

Daily Newswatch

Market Review

The FBMKLCI ended flat on Tuesday on profit-taking activities on selected heavyweight counters. Market breadth was negative with 287 gainers and 683 losers. The healthcare sector was the top gainer increasing by +1.43%, while the energy sector was the top loser declining by -1.06%. NESTLE (4707) was the top gainer surging by RM0.70 or +0.6%. The FBMKLCI rose by -0.01% to 1,448.02.

Economics

- Hong Kong home prices in October hit lowest point since March 2017
- Record surge in Japan's price indicator raises argument for BOJ departure

Companies

- Wellcall (7231) concludes FY2023 with strong performance, declares dividends of 2.8 sen per share
- Muhibbah Engineering (5703) achieves remarkable order book of RM2.41bil
- Leong Hup (6633)'s third-quarter net profit surges by 98%, announces a dividend of 1.2 sen
- Gadang (9261) purchases land in Kwasa Damansara for residential development
- Berjaya Land (4219) 's first quarter net profit soars to RM37mil, quadrupling previous figures

Expresso for the Day

- Technical Watch – AeonCredit (5139) Entry Price: RM5.78 Target Price: RM6.36, Stop Loss: RM4.94, Support: RM5.49, Resistance: RM6.05
- Technical Watch – BAT (4162) Entry Price: RM9.35, Target Price: RM10.29, Stop Loss: RM7.99, Support: RM8.88, Resistance: RM9.71

Local	Close	(%)
FBMKLCI	1,448.0	(0.01)
Volume (mil)	3,811.7	23.19
Value (RM'mil)	2,388.2	16.17
Gainers	390	
Losers	526	
Unchanged	450	

Foreign	Close	(%)
Dow Jones	35,417.0	0.2
Nasdaq CI	14,281.8	0.3
S&P 500	4,554.9	0.1
FTSE 100	7,455.2	(0.1)
Nikkei 225	33,408.4	(0.3)
Shanghai CI	3,038.6	0.2
HSI	17,354.1	(1.0)
STI	3,065.9	(0.7)

Most Active	RM	Chg (RM)
HONGSENG	0.025	0.000
TOPGLOV	0.900	0.020
CSH	0.060	0.005
LEFORM	0.315	0.015
WIDAD	0.470	0.005

Top Gainer	RM	Chg (RM)
NESTLE	121.600	0.700
AJI	16.000	0.420
BAT	9.350	0.380
UTDPLT	16.820	0.320
RAPID	28.100	0.320

Top Loser	RM	Chg (RM)
HEIM	22.800	(0.580)
HARISON	8.350	(0.280)
CARLSBG	19.380	(0.280)
SUNMOW	1.080	(0.270)
HEXTECH	23.300	(0.200)

Other Stats	RM	(%)
USD/MYR	4.67	(0.21)
USD/RMB	7.14	(0.23)
Brent (USD/barrel)	81.68	2.13
Gold (USD/troy oz)	2,044.17	1.33
CPO (RM/metric t)	3,739.00	(1.35)



Daily Newswatch

Economics

HONG KONG: In October, official data revealed that private home prices in Hong Kong continued to decline, reaching their lowest level since March 2017. This ongoing slide has been influenced by elevated interest rates and a lack of robust purchasing enthusiasm. Within this financial hub, known for its high property costs globally, home prices decreased by 2.2% in October compared to the previous month, following a revised 2.4% drop in September, as per the data provided. (Reuters)

JAPAN: Data released on Tuesday highlighted a significant surge in Japan's key measure of trend inflation, reaching 2.2% in October. This notable increase marks a new record high, indicating a widespread push in price pressures, thereby intensifying the argument for the central bank to scale back its extensive monetary stimulus. The recent data aligns with a growing trend suggesting that the potential for continuous wage hikes is prompting companies to raise prices for their services — a development the central bank views as a prerequisite for discontinuing ultra-low interest rates. (Reuters)

Companies

Wellcall Holdings Berhad (7231) disclosed dividends for its shareholders on Tuesday, including a fourth interim dividend of 1.8 sen per share and a special dividend of one sen per share for the financial year ended Sept 30, 2023 (FY2023), coinciding with the announcement of its fourth quarter results (4QFY2023). Both dividends will be disbursed on Dec 21. The company's net profit soared by 136.2% to RM17.87 million for 4QFY2023 from RM7.56 million in the preceding year, attributed to increased revenue. (The Edge)

Muhibbah Engineering (M) Berhad (5703) recorded a net profit of RM6.1 million in the third quarter ending Sept 30 and currently holds a substantial secured order book of RM2.41 billion for its construction and cranes division. During the quarter, the construction division successfully acquired two new projects totalling RM479 million. These projects include Lumut Maritime Terminal Sdn Bhd valued at RM161 million and Petronas Carigali Sdn Bhd at RM318 million. (The Star)

Leong Hup International Berhad (6633), a manufacturer in poultry, egg, and livestock feed, witnessed a significant surge in its net profit for the third quarter ending September 30, 2023 (3QFY2023), marking a 97.5% increase to RM132.96 million from RM67.31 million in the previous year. This boost stemmed from improved margins attributed to higher selling prices of day-old-chicks (DOC) and eggs in Malaysia, alongside increased DOC prices in Indonesia. Consequently, the earnings per share escalated to 3.64 sen for 3QFY2023, a notable rise compared to 1.84 sen for 3QFY2022. (The Edge)

Gadang Holdings Berhad (9261) has made a move to acquire a 21.08-acre parcel in Kwasa Damansara for RM114.78 million, equivalent to RM125 per square foot, with intentions to develop it into a residential project. The acquisition is being executed through Gadang's indirect wholly-owned subsidiary, Elegance Sonata Sdn Bhd (ESSB), from Kwasa Development (3) Sdn Bhd (KD3), as disclosed by Gadang in a bourse filing. (The Edge)

Berjaya Land Berhad (4219) reported a significant surge in net profit in the first quarter of the fiscal year ending Sept 30, 2023 (1QFY2024), exceeding four-fold growth to RM36.87 million from RM8.45 million in the previous year. The increase was attributed to a 17.61% rise in revenue to RM2 billion from RM1.71 billion in 1QFY2023, supported by increased investment-related gains resulting from a reversal of impairment on debts owed by an associate company and the sale of a foreign hotel business. (The Edge)

British American Tobacco (M) Berhad

Bloomberg: ROTH MK | KLSE Stock Code: 4162

Technical Watch

“BUY on Potential Reversal”

Company Overview

British American Tobacco Malaysia Berhad manufactures, imports, and sells cigarettes, pipe tobaccos, cigars, and luxury consumer products. The Company also provides travel and advertising and promotional services.

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think there is a potential reversal supported by a marubozu with a rising 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.

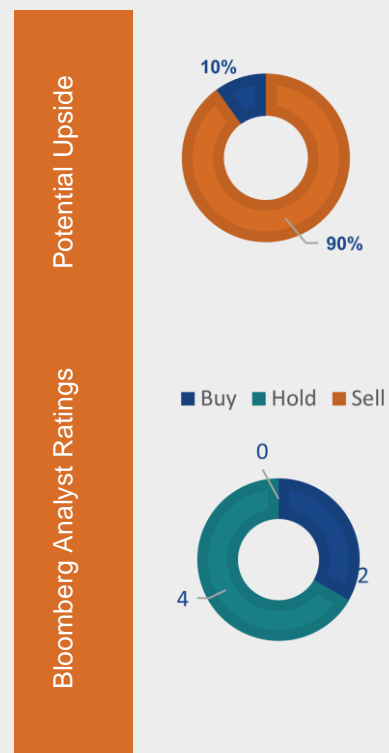
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	11.3	11.4	11.8
P/B	7.8	9.3	14.1
P/CF	32.1	21.9	16.9
P/S	1.1	1.4	1.8

Entry Price	RM9.35
Market Cap (m)	RM2,669.7
52w high	RM13.18
52w low	RM8.88
Stop Loss	RM7.99
Immediate Support	RM8.88
Immediate Resistance	RM9.71 (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)	74,576.2

Main Market

Consumer Products & Services
 Subsector – Personal Goods
 Current Price: RM9.35
 Target Price: RM10.29





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
1/11/2023	Jetson	9083	0.270	0.255	0.230	0.290	-1.923	-5.6	TP Achieved
1/11/2023	PJBumi	7163	0.960	0.865	0.820	1.050	-2.809	-9.9	-
2/11/2023	Nationgate	0270	1.190	1.310	1.020	1.310	-2.239	10.1	TP Achieved
2/11/2023	GasMsia	5209	3.380	3.140	2.890	3.720	-1.875	-7.1	-
3/11/2023	Padini	7052	3.970	3.820	3.390	4.370	-1.036	-3.8	-
3/11/2023	YTLPOWER	6742	2.290	2.310	1.960	2.520	0.435	0.9	-
6/11/2023	Samaiden	0223	1.150	1.120	0.980	1.270	-0.885	-2.6	-
6/11/2023	GENP	2291	5.450	5.530	4.660	5.990	0.545	1.5	-
7/11/2023	PIE	7095	3.170	3.220	2.710	3.490	0.000	1.6	-
7/11/2023	Kerjaya	7161	1.480	1.450	1.270	1.630	4.317	-2.0	-
8/11/2023	Hartalega	5168	2.330	2.530	1.990	2.560	1.200	8.6	TP Achieved
8/11/2023	MRDIY	5296	1.580	1.580	1.350	1.740	-1.250	0.0	-
9/11/2023	ALLIANZ	1163	16.720	18.200	14.300	18.390	-0.871	8.9	-
9/11/2023	Kperangsang	5843	0.840	0.775	0.720	0.920	-1.899	-7.7	-
10/11/2023	HupSeng	5024	0.800	0.780	0.680	0.880	0.000	-2.5	-
10/11/2023	Toyoven	7173	1.430	1.470	1.220	1.360	-2.649	2.8	-
14/11/2023	Mflour	3662	0.700	0.675	0.590	0.770	-1.460	-3.6	-
14/11/2023	IGBB	5606	2.350	N/A	2.010	2.590	N/A	N/A	-
15/11/2023	RedTone	0032	0.810	0.700	0.690	0.890	0.000	-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	5.530	4.900	6.300	0.545	-3.5	-
16/11/2023	Suria	6521	1.790	1.810	1.530	1.970	-0.549	1.1	-
17/11/2023	YTLPower	6742	2.360	2.310	2.020	2.590	0.435	-2.1	-
17/11/2023	ChinHin	5273	3.910	3.680	3.340	4.300	-1.867	-5.9	-
20/11/2023	Ranhill	5272	0.920	0.920	0.790	1.010	1.657	0.0	-
20/11/2023	Day3	0281	0.450	0.380	0.380	0.490	-2.564	-15.6	SL Triggered
21/11/2023	PIE	7095	3.340	3.220	2.860	3.670	0.000	-3.6	-
21/11/2023	Globetronic	7022	1.640	1.640	1.400	1.810	1.235	0.0	-
22/11/2023	INARI	0166	3.050	2.890	2.610	3.360	-0.345	-5.2	-
22/11/2023	GENTING	3182	4.430	4.680	3.790	4.870	1.739	5.6	-
23/11/2023	TeoSeng	7252	1.650	1.620	1.410	1.820	-0.613	-1.8	-
23/11/2023	Dufu	7233	1.850	1.790	1.580	2.040	-1.105	-3.2	-
24/11/2023	Supermax	7106	1.040	1.050	0.890	1.140	3.960	1.0	-
24/11/2023	Hartalega	5166	2.620	2.530	2.240	2.880	1.200	-3.4	-
27/11/2023	Mcement	3226	4.040	4.100	3.450	4.440	-0.966	1.5	-
27/11/2023	Hextech	1286	23.700	23.300	20.260	26.070	-0.851	-1.7	-
28/11/2023	GentingM	4715	2.700	2.700	2.310	2.970	0.000	0.0	-
28/11/2023	Kelington	0151	1.750	1.860	1.500	1.930	6.286	6.3	-
29/11/2023	AeonCredit	5139	5.780	5.780	4.940	6.360	1.404	0.0	-
29/11/2023	BAT	4162	9.350	9.350	7.990	10.290	4.236	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	1.73	0.22	12.72
MBM RESOURCES BHD	CONSUMER	4.45	0.46	10.36
HEKTAR REITS	REITs	0.62	0.06	9.27
YTL HOSPITALITY REIT	REITs	1.03	0.09	9.13
AMWAY (M) HOLDINGS BHD	CONSUMER	5.55	0.46	8.29
TALIWORKS CORPORATION BHD	UTILITIES	0.83	0.07	8.07
BERMAZ AUTO BERHAD	CONSUMER	2.34	0.19	8.03
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.35	0.74	7.95
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
UOA REITS	REITs	1.10	0.09	7.82
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	7.32
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	1 Yr-Fwd
		High	Low	Average		
KLCI	(3.2)	24.2	17.0	18.8	14.6	13.0
Finance	(1.4)	13.0	10.1	12.4	10.1	9.8
Property	32.7	25.1	7.4	11.6	11.1	#N/A N/A
Plantation	(1.1)	95.5	14.1	36.8	14.1	16.5
Consumer	(4.8)	22.5	15.3	21.6	15.3	14.0
Technology	(1.1)	48.6	22.5	27.9	31.6	24.1
Construction	20.8	36.8	16.0	19.2	16.0	11.5
Energy	5.9	9.8	-	-	9.8	9.3
Healthcare	6.9	36.1	26.0	31.0	26.0	34.0
Ind. Prod.	(5.5)	24.9	17.2	22.4	17.2	14.0
REIT	1.3	13.1	-	-	13.1	15.4
Telco	(5.2)	28.5	19.8	22.2	24.7	20.5

Source: Bloomberg

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