

# Daily Newswatch

## Market Review

The FBMKLCI ended lower on Monday in line with global decline of equities in regional markets. Market breadth was negative with 287 gainers and 683 losers. The plantation sector was the top gainer increasing by +0.18%, while the property sector was the top loser declining by -1.33%. F&N (3689) was the top gainer surging by RM0.20 or +0.7%. The FBMKLCI rose by -0.4% to 1,448.15.

## Economics

- **Gold** reaches 6-month peak due to anticipated Fed pause, weaker Dollar
- **Russian central bank** to restart domestic FX market interventions starting January

## Companies

- **Velesto (5243)** receives a contract extension valued at US\$74mil from Carigali Hess
- **Mulpha (3905)'s** third-quarter net profit climbs to RM95.64mil
- **Siab (0241)** secures a residential development project worth RM107mil in KL
- **Spritzer (7103)'s** third quarter profits soar 49% on tourism and hot weather
- **Guan Chong (5102)'s** third-quarter net profit rises by 10%, announces dividend of two sen

## Expresso for the Day

- **Technical Watch – GenM (4715)** Entry Price: RM2.70, Target Price: RM2.97, Stop Loss: RM2.31, Support: RM2.57, Resistance: RM2.78
- **Technical Watch – Kelington (0151)** Entry Price: RM1.75, Target Price: RM1.93, Stop Loss: RM1.50, Support: RM1.66, Resistance: RM1.86

Local	Close	(%)
FBMKLCI	1,448.2	(0.40)
Volume (mil)	3,094.2	(11.57)
Value (RM'mil)	2,055.7	(12.61)
Gainers	287	
Losers	683	
Unchanged	415	

Foreign	Close	(%)
Dow Jones	35,333.5	(0.2)
Nasdaq CI	14,241.0	(0.1)
S&P 500	4,550.4	(0.2)
FTSE 100	7,460.7	(0.4)
Nikkei 225	33,447.7	(0.3)
Shanghai CI	3,031.7	(0.3)
HSI	17,525.1	(0.2)
STI	3,086.4	(0.3)

Most Active	RM	Chg (RM)
PANDA	0.260	0.100
HONGSENG	0.025	0.000
TOPGLOV	0.880	(0.020)
WIDAD	0.465	0.000
LEFORM	0.300	0.005

Top Gainer	RM	Chg (RM)
F&N	27.300	0.200
MASTER	3.020	0.180
MERCURY	1.100	0.140
APM	2.380	0.130
MPI	27.000	0.120

Top Loser	RM	Chg (RM)
PERTAMA	2.450	(0.680)
NESTLE	120.900	(0.600)
PETDAG	22.060	(0.500)
UTDPLT	16.500	(0.280)
OPPSTAR	1.330	(0.280)

Other Stats	RM	(%)
USD/MYR	4.68	(0.10)
USD/RMB	7.15	0.05
Brent (USD/barrel)	79.68	(1.14)
Gold (USD/troy oz)	2,012.88	0.59
CPO (RM/metric t)	3,790.00	(0.94)

# Daily Newswatch

## Economics

**COMMODITIES:** Gold prices surged on Monday, surpassing the \$2,000 per ounce mark and hitting a more than six-month high. The climb was propelled by a weaker dollar and expectations that U.S. interest rate hikes might come to an end, spurring increased demand. At 1147 GMT, spot gold rose by 0.5% to \$2,012.33 per ounce, hitting its highest level since May 16 at \$2,017.82. Concurrently, U.S. gold futures also saw a 0.5% increase, reaching \$2,013.10. The dollar experienced a 0.1% decline against a basket of major currencies, hovering close to a more than two-month low reached last week. This decline made gold more affordable for holders of other currencies. (Reuters)

**RUSSIA:** The Russian central bank disclosed plans to restart interventions in the domestic foreign exchange market beginning January 2024. This decision comes after halting foreign currency purchases since August to alleviate pressure on the rouble, which had dropped below 100 against the dollar in August and September. The move aims to address FX purchases postponed since August and account for the government's utilization of rainy-day funds to cover its budget deficit. The central bank clarified that operations starting January 2024 will involve replenishing and utilizing National Wealth Fund (NWF) funds, considering all 2023 NWF-related transactions. (Reuters)

## Companies

**Velesto Energy Berhad (5243)** announced an extension of the agreement between its subsidiary, Velesto Drilling Sdn Bhd, and Carigali Hess Operating Company Sdn Bhd. This extension spans one year and six months, estimating a contract value of US\$74 million (RM346.39 million). According to the bourse filing, the contract involves supplying a 10K jack-up drilling rig and is scheduled to run from April 19, 2024, to Oct 18, 2025. (The Edge)

**Mulpha International Berhad (3905)** witnessed a notable surge in net profit for the third quarter of the financial period concluding on Sept 30, 2023 (3Q), reaching RM95.64 million compared to RM20.43 million the previous year. Revenue during this quarter escalated to RM417.42 million from RM213.01 million, marking a 96% increase. This growth was primarily driven by robust performances in property development, hospitality and leisure, and investment sectors. (The Star)

**Siab Holdings Berhad (0241)** has successfully obtained a residential development project worth RM106.80 million in Pantai Sentral, Kuala Lumpur. This project involves constructing a 32-storey apartment block comprising 336 units along with residential facilities on one floor. Siab highlighted that its subsidiary, Siab (M) Sdn Bhd, secured the contract from Murni Lapisan Sdn Bhd (MLSB), with the project anticipated to span 34 months. (The Edge)

**Spritzer Berhad (7103)** achieved a substantial 48.5% surge in net profit, reaching a record high of RM16.97 million in the third quarter ending Sept 30, 2023 (3QFY2023). This growth stemmed from increased sales of drinking water, attributed to a recovery in tourism activities and hot weather conditions. The rise in quarterly net profit surpassed the growth rate of quarterly revenue, which increased by 10.85% to RM132.56 million, up from RM119.59 million a year ago. (The Edge)

**Guan Chong Berhad (5102)**, the fourth-largest cocoa grinder globally, reported a 10.1% increase in net profit, reaching RM33.88 million in the third quarter ended Sept 30, 2023 (3QFY2023), compared to RM30.76 million in the preceding year. This growth was driven by elevated average selling prices of industrial chocolates and stabilized energy prices, following the tensions between Russia and Ukraine last year. Earnings per share for 3QFY2023 stood at 2.88 sen, slightly lower than the 2.89 sen recorded in 3QFY2022. (The Edge)

# Genting Malaysia Berhad

Bloomberg: GENM MK | KLSE Stock Code: 4715

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Genting Malaysia Berhad operates a tourist resort in Genting Highlands which includes hotels, restaurants, casinos, and recreational and amusement facilities. The Company, through its subsidiaries, also develops and leases property, operates leisure and hospitality services, and provides time share ownership scheme.

### 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 > 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.

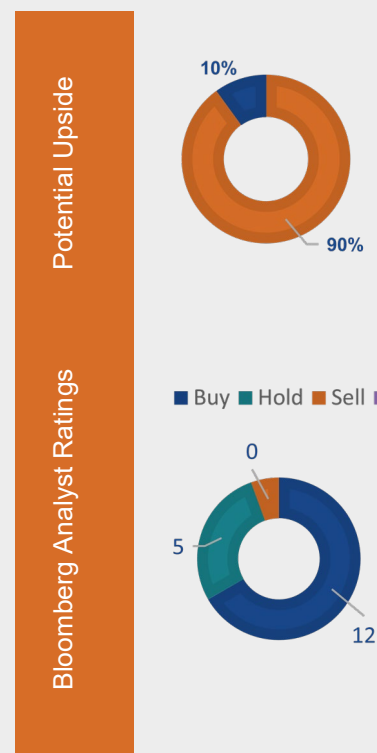
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	296.1	80.4	24.3
P/B	1.1	1.0	1.0
P/CF	63.9	37.2	21.2
P/S	2.2	2.2	2.2

Entry Price	<b>RM2.70</b>
Market Cap (m)	RM15,302.9
52w high	<b>RM2.94</b>
52w low	<b>RM2.40</b>
Stop Loss	RM2.31
Immediate Support	RM2.57
Immediate Resistance	RM2.78 (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)	6,121,946.3

### Main Market

Consumer Products & Services  
 Subsector – Travel, Leisure &  
 Hospitality  
 Current Price: RM2.70  
 Target Price: RM2.97



# Kelington Group Berhad

Bloomberg: KGRB MK | KLSE Stock Code: 0151

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Kelington Group Bhd designs, fabricates and installs ultra-high purity gas and chemicals delivery systems.

### 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 > 80).

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.

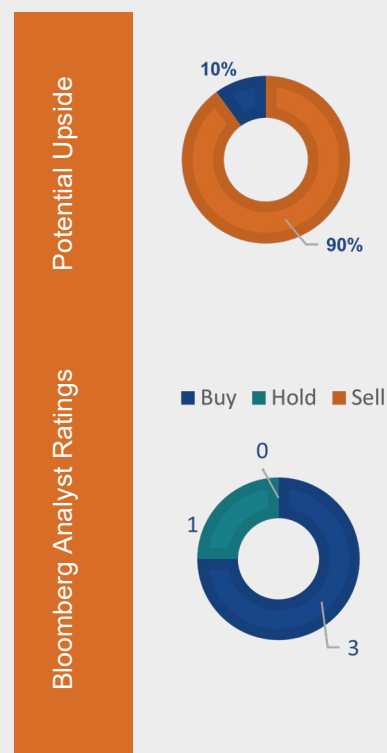
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	20.0	21.2	18.8
P/B	3.9	3.4	2.4
P/CF	20.9	29.3	20.3
P/S	1.0	1.1	0.8

Entry Price	RM1.75
Market Cap (m)	RM1,128.4
52w high	RM1.80
52w low	RM1.31
Stop Loss	RM1.50
Immediate Support	RM1.66
Immediate Resistance	RM1.86 (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)	1,774,743.4

### Main Market

Industrial Products & Services  
Subsector – Industrial  
Engineering  
Current Price: RM1.75  
Target Price: RM1.93





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
31/10/2023	Westports	5246	3.410	3.460	2.920	3.750	-1.425	1.5	-
31/10/2023	PESTECH	5219	0.360	0.315	0.310	0.396	-5.970	-12.5	-
1/11/2023	Jetson	9083	0.270	0.260	0.230	0.290	-1.887	-3.7	TP Achieved
1/11/2023	PJBumi	7163	0.960	0.890	0.820	1.050	-1.111	-7.3	-
2/11/2023	Nationgate	0270	1.190	1.340	1.020	1.310	-2.899	12.6	TP Achieved
2/11/2023	GasMsia	5209	3.380	3.200	2.890	3.720	0.629	-5.3	-
3/11/2023	Padini	7052	3.970	3.860	3.390	4.370	1.847	-2.8	-
3/11/2023	YTLPOWER	6742	2.290	2.300	1.960	2.520	0.877	0.4	-
6/11/2023	Samaiden	0223	1.150	1.130	0.980	1.270	-0.877	-1.7	-
6/11/2023	GENP	2291	5.450	5.500	4.660	5.990	-0.362	0.9	-
7/11/2023	PIE	7095	3.170	3.220	2.710	3.490	-1.227	1.6	-
7/11/2023	Kerjaya	7161	1.480	1.390	1.270	1.630	-1.418	-6.1	-
8/11/2023	Hartalega	5168	2.330	2.500	1.990	2.560	-0.794	7.3	TP Achieved
8/11/2023	MRDIY	5296	1.580	1.600	1.350	1.740	-1.235	1.3	-
9/11/2023	ALLIANZ	1163	16.720	18.360	14.300	18.390	0.438	9.8	-
9/11/2023	Kperangsang	5843	0.840	0.790	0.720	0.920	0.000	-6.0	-
10/11/2023	HupSeng	5024	0.800	0.780	0.680	0.880	-2.500	-2.5	-
10/11/2023	Toyoven	7173	1.430	1.510	1.220	1.360	4.861	5.6	-
14/11/2023	Mflour	3662	0.700	0.685	0.590	0.770	-0.725	-2.1	-
14/11/2023	IGBB	5606	2.350	2.350	2.010	2.590	0.000	0.0	-
15/11/2023	RedTone	0032	0.810	0.700	0.690	0.890	2.190	-13.6	SL Triggered
15/11/2023	Pensonic	9997	0.770	0.800	0.660	0.850	0.000	3.9	-
16/11/2023	GenP	2291	5.730	5.500	4.900	6.300	-0.362	-4.0	-
16/11/2023	Suria	6521	1.790	1.820	1.530	1.970	0.552	1.7	-
16/11/2023	YTLPower	6742	2.360	2.300	2.020	2.590	0.877	-2.5	-
17/11/2023	ChinHin	5273	3.910	3.750	3.340	4.300	-1.316	-4.1	-
20/11/2023	Ranhill	5272	0.920	0.905	0.790	1.010	0.000	-1.6	-
20/11/2023	Day3	0281	0.450	0.390	0.380	0.490	-1.266	-13.3	SL Triggered
21/11/2023	PIE	7095	3.340	3.220	2.860	3.670	-1.227	-3.6	-
21/11/2023	Globetronic	7022	1.640	1.620	1.400	1.810	0.000	-1.2	-
22/11/2023	INARI	0166	3.050	2.900	2.610	3.360	0.694	-4.9	-
22/11/2023	GENTING	3182	4.430	4.600	3.790	4.870	1.545	3.8	-
23/11/2023	TeoSeng	7252	1.650	1.630	1.410	1.820	-3.550	-1.2	-
23/11/2023	Dufu	7233	1.850	1.810	1.580	2.040	-2.162	-2.2	-
24/11/2023	Supermax	7106	1.040	1.010	0.890	1.140	-0.980	-2.9	-
24/11/2023	Hartalega	5166	2.620	2.500	2.240	2.880	-0.794	-4.6	-
27/11/2023	Mcement	3226	4.040	4.140	3.450	4.440	2.475	2.5	-
27/11/2023	Hextech	1286	23.700	23.500	20.260	26.070	-0.844	-0.8	-
28/11/2023	GentingM	4715	2.700	2.700	2.310	2.970	1.887	0.0	-
28/11/2023	Kelington	0151	1.750	1.750	1.500	1.930	2.941	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.09	0.73	14.28
UOA DEVELOPMENT BERHAD	PROPERTY	1.74	0.20	11.49
MBM RESOURCES BHD	CONSUMER	4.37	0.46	10.55
HEKTAR REITS	REITs	0.62	0.06	9.27
YTL HOSPITALITY REIT	REITs	1.03	0.09	9.13
AMWAY (M) HOLDINGS BHD	CONSUMER	5.54	0.46	8.30
BRITISH AMERICAN TOBACCO (M)	CONSUMER	8.97	0.74	8.28
TALIWORKS CORPORATION BHD	UTILITIES	0.83	0.07	8.07
UOA REITS	REITs	1.10	0.09	7.82
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
BERMAZ AUTO BERHAD	CONSUMER	2.44	0.19	7.70
SCICOM (MSC) BHD	IND. PROD.	1.06	0.08	7.55
SENTRAL REIT	REITs	0.83	0.06	7.52
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.39
SPORTS TOTO BERHAD	CONSUMER	1.49	0.11	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
		High	Low	Average		
KLCI	(3.2)	24.2	17.0	18.8	14.6	13.0
Finance	(1.0)	13.0	10.2	12.4	10.2	9.8
Property	32.8	25.1	7.4	11.4	10.4	#N/A N/A
Plantation	(2.0)	95.5	14.2	36.8	14.2	16.5
Consumer	(4.9)	22.5	16.2	21.8	16.2	14.0
Technology	(1.0)	48.6	22.5	27.9	31.4	24.1
Construction	20.7	36.8	16.0	19.2	16.0	11.5
Energy	7.0	9.9	-	-	9.9	9.5
Healthcare	5.4	36.1	25.6	30.8	25.6	33.5
Ind. Prod.	(5.2)	24.9	14.7	21.9	14.7	14.0
REIT	1.3	13.9	-	-	13.9	15.4
Telco	(4.9)	28.5	19.8	22.3	24.8	20.6

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