

# Daily Newswatch

## Market Review

The FBMKLCI ended marginally higher last Friday in line with gains in Wall Street overnight. Market breadth was mixed with 432 gainers and 468 losers. The health care sector was the top gainer increasing by +1.60%, while the energy sector was the top loser declining by -1.63%. HLFG (1082) was the top gainer surging by RM0.38 or +2.4%. The FBMKLCI rose by +0.25% to 1,456.38.

## Economics

- Oil prices steady post underwhelming OPEC+ cuts
- PMI shows slight rise in Greek factory activity for November
- South Korea's chip exports increase after over a year

## Companies

- Apex Healthcare (7090) division set to purchase industrial complex in Melaka for RM66.5mil
- Duopharma Biotech (7148) collaborates with RenalWorks to improve dialysis offerings in Malaysia
- Willowglen MSC (0008) division secures a contract worth RM12.75mil from SP PowerAssets
- Pansar (8419) lands deal worth RM107.5mil in Sarawak
- AEON Credit (5139) completes last portion of RM300 million sukuk in RM2bil sukuk wakalah programme

## Expresso for the Day

- Technical Watch – Natiogate (0270) Entry Price: RM1.36, Target Price: RM1.49, Stop Loss: RM1.16, Support: RM1.29, Resistance: RM1.38
- Technical Watch – Kossan (7153) Entry Price: RM1.69, Target Price: RM1.86, Stop Loss: RM1.44, Support: RM1.61, Resistance: RM1.75

Local	Close	(%)
FBMKLCI	1,456.4	0.25
Volume (mil)	3,238.3	(23.78)
<b>Value (RM'mil)</b>	2,262.3	(54.48)
Gainers	432	
Losers	468	
Unchanged	435	

Foreign	Close	(%)
Dow Jones	36,245.5	0.8
Nasdaq CI	14,305.0	0.6
S&P 500	4,594.6	0.6
FTSE 100	7,529.4	1.0
Nikkei 225	33,431.5	(0.3)
Shanghai CI	3,031.6	0.1
HSI	16,830.3	(1.2)
STI	3,090.3	0.6

Most Active	RM	Chg (RM)
VELESTO	0.225	0.005
SCIB	0.770	0.000
RENEUCO	0.195	0.005
WIDAD	0.470	0.005
LEFORM	0.340	0.020

Top Gainer	RM	Chg (RM)
HLFG	16.480	0.380
AJI	15.780	0.180
HLBANK	19.140	0.140
ALLIANZ	18.500	0.120
CIMB	18.200	0.120

Top Loser	RM	Chg (RM)
NESTLE	120.000	(5.400)
KLK	21.300	(0.580)
UTDPLT	16.500	(0.480)
RAPID	27.560	(0.440)
F&N	27.720	(0.440)

Other Stats	RM	(%)
USD/MYR	4.67	0.26
USD/RMB	7.13	(0.09)
Brent (USD/barrel)	79.10	(4.77)
Gold (USD/troy oz)	2,098.01	1.76
CPO (RM/metric t)	3,718.50	0.00



# Daily Newswatch

## Economics

**COMMODITIES:** Oil prices remained relatively stable following a 2% decrease the day before, as doubts lingered about whether the recent OPEC+ production cuts would effectively boost prices. Brent crude futures for February saw a slight uptick of 22 cents to \$81.08 a barrel, marking their first day as the front-month Ice Brent contract. Meanwhile, U.S. West Texas Intermediate (WTI) crude futures rose by 31 cents to \$76.27. The OPEC+ coalition's decision on Thursday involved removing approximately 2.2 million barrels per day (bpd) from the global market in the first quarter of the following year. (Reuters)

**GREECE:** In November, Greek factory activity experienced a marginal increase for the tenth consecutive month, driven by higher production levels. However, limited export sales restrained the growth of order books, as indicated by S&P Global's Purchasing Managers' Index (PMI) for manufacturing. The PMI for manufacturing in Greece, constituting approximately 10% of the country's economy, slightly rose to 50.9 in November from October's 50.3, marking the highest figure since September. Readings above 50 signal expansion in activity. (Reuters)

**SOUTH KOREA:** South Korea's exports surpassed expectations in November, showing an accelerated growth rate driven by an increase in chip exports for the first time in 16 months. This surge signifies a strengthening global demand. The country's exports surged by 7.8% year-on-year to \$55.80 billion, outpacing the previous month's 5.1% increase and exceeding the 4.7% gain predicted by economists in a Reuters poll. (Reuters)

## Companies

Apex Healthcare Berhad (7090), through its wholly-owned subsidiary Xepa-Soul Pattinson (Malaysia) Sdn Bhd, intends to purchase an industrial property located in Cheng Industrial Estate, Melaka, from Panasonic Appliances Refrigeration Devices Malaysia Sdn Bhd for RM66.5 million. This acquisition will be financed through a mix of internal funds and/or external loans, as stated by Apex in an official announcement. (The Star)

Duopharma Biotech Berhad (7148) recently teamed up with RenalWorks Malaysia Sdn Bhd, an affiliate of RenalWorks Pte Ltd based in Singapore, to improve dialysis services. This collaboration involves implementing RenalGenie Electronic Health Record (EHR) dialysis software, aimed at enhancing data flow, patient care, and compliance standards within healthcare facilities. Duopharma emphasized that the RenalGenie software is designed to optimize operational efficiency while maintaining top-notch service quality. (The Edge)

Willowglen MSC Berhad (0008)'s wholly-owned subsidiary, Willowglen Services Pte Ltd, has secured a RM12.75 million contract from SP PowerAssets Ltd in Singapore. This contract spans three years, starting from December 1, 2023, and concluding by December 31, 2026. The company mentioned in a bourse filing that this contract is anticipated to have a positive impact on the group's earnings and net assets per share from 2024 to 2026. (The Star)

Pansar Berhad (8419) has landed a contract for road construction in Sarawak worth RM107.5 million, according to its Bursa Malaysia filing. The contract was awarded to its subsidiary, Perbena Emas Sdn Bhd, by Jabatan Kerja Raya Sarawak. The project involves building and finalizing approach roads, including a new JKR R5 standard two-lane carriageway for the Sebuyau and Triso side. (The Edge)

Aeon Credit Service (M) Berhad (5139) has released a senior sukuk valued at RM300 million with a five-year tenure. This issuance marks the completion of the financial service provider's sukuk wakalah programme, totalling RM2 billion. The proceeds raised from this senior sukuk will be allocated toward disbursing financing to customers in line with Shariah principles for consumer financing. (The Edge)

# Nationgate Holdings Berhad

Bloomberg: NATGATE MK | KLSE Stock Code: 0270

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Nationgate Holdings Berhad operates as a contract manufacturer. The Company offers electronics manufacturing services and technical support to networking and communications, instrumentation, consumer products, medical devices, and automotive sectors. Nationgate Holdings serves customers worldwide.

### Investment Highlights

On a sideways, the stock is currently trading above the MA20. We think there is a potential upside supported by a bullish engulfing with a strong momentum on the stock (RSI > 60).

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.

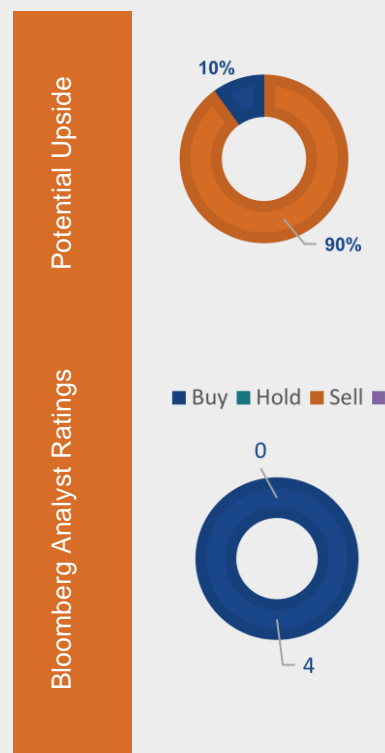
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	25.3	25.3	25.3
P/B	11.9	11.9	11.9
P/CF	104.9	104.9	104.9
P/S	2.3	2.3	2.3

Entry Price	RM1.36
Market Cap (m)	RM2,820.5
52w high	RM1.77
52w low	RM0.81
Stop Loss	RM1.16
Immediate Support	RM1.29
Immediate Resistance	RM1.38 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	N/A

### Main Market

Industrial Products & Services  
 Subsector – Industrial Materials,  
 Components & Equipment  
 Current Price: RM1.36  
 Target Price: RM1.49



# Kossan Rubber Industries Berhad

Bloomberg: KRI MK | KLSE Stock Code: 7153

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Kossan Rubber Industries Berhad manufactures and sells rubber products. Through its subsidiaries, the Company also manufactures and trades latex examination gloves as well as fabricates and installs machinery.

### Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think there is a potential reversal supported by a bullish engulfing with a rising momentum on the stock (RSI > 60).

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.

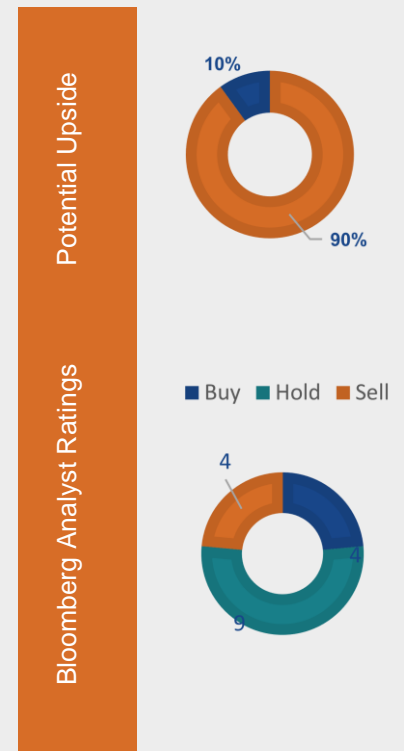
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	50.7	30.8	24.2
P/B	0.9	2.6	3.0
P/CF	16.1	18.6	17.4
P/S	1.2	2.0	2.0

Entry Price	RM1.69
Market Cap (m)	RM4,312.2
52w high	RM1.77
52w low	RM1.02
Stop Loss	RM1.44
Immediate Support	RM1.61
Immediate Resistance	RM1.75 (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)	4,545,825.1

### Main Market

Health Care  
Subsector – Health Care  
Equipment & Services  
Current Price: RM1.69  
Target Price: RM1.86





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
6/11/2023	Samaiden	0223	1.150	1.130	0.980	1.270	1.802	-1.7	-
6/11/2023	GENP	2291	5.450	5.450	4.660	5.990	-0.366	0.0	-
7/11/2023	PIE	7095	3.170	3.210	2.710	3.490	-0.311	1.3	-
7/11/2023	Kerjaya	7161	1.480	1.430	1.270	1.630	0.000	-3.4	-
8/11/2023	Hartalega	5168	2.330	2.460	1.990	2.560	2.500	5.6	TP Achieved
8/11/2023	MRDIY	5296	1.580	1.552	1.350	1.740	1.971	-1.8	-
9/11/2023	ALLIANZ	1163	16.720	18.200	14.300	18.390	0.664	8.9	-
9/11/2023	Kperangsang	5843	0.840	0.725	0.720	0.920	0.000	-13.7	SL Triggered
10/11/2023	HupSeng	5024	0.800	0.775	0.680	0.880	1.307	-3.1	-
10/11/2023	Toyoven	7173	1.430	1.410	1.220	1.360	0.000	-1.4	-
14/11/2023	Mflour	3662	0.700	0.660	0.590	0.770	-0.752	-5.7	-
14/11/2023	IGBB	5606	2.350	N/A	2.010	2.590	N/A	N/A	-
15/11/2023	RedTone	0032	0.810	0.660	0.690	0.890	-5.036	-18.5	SL Triggered
15/11/2023	Pensonic	9997	0.770	0.715	0.660	0.850	-8.917	-7.1	-
16/11/2023	GenP	2291	5.730	5.450	4.900	6.300	-0.366	-4.9	-
16/11/2023	Suria	6521	1.790	1.740	1.530	1.970	-2.793	-2.8	-
17/11/2023	YTLPower	6742	2.360	2.280	2.020	2.590	-3.797	-3.4	-
17/11/2023	ChinHin	5273	3.910	3.680	3.340	4.300	0.822	-5.9	-
20/11/2023	Ranhill	5272	0.920	0.845	0.790	1.010	-3.429	-8.2	-
20/11/2023	Day3	0281	0.450	0.370	0.380	0.490	4.225	-17.8	SL Triggered
21/11/2023	PIE	7095	3.340	3.210	2.860	3.670	-0.311	-3.9	-
21/11/2023	Globetronic	7022	1.640	1.670	1.400	1.810	3.727	1.8	-
22/11/2023	INARI	0166	3.050	2.890	2.610	3.360	-1.027	-5.2	-
22/11/2023	GENTING	3182	4.430	4.660	3.790	4.870	-0.427	5.2	-
23/11/2023	TeoSeng	7252	1.650	1.680	1.410	1.820	2.439	1.8	-
23/11/2023	Dufu	7233	1.850	1.810	1.580	2.040	2.841	-2.2	-
24/11/2023	Supermax	7106	1.040	0.935	0.890	1.140	1.081	-10.1	SL Triggered
24/11/2023	Hartalega	5166	2.620	2.460	2.240	2.880	2.500	-6.1	-
27/11/2023	Mcement	3226	4.040	4.220	3.450	4.440	1.932	4.5	-
27/11/2023	Hextech	1286	23.700	22.720	20.260	26.070	0.265	-4.1	-
28/11/2023	GentingM	4715	2.700	2.690	2.310	2.970	0.749	-0.4	-
28/11/2023	Kelington	0151	1.750	1.910	1.500	1.930	1.596	9.1	-
29/11/2023	AeonCredit	5139	5.780	5.710	4.940	6.360	0.175	-1.2	-
29/11/2023	BAT	4162	9.350	9.380	7.990	10.290	0.214	0.3	-
30/11/2023	FarmFresh	5306	1.360	1.390	1.160	1.490	-1.418	2.2	-
30/11/2023	BAT	5000	2.060	2.120	1.760	2.270	-0.469	2.9	-
1/12/2023	Infomina	0265	1.770	1.790	1.510	1.950	1.130	1.1	-
1/12/2023	Vitrox	0097	7.000	6.980	5.990	7.700	-0.286	-0.3	-
4/12/2023	Nationgate	0270	1.360	1.360	1.160	1.490	4.615	0.0	-
4/12/2023	Kossan	7153	1.690	1.690	1.440	1.860	4.969	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.06	0.73	14.37
UOA DEVELOPMENT BERHAD	PROPERTY	1.74	0.22	12.64
MBM RESOURCES BHD	CONSUMER	4.47	0.46	10.31
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
HEKTAR REITS	REITs	0.62	0.06	9.19
AMWAY (M) HOLDINGS BHD	CONSUMER	5.55	0.46	8.29
BERMAZ AUTO BERHAD	CONSUMER	2.32	0.19	8.10
TALIWORKS CORPORATION BHD	UTILITIES	0.83	0.07	8.07
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.38	0.74	7.92
UOA REITS	REITs	1.10	0.09	7.82
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
SENTRAL REIT	REITs	0.83	0.06	7.47
SCICOM (MSC) BHD	IND. PROD.	1.08	0.08	7.41
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	1 Yr-Fwd
		High	Low	Average		
KLCI	(2.6)	24.2	17.0	18.8	14.2	13.1
Finance	(0.7)	13.0	9.9	12.3	9.9	9.8
Property	30.6	25.1	7.4	11.5	10.5	N/A
Plantation	(1.3)	95.5	14.4	36.8	14.4	16.5
Consumer	(5.1)	22.5	14.8	21.5	14.8	14.0
Technology	(1.8)	48.6	22.5	27.9	31.4	24.0
Construction	20.1	36.8	16.0	19.2	16.0	11.3
Energy	5.1	9.4	-	-	9.4	9.4
Healthcare	3.9	36.1	23.9	30.0	23.9	32.9
Ind. Prod.	(5.4)	24.9	17.5	22.5	17.5	14.6
REIT	1.2	13.1	-	-	13.1	15.4
Telco	(6.2)	28.5	19.8	22.1	24.4	20.5

Source: Bloomberg

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