

Daily Newswatch

Market Review

The FBMKLCI snapped its three-day losing session on Thursday due to late buying on selected heavyweight blue chip counters. Market breadth was negative with 328 gainers and 626 losers. The energy sector was the top gainer increasing by +0.86%, while the health care sector was the top loser declining by -2.94%. F&N (3689) was the top gainer surging by RM0.56 or +2.0%. The FBMKLCI rose by +0.46% to 1,452.74.

Economics

- Gold declines as dollar strengthens ahead of US inflation data
- Further contraction in China's factories, anticipating increased policy support

Companies

- **HLFG (1082)'s** 1Q24 profit increases due to enhanced contributions across all operating divisions
- **IJM (3336)** records a threefold surge in 2Q24 net profit, announces dividend of two sen
- **BLD Plantation (5069)** achieves 131% growth in 2Q24 net profit fueled by increased sales volumes
- **IHH Healthcare (5225)** 3Q23 net profit, reaches RM532m
- **CIMB (1023)'s** 3Q23 net profit jumps 31% to RM1.85bn , driven by non-interest income growth

Expresso for the Day

- Technical Watch – Infomina (0265) Entry Price: RM1.77, Target Price: RM1.96, Stop Loss: RM1.51, Support: RM1.68, Resistance: RM1.79
- Technical Watch – Vitrox (0097) Entry Price: RM7.00, Target Price: RM7.70, Stop Loss: RM5.99, Support: RM6.65, Resistance: RM7.25

Local	Close	(%)
FBMKLCI	1,452.7	0.46
Volume (mil)	4,248.7	29.72
Value (RM'mil)	4,969.7	118.58
Gainers	328	
Losers	626	
Unchanged	419	

Foreign	Close	(%)
Dow Jones	35,950.9	1.5
Nasdaq CI	14,226.2	(0.2)
S&P 500	4,567.8	0.4
FTSE 100	7,453.8	0.4
Nikkei 225	33,486.9	(0.3)
Shanghai CI	3,029.7	0.3
HSI	17,042.9	0.3
STI	3,073.0	(0.4)

Most Active	RM	Chg (RM)
VELESTO	0.220	0.000
KANGER	0.075	(0.010)
TOPGLOV	0.810	(0.050)
PBBANK	4.270	0.030
DNEX	0.400	(0.020)

Top Gainer	RM	Chg (RM)
NESTLE	125.400	3.700
UTDPLT	16.980	1.600
KLK	21.880	0.380
PANAMY	17.900	0.280
GAMUDA	4.770	0.210

Top Loser	RM	Chg (RM)
HEXTECH	22.660	(0.600)
HLFG	16.100	(0.300)
BAT	9.360	(0.170)
AJI	15.600	(0.160)
HEIM	22.140	(0.140)

Other Stats	RM	(%)
USD/MYR	4.66	0.19
USD/RMB	7.14	0.12
Brent (USD/barrel)	80.86	(0.32)
Gold (USD/troy oz)	2,039.45	(0.38)
CPO (RM/metric t)	3,718.50	(0.83)



Daily Newswatch

Economics

COMMODITIES: Gold prices saw a slight decline on Thursday due to the dollar's resurgence ahead of U.S. inflation data. However, gold remains on track for its second consecutive monthly rise, supported by expectations of a potential Federal Reserve interest rate cut. Spot gold dipped by 0.3% to \$2,038.59 per ounce by 1207 GMT, but it has still climbed 2.8% this month following a 7.3% increase in October. Meanwhile, U.S. gold futures for December delivery fell 0.4% to \$2,039.40. The dollar index continued to strengthen against other currencies, making gold relatively more expensive. Despite this, the dollar was set for its weakest month in a year. (Reuters)

CHINA: China's manufacturing sector witnessed a consecutive decline for the second month in November, indicating a faster contraction. This indicates the necessity for increased stimulus to boost economic growth and rebuild confidence in the government's ability to effectively bolster the industry. Economists revised their predictions for the world's second-largest economy following a stronger-than-anticipated performance in the third quarter. However, despite numerous policy interventions aimed at support, factory managers seem to have entrenched negative views due to diminished demand both domestically and internationally. (Reuters)

Companies

Hong Leong Financial Group Berhad (1082) reported a net profit of RM741.64 million in the first quarter ending on Sept 30, 2023 (1QFY2024), marking a 10.78% increase from RM669.47 million in the same period last year. The rise was attributed to improvements in all operating sectors and the reversal of impairment losses. During this quarter, the company experienced a write-back of impairment losses amounting to RM51.24 million on loans, advances, and financing, along with higher returns from its associate companies. (The Edge)

IJM Corp Berhad (3336) witnessed a remarkable increase in net profit during the second quarter ended on September 30, 2023 (2QFY2024), soaring to RM93.69 million from RM27.03 million a year ago. This significant rise was primarily driven by robust performances in its property development and infrastructure divisions. The company's quarterly revenue also experienced a substantial climb, rising by 36.05% to RM1.46 billion compared to RM1.07 billion previously. (The Edge)

BLD Plantation Berhad (5069) reported a 131% increase in net profit for the second quarter ending on September 30, 2023 (2QFY2024), reaching RM7.1 million or 7.59 sen per share, compared to RM3.07 million or 3.29 sen per share in the same period a year ago (2QFY2023). This growth was driven by amplified sales volumes and favourable adjustments in the fair value of biological assets. (The Edge)

IHH Healthcare Berhad (5225) affirmed its unwavering dedication to fulfilling the increasing need for high-quality healthcare services. The group emphasized its strategic positioning to extend its influence and enrich its services in crucial regions. In the third quarter ending on September 30, 2023, IHH observed a surge in net profit to RM532.07 million from RM251.76 million in the corresponding period of the previous year. (The Star)

CIMB Group Holdings Berhad (1023) reported a substantial increase in net profit by 31.3%, amounting to RM1.85 billion for the third quarter concluding on September 30, 2023 (3QFY2023), compared to RM1.41 billion in the previous year. This growth was largely driven by a robust improvement in non-interest income (NOII), although weaker net interest income (NII) was observed due to a compression in net interest margin (NIM) caused by higher deposit costs. The banking group's quarterly revenue saw a slight rise of 6.2%, reaching RM5.31 billion from RM4.99 billion reported a year earlier. (The Edge)

Infomina Berhad

Bloomberg: INFOM MK | KLSE Stock Code: 0265

Technical Watch

“BUY on Potential Upside”

Company Overview

Infomina Berhad provides information communications technology solutions. The Company provides green technology and security consulting, project management, and managed services. Infomina serves customers worldwide.

Investment Highlights

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

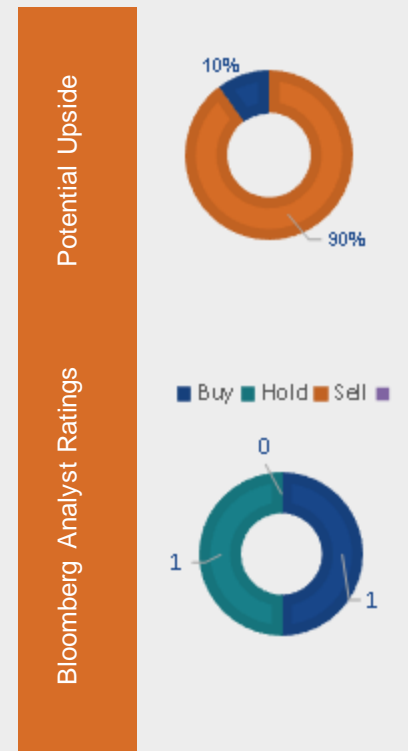
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	23.7	23.7	23.7
P/B	8.3	8.3	8.3
P/CF	N/A	N/A	N/A
P/S	3.8	3.8	3.8

Entry Price	RM1.77
Market Cap (m)	RM1,064.2
52w high	RM1.95
52w low	RM0.62
Stop Loss	RM1.51
Immediate Support	RM1.68
Immediate Resistance	RM1.79 (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)	34,048,069.1

Main Market

Technology
Subsector – Tech Equipment
Current Price: RM1.77
Target Price: RM1.95



Vitrox Corporation Berhad

Bloomberg: VITRO MK | KLSE Stock Code: 0097

Technical Watch

“BUY on Potential Upside”

Company Overview

Vitrox Corporation Bhd, through its subsidiary, develops and produces automated vision inspection systems. The Company provides machine vision solutions for semiconductor integrated circuit inspection.

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think there is a potential upside supported by a bullish engulfing with a rising momentum on the stock (RSI > 55).

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.

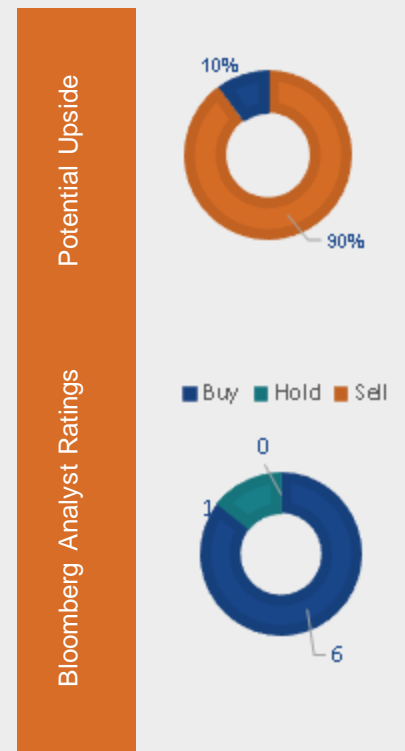
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	40.2	46.8	33.2
P/B	9.0	9.6	7.2
P/CF	49.9	58.0	55.0
P/S	10.3	11.4	8.3

Entry Price	RM7.00
Market Cap (m)	RM6,617.5
52w high	RM8.67
52w low	RM6.73
Stop Loss	RM5.99
Immediate Support	RM6.65
Immediate Resistance	RM7.25 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising momentum
Volume (4-Weeks Average)	278,542.6

Main Market

Technology
 Subsector – Semiconductors
 Current Price: RM7.00
 Target Price: RM7.70





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
3/11/2023	Padini	7052	3.970	3.750	3.390	4.370	-0.794	-5.5	-
3/11/2023	YTLPOWER	6742	2.290	2.370	1.960	2.520	0.851	3.5	-
6/11/2023	Samaiden	0223	1.150	1.110	0.980	1.270	-1.770	-3.5	-
6/11/2023	GENP	2291	5.450	5.470	4.660	5.990	-0.545	0.4	-
7/11/2023	PIE	7095	3.170	3.220	2.710	3.490	0.312	1.6	-
7/11/2023	Kerjaya	7161	1.480	1.430	1.270	1.630	0.704	-3.4	-
8/11/2023	Hartalega	5168	2.330	2.400	1.990	2.560	-2.041	3.0	TP Achieved
8/11/2023	MRDIY	5296	1.580	1.530	1.350	1.740	-1.290	-3.2	-
9/11/2023	ALLIANZ	1163	16.720	18.080	14.300	18.390	-0.441	8.1	-
9/11/2023	Kperangsang	5843	0.840	0.725	0.720	0.920	-3.333	-13.7	SL Triggered
10/11/2023	HupSeng	5024	0.800	0.765	0.680	0.880	-1.290	-4.4	-
10/11/2023	Toyoven	7173	1.430	1.410	1.220	1.360	-0.704	-1.4	-
14/11/2023	Mflour	3662	0.700	0.665	0.590	0.770	-0.746	-5.0	-
14/11/2023	IGBB	5606	2.350	2.350	2.010	2.590	-0.844	0.0	-
15/11/2023	RedTone	0032	0.810	0.695	0.690	0.890	-0.714	-14.2	SL Triggered
15/11/2023	Pensonic	9997	0.770	0.785	0.660	0.850	-1.875	1.9	-
16/11/2023	GenP	2291	5.730	5.470	4.900	6.300	-0.545	-4.5	-
16/11/2023	Suria	6521	1.790	1.790	1.530	1.970	-1.105	0.0	-
17/11/2023	YTLPower	6742	2.360	2.370	2.020	2.590	0.851	0.4	-
17/11/2023	ChinHin	5273	3.910	3.650	3.340	4.300	0.000	-6.6	-
20/11/2023	Ranhill	5272	0.920	0.875	0.790	1.010	-1.685	-4.9	-
20/11/2023	Day3	0281	0.450	0.355	0.380	0.490	-2.740	-21.1	SL Triggered
21/11/2023	PIE	7095	3.340	3.220	2.860	3.670	0.312	-3.6	-
21/11/2023	Globetronic	7022	1.640	1.610	1.400	1.810	-1.227	-1.8	-
22/11/2023	INARI	0166	3.050	2.920	2.610	3.360	1.389	-4.3	-
22/11/2023	GENTING	3182	4.430	4.680	3.790	4.870	-0.637	5.6	-
23/11/2023	TeoSeng	7252	1.650	1.640	1.410	1.820	1.863	-0.6	-
23/11/2023	Dufu	7233	1.850	1.760	1.580	2.040	-1.124	-4.9	-
24/11/2023	Supermax	7106	1.040	0.925	0.890	1.140	-10.194	-11.1	SL Triggered
24/11/2023	Hartalega	5166	2.620	2.400	2.240	2.880	-2.041	-8.4	-
27/11/2023	Mcement	3226	4.040	4.140	3.450	4.440	0.000	2.5	-
27/11/2023	Hextech	1286	23.700	22.660	20.260	26.070	-2.580	-4.4	-
28/11/2023	GentingM	4715	2.700	2.670	2.310	2.970	-0.743	-1.1	-
28/11/2023	Kelington	0151	1.750	1.880	1.500	1.930	2.174	7.4	-
29/11/2023	AeonCredit	5139	5.780	5.700	4.940	6.360	-0.524	-1.4	-
29/11/2023	BAT	4162	9.350	9.360	7.990	10.290	-1.784	0.1	-
30/11/2023	FarmFresh	5306	1.360	1.410	1.160	1.490	3.676	3.7	-
30/11/2023	BAT	5000	2.060	2.150	1.760	2.270	4.369	4.4	-
1/12/2023	Infomina	0265	1.770	1.770	1.510	1.950	4.118	0.0	-
1/12/2023	Vitrox	0097	7.000	7.000	5.990	7.700	1.010	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.10	0.73	14.25
UOA DEVELOPMENT BERHAD	PROPERTY	1.74	0.22	12.64
MBM RESOURCES BHD	CONSUMER	4.40	0.46	10.48
HEKTAR REITS	REITs	0.62	0.06	9.27
YTL HOSPITALITY REIT	REITs	1.03	0.09	9.13
AMWAY (M) HOLDINGS BHD	CONSUMER	5.58	0.46	8.24
BERMAZ AUTO BERHAD	CONSUMER	2.31	0.19	8.14
TALIWORKS CORPORATION BHD	UTILITIES	0.83	0.07	8.12
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.36	0.74	7.94
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
UOA REITS	REITs	1.11	0.09	7.75
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	1.48	0.11	7.30

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	(2.9)	24.2	17.0	18.8	14.2	13.1
Finance	(1.7)	13.0	9.8	12.3	9.8	9.7
Property	31.6	25.1	7.4	11.5	10.6	#N/A N/A
Plantation	(0.6)	95.5	14.5	36.8	14.5	16.7
Consumer	(4.3)	22.5	14.9	21.5	14.9	14.0
Technology	(1.5)	48.6	22.5	27.9	31.5	24.1
Construction	21.7	36.8	16.2	19.2	16.2	11.6
Energy	6.8	9.5	-	-	9.5	9.5
Healthcare	2.2	36.1	23.5	29.8	23.5	32.2
Ind. Prod.	(5.2)	24.9	17.6	22.5	17.6	14.6
REIT	1.5	13.1	-	-	13.1	15.4
Telco	(6.0)	28.5	19.8	22.1	24.4	20.6

Source: Bloomberg

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