



# Daily Newswatch

## Market Review

The FBMKLCI concluded the previous Friday with a decline as investors exercised caution, influenced by increasing worries over Middle east geopolitical development. Market breadth was negative with 439 gainers and 450 losers. The utilities sector was the top gainer increasing by +0.72%, while the telco sector was the top loser declining by -1.26%. UTDPLT (2089) was the top gainer surging by RM0.28 or +1.70%. The FBMKLCI declined by -0.27% to 1,460.67.

## Economics

- Malaysia's third quarter economy surpasses expectations due to domestic demand surge
- Oil surges 4% following week of declines, yet marks fourth consecutive weekly fall

## Companies

- SFP Tech (0251)'s third quarter net profit climbs 20% due to increased revenue and reduced costs
- Nextgreen Global (7241) collaborates with bioeconomy corp for biomass generation
- Greatech Technology (0208) records third quarter net profit of RM47 mil
- Hong Leong Industries (3301) anticipates increased motorcycle demand in FY24
- Marco (3514) acquires remaining 59.61% stake in Time Galerie for RM37.5 mil

## Expresso for the Day

- Technical Watch – Ranhill (5272) Entry Price: RM0.92, Target Price: RM1.01, Stop Loss: RM0.79, Support: RM0.87, Resistance: RM0.97
- Technical Watch – Daythree (0281) Entry Price: RM0.45, Target Price: RM0.49, Stop Loss: RM0.38, Support: RM0.42, Resistance: RM0.49

Local	Close	(%)
FBMKLCI	1,460.7	(0.27)
Volume (mil)	3,272.8	(6.08)
Value (RM'mil)	1,889.1	(8.63)
Gainers	439	
Losers	450	
Unchanged	461	

Foreign	Close	(%)
Dow Jones	34,947.3	0.0
Nasdaq CI	14,125.5	0.1
S&P 500	4,514.0	0.1
FTSE 100	7,504.3	1.3
Nikkei 225	33,585.2	(0.3)
Shanghai CI	3,054.4	0.1
HSI	17,454.2	(2.1)
STI	3,124.7	(0.3)

Most Active	RM	Chg (RM)
WIDAD	0.460	0.000
TAWIN	0.035	(0.005)
UCREST	0.170	0.000
VELESTO	0.230	(0.005)
TANCO	0.580	0.000

Top Gainer	RM	Chg (RM)
UTDPLT	17.100	0.280
VITROX	6.800	0.050
VARIA	1.040	0.040
TGUAN	1.880	0.030
TIENWAH	0.900	0.030

Top Loser	RM	Chg (RM)
UNISEM	3.210	(0.080)
TAANN	3.480	(0.060)
TGL	1.400	(0.050)
THETA	0.765	(0.050)
WELLCAL	1.580	(0.040)

Other Stats	RM	(%)
USD/MYR	4.68	(0.16)
USD/RMB	7.21	(0.39)
Brent (USD/barrel)	80.61	4.12
Gold (USD/troy oz)	1,977.13	(0.00)
CPO (RM/metric t)	3,845.00	1.16



# Daily Newswatch

## Economics

**MALAYSIA:** Malaysia's economy outpaced predictions in the third quarter, propelled by robust domestic demand that countered a decline in exports, as per data from Bank Negara Malaysia (BNM) and the Statistics Department. Gross domestic product (GDP) saw a 3.3% year-on-year expansion in the July-September period, surpassing analysts' expectations of 3% growth. This marked a recovery from the second quarter's nearly two-year low of 2.9%. (Reuters)

**COMMODITIES:** Oil prices surged over 4% on Friday, bouncing back from a four-month low seen in the previous session. Investors who had taken short positions opted to cash in profits, while U.S. sanctions imposed on some Russian oil shippers provided additional support. Brent crude futures concluded the day up by \$3.19, marking a rise of about 4.1% to reach \$80.61 per barrel. Similarly, West Texas Intermediate crude (WTI) climbed by \$2.99, also surging by 4.1% to hit \$75.89. (Reuters)

## Companies

SFP Tech Holdings Berhad (0251), listed on the ACE Market, witnessed a nearly 20% surge in third-quarter net profit to RM11.03 million, compared to RM9.22 million the previous year. This growth was primarily attributed to increased revenue and reduced administrative expenses. During the quarter ending on Sept 30, 2023, revenue spiked by 70.2% to RM37.46 million from RM22 million in the same period last year. The rise was driven by consistent orders for mechanical systems products from existing clientele. (The Edge)

Nextgreen Global Berhad (7241) and Malaysian Bioeconomy Development Corporation Sdn Bhd have signed a memorandum of agreement aiming to collaborate on maximizing the potential of biomass by utilizing biotechnology applications in producing higher-value products for the biomaterial and agricultural farm sector. The pulp and paper manufacturer stated that this partnership aligns with supporting the National Biotechnology Policy 2.0 Flagship Programme and the National Biomass Action Plan 2022-2030. (The Star)

Greatech Technology Berhad (0208) witnessed a robust financial performance in the third quarter of 2023. Their net profit increased to RM46.66 million from RM40.97 million in the previous year's third quarter. This growth was accompanied by a substantial rise in revenue, soaring by 43.33% to RM224.82 million compared to RM156.85 million in the same quarter of the prior year. The company attributes this success to heightened revenue generated from production line systems in industries such as e-mobility, life science, and solar sectors. (The Star)

Hong Leong Industries Bhd (3301) foresees a positive performance in its ongoing financial year, anticipating a rebound in motorcycle demand after a previous slowdown. In the first quarter ending Sept 30, 2023, the company noted a rise in net profit to RM87.67 million compared to RM81.88 million in the previous year, attributed to a more favourable sales mix featuring higher-margin motorcycle models. Earnings per share increased to 27.86 sen in 1QFY24 from 26.03 sen in the same quarter last year. (The Star)

Marco Holdings Berhad (3514) is set to purchase the remaining 59.61% ownership of Time Galerie (M) Sdn Bhd, a retailer of watches and clocks, for a cash transaction amounting to RM37.55 million from Giro Laksana Sdn Bhd and Lim Siew Sooi. Having initially acquired a 40.39% stake in December 2018 for RM26.66 million, the electronic products trading group is now expanding its ownership in Time Galerie. (The Edge)

# Ranhill Utilities Berhad

Bloomberg: RAHH MK | KLSE Stock Code: 5272

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Ranhill Utilities Berhad operates a water utility network. The Company offers water supply, non-revenue, wastewater treatment, and clean energy services. Ranhill Utilities serves customers in Malaysia.

### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential continuation supported by bullish engulfing 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.

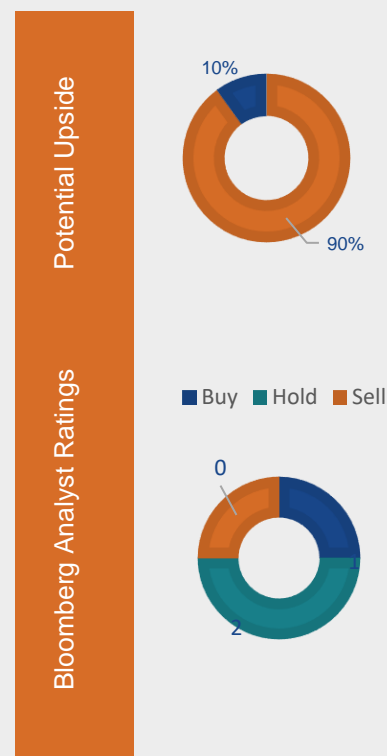
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	14.0	19.0	16.4
P/B	0.8	1.4	1.3
P/CF	5.8	7.1	6.2
P/S	0.4	0.5	0.5

Entry Price	RM0.92
Market Cap (m)	RM1,186.3
52w high	RM0.98
52w low	RM0.38
Stop Loss	RM0.79
Immediate Support	RM0.87
Immediate Resistance	RM0.97 (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)	739,909.6

### Main Market

Utilities  
 Subsector – Gas, Water &  
 Multi-Utilities  
 Current Price: RM0.92  
 Target Price: RM1.01



# Daythree Digital Sdn Bhd

Bloomberg: DAY3 MK | KLSE Stock Code: 0281

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Daythree Digital Sdn Bhd operates as a business process management company. The Company offers customer experience lifecycle management, digital transformation data and analytics, process automation, and cloud-based services. Daythree Digital 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 marubozu with a strong momentum on the stock (RSI > 65).

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.

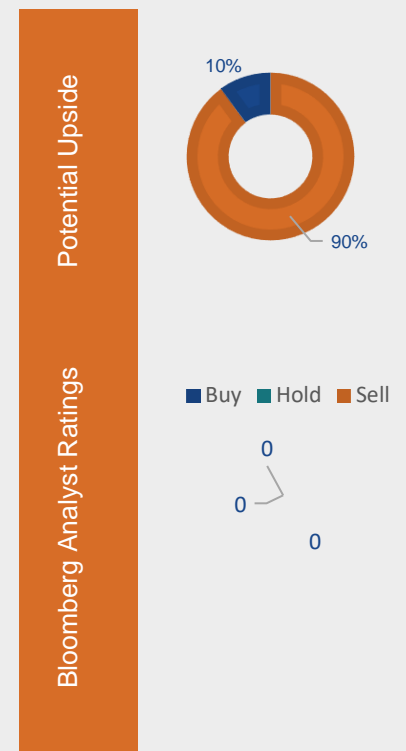
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	N/A	N/A	N/A
P/B	N/A	N/A	N/A
P/CF	N/A	N/A	N/A
P/S	N/A	N/A	N/A

Entry Price	RM0.45
Market Cap (m)	RM213.6
52w high	RM0.73
52w low	RM0.31
Stop Loss	RM0.38
Immediate Support	RM0.42
Immediate Resistance	RM0.49 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	N/A

### Main Market

Consumer Products & Services  
 Subsector – Consumer Svcs  
 Current Price: RM0.45  
 Target Price: RM0.49





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
23/10/2023	CitaGlobal	7245	1.530	1.590	1.310	1.680	-0.625	3.9	-
23/10/2023	Tomei	7230	1.240	1.180	1.060	1.360	0.855	-4.8	-
24/10/2023	MPI	3867	26.960	26.600	23.050	29.660	-1.481	-1.3	-
24/10/2023	Greatec	0208	4.280	4.710	3.660	4.710	-0.842	10.0	TP Achieved
25/10/2023	PWF	7134	0.730	0.720	0.620	0.800	-0.690	-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	4.710	3.850	4.950	-0.842	4.7	-
26/10/2023	D&O	7204	3.220	3.470	2.750	3.540	-1.140	7.8	-
27/10/2023	Tomei	7230	1.230	1.180	1.050	1.350	0.855	-4.1	-
27/10/2023	Genetec	0104	2.510	2.380	2.150	2.760	-0.833	-5.2	-
30/10/2023	Teo Seng	7252	1.340	1.360	1.150	1.470	0.741	1.5	-
30/10/2023	ChinHin	5273	3.890	3.970	3.330	4.260	1.535	2.1	-
31/10/2023	Westports	5246	3.410	3.510	2.920	3.750	0.862	2.9	-
31/10/2023	PESTECH	5219	0.360	0.345	0.310	0.396	4.545	-4.2	-
1/11/2023	Jetson	9083	0.270	0.285	0.230	0.290	3.636	5.6	TP Achieved
1/11/2023	PJBumi	7163	0.960	0.935	0.820	1.050	-1.579	-2.6	-
2/11/2023	Nationgate	0270	1.190	1.270	1.020	1.310	0.794	6.7	-
2/11/2023	GasMsia	5209	3.380	3.250	2.890	3.720	-2.108	-3.8	-
3/11/2023	Padini	7052	3.970	3.930	3.390	4.370	-0.254	-1.0	-
3/11/2023	YTLPOWER	6742	2.290	2.390	1.960	2.520	1.271	4.4	-
6/11/2023	Samaiden	0223	1.150	1.150	0.980	1.270	0.000	0.0	-
6/11/2023	GENP	2291	5.450	5.600	4.660	5.990	-0.533	2.8	-
7/11/2023	PIE	7095	3.170	3.100	2.710	3.490	2.310	-2.2	-
7/11/2023	Kerjaya	7161	1.480	1.490	1.270	1.630	1.361	0.7	-
8/11/2023	Hartalega	5168	2.330	2.350	1.990	2.560	-0.844	0.9	-
8/11/2023	MRDIY	5296	1.580	1.590	1.350	1.740	-1.242	0.6	-
9/11/2023	ALLIANZ	1163	16.720	16.840	14.300	18.390	0.238	0.7	-
9/11/2023	Kperangsang	5843	0.840	0.770	0.720	0.920	0.000	-8.3	-
10/11/2023	HupSeng	5024	0.800	0.810	0.680	0.880	-1.818	1.3	-
10/11/2023	Toyoven	7173	1.430	1.370	1.220	1.360	-1.439	-4.2	-
14/11/2023	Mflour	3662	0.700	0.690	0.590	0.770	0.730	-1.4	-
14/11/2023	IGBB	5606	2.350	2.340	2.010	2.590	N/A	-0.4	-
15/11/2023	RedTone	0032	0.810	0.700	0.690	0.890	-10.256	-13.6	SL Triggered
15/11/2023	Pensonic	9997	0.770	0.770	0.660	0.850	0.000	0.0	-
16/11/2023	GenP	2291	5.730	5.600	4.900	6.300	-0.533	-2.3	-
16/11/2023	Suria	6521	1.790	1.830	1.530	1.970	1.667	2.2	-
17/11/2023	YTLPower	6742	2.360	2.390	2.020	2.590	1.271	1.3	-
17/11/2023	ChinHin	5273	3.910	3.970	3.340	4.300	1.535	1.5	-
20/11/2023	Ranhill	5272	0.920	0.920	0.790	1.010	5.747	0.0	-
20/11/2023	Day3	0281	0.450	0.445	0.380	0.490	9.877	-1.1	-

## 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	1.74	0.20	11.49
HEKTAR REITS	REITs	0.61	0.06	10.25
MBM RESOURCES BHD	CONSUMER	4.17	0.39	9.42
YTL HOSPITALITY REIT	REITs	1.03	0.09	9.13
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.10	0.74	8.16
BERMAZ AUTO BERHAD	CONSUMER	2.48	0.20	8.02
TALIWORKS CORPORATION BHD	UTILITIES	0.85	0.07	7.88
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
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	7.32
SENTRAL REIT	REITs	0.83	0.06	7.52
KIM LOONG RESOURCES BHD	PLANTATION	1.92	0.14	7.29
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	(2.3)	24.2	17.0	18.8	14.7	13.2
Finance	(0.7)	13.0	10.2	12.4	10.2	9.8
Property	34.5	25.1	7.4	11.4	10.1	#N/A N/A
Plantation	(1.1)	95.5	14.3	36.8	14.3	17.0
Consumer	(4.3)	22.5	16.3	21.8	16.3	14.3
Technology	(1.5)	48.6	22.5	27.0	27.0	23.4
Construction	22.8	36.8	16.3	19.2	16.3	11.7
Energy	9.8	10.2	-	-	10.2	9.6
Healthcare	1.7	36.1	24.7	30.4	24.7	32.4
Ind. Prod.	(4.3)	24.9	14.8	21.9	14.8	14.2
REIT	1.8	14.0	-	-	14.0	15.5
Telco	(3.3)	29.3	19.8	24.5	29.3	21.2

Source: Bloomberg

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