

# Daily Newswatch

## Market Review

The FBMKLCI declined on Monday on the back of absent buying interest amid mixed performances in the regional market. Market breadth was negative with 395 gainers and 499 losers. The healthcare sector was the top gainer increasing by +1.62%, while the utilities sector was the top loser declining by -0.51%. PERTAMA (8532) was the top gainer surging by RM0.77 or +19.8%. The FBMKLCI declined by -0.27% to 1,456.92.

## Economics

- Gold declines after reaching two-week peaks amid market focus on Fed meeting minutes
- Germany facing tough recovery, weak quarter ahead - Bundesbank

## Companies

- PetGas (6033) reports 10% y-o-y profit rise, declares 18 sen dividend despite 3.4% q-o-q drop
- Mesiniaga (5011) secures RM38 million contract to maintain MYGST system for Customs Department
- Cahya Mata Cement (2852) signs technical consulting deal with Slnoma industry
- MR DIY (5296)'s third quarter earnings reach RM123.95 mil, fueled by new store growth
- Muhibbah Engineering (5703) secures contracts worth RM479 million in Perak and Terengganu

## Espresso for the Day

- Technical Watch – PIE (7095) Entry Price: RM3.34, Target Price: RM3.67, Stop Loss: RM2.86, Support: RM3.17, Resistance: RM3.72
- Technical Watch – GLOBETRONIC (7022) Entry Price: RM1.64, Target Price: RM1.81, Stop Loss: RM1.40, Support: RM1.56, Resistance: RM1.64

Local	Close	(%)
FBMKLCI	1,456.9	(0.26)
Volume (mil)	3,227.3	(1.39)
<b>Value (RM'mil)</b>	<b>1,698.0</b>	<b>(10.12)</b>
Gainers	395	
Losers	499	
Unchanged	457	

Foreign	Close	(%)
Dow Jones	35,151.0	0.6
Nasdaq CI	14,284.5	1.1
S&P 500	4,547.4	0.7
FTSE 100	7,496.4	(0.1)
Nikkei 225	33,388.0	(0.3)
Shanghai CI	3,068.3	0.5
HSI	17,778.1	1.9
STI	3,111.6	(0.4)

Most Active	RM	Chg (RM)
HONGSENG	0.030	(0.005)
LEFORM	0.290	0.005
TOPGLOV	0.800	0.015
WIDAD	0.460	0.000
SCIB	0.650	0.010

Top Gainer	RM	Chg (RM)
PERTAMA	4.650	0.770
ALLIANZ	17.200	0.360
RAPID	27.440	0.280
MPI	26.880	0.280
HEXTECH	23.480	0.260

Top Loser	RM	Chg (RM)
NESTLE	121.200	(1.500)
F&N	26.840	(0.260)
PPB	14.580	(0.220)
MISC	7.270	(0.120)
SAM	4.230	(0.110)

Other Stats	RM	(%)
USD/MYR	4.67	(0.27)
USD/RMB	7.17	(0.66)
Brent (USD/barrel)	82.32	2.12
Gold (USD/troy oz)	1,980.26	(0.14)
CPO (RM/metric t)	3,845.00	1.16



# Daily Newswatch

## Economics

**COMMODITIES:** Gold prices slipped from their recent two-week highs due to a rebound in U.S. Treasury yields. Investors eagerly await the Federal Reserve's meeting minutes for insights into the central bank's policy direction. Spot gold declined by 0.4% to \$1,972.26 per ounce, following a peak of \$1,993.29 on Friday. U.S. gold futures also fell by 0.5% to \$1,974.60. Exinity's Chief Market Analyst Han Tan suggested that the recent pause in gold's upward momentum might be due to a 2% climb last week and the presence of lingering geopolitical risk factors influencing gold prices. (Reuters)

**GERMANY:** Germany's economy is expected to shrink once more this quarter, and while there are glimpses of improvement possibly emerging in early next year, the recovery is projected to be challenging, stated the Bundesbank in its monthly economic report. The country has faced significant challenges this year due to a severe industrial downturn, making it one of Europe's weakest economies. Factors such as high energy expenses, reduced global orders, and increased interest rates have contributed to this. (Reuters)

## Companies

Petronas Gas Berhad (6033) witnessed a 10.01% increase in net profit for the third quarter of 2023, compared to the same period last year, thanks to reduced financing costs, taxes, and expenses. However, the quarter-on-quarter performance showed a 3.48% decline due to lower sales triggered by planned plant shutdowns in Kertih and reduced product prices in the utilities division. PetGas' net profit for 3QFY2023 reached RM468.46 million, climbing from RM425.82 million in 3QFY2022. (The Edge)

Mesiniaga Berhad (5011), a provider of information technology products and services, has successfully secured a RM38 million contract with the Royal Malaysian Customs Department (RMCD). The official acceptance of the letter of award by Mesiniaga from RMCD for the maintenance of the MYGST system took place on Monday. This contract, effective immediately, is slated for completion by October 2025. (The Edge)

Cahaya Mata Sarawak Berhad (2852)'s wholly owned subsidiary, Cahya Mata Cement Sdn Bhd, has joined hands with Sinoma Industry Engineering (M) Sdn Bhd to conduct a thorough study and technical assessment. Their focus is on Cahya Mata Cement's plans for building a new clinker line and optimizing its existing facilities. The technical consultancy agreement signed today represents a significant step forward for CMS, underscoring the company's steadfast commitment to Sarawak's economic growth. (The Star)

MR D.I.Y. Group (M) Berhad (5296) maintains a sense of confident optimism regarding its growth prospects within the current business landscape. The home improvement retailer emphasizes its dedication to strategically expanding its store network while focusing on maximizing revenue per square foot and operational efficiency. These factors are pivotal in driving financial performance and elevating shareholder value. (The Star)

Muhibbah Engineering (M) Berhad (5703) has secured a contract worth approximately RM318 million from Petronas Carigali Sdn Bhd. This contract involves the construction, commissioning, and installation of a light-weight structure project located around 190 kilometers off the Terengganu shore. Additionally, the company has been granted another contract by Lumut Maritime Terminal Sdn Bhd for the expansion project of the Lumut Maritime Terminal in Manjung, Perak, valued at around RM161 million. Muhibbah highlighted that both contracts are anticipated to have a positive impact on the company's earnings and net assets, both presently and in the future financial years. (The Star)

# P.I.E. Industrials Berhad

Bloomberg: PIE MK | KLSE Stock Code: 7095

## Technical Watch

“BUY on Potential Upside”

### Company Overview

P.I.E. Industrial Berhad is an investment holding company which provides management services. Through its subsidiaries, the Company has operation in contract manufacturing services, manufactures raw wires and cables, and trades personal computer peripheral products.

### Investment Highlights

On an uptrend, 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 > 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.

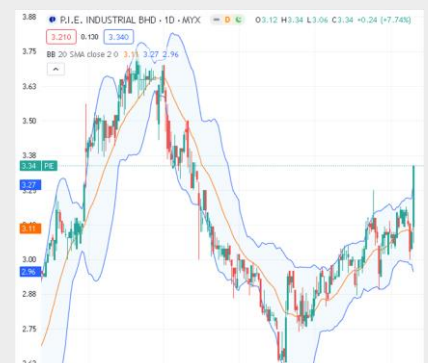
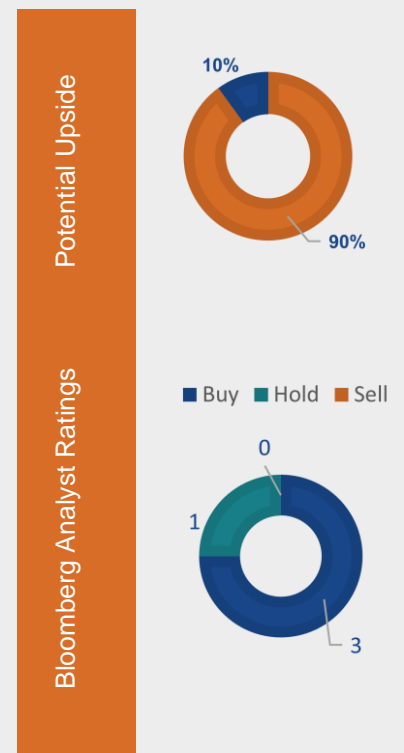
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	17.3	17.0	14.7
P/B	2.1	1.8	1.6
P/CF	26.7	14.2	23.4
P/S	1.0	1.0	0.9

Entry Price	RM3.34
Market Cap (m)	RM1,282.7
52w high	RM3.74
52w low	RM2.47
Stop Loss	RM2.86
Immediate Support	RM3.17
Immediate Resistance	RM3.72 (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)	137,657.1

### Main Market

Industrial Products & Services  
 Subsector – Industrial Materials,  
 Components & Equipments  
 Current Price: RM3.34  
 Target Price: RM3.67



# Globetronics Technology Berhad

Bloomberg: GTB MK | KLSE Stock Code: 7022

## Technical Watch

“BUY on Potential Continuation”

### Company Overview

Globetronics Technology Berhad is an investment holding company. The Company, through its subsidiaries, manufactures and assembles integrated circuits, optoelectronic products, technical ceramic substrates, ESD protective materials, small outline components, and technical plating services and packaging.

### Investment Highlights

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

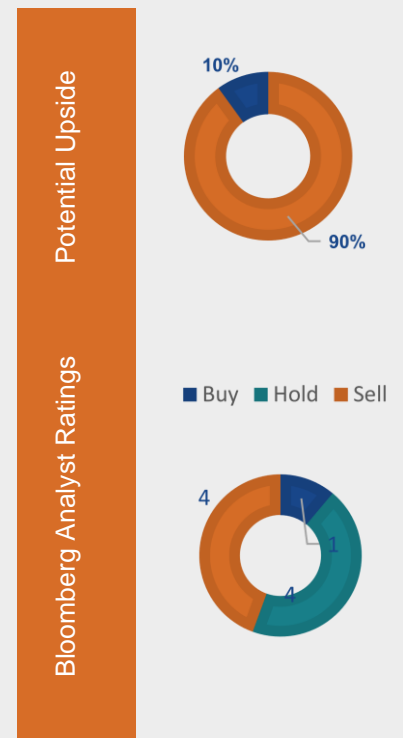
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	19.0	22.3	22.3
P/B	2.8	3.7	3.7
P/CF	12.1	12.7	13.2
P/S	4.7	5.1	4.3

Entry Price	RM1.64
Market Cap (m)	RM1,101.6
52w high	RM1.71
52w low	RM0.99
Stop Loss	RM1.40
Immediate Support	RM1.56
Immediate Resistance	RM1.64 (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)	550,983.8

### Main Market

Technology  
 Subsector – Semiconductors  
 Current Price: RM1.64  
 Target Price: RM1.81





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
24/10/2023	MPI	3867	26.960	26.880	23.050	29.660	1.053	-0.3	-
24/10/2023	Greatec	0208	4.280	4.850	3.660	4.710	2.972	13.3	TP Achieved
25/10/2023	PWF	7134	0.730	0.720	0.620	0.800	0.000	-1.4	-
25/10/2023	Solarvest	0215	1.260	1.290	1.080	1.390	1.575	2.4	-
26/10/2023	Greatec	0208	4.500	4.850	3.850	4.950	2.972	7.8	-
26/10/2023	D&O	7204	3.220	3.520	2.750	3.540	1.441	9.3	-
27/10/2023	Tomei	7230	1.230	1.180	1.050	1.350	0.000	-4.1	-
27/10/2023	Genetec	0104	2.510	2.430	2.150	2.760	2.101	-3.2	-
30/10/2023	Teo Seng	7252	1.340	1.420	1.150	1.470	4.412	6.0	-
30/10/2023	ChinHin	5273	3.890	4.020	3.330	4.260	1.259	3.3	-
31/10/2023	Westports	5246	3.410	3.440	2.920	3.750	-1.994	0.9	-
31/10/2023	PESTECH	5219	0.360	0.335	0.310	0.396	-2.899	-6.9	-
1/11/2023	Jetson	9083	0.270	0.280	0.230	0.290	-1.754	3.7	TP Achieved
1/11/2023	PJBumi	7163	0.960	0.920	0.820	1.050	-1.604	-4.2	-
2/11/2023	Nationgate	0270	1.190	1.360	1.020	1.310	7.087	14.3	TP Achieved
2/11/2023	GasMsia	5209	3.380	3.230	2.890	3.720	-0.615	-4.4	-
3/11/2023	Padini	7052	3.970	3.950	3.390	4.370	0.509	-0.5	-
3/11/2023	YTLPOWER	6742	2.290	2.360	1.960	2.520	-1.255	3.1	-
6/11/2023	Samaiden	0223	1.150	1.160	0.980	1.270	0.870	0.9	-
6/11/2023	GENP	2291	5.450	5.540	4.660	5.990	-1.071	1.7	-
7/11/2023	PIE	7095	3.170	3.340	2.710	3.490	7.742	5.4	-
7/11/2023	Kerjaya	7161	1.480	1.480	1.270	1.630	-0.671	0.0	-
8/11/2023	Hartalega	5168	2.330	2.400	1.990	2.560	2.128	3.0	-
8/11/2023	MRDIY	5296	1.580	1.610	1.350	1.740	1.258	1.9	-
9/11/2023	ALLIANZ	1163	16.720	17.200	14.300	18.390	2.138	2.9	-
9/11/2023	Kperangsang	5843	0.840	0.760	0.720	0.920	-1.299	-9.5	-
10/11/2023	HupSeng	5024	0.800	0.790	0.680	0.880	-2.469	-1.3	-
10/11/2023	Toyoven	7173	1.430	1.400	1.220	1.360	2.190	-2.1	-
14/11/2023	Mflour	3662	0.700	0.685	0.590	0.770	-0.725	-2.1	-
14/11/2023	IGBB	5606	2.350	2.300	2.010	2.590	-1.709	-2.1	-
15/11/2023	RedTone	0032	0.810	0.700	0.690	0.890	0.000	-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	5.540	4.900	6.300	-1.071	-3.3	-
16/11/2023	Suria	6521	1.790	1.820	1.530	1.970	-0.546	1.7	-
17/11/2023	YTLPower	6742	2.360	2.360	2.020	2.590	-1.255	0.0	-
17/11/2023	ChinHin	5273	3.910	4.020	3.340	4.300	1.259	2.8	-
20/11/2023	Ranhill	5272	0.920	0.905	0.790	1.010	-1.630	-1.6	-
20/11/2023	Day3	0281	0.450	0.430	0.380	0.490	-3.371	-4.4	-
21/11/2023	PIE	7095	3.340	3.340	2.860	3.670	7.742	0.0	-
21/11/2023	Globetronic	7022	1.640	1.640	1.400	1.810	5.806	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM BERHAD	TELCO	5.24	0.73	13.91
UOA DEVELOPMENT BERHAD	PROPERTY	1.76	0.20	11.36
HEKTAR REITS	REITs	0.61	0.06	10.25
MBM RESOURCES BHD	CONSUMER	4.20	0.39	9.36
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.04	0.74	8.22
BERMAZ AUTO BERHAD	CONSUMER	2.43	0.20	8.19
AMWAY (M) HOLDINGS BHD	CONSUMER	5.65	0.46	8.14
TALIWORKS CORPORATION BHD	UTILITIES	0.84	0.07	7.98
UOA REITS	REITs	1.10	0.09	7.82
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
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	7.32
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	(2.6)	24.2	17.0	18.8	14.6	13.1
Finance	(0.9)	13.0	10.2	12.4	10.2	9.8
Property	33.8	25.1	7.4	11.4	10.0	#N/A N/A
Plantation	(1.4)	95.5	14.3	36.8	14.3	16.9
Consumer	(4.6)	22.5	16.3	21.8	16.3	14.1
Technology	(0.6)	48.6	22.5	27.0	27.3	23.7
Construction	22.6	36.8	16.3	19.2	16.3	11.7
Energy	10.9	10.2	-	-	10.2	9.7
Healthcare	3.4	36.1	25.1	30.6	25.1	32.9
Ind. Prod.	(4.5)	24.9	14.8	21.9	14.8	14.2
REIT	1.6	14.0	-	-	14.0	15.5
Telco	(3.2)	29.3	19.8	24.5	29.3	21.2

Source: Bloomberg



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## 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](http://www.mercurysecurities.com.my)  
Email: [mercurykl@mersec.com.my](mailto:mercurykl@mersec.com.my)