

Daily Newswatch

Market Review

The FBMKLCI ended marginally lower on Monday as investors took cues from regional markets performance. Market breadth was negative with 306 gainers and 591 losers. The REIT sector was the only gainer increasing by +0.08%, while the industrial products & services sector was the top loser declining by -1.00%. KESM (9334) was the top gainer surging by RM0.25 or +3.7%. The FBMKLCI declined by -0.37% to 1,451.02.

Economics

- Malaysia's retail growth forecast up to 2.8% after strong 3Q sales – RGM
- MYR and regional currencies expected to strengthen against USD in 2023 – BNM Deputy Governor

Companies

- SCIB (9237) bags RM16.8mil police air base construction sub-contract
- Eita's (5208) subsidiary bags RM56.31mil TNB contract
- UMW Holdings (4588) disposes of land to Perodua
- Bioalpha (0179) appointed to develop agro park in Langkawi

Expresso for the Day

- Technical Watch – RCE Cap (9296) Entry Price: RM2.76, Target Price: RM3.04, Stop Loss: RM2.36, Support: RM2.62, Resistance: RM2.76
- Technical Watch – Aurelius (5302) Entry Price: RM2.74, Target Price: RM3.01, Stop Loss: RM2.34, Support: RM2.60, Resistance: RM2.74

Local	Close	(%)
FBMKLCI	1,451.0	(0.37)
Volume (mil)	3,157.4	(2.50)
Value (RM'mil)	1,875.8	(17.08)
Gainers	306	
Losers	591	
Unchanged	430	

Foreign	Close	(%)
Dow Jones	36,204.4	(0.1)
Nasdaq CI	14,185.5	(0.8)
S&P 500	4,569.8	(0.5)
FTSE 100	7,513.0	(0.2)
Nikkei 225	33,231.3	(0.3)
Shanghai CI	3,022.9	(0.3)
HSI	16,646.1	(1.1)
STI	3,084.1	(0.2)

Most Active	RM	Chg (RM)
FITTERS	0.050	0.000
VELESTO	0.220	(0.005)
WIDAD	0.470	0.000
SAPNRG	0.045	0.000
BJCORP	0.285	(0.015)

Top Gainer	RM	Chg (RM)
KESM	7.070	0.250
PETDAG	22.500	0.200
RAPID	27.700	0.140
HLFG	16.600	0.120
AJI	15.900	0.120

Top Loser	RM	Chg (RM)
NESTLE	113.900	(6.100)
HEIM	21.500	(0.320)
F&N	27.500	(0.220)
PANAMY	17.700	(0.200)
PENTA	4.600	(0.150)

Other Stats	RM	(%)
USD/MYR	4.66	(0.34)
USD/RMB	7.14	0.21
Brent (USD/barrel)	78.19	(0.87)
Gold (USD/troy oz)	2,029.42	(2.07)
CPO (RM/metric t)	3,721.00	0.07



Daily Newswatch

Economics

MALAYSIA: Retail Group Malaysia (RGM) revised its 2023 retail growth forecast to 2.8%, up from 2.7%, citing better-than-expected 3Q2023 sales. Despite a 96.0% growth in the previous corresponding quarter, the current rate reflects a high base effect. Weakened spending power is noted despite returning to pre-Covid shopping levels. The Malaysian retail industry expanded by 3.3% in the first nine months of 2023. In the food and beverage sector, 3Q2023 saw a 9.6% growth for cafes and restaurants and a 19.5% leap for take-away, kiosk, and stall operators. RGM anticipates a decline in outdoor dining in 4Q2023 due to the rising cost of living, impacting profit margins. For 2024, RGM forecasts a 3.5% retail growth rate, highlighting challenges from the rising cost of living and anticipated impacts from new service tax and high-value goods tax. (The Edge)

MALAYSIA: Regional currencies, including the MYR, are expected to strengthen against the USD in the coming year as the US Federal Fund Rate approaches a possible peak. BNM's Deputy Governor, pointed to positive Malaysian fundamentals with government-backed development projects. He emphasized the need for balanced media coverage to avoid undue influence on public confidence. Despite 11 rate increases since March 2022, the benchmark Fed rate is now between 5.25% and 5.5%. Efforts to reduce Ringgit volatility will persist, and positive momentum is anticipated from foreign direct investment news in the upcoming quarters, supporting a stronger Ringgit in the coming year. (The Edge)

Companies

Sarawak Consolidated Industries Bhd (9237) has secured a substantial contract worth RM16.8 million from S & I Urban Designers Sdn Bhd. The contract involves the supply and delivery of precast components for the apron and taxiway of Projek Pembinaan Pangkalan Pasukan Gerakan Udara PDRM Sarawak, with a project duration from December 5, 2023, to October 4, 2024. With this addition, SCIB's order book now totals RM273.99 million. (The Star)

EITA Resources Bhd's (5208) subsidiary, TransSystem Continental Sdn Bhd (TSC), has secured a RM56.31 million contract from Tenaga Nasional Bhd for the rehabilitation of PMU 132/11 kilovolts (kV) Gurun (Rehab) in Kedah. TSC's scope of work includes supplying, erecting, testing, and commissioning a new 132kV conventional outdoor transmission substation to replace the existing station, along with civil, transmission lines, and remote ends relay retrofits. (The Star)

UMW Holdings Bhd (4588) is selling a 22.22-acre land parcel in Serendah, Selangor, to Perusahaan Otomobil Kedua Sdn Bhd (Perodua) for RM52.27 million. The land is situated within the UMW High Value Manufacturing Park. (The Star)

Bioalpha Holdings Bhd's (0179) subsidiary, Bioalpha Wellness Sdn Bhd, has entered into a manage and operate agreement with the Langkawi Development Authority (LADA) to develop, manage, and operate the Langkawi Agro Park in Kedah, Malaysia. The park, to be built on an 8-acre prime location near Langkawi International Airport, aims to showcase an integrated facility spanning the herbal supply chain from farming and R&D to product processing. (The Star)

RCE Capital Berhad

Bloomberg: RCE MK | KLSE Stock Code: 9296

Technical Watch

“BUY on Potential Upside”

Company Overview

RCE Capital Berhad is an investment holding company which provides management services. Through its subsidiaries, the Company invests in property, provides information technology, financial administrative, loan financing, broadcasting and advertising media services. RCE Capital is also involved in general trading, licensing and merchandising activities.

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by a with a strong momentum on the stock (RSI > 70).

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.

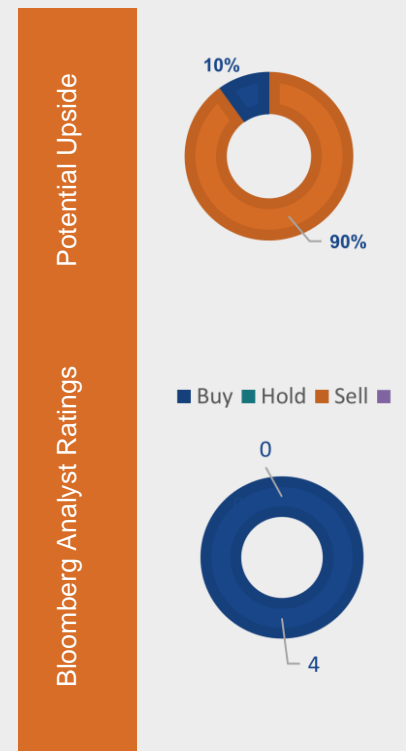
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	9.2	6.7	6.3
P/B	1.6	1.1	0.8
P/CF	90.4	47.1	44.5
P/S	4.0	2.8	2.0

Entry Price	RM2.76
Market Cap (m)	RM2,022.7
52w high	RM2.79
52w low	RM1.57
Stop Loss	RM2.36
Immediate Support	RM2.62
Immediate Resistance	RM2.76 (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)	569,881.5

Main Market

Financial Services
Subsector – Other Financials
Current Price: RM2.76
Target Price: RM3.04



Aurelius Technologies Berhad

Bloomberg: ATECH MK | KLSE Stock Code: 5302

Technical Watch

“BUY on Potential Upside”

Company Overview

Aurelius Technologies Berhad operates as a holding company. The Company, through its subsidiaries, focuses on industrial electronic products such as manufacturing of semiconductor components. Aurelius Technologies serves customer in Malaysia.

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 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.

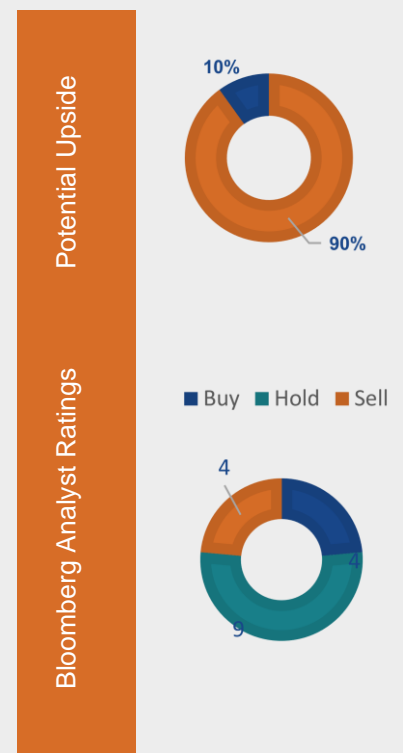
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	20.2	20.2	20.2
P/B	2.9	2.9	2.9
P/CF	14.0	14.0	14.0
P/S	1.6	1.6	1.6

Entry Price	RM2.74
Market Cap (m)	RM1,079.7
52w high	RM3.40
52w low	RM1.77
Stop Loss	RM2.34
Immediate Support	RM2.60
Immediate Resistance	RM2.74 (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)	644,600.0

Main Market

Industrial Products & Services
 Subsector – Industrial Materials,
 Components & Equipment
 Current Price: RM2.74
 Target Price: RM3.01





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
7/11/2023	PIE	7095	3.170	3.120	2.710	3.490	-2.804	-1.6	-
7/11/2023	Kerjaya	7161	1.480	1.460	1.270	1.630	2.098	-1.4	-
8/11/2023	Hartalega	5168	2.330	2.450	1.990	2.560	-0.407	5.2	TP Achieved
8/11/2023	MRDIY	5296	1.580	1.550	1.350	1.740	-0.129	-1.9	-
9/11/2023	ALLIANZ	1163	16.720	18.320	14.300	18.390	0.659	9.6	-
9/11/2023	Kperangsang	5843	0.840	0.715	0.720	0.920	-1.379	-14.9	SL Triggered
10/11/2023	HupSeng	5024	0.800	0.785	0.680	0.880	1.290	-1.9	-
10/11/2023	Toyoven	7173	1.430	1.420	1.220	1.360	0.709	-0.7	-
14/11/2023	Mflour	3662	0.700	0.645	0.590	0.770	-2.273	-7.9	-
14/11/2023	IGBB	5606	2.350	2.370	2.010	2.590	#VALUE!	0.9	-
15/11/2023	RedTone	0032	0.810	0.660	0.690	0.890	0.000	-18.5	SL Triggered
15/11/2023	Pensonic	9997	0.770	0.700	0.660	0.850	-2.098	-9.1	-
16/11/2023	GenP	2291	5.730	5.480	4.900	6.300	0.550	-4.4	-
16/11/2023	Suria	6521	1.790	1.730	1.530	1.970	-0.575	-3.4	-
17/11/2023	YTLPower	6742	2.360	2.240	2.020	2.590	-1.754	-5.1	-
17/11/2023	ChinHin	5273	3.910	3.650	3.340	4.300	-0.815	-6.6	-
20/11/2023	Ranhill	5272	0.920	0.850	0.790	1.010	0.592	-7.6	-
20/11/2023	Day3	0281	0.450	0.355	0.380	0.490	-4.054	-21.1	SL Triggered
21/11/2023	PIE	7095	3.340	3.120	2.860	3.670	-2.804	-6.6	-
21/11/2023	Globetronic	7022	1.640	1.670	1.400	1.810	0.000	1.8	-
22/11/2023	INARI	0166	3.050	2.850	2.610	3.360	-1.384	-6.6	-
22/11/2023	GENTING	3182	4.430	4.650	3.790	4.870	-0.215	5.0	-
23/11/2023	TeoSeng	7252	1.650	1.670	1.410	1.820	-0.595	1.2	-
23/11/2023	Dufu	7233	1.850	1.810	1.580	2.040	0.000	-2.2	-
24/11/2023	Supermax	7106	1.040	0.920	0.890	1.140	-1.604	-11.5	SL Triggered
24/11/2023	Hartalega	5166	2.620	2.450	2.240	2.880	-0.407	-6.5	-
27/11/2023	Mcement	3226	4.040	4.290	3.450	4.440	1.659	6.2	-
27/11/2023	Hextech	1286	23.700	22.800	20.260	26.070	0.352	-3.8	-
28/11/2023	GentingM	4715	2.700	2.690	2.310	2.970	0.000	-0.4	-
28/11/2023	Kelington	0151	1.750	1.900	1.500	1.930	-0.524	8.6	-
29/11/2023	AeonCredit	5139	5.780	5.700	4.940	6.360	-0.175	-1.4	-
29/11/2023	BAT	4162	9.350	9.350	7.990	10.290	-0.320	0.0	-
30/11/2023	FarmFresh	5306	1.360	1.350	1.160	1.490	-2.878	-0.7	-
30/11/2023	BAT	5000	2.060	2.200	1.760	2.270	3.774	6.8	-
1/12/2023	Infomina	0265	1.770	1.810	1.510	1.950	1.117	2.3	-
1/12/2023	Vitrox	0097	7.000	7.000	5.990	7.700	0.287	0.0	-
4/12/2023	Nationgate	0270	1.360	1.360	1.160	1.490	0.000	0.0	-
4/12/2023	Kossan	7153	1.690	1.680	1.440	1.860	-0.592	-0.6	-
5/12/2023	RCECapital	9296	2.760	2.760	2.360	3.040	1.471	0.0	-
5/12/2023	Aurelius	5302	2.740	2.740	2.340	3.010	1.859	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	(3.0)	24.2	17.0	18.8	14.2	13.3
Finance	(0.8)	13.0	9.8	12.3	9.8	9.8
Property	30.5	25.1	7.4	11.5	10.5	#N/A N/A
Plantation	(1.4)	95.5	14.4	36.8	14.4	16.6
Consumer	(6.0)	22.5	14.7	21.5	14.7	14.7
Technology	(2.4)	48.6	22.5	27.8	31.2	23.8
Construction	19.9	36.8	15.9	19.2	15.9	11.2
Energy	4.6	9.3	-	-	9.3	9.4
Healthcare	3.5	36.1	23.8	29.9	23.8	32.7
Ind. Prod.	(6.3)	24.9	17.3	22.4	17.3	14.5
REIT	1.3	13.1	-	-	13.1	15.3
Telco	(6.3)	28.5	19.8	22.0	24.3	20.4

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
Email: mercurykl@mersec.com.my