

Daily Newswatch

Market Review

The FBMKLCI ended the week flat last Friday amid a backdrop of subdued performance in regional markets. Market breadth was negative with 392 gainers and 528 losers. The industrial products & services sector was the top gainer increasing by +0.44%, while the energy sector was the top loser declining by -1.28%. RAPID (7765) was the top gainer surging by RM0.60 or +2.2%. The FBMKLCI rose by +0.04% to 1,453.92.

Economics

- Amid slowing wedding season demand, Indian dealers expand discounts on Asia gold
- Lower House approves Japan's additional budget of \$88bil

Companies

- Sam Engineering (9822) reports increased second quarter net profit of RM32.63mil in fiscal year 2024
- IOI Properties (5249) achieves property sales of RM587mil in the first quarter of 2024
- Leform (0266) secures US\$1.95mil contract to provide highway guardrails in Cambodia
- ECM Libra Group (2143) acquires Tune Hotel in Liverpool as an addition to its hospitality portfolio
- Uchi Tech (7100) announces dividend of nine sen following slight increase in third quarter profit

Expresso for the Day

- Technical Watch – MCement (3794) Entry Price: RM4.04, Target Price: RM4.44, Stop Loss: RM3.45, Support: RM3.84, Resistance: RM4.04
- Technical Watch – Hextech (5136) Entry Price: RM23.70, Target Price: RM26.07, Stop Loss: RM20.26, Support: RM22.52, Resistance: RM24.60

Local	Close	(%)
FBMKLCI	1,453.9	0.04
Volume (mil)	3,499.0	(5.61)
Value (RM'mil)	2,352.4	12.83
Gainers	392	
Losers	528	
Unchanged	473	

Foreign	Close	(%)
Dow Jones	35,390.2	0.3
Nasdaq CI	14,250.9	(0.1)
S&P 500	4,559.3	0.1
FTSE 100	7,488.2	0.1
Nikkei 225	33,625.5	0.5
Shanghai CI	3,041.0	(0.7)
HSI	17,559.4	(2.0)
STI	3,094.8	(0.5)

Most Active	RM	Chg (RM)
TOPGLOV	0.900	0.015
LEFORM	0.295	0.010
HONGSENG	0.025	0.000
WIDAD	0.465	(0.005)
CSH	0.060	0.005

Top Gainer	RM	Chg (RM)
RAPID	28.000	0.600
ALLIANZ	18.280	0.400
CRESNDO	1.900	0.170
GENTING	4.530	0.170
PCHEM	7.300	0.140

Top Loser	RM	Chg (RM)
PETDAG	22.560	(0.300)
F&N	27.100	(0.180)
HLFG	16.480	(0.120)
UTDPLT	16.780	(0.120)
DAYANG	1.680	(0.110)

Other Stats	RM	(%)
USD/MYR	4.69	0.11
USD/RMB	7.15	0.02
Brent (USD/barrel)	80.58	(1.03)
Gold (USD/troy oz)	2,000.82	0.43
CPO (RM/metric t)	3,826.50	(0.31)



Daily Newswatch

Economics

COMMODITIES: Major Asian gold markets experienced the sale of physical gold increased due to relatively high prices. However, subdued demand during India's wedding season led dealers to provide more significant discounts. Despite expectations for continued momentum following the Diwali festival, elevated prices affected the wedding season demand, as noted by a Mumbai-based bullion dealer associated with a private bank. Local gold prices in India hovered around 61,100 rupees per 10 grams on Friday, slightly lower than the recent record high of 61,914 rupees. (Reuters)

JAPAN: On Friday, Japan approved an additional budget amounting to approximately 13.1 trillion yen (\$88 billion). This budget aims to assist households dealing with increased living expenses and encourage domestic investment by corporations, despite growing concerns about Japan's deteriorating finances. To fund an economic package featuring temporary cuts in income tax, financial aid to low-income families, and subsidies to alleviate gasoline and utility costs, the government plans to issue about 8.9 trillion yen in new bonds through this supplementary budget. (Reuters)

Companies

Sam Engineering & Equipment Berhad (9822) reported a surge in net profit for the second quarter concluding on Sep 30, 2023 (2Q FY2024), reaching RM32.63 million compared to RM26.94 million from the corresponding quarter a year ago. Revenue witnessed an increment of RM22.1 million, rising to RM428.62 million from RM406.52 million previously. Sam Engineering attributed the elevated group revenue in the second quarter to a rise of RM33.8 million in revenue from its aerospace segment. (The Star)

IOI Properties Group Berhad (5249) achieved property development sales of RM587 million in the initial quarter of their financial year ending June 30, 2024 (1Q24). The bulk of these sales, amounting to RM572.6 million (98% of total sales), came from local projects, while overseas projects in China contributed RM14.4 million (constituting the remaining 2%). In Malaysia, significant sales were secured primarily from the Johor region, totalling RM400.5 million. (The Star)

Leform Berhad (0266), a manufacturer and trader of steel products, secured a supply deal from Cambodia's Nim Meng Group Co Ltd valued at US\$1.95 million (approximately RM9.15 million). Leform stated that its subsidiary, Leform Metal Sdn Bhd, with an 85% ownership, has agreed to and fulfilled a contract with Nim Meng Group. This contract involves supplying highway guardrail products for the National Road No 5 Improvement Project, Package 4 in Cambodia. (The Edge)

ECM Libra Group Berhad (2143) is expanding its hospitality portfolio with the acquisition of two leasehold properties situated in Liverpool's city center, comprising the Tune Hotel and a ground floor shop with a basement, at a cost of £4.5 million, approximately RM26.48 million. ECM Libra, through its subsidiaries, finalized a business purchase agreement on Thursday (Nov 23) with Castle Street Liverpool LLP and CSL Opco Ltd to procure these leasehold assets located along Castle Street. (The Edge)

Uchi Technologies Berhad (7100), an original design manufacturer, reported a 3% increase in net profit to RM33.42 million for the third quarter ended Sept 30, 2023 (3QFY2023), compared to RM32.51 million in the same period last year. The rise was attributed to heightened demand for its products and services, leading to stronger revenue. The company, based in Penang, highlighted in its stock exchange filing that the appreciation of the US dollar against the ringgit during the quarter contributed to the enhanced earnings. (The Edge)

Malayan Cement Berhad

Bloomberg: LMC MK | KLSE Stock Code: 3794

Technical Watch

“BUY on Potential Upside”

Company Overview

Malayan Cement Berhad manufactures, sells, and distributes cement and clinker. The Company offers ready-mixed concrete, provides shipping services, leases vessels, and trades building materials. Malayan Cement serves customers 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 > 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.

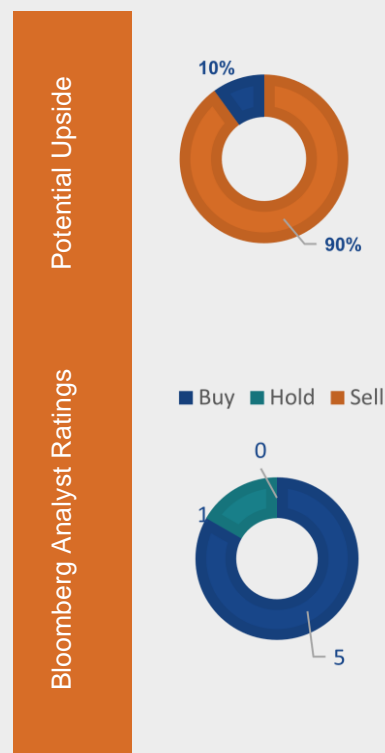
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	39.1	73.4	78.6
P/B	0.6	0.8	1.4
P/CF	15.1	16.1	44.7
P/S	1.1	1.3	1.9

Entry Price	RM4.04
Market Cap (m)	RM5,293.2
52w high	RM4.10
52w low	RM2.04
Stop Loss	RM3.45
Immediate Support	RM3.84
Immediate Resistance	RM4.04 (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)	318,650.1

Main Market

Industrial Products & Services
 Subsector – Building Materials
 Current Price: RM4.04
 Target Price: RM4.44



Hextar Technologies Berhad

Bloomberg: HEXTECH MK | KLSE Stock Code: 5136

Technical Watch

“BUY on Potential Reversal”

Company Overview

Hextar Technologies Solutions Berhad is an investment holding company. The Company, through its subsidiaries, owns ships, provides marine transportation services, general trading, trading of freight, lorry and trucking services, and logistics.

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think there is a potential reversal supported by three white soldiers with a recovering momentum on the stock (RSI > 50).

Contracting Bollinger Bands suggest lower volatility and lower 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.

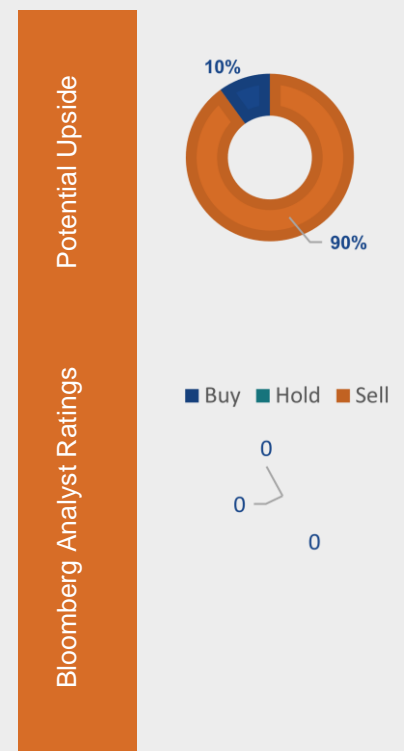
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	412.4	177.4	100.2
P/B	14.6	6.3	3.6
P/CF	N/A	8.4	5.1
P/S	12.3	5.9	3.3

Entry Price	RM23.70
Market Cap (m)	RM3,049.0
52w high	RM30.60
52w low	RM12.58
Stop Loss	RM20.26
Immediate Support	RM22.52
Immediate Resistance	RM24.60 (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)	74,304.5

Main Market

Transportation & Logistics
 Subsector – Transportation &
 Logistics Services
 Current Price: RM23.70
 Target Price: RM26.07





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
30/10/2023	Teo Seng	7252	1.340	1.690	1.150	1.470	-2.874	26.1	TP Achieved
30/10/2023	ChinHin	5273	3.890	3.800	3.330	4.260	-0.783	-2.3	-
31/10/2023	Westports	5246	3.410	3.510	2.920	3.750	1.153	2.9	-
31/10/2023	PESTECH	5219	0.360	0.335	0.310	0.396	1.515	-6.9	-
1/11/2023	Jetson	9083	0.270	0.265	0.230	0.290	1.923	-1.9	TP Achieved
1/11/2023	PJBumi	7163	0.960	0.900	0.820	1.050	0.000	-6.2	-
2/11/2023	Nationgate	0270	1.190	1.380	1.020	1.310	0.730	16.0	TP Achieved
2/11/2023	GasMsia	5209	3.380	3.180	2.890	3.720	0.000	-5.9	-
3/11/2023	Padini	7052	3.970	3.790	3.390	4.370	0.000	-4.5	-
3/11/2023	YTLPOWER	6742	2.290	2.280	1.960	2.520	-0.870	-0.4	-
6/11/2023	Samaiden	0223	1.150	1.140	0.980	1.270	-0.870	-0.9	-
6/11/2023	GENP	2291	5.450	5.520	4.660	5.990	0.000	1.3	-
7/11/2023	PIE	7095	3.170	3.260	2.710	3.490	0.000	2.8	-
7/11/2023	Kerjaya	7161	1.480	1.410	1.270	1.630	0.000	-4.7	-
8/11/2023	Hartalega	5168	2.330	2.520	1.990	2.560	-3.817	8.2	TP Achieved
8/11/2023	MRDIY	5296	1.580	1.620	1.350	1.740	1.250	2.5	-
9/11/2023	ALLIANZ	1163	16.720	18.280	14.300	18.390	2.237	9.3	-
9/11/2023	Kperangsang	5843	0.840	0.790	0.720	0.920	0.637	-6.0	-
10/11/2023	HupSeng	5024	0.800	0.800	0.680	0.880	0.000	0.0	-
10/11/2023	Toyoven	7173	1.430	1.440	1.220	1.360	2.857	0.7	-
14/11/2023	Mflour	3662	0.700	0.690	0.590	0.770	2.222	-1.4	-
14/11/2023	IGBB	5606	2.350	2.350	2.010	2.590	0.427	0.0	-
15/11/2023	RedTone	0032	0.810	0.685	0.690	0.890	-1.439	-15.4	SL Triggered
15/11/2023	Pensonic	9997	0.770	0.800	0.660	0.850	1.911	3.9	-
16/11/2023	GenP	2291	5.730	5.520	4.900	6.300	0.000	-3.7	-
16/11/2023	Suria	6521	1.790	1.810	1.530	1.970	0.000	1.1	-
17/11/2023	YTLPower	6742	2.360	2.280	2.020	2.590	-0.870	-3.4	-
17/11/2023	ChinHin	5273	3.910	3.800	3.340	4.300	-0.783	-2.8	-
20/11/2023	Ranhill	5272	0.920	0.905	0.790	1.010	0.556	-1.6	-
20/11/2023	Day3	0281	0.450	0.395	0.380	0.490	2.597	-12.2	SL Triggered
21/11/2023	PIE	7095	3.340	3.260	2.860	3.670	0.000	-2.4	-
21/11/2023	Globetronic	7022	1.640	1.620	1.400	1.810	-1.220	-1.2	-
22/11/2023	INARI	0166	3.050	2.880	2.610	3.360	-0.690	-5.6	-
22/11/2023	GENTING	3182	4.430	4.530	3.790	4.870	3.899	2.3	-
23/11/2023	TeoSeng	7252	1.650	1.690	1.410	1.820	-2.874	2.4	-
23/11/2023	Dufu	7233	1.850	1.850	1.580	2.040	1.648	0.0	-
24/11/2023	Supermax	7106	1.040	1.020	0.890	1.140	-1.923	-1.9	-
24/11/2023	Hartalega	5166	2.620	2.520	2.240	2.880	-3.817	-3.8	-
27/11/2023	Mcement	3794	4.040	4.040	3.450	4.440	2.538	0.0	-
27/11/2023	Hextech	5136	23.700	23.700	20.260	26.070	0.424	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.08	0.73	14.31
UOA DEVELOPMENT BERHAD	PROPERTY	1.77	0.20	11.30
HEKTAR REITS	REITs	0.61	0.06	9.34
MBM RESOURCES BHD	CONSUMER	4.26	0.40	9.34
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
BRITISH AMERICAN TOBACCO (M)	CONSUMER	8.97	0.74	8.28
AMWAY (M) HOLDINGS BHD	CONSUMER	5.60	0.46	8.21
TALIWORKS CORPORATION BHD	UTILITIES	0.84	0.07	7.98
BERMAZ AUTO BERHAD	CONSUMER	2.39	0.19	7.87
UOA REITS	REITs	1.10	0.09	7.82
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
SCICOM (MSC) BHD	IND. PROD.	1.07	0.08	7.48
SENTRAL REIT	REITs	0.83	0.06	7.47
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.32
KIM LOONG RESOURCES BHD	PLANTATION	1.93	0.14	7.25

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	(2.8)	24.2	17.0	18.8	14.6	13.1
Finance	(0.7)	13.0	10.2	12.4	10.2	9.8
Property	34.6	25.1	7.4	11.5	10.5	#N/A N/A
Plantation	(2.2)	95.5	14.2	36.8	14.2	16.7
Consumer	(4.6)	22.5	16.2	21.8	16.2	14.0
Technology	(0.6)	48.6	22.5	27.9	31.6	24.1
Construction	21.6	36.8	16.2	19.2	16.2	11.7
Energy	7.6	9.9	-	-	9.9	9.5
Healthcare	6.3	36.1	25.9	31.0	25.9	33.8
Ind. Prod.	(4.2)	24.9	14.8	21.9	14.8	14.2
REIT	1.5	14.0	-	-	14.0	15.5
Telco	(4.8)	28.5	19.8	22.3	24.8	20.6

Source: Bloomberg

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