



Daily Newswatch

Market Review

The FBMKLCI experienced a continued decline last week, mirroring the global downturn in equities leading up to the extended weekend in anticipation of Deepavali. Market breadth was negative with 358 gainers and 557 losers. The transportation & logistics sector was the top gainer increasing by +0.19%, while the healthcare sector was the top loser declining by -1.29%. NHFATT (7060) was the top gainer surging by RM0.25 or +7.70%. The FBMKLCI declined by -0.49% to 1,445.18.

Economics

- Sterling maintains proximity to one-week low as UK economy shows no growth in third quarter
- OPEC affirms robustness of oil market Amidst negative sentiment

Companies

- Maxis (6012) achieves RM287mil net profit in third quarter, announces dividend of 4.0 Sen
- Advancecon (5281) secures earthworks contract worth RM22.8mil from Sime Darby Property
- Ibraco (5084) and China Railway secures Kuching rapid transit project with a contract valued at RM569mil
- Rex Industry (9946) enters agreement to sell Seberang Perai Land to Ewein, enhancing financial position
- LBS Bina (5789) obtains 28.67MW solar power capacity through CGPP from the Energy Commission

Expresso for the Day

- Technical Watch – MFLOUR (3662) Entry Price: RM0.70, Target Price: RM0.77, Stop Loss: RM0.59, Support: RM0.66, Resistance: RM0.71
- Technical Watch – IGB BERHAD (5606) Entry Price: RM2.35, Target Price: RM2.59, Stop Loss: RM2.01, Support: RM2.23, Resistance: RM2.35

Local	Close	(%)
FBMKLCI	1,445.2	(0.49)
Volume (mil)	3,195.4	(3.87)
Value (RM'mil)	1,610.7	(17.14)
Gainers	358	
Losers	557	
Unchanged	437	

Foreign	Close	(%)
Dow Jones	34,337.9	1.2
Nasdaq CI	13,767.7	2.0
S&P 500	4,413.9	1.6
FTSE 100	7,425.8	(1.3)
Nikkei 225	32,585.1	(0.3)
Shanghai CI	3,046.5	(0.5)
HSI	17,426.2	(1.8)
STI	3,106.7	0.0

Most Active	RM	Chg (RM)
LEFORM	0.255	0.010
WIDAD	0.455	0.000
RANHILL	0.950	0.005
MQTECH	0.030	0.000
SCIB	0.595	0.005

Top Gainer	RM	Chg (RM)
NHFATT	3.480	0.250
PAOS	0.430	0.105
MASTER	2.960	0.080
PTRANS	1.260	0.060
SAMAIDEN	1.170	0.060

Top Loser	RM	Chg (RM)
RAPID	25.280	(1.420)
NESTLE	121.700	(0.300)
KLK	21.680	(0.200)
PETDAG	22.700	(0.180)
MPI	26.800	(0.140)

Other Stats	RM	(%)
USD/MYR	4.71	0.33
USD/RMB	7.29	0.01
Brent (USD/barrel)	82.73	1.77
Gold (USD/troy oz)	1,946.35	(0.94)
CPO (RM/metric t)	3,649.00	0.16



Daily Newswatch

Economics

UNITED KINGDOM: Sterling remained near a one-week low against the dollar on Friday, poised for a weekly decline of 1.2%. Investors were processing data revealing that the UK's economy did not experience growth in the third quarter, although the outcome was slightly better than anticipated. The pound saw marginal upward movement on the day, reaching \$1.2231, with little change from levels before the release of GDP data. (Reuters)

COMMODITY: On Monday, OPEC asserted that the underlying factors of the oil market remained resilient and attributed the decline in prices to speculators. Despite a slight increase in its 2023 forecast for global oil demand growth and maintaining a relatively optimistic prediction for 2024, oil prices have dipped to around \$82 per barrel for Brent crude, down from the September 2023 high of nearly \$98. Economic growth concerns and demand uncertainties have impacted prices, notwithstanding OPEC and its allies' supply cuts and ongoing conflicts in the Middle East. (Reuters)

Companies

Maxis Berhad (6012) is committed to expanding its market presence by enhancing its product offerings, implementing an effective channel distribution strategy, and maintaining a strong emphasis on excellent customer service. In its financial results notes, the telecommunications company expressed determination in its vision to become the leading integrated telecom provider in Malaysia. Maxis emphasized its consistent delivery of results in the convergence strategy, with a focus on core mobile, fiber, and enterprise services. (The Star)

Advancecon Holdings Berhad's (5281) wholly-owned subsidiary, Advancecon Infra Sdn Bhd, has successfully secured a contract valued at RM22.8 million from Sime Darby Property (Pagoh) Sdn Bhd. As a specialist in earthworks and civil engineering, Advancecon revealed in a statement that the contract pertains to earthworks and related activities at Sime Darby's industrial park project situated in Bandar Universiti Pagoh, Johor. (The Star)

Ibraco Berhad (5084) and China Railway Group Ltd have secured a construction project valued at RM568.81 million for infrastructure works related to the Kuching Urban Transportation System (KUTS). The project, known as Blue Line Package 1, spans from Rembus to Stutong and was awarded by Sarawak Metro Sdn Bhd (SMSB), the implementer of KUTS projects. Ibraco anticipates positive contributions to earnings and net assets during the project duration, funded through internal funds and external borrowings. (The Edge)

Rex Industry Berhad (9946) finalized an agreement on Friday to sell its 31,428 sq metres (7.8 acres) land in Seberang Perai, Penang for RM41.8 million in cash. The canned food manufacturer had previously announced in June its intention to decommission its production facility in Seberang Perai at Taman Perindustrian Bukit Minyak, Simpang Ampat, as part of cost reduction efforts and financial improvement. (The Edge)

LBS Bina Group Berhad (5789) has successfully obtained a solar power capacity of 28.67 megawatts (MW) through the Corporate Green Power Programme (CGPP), a government-backed initiative enabling corporate consumers to virtually procure solar energy from developers. LBS Bina's subsidiary, Setara Armada Sdn Bhd, in collaboration with MWG Power Sdn Bhd and Ocean Solar Energy Sdn Bhd as a consortium, was chosen as the solar power producer under CGPP by the Energy Commission (EC). (The Edge)

Malayan Flour Mills Berhad

Bloomberg: MFL MK | KLSE Stock Code: 3662

Technical Watch

“BUY on Potential Upside”

Company Overview

Malayan Flour Mills Berhad mills and sells wheat flour. The Company, through its subsidiaries, manufactures and sells animal feeds, provides transportation services, and breeds chicks. Malayan Flour Mills also manufactures and sells polypropylene and polyethylene woven bags and operates training and research center.

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 strong momentum on the stock (RSI > 70).

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.

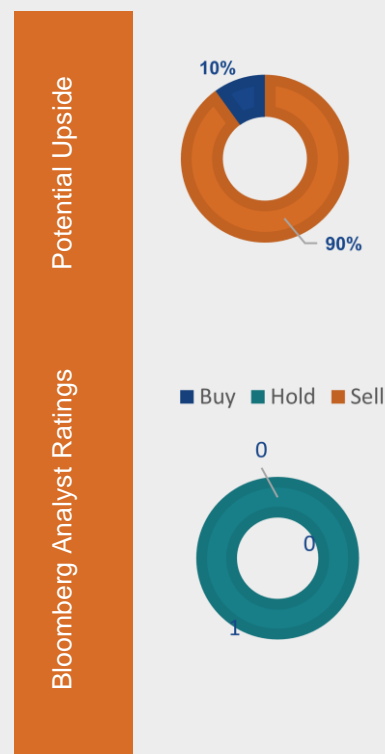
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	13.5	28.4	21.1
P/B	0.5	0.5	0.7
P/CF	24.6	12.4	12.8
P/S	0.2	0.2	0.2

Entry Price	RM0.70
Market Cap (m)	RM710.7
52w high	RM0.86
52w low	RM0.54
Stop Loss	RM0.59
Immediate Support	RM0.66
Immediate Resistance	RM0.71 (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)	3,207,208.2

Main Market

Consumer Products & Services
 Subsector – Food & Beverages
 Current Price: RM0.70
 Target Price: RM0.77



IGB Berhad

Bloomberg: IGBB MK | KLSE Stock Code: 5606

Technical Watch

“BUY on Potential Upside”

Company Overview

IGB Berhad operates as an investment holding company. The Company engages in property investment and management, as well as private equity investments in the field of information and communications technology and wastewater treatment. IGB 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 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.

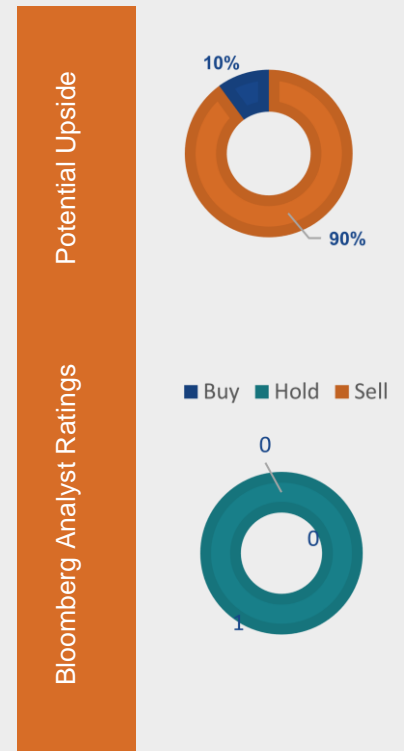
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	11.1	21.3	16.2
P/B	0.6	0.6	0.6
P/CF	5.6	6.4	6.6
P/S	1.9	1.6	1.8

Entry Price	RM2.35
Market Cap (m)	RM3,170.0
52w high	RM2.40
52w low	RM1.49
Stop Loss	RM2.01
Immediate Support	RM2.23
Immediate Resistance	RM2.35 (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)	38,075.3

Main Market

Property
 Subsector – Property
 Current Price: RM2.35
 Target Price: RM2.59





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
17/10/2023	PMETAL	8869	4.92	4.840	4.207	5.412	-1.022	-1.6	-
17/10/2023	YSPSAH	7178	2.47	2.500	2.112	2.717	-0.398	1.2	-
18/10/2023	QLResources	7084	5.55	5.600	4.745	6.105	0.000	0.9	-
18/10/2023	Tasco	5140	0.825	0.810	0.705	0.908	-0.613	-1.8	-
19/10/2023	EATECH	5259	0.330	0.320	0.280	0.360	-1.538	-3.0	TP Achieved
19/10/2023	FPI	9172	2.910	2.900	2.760	3.200	-0.344	-0.3	-
20/10/2023	LiiHen	7089	0.930	0.945	0.800	1.020	-1.563	1.6	-
20/10/2023	MalayCement	3794	3.650	3.960	3.120	4.020	-1.493	8.5	TP Achieved
23/10/2023	CitaGlobal	7245	1.530	1.610	1.310	1.680	0.625	5.2	-
23/10/2023	Tomei	7230	1.240	1.180	1.060	1.360	1.724	-4.8	-
24/10/2023	MPI	3867	26.960	26.800	23.050	29.660	-0.520	-0.6	-
24/10/2023	Greatec	0208	4.280	4.620	3.660	4.710	-2.941	7.9	TP Achieved
25/10/2023	PWF	7134	0.730	0.720	0.620	0.800	-2.041	-1.4	-
25/10/2023	Solarvest	0215	1.260	1.270	1.080	1.390	-1.550	0.8	-
26/10/2023	Greatec	0208	4.500	4.620	3.850	4.950	-2.941	2.7	-
26/10/2023	D&O	7204	3.220	3.390	2.750	3.540	-1.166	5.3	-
27/10/2023	Tomei	7230	1.230	1.180	1.050	1.350	1.724	-4.1	-
27/10/2023	Genetec	0104	2.510	2.420	2.150	2.760	-1.626	-3.6	-
30/10/2023	Teo Seng	7252	1.340	1.340	1.150	1.470	0.000	0.0	-
30/10/2023	ChinHin	5273	3.890	3.750	3.330	4.260	0.000	-3.6	-
31/10/2023	Westports	5246	3.410	3.460	2.920	3.750	2.367	1.5	-
31/10/2023	PESTECH	5219	0.360	0.330	0.310	0.396	1.538	-8.3	-
1/11/2023	Jetson	9083	0.270	0.300	0.230	0.290	-3.226	11.1	TP Achieved
1/11/2023	PJBumi	7163	0.960	0.925	0.820	1.050	-1.596	-3.6	-
2/11/2023	Nationgate	0270	1.190	1.210	1.020	1.310	-1.626	1.7	-
2/11/2023	GasMsia	5209	3.380	3.350	2.890	3.720	-0.593	-0.9	-
3/11/2023	Padini	7052	3.970	3.930	3.390	4.370	0.000	-1.0	-
3/11/2023	YTLPOWER	6742	2.290	2.200	1.960	2.520	-2.655	-3.9	-
6/11/2023	Samaiden	0223	1.150	1.180	0.980	1.270	0.855	2.6	-
6/11/2023	GENP	2291	5.450	5.530	4.660	5.990	0.363	1.5	-
7/11/2023	PIE	7095	3.170	3.170	2.710	3.490	-0.314	0.0	-
7/11/2023	Kerjaya	7161	1.480	1.490	1.270	1.630	-1.325	0.7	-
8/11/2023	Hartalega	5168	2.330	2.340	1.990	2.560	-0.847	0.4	-
8/11/2023	MRDIY	5296	1.580	1.560	1.350	1.740	-1.887	-1.3	-
9/11/2023	ALLIANZ	1163	16.720	16.860	14.300	18.390	0.357	0.8	-
9/11/2023	Kperangsang	5843	0.840	0.795	0.720	0.920	-0.625	-5.4	-
10/11/2023	HupSeng	5024	0.800	0.785	0.680	0.880	-1.875	-1.9	-
10/11/2023	Toyoven	7173	1.430	1.410	1.220	1.360	-1.399	-1.4	-
14/11/2023	Mflour	3662	0.700	0.695	0.590	0.770	6.107	-0.7	-
14/11/2023	IGBB	5606	2.350	2.350	2.010	2.590	3.982	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM BERHAD	TELCO	5.16	0.73	14.13
UOA DEVELOPMENT BERHAD	PROPERTY	1.73	0.20	11.56
HEKTAR REITS	REITs	0.60	0.06	10.33
MBM RESOURCES BHD	CONSUMER	4.15	0.39	9.47
YTL HOSPITALITY REIT	REITs	1.01	0.09	9.31
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.15	0.74	8.12
BERMAZ AUTO BERHAD	CONSUMER	2.45	0.19	7.92
TALIWORKS CORPORATION BHD	UTILITIES	0.85	0.07	7.88
UOA REITS	REITs	1.10	0.09	7.82
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
CAPITALAND MALAYSIA TRUST	REITs	0.55	0.04	7.45
SPORTS TOTO BERHAD	CONSUMER	1.47	0.11	7.41
SCICOM (MSC) BHD	IND. PROD.	1.08	0.08	7.41
KIM LOONG RESOURCES BHD	PLANTATION	1.89	0.14	7.41
SENTRAL REIT	REITs	0.84	0.06	7.38

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	(3.4)	24.2	17.0	18.8	14.5	13.0
Finance	(1.2)	13.0	10.2	12.4	10.2	9.8
Property	32.3	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	(5.5)	22.5	16.1	21.7	16.1	14.1
Technology	(1.8)	48.6	22.5	27.0	26.9	22.9
Construction	22.4	36.8	16.3	19.2	16.3	11.6
Energy	10.7	10.2	-	-	10.2	9.7
Healthcare	(1.4)	36.1	24.0	30.0	24.0	31.7
Ind. Prod.	(5.2)	24.9	14.7	21.9	14.7	14.1
REIT	1.0	13.9	-	-	13.9	15.4
Telco	(3.1)	29.3	19.8	24.6	29.3	21.3

Source: Bloomberg

Disclaimer & Disclosure of Conflict of Interest

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as “believe”, “estimate”, “intend” and “expect” and statements that an event or result “may”, “will” or “might” occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. (“Mercury Securities”) and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities’ website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Published & Printed By:

MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont’ Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my