

Daily Newswatch

Market Review

The FBMKLCI declined yesterday in line with weakness in Asian markets. Market breadth was positive with 419 gainers and 487 losers. The healthcare sector was the top gainer increasing by +2.59%, while the telco sector was the top loser declining by -0.72%. BLDPLNT (5069) was the top gainer surging by RM0.30 or +2.90%. The FBMKLCI declined by -0.15% to 1,464.68.

Economics

- **India** reduces windfall tax imposed on diesel and crude oil
- **Philippine central bank** keeps rate steady, keeps firm stance

Companies

- **Siab (0241)** suggests a plan for private investment, issuing rights, and acquiring Taghill
- **United Plantations (2089)** stays aware of forthcoming challenges
- **Pecca (5271)** achieves record profits for the fifth straight quarter
- **Dayang Enterprise (5141)** pays off RM220.5 mil sukuk ahead of schedule
- **Sunway REIT (5176)** records a 7% increase in net property income to RM137 mil

Expresso for the Day

- **Technical Watch – YTL Power (6742)** Entry Price: RM2.36, Target Price: RM2.59, Stop Loss: RM2.02, Support: RM2.24, Resistance: RM2.36
- **Technical Watch – Chin Hin (5273)** Entry Price: RM3.91, Target Price: RM4.30, Stop Loss: RM3.34, Support: RM3.71, Resistance: RM3.98

Local	Close	(%)
FBMKLCI	1,464.7	(0.15)
Volume (mil)	3,484.7	(11.62)
Value (RM'mil)	2,067.6	(6.35)
Gainers	419	
Losers	487	
Unchanged	469	

Foreign	Close	(%)
Dow Jones	34,945.5	(0.1)
Nasdaq CI	14,113.7	0.1
S&P 500	4,506.9	0.1
FTSE 100	7,411.0	(1.0)
Nikkei 225	33,424.4	(0.3)
Shanghai CI	3,050.9	(0.7)
HSI	17,832.8	(1.4)
STI	3,133.1	0.0

Most Active	RM	Chg (RM)
HONGSENG	0.040	0.000
KANGER	0.065	0.005
TOPGLOV	0.790	0.040
SALUTE	0.865	(0.020)
LEFORM	0.275	0.000

Top Gainer	RM	Chg (RM)
BLDPLNT	10.620	0.300
AMWAY	5.450	0.200
RAPID	24.940	0.160
KOTRA	5.200	0.120
APEX	1.180	0.110

Top Loser	RM	Chg (RM)
NESTLE	123.200	(0.500)
F&N	26.900	(0.200)
AEONCR	11.920	(0.180)
MPI	27.000	(0.180)
BKAWAN	20.340	(0.140)

Other Stats	RM	(%)
USD/MYR	4.69	0.33
USD/RMB	7.24	(0.06)
Brent (USD/barrel)	77.47	(4.56)
Gold (USD/troy oz)	1,981.11	1.09
CPO (RM/metric t)	3,801.00	1.90

Daily Newswatch

Economics

INDIA: On Thursday, India has reduced the windfall tax rates for diesel and crude oil as per a recent government notification. The updated rates bring the windfall tax on crude oil down to 6,300 Indian rupees (\$75.70) per tonne from its previous rate of 9,800 rupees per tonne. Similarly, the windfall tax on diesel has been lowered to 1 rupee per litre from its earlier 2 rupees per litre. However, the tax rates for gasoline and aviation turbine fuel (ATF) remain unchanged at zero. (Reuters)

PHILIPPINE: The Philippine central bank maintained its policy rate at 6.5% as expected, signalling the ongoing battle against inflation and the possibility of future rate increases. Despite lowering its inflation forecasts, the bank emphasized considerable upward risks to inflation. These projections still surpass the target range of 2%-4%. Last month, in an unscheduled review, the central bank increased rates to their highest level since mid-2007. Over the past year, rates have been raised by 450 basis points. (Reuters)

Companies

Siab Holdings Berhad (0241) has unveiled a strategic plan involving a private placement, rights issue with warrants, and a full acquisition of Taghill Projects Sdn Bhd. The private placement is set to introduce 100 million new ordinary shares, amounting to 20.42% of the existing issued shares, offered to yet-to-be-identified independent investors. The issue price will be determined based on the five-day volume weighted average price (5D-VWAMP) of Siab shares prior to the price fixing date(s), with a discount capped at 20% and a minimum price of 12 sen per share. (The Star)

United Plantations Berhad (2089) is optimistic about the current year, buoyed by the prevailing palm oil prices and the company's successful efforts to secure the projected crop in the final quarter of 2023. In their recent stock exchange filing, the plantation company revealed a surge in third-quarter net profit to RM235.68 million from RM196.72 million recorded in the same period last year. (The Star)

Pecca Group Berhad (5271) witnessed a significant 55.8% upsurge in net profit during its first financial quarter ended September 30, 2023 (1QFY2024), reaching RM13.01 million compared to RM8.35 million from the previous year. This notable increase was attributed to heightened sales of upholstery car seat covers and enhanced operational efficiency. This marks the automotive upholstery maker's highest-ever quarterly net profit. (The Edge)

Dayang Enterprise Holdings Berhad (5141) successfully completed the full redemption of the remaining two series of its sukuk murabahah program on November 15, totalling RM220.5 million. This early settlement precedes the due dates set for 2024 and 2025. The company utilized internal funds along with fresh borrowings for this purpose. These two series amounted to RM313.95 million, part of which was previously redeemed using funds obtained from an earlier private placement and internally generated sources. (The Edge)

Sunway Real Estate Investment Trust (5176) saw its net property income (NPI) climb by 6.6% to RM136.75 million in the third quarter ending September 30, 2023 (3QFY2023), up from RM128.24 million the previous year. This growth aligns with increased revenue, primarily fuelled by a notable rise in earnings from the hotel segment. Enhanced performance in domestic and international leisure sectors, alongside full room occupancy at Sunway Resort Hotel since July, were key contributors to the improved earnings for the quarter. (The Edge)

YTL Power International Berhad

Bloomberg: YTLP MK | KLSE Stock Code: 6742

Technical Watch

“BUY on Potential Upside”

Company Overview

YTL Power International Bhd is an investment holding and management company. The Company, through its subsidiaries, provides power generation, electricity transmission, water supply, and communications services. YTL Power International serves customers worldwide.

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 > 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.

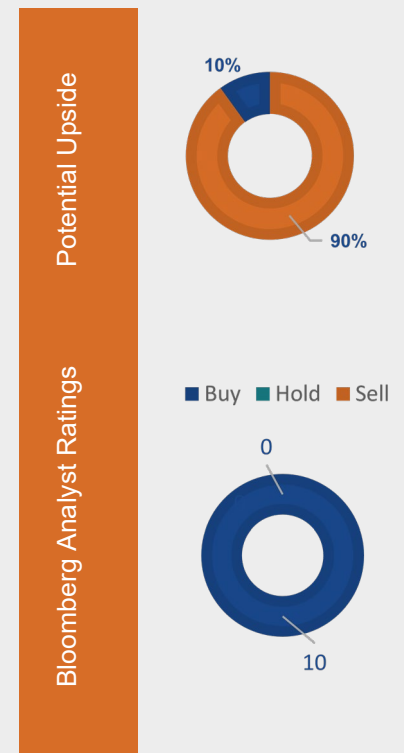
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	5.8	17.1	12.3
P/B	0.5	0.4	0.5
P/CF	3.2	3.1	4.2
P/S	0.4	0.4	0.5

Entry Price	RM2.36
Market Cap (m)	RM19,121.1
52w high	RM2.36
52w low	RM0.66
Stop Loss	RM2.02
Immediate Support	RM2.24
Immediate Resistance	RM2.36 (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)	1,133,275.2

Main Market

Utilities
 Subsector – Gas, Water &
 Multi-Utilities
 Current Price: RM2.36
 Target Price: RM2.59



Chin Hin Group Berhad

Bloomberg: CHIN MK | KLSE Stock Code: 5273

Technical Watch

“BUY on Potential Upside”

Company Overview

Chin Hin Group Berhad provides building materials and services. The Company offers steel mesh reinforcement, metal roofing systems, aerated autoclaved cement block, fire-rated doors, pre-cast concrete products, and cement. Chin Hin Group serves construction and building industries in Malaysia.

Investment Highlights

On an uptrend, 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 > 55).

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.

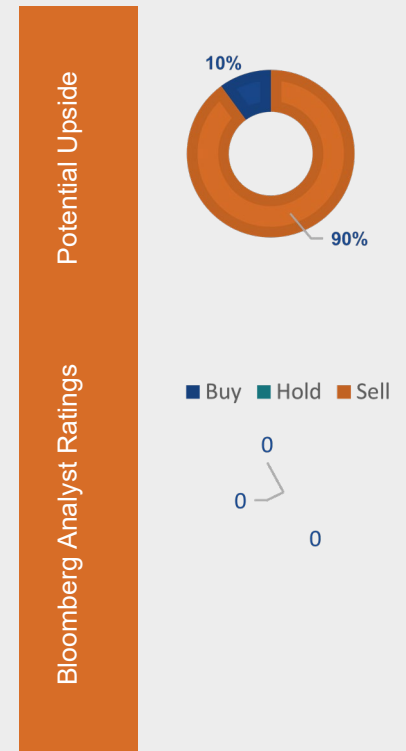
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	62.3	40.5	32.8
P/B	8.4	4.1	3.1
P/CF	235.3	109.7	93.4
P/S	2.7	1.4	1.1

Entry Price	RM3.91
Market Cap (m)	RM6,918.4
52w high	RM4.80
52w low	RM3.03
Stop Loss	RM3.34
Immediate Support	RM3.71
Immediate Resistance	RM3.98 (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)	2,030,832.3

Main Market

Industrial Products & Services
Subsector – Building Materials
Current Price: RM3.91
Target Price: RM4.30





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
20/10/2023	LiiHen	7089	0.930	0.940	0.800	1.020	1.075	1.1	-
20/10/2023	MalayCement	3794	3.650	3.850	3.120	4.020	-0.773	5.5	TP Achieved
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	-1.681	-5.6	-
24/10/2023	MPI	3867	26.960	27.000	23.050	29.660	-0.662	0.1	-
24/10/2023	Greatec	0208	4.280	4.750	3.660	4.710	-1.042	11.0	TP Achieved
25/10/2023	PWF	7134	0.730	0.725	0.620	0.800	1.399	-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	4.750	3.850	4.950	-1.042	5.6	-
26/10/2023	D&O	7204	3.220	3.510	2.750	3.540	1.739	9.0	-
27/10/2023	Tomei	7230	1.230	1.170	1.050	1.350	-1.681	-4.9	-
27/10/2023	Genetec	0104	2.510	2.400	2.150	2.760	-1.235	-4.4	-
30/10/2023	Teo Seng	7252	1.340	1.350	1.150	1.470	0.000	0.7	-
30/10/2023	ChinHin	5273	3.890	3.910	3.330	4.260	2.895	0.5	-
31/10/2023	Westports	5246	3.410	3.480	2.920	3.750	-0.571	2.1	-
31/10/2023	PESTECH	5219	0.360	0.330	0.310	0.396	0.000	-8.3	-
1/11/2023	Jetson	9083	0.270	0.275	0.230	0.290	-3.509	1.9	TP Achieved
1/11/2023	PJBumi	7163	0.960	0.950	0.820	1.050	-1.042	-1.0	-
2/11/2023	Nationgate	0270	1.190	1.260	1.020	1.310	3.279	5.9	-
2/11/2023	GasMsia	5209	3.380	3.320	2.890	3.720	-0.896	-1.8	-
3/11/2023	Padini	7052	3.970	3.940	3.390	4.370	0.254	-0.8	-
3/11/2023	YTLPOWER	6742	2.290	2.360	1.960	2.520	3.057	3.1	-
6/11/2023	Samaiden	0223	1.150	1.150	0.980	1.270	-0.862	0.0	-
6/11/2023	GENP	2291	5.450	5.630	4.660	5.990	-1.745	3.3	-
7/11/2023	PIE	7095	3.170	3.030	2.710	3.490	-3.195	-4.4	-
7/11/2023	Kerjaya	7161	1.480	1.470	1.270	1.630	0.000	-0.7	-
8/11/2023	Hartalega	5168	2.330	2.370	1.990	2.560	0.851	1.7	-
8/11/2023	MRDIY	5296	1.580	1.610	1.350	1.740	-0.617	1.9	-
9/11/2023	ALLIANZ	1163	16.720	16.800	14.300	18.390	0.000	0.5	-
9/11/2023	Kperangsang	5843	0.840	0.770	0.720	0.920	-1.911	-8.3	-
10/11/2023	HupSeng	5024	0.800	0.825	0.680	0.880	5.769	3.1	-
10/11/2023	Toyoven	7173	1.430	1.390	1.220	1.360	0.725	-2.8	-
14/11/2023	Mflour	3662	0.700	0.685	0.590	0.770	0.000	-2.1	-
14/11/2023	IGBB	5606	2.350	N/A	2.010	2.590	N/A	N/A	-
15/11/2023	RedTone	0032	0.810	0.780	0.690	0.890	-3.106	-3.7	-
15/11/2023	Pensonic	9997	0.770	0.770	0.660	0.850	0.000	0.0	-
16/11/2023	GenP	2291	5.730	5.630	4.900	6.300	-1.745	-1.7	-
16/11/2023	Suria	6521	1.790	1.800	1.530	1.970	0.559	0.6	-
17/11/2023	YTLPower	6742	2.360	2.360	2.020	2.590	3.057	0.0	-
17/11/2023	ChinHin	5273	3.910	3.910	3.340	4.300	2.895	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM BERHAD	TELCO	5.15	0.73	14.16
UOA DEVELOPMENT BERHAD	PROPERTY	1.73	0.20	11.56
HEKTAR REITS	REITs	0.61	0.06	10.25
MBM RESOURCES BHD	CONSUMER	4.19	0.39	9.38
YTL HOSPITALITY REIT	REITs	1.03	0.09	9.13
AMWAY (M) HOLDINGS BHD	CONSUMER	5.45	0.46	8.44
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.11	0.74	8.16
BERMAZ AUTO BERHAD	CONSUMER	2.49	0.20	7.99
TALIWORKS CORPORATION BHD	UTILITIES	0.85	0.07	7.93
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
UOA REITS	REITs	1.10	0.09	7.82
SENTRAL REIT	REITs	0.83	0.06	7.47
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

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)	24.2	17.0	18.8	14.7	13.2
Finance	(0.4)	13.0	10.2	12.4	10.2	9.8
Property	33.6	25.1	7.4	11.4	10.0	#N/A N/A
Plantation	(1.1)	95.5	14.3	36.8	14.3	17.2
Consumer	(4.1)	22.5	16.4	21.8	16.4	14.3
Technology	(1.0)	48.6	22.5	27.0	27.2	23.5
Construction	23.2	36.8	16.4	19.3	16.4	11.8
Energy	11.0	10.3	-	-	10.3	9.9
Healthcare	2.1	36.1	24.8	30.4	24.8	32.5
Ind. Prod.	(4.0)	24.9	14.8	21.9	14.8	14.3
REIT	1.7	14.0	-	-	14.0	15.5
Telco	(2.1)	29.7	19.8	24.7	29.7	21.5

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