



Daily Newswatch

Market Review

The FBMKLCI recovered a significant portion of its previous losses to conclude slightly lower on Tuesday due to profit-taking. Market breadth was negative with 385 gainers and 517 losers. The health care sector was the top gainer increasing by +2.17%, while the property sector was the top loser declining by -1.07%. THETA (9075) was the top gainer surging by RM0.17 or +26.83%. The FBMKLCI declined by -0.09% to 1,463.37.

Economics

- Australia's central bank raises rates to 12-year peak, eases aggressive approach
- BNM's international reserves dip to US\$108.5bil as of Oct 31

Companies

- CRESNDO (6718) subsidiary to sell land for RM117.02mil
- DIALOG (7277) and Morimatsu forms joint venture for facility expansion in Pengerang
- F&N (3689) concludes FY23 with increased net profit of RM536.9mil
- ICON (5255) awarded vessel supply contract by SEA Hibiscus
- KANGER (0170) purchases 15 more Antara Genting Highlands Resort Suites for RM19.8mil

Expresso for the Day

- Technical Watch – Hartalega (5168) Entry Price: RM2.33, Target Price: RM2.56, Stop Loss: RM1.99, Support: RM2.21, Resistance: RM2.63
- Technical Watch – MR D.I.Y. (5296) Entry Price: RM1.58, Target Price: RM1.74, Stop Loss: RM1.35, Support: RM1.50, Resistance: RM1.61

Local	Close	(%)
FBMKLCI	1,463.4	(0.09)
Volume (mil)	3,266.7	(13.18)
Value (RM'mil)	2,167.1	(7.52)
Gainers	385	
Losers	517	
Unchanged	461	

Foreign	Close	(%)
Dow Jones	34,152.6	0.2
Nasdaq CI	13,639.9	0.9
S&P 500	4,378.4	0.3
FTSE 100	7,410.0	(0.1)
Nikkei 225	32,271.8	(0.3)
Shanghai CI	3,057.3	(0.0)
HSI	17,670.2	(1.6)
STI	3,173.8	0.0

Most Active	RM	Chg (RM)
TOPGLOV	0.780	0.020
WIDAD	0.450	0.000
UEMS	0.820	(0.025)
TANCO	0.575	0.005
THETA	0.780	0.165

Top Gainer	RM	Chg (RM)
THETA	0.780	0.165
TM	5.300	0.130
YOCB	1.880	0.110
SURIA	1.720	0.090
UNISEM	3.180	0.040

Top Loser	RM	Chg (RM)
VITROX	6.760	(0.110)
UMCCA	4.950	(0.090)
TAKAFUL	3.650	(0.080)
TENAGA	9.950	(0.050)
ULICORP	1.800	(0.050)

Other Stats	RM	(%)
USD/MYR	4.67	0.71
USD/RMB	7.28	0.13
Brent (USD/barrel)	81.61	(4.19)
Gold (USD/troy oz)	1,968.78	(0.44)
CPO (RM/metric t)	3,628.00	(0.94)



Daily Newswatch

Economics

AUSTRALIA: On Tuesday, Australia's central bank raised interest rates to their highest level in 12 years, concluding four months of a stable monetary policy. However, the bank remained noncommittal about the necessity of further tightening to control inflation. At its November policy meeting, the Reserve Bank of Australia (RBA) increased the cash rate by 25 basis points to 4.35%, citing recent data indicating a prolonged risk of higher inflation. (Reuters)

MALAYSIA: Bank Negara Malaysia's international reserves slightly decreased to US\$108.5 billion (RM507.1 billion) as of October 31, 2023, from US\$108.9 billion two weeks earlier. The reserves are considered sufficient to cover 5.1 months of imports of goods and services and are equivalent to 1.0 times the total short-term external debt, according to a statement released by the central bank. Among the key components, foreign currency reserves were steady at US\$96.5 billion, while other reserve assets were maintained at US\$2.7 billion. The International Monetary Fund's (IMF) reserve position was recorded at US\$1.3 billion, and the Special Drawing Rights remained at US\$5.7 billion. Gold reserves were unchanged at US\$2.3 billion. (The Edge)

Companies

Crescendo Corporation Berhad (6718) has revealed that its subsidiary Panoramic Industrial Development Sdn Bhd (PID) has signed two conditional sales and purchase agreements to sell seven parcels of land to STT GDC Malaysia 2 Sdn Bhd, totalling a combined value of RM117.02 million. The land, covering 90,596.5 square meters, is part of the ongoing development of the Nusa Cemerlang Industrial Park (NCIP) in Johor, a light and medium industrial park under PID's management. (The Star)

Dialog Group Berhad (7277) and Morimatsu International Holdings Bhd have announced plans to invest RM250 million in the expansion of their joint venture company, Morimatsu Dialog (Malaysia) Sdn Bhd's facilities in Pengerang, Johor. This strategic move aims to enhance the capabilities of their engineering and fabrication services, catering to a wider spectrum of local and international clients. Anticipated to be finalized by the first quarter of 2025, the expansion will primarily focus on upgrading the module production workshops, incorporating contemporary amenities and infrastructure. (The Star)

Fraser & Neave Holdings Berhad (3689) has reported robust performance in the 2023 financial year despite market uncertainties. The company's net profit for the fourth quarter ended September 30, 2023, rose to RM137.56 million from RM98.89 million in the corresponding period of the previous year, resulting in an earnings per share of 37.5 sen compared to 27 sen previously. The company also saw an increase in revenue to RM1.24 billion from RM1.14 billion. (The Star)

Icon Offshore Berhad's (5255) subsidiary, Icon Offshore Group Sdn Bhd, has been granted a letter of award by SEA Hibiscus Sdn Bhd for the supply of a 60-tonne anchor handling tug supply vessel for the 2023/24 drilling campaign. The service provision began on October 24, 2023. The contract's value is determined by the rates outlined by SEA Hibiscus for the contract's duration, which spans 450 days from the initiation date. (The Star)

Kanger International Berhad (0170) has increased its investment property holdings with the procurement of 15 units in Tower A of Antara Genting Highlands Resort Suites for RM19.77 million. The wholly owned subsidiary, KIB Global Resources Sdn Bhd, finalized the acquisition through a sale and purchase agreement with Aset Kayamas Sdn Bhd, the developer of the resort. The move aligns with the company's commitment to further its property investment and management business. (The Edge)

Hartalega Holdings Bhd

Bloomberg: HART MK | KLSE Stock Code: 5168

Technical Watch

“BUY on Potential Upside”

Company Overview

Hartalega Holdings Bhd. manufactures a wide range of latex gloves. The Company's products include natural rubber examination gloves, nitrile examination gloves, nitrile clean room gloves and natural rubber surgical gloves.

Investment Highlights

On a sideways, 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 > 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.

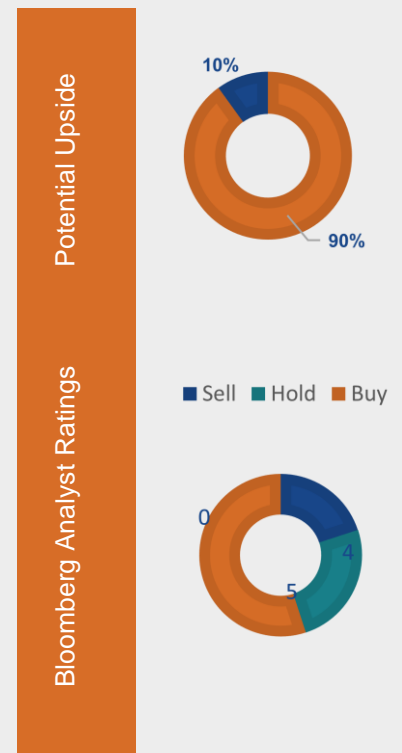
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	11.1	27.7	26.3
P/B	1.8	5.5	5.2
P/CF	31.3	26.7	25.7
P/S	1.9	4.7	4.6

Entry Price	RM2.33
Market Cap (m)	RM7,952.9
52w high	RM2.71
52w low	RM1.41
Stop Loss	RM1.99
Immediate Support	RM2.21
Immediate Resistance	RM2.63 (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)	14,889,161.1

Main Market

Health Care
Subsector – Health Care
Equipment & Services
Current Price: RM2.33
Target Price: RM2.56



MR D.I.Y. Group (M) Berhad

Bloomberg: MRDIY MK | KLSE Stock Code: 5296

Technical Watch

“BUY on Potential Upside”

Company Overview

Mr D.I.Y. Group (M) Berhad operates a chain of department stores. The Company offers hardware, electrical, household, jewellery and cosmetics, stationery, toys, car accessories, and household products. Mr D.I.Y. Group (M) serves customers in Asia.

Investment Highlights

On a sideways, 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 > 60).

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.

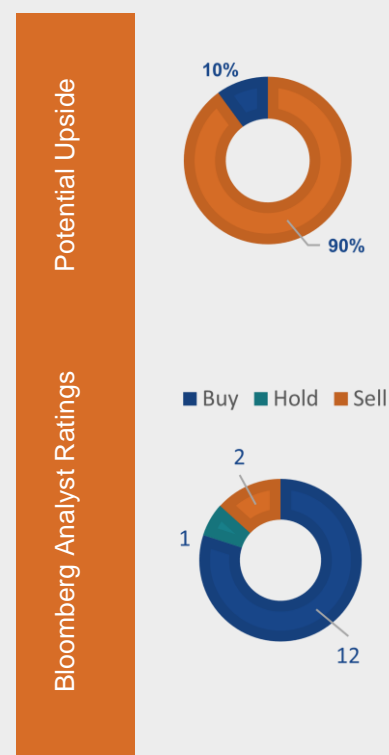
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	40.9	42.8	42.8
P/B	13.9	17.4	17.4
P/CF	36.4	39.4	39.4
P/S	5.0	5.3	5.3

Entry Price	RM1.58
Market Cap (m)	RM14,916.3
52w high	RM2.20
52w low	RM1.37
Stop Loss	RM1.35
Immediate Support	RM1.50
Immediate Resistance	RM1.61 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	3,359,068.1

Main Market

Consumer Products & Services
Subsector – Retailers
Current Price: RM1.58
Target Price: RM1.74





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
12/10/2023	Senheng	5305	0.39	0.355	0.333	0.429	0.000	-9.0	SL Triggered
12/10/2023	Duopharma	7148	1.26	1.240	1.077	1.386	5.085	-1.6	-
13/10/2023	MRC	1651	0.49	0.445	0.419	0.539	-2.198	-9.2	SL Triggered
13/10/2023	PAOS	5022	0.31	0.285	0.265	0.341	-3.390	-8.1	-
16/10/2023	MCEMENT	3794	3.71	3.790	3.172	4.081	0.531	2.2	-
16/10/2023	SURIA	6521	1.56	1.720	1.334	1.716	5.521	10.3	TP Achieved
17/10/2023	PMETAL	8869	4.92	4.900	4.207	5.412	0.410	-0.4	-
17/10/2023	YSPSAH	7178	2.47	2.530	2.112	2.717	0.000	2.4	-
18/10/2023	QLResources	7084	5.55	5.650	4.745	6.105	-2.586	1.8	-
18/10/2023	Tasco	5140	0.825	0.810	0.705	0.908	0.000	-1.8	-
19/10/2023	EATECH	5259	0.330	0.385	0.280	0.360	13.235	16.7	TP Achieved
19/10/2023	FPI	9172	2.910	2.920	2.760	3.200	0.690	0.3	-
20/10/2023	LiiHen	7089	0.930	0.945	0.800	1.020	0.532	1.6	-
20/10/2023	MalayCement	3794	3.650	3.790	3.120	4.020	0.531	3.8	-
23/10/2023	CitaGlobal	7245	1.530	1.590	1.310	1.680	-1.852	3.9	-
23/10/2023	Tomei	7230	1.240	1.180	1.060	1.360	-2.479	-4.8	-
24/10/2023	MPI	3867	26.960	26.800	23.050	29.660	-1.107	-0.6	-
24/10/2023	Greatec	0208	4.280	4.770	3.660	4.710	-1.037	11.4	TP Achieved
25/10/2023	PWF	7134	0.730	0.725	0.620	0.800	-1.361	-0.7	-
25/10/2023	Solarvest	0215	1.260	1.260	1.080	1.390	-1.563	0.0	-
26/10/2023	Greatec	0208	4.500	4.770	3.850	4.950	-1.037	6.0	-
26/10/2023	D&O	7204	3.220	3.330	2.750	3.540	1.524	3.4	-
27/10/2023	Tomei	7230	1.230	1.180	1.050	1.350	-2.479	-4.1	-
27/10/2023	Genetec	0104	2.510	2.410	2.150	2.760	-1.633	-4.0	-
30/10/2023	Teo Seng	7252	1.340	1.360	1.150	1.470	-1.449	1.5	-
30/10/2023	ChinHin	5273	3.890	3.790	3.330	4.260	-0.785	-2.6	-
31/10/2023	Westports	5246	3.410	3.320	2.920	3.750	-0.599	-2.6	-
31/10/2023	PESTECH	5219	0.360	0.325	0.310	0.396	-2.985	-9.7	-
1/11/2023	Jetson	9083	0.270	0.285	0.230	0.290	-3.390	5.6	-
1/11/2023	PJBumi	7163	0.960	0.955	0.820	1.050	3.804	-0.5	-
2/11/2023	Nationgate	0270	1.190	1.240	1.020	1.310	3.333	4.2	-
2/11/2023	GasMsia	5209	3.380	3.350	2.890	3.720	-0.298	-0.9	-
3/11/2023	Padini	7052	3.970	3.900	3.390	4.370	-0.763	-1.8	-
3/11/2023	YTLPOWER	6742	2.290	2.290	1.960	2.520	0.881	0.0	-
6/11/2023	Samaiden	0223	1.150	1.120	0.980	1.270	-0.885	-2.6	-
6/11/2023	GENP	2291	5.450	5.510	4.660	5.990	0.000	1.1	-
7/11/2023	PIE	7095	3.170	3.120	2.710	3.490	-1.577	-1.6	-
7/11/2023	Kerjaya	7161	1.480	1.480	1.270	1.630	0.000	0.0	-
8/11/2023	Hartalega	5168	2.330	2.330	1.990	2.560	8.879	0.0	-
8/11/2023	MRDIY	5296	1.580	1.580	1.350	1.740	3.268	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM BERHAD	TELCO	5.23	0.73	13.94
UOA DEVELOPMENT BERHAD	PROPERTY	1.72	0.20	11.63
HEKTAR REITS	REITs	0.60	0.06	10.33
MBM RESOURCES BHD	CONSUMER	4.02	0.39	9.78
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
TALIWORKS CORPORATION BHD	UTILITIES	0.82	0.07	8.22
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.46	0.74	7.85
SENTRAL REIT	REITs	0.82	0.06	7.80
BERMAZ AUTO BERHAD	CONSUMER	2.49	0.19	7.79
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
UOA REITS	REITs	1.11	0.09	7.75
CAPITALAND MALAYSIA TRUST	REITs	0.55	0.04	7.45
SCICOM (MSC) BHD	IND. PROD.	1.08	0.08	7.41
MAG HOLDINGS BERHAD	CONSUMER	1.08	0.08	7.41
MAGNUM BERHAD	CONSUMER	1.08	0.08	7.41

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	(2.1)	24.2	17.0	18.8	14.7	13.4
Finance	(0.3)	13.0	10.3	12.4	10.3	9.9
Property	33.3	25.1	7.4	11.3	10.0	#N/A N/A
Plantation	(1.8)	95.5	14.2	36.8	14.2	17.0
Consumer	(4.8)	22.5	16.2	21.8	16.2	15.1
Technology	(1.2)	48.6	22.5	27.0	27.1	23.1
Construction	22.4	36.8	16.3	19.2	16.3	11.7
Energy	12.2	10.4	-	-	10.4	9.8
Healthcare	(0.6)	36.1	24.1	30.1	24.1	32.0
Ind. Prod.	(4.9)	24.9	14.7	21.9	14.7	14.2
REIT	1.4	14.0	-	-	14.0	15.4
Telco	(2.6)	29.5	19.8	24.6	29.5	21.4

Source: Bloomberg



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