	1.630	-0.658	2.0	-
8/11/2023	Hartalega	5168	2.330	2.360	1.990	2.560	-1.255	1.3	-
8/11/2023	MRDIY	5296	1.580	1.590	1.350	1.740	1.274	0.6	-
9/11/2023	ALLIANZ	1163	16.720	16.800	14.300	18.390	0.478	0.5	-
9/11/2023	Kperangsang	5843	0.840	0.800	0.720	0.920	-4.762	-4.8	-
10/11/2023	HupSeng	5024	0.800	0.800	0.680	0.880	11.111	0.0	-
10/11/2023	Toyoven	7173	1.430	1.430	1.220	1.360	3.623	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM BERHAD	TELCO	5.18	0.73	14.07
UOA DEVELOPMENT BERHAD	PROPERTY	1.72	0.20	11.63
HEKTAR REITS	REITs	0.60	0.06	10.33
MBM RESOURCES BHD	CONSUMER	4.12	0.39	9.54
YTL HOSPITALITY REIT	REITs	1.03	0.09	9.13
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.42	0.74	7.89
BERMAZ AUTO BERHAD	CONSUMER	2.48	0.19	7.82
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
UOA REITS	REITs	1.11	0.09	7.75
TALIWORKS CORPORATION BHD	UTILITIES	0.87	0.07	7.75
SENTRAL REIT	REITs	0.83	0.06	7.71
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.39
KIM LOONG RESOURCES BHD	PLANTATION	1.90	0.14	7.37
SCICOM (MSC) BHD	IND. PROD.	1.09	0.08	7.34
SPORTS TOTO BERHAD	CONSUMER	1.49	0.11	7.32

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	(2.9)	24.2	17.0	18.8	14.6	13.3
Finance	(0.8)	13.0	10.2	12.4	10.2	9.8
Property	32.7	25.1	7.4	11.3	9.9	#N/A N/A
Plantation	(2.3)	95.5	14.1	36.8	14.1	16.9
Consumer	(4.8)	22.5	16.2	21.8	16.2	15.1
Technology	(1.4)	48.6	22.5	27.0	27.0	23.1
Construction	22.7	36.8	16.3	19.2	16.3	11.7
Energy	11.0	10.3	-	-	10.3	9.7
Healthcare	(0.1)	36.1	24.3	30.2	24.3	32.0
Ind. Prod.	(4.8)	24.9	14.7	21.9	14.7	14.2
REIT	1.3	13.9	-	-	13.9	15.4
Telco	(2.6)	29.5	19.8	24.6	29.5	21.4

Source: Bloomberg

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