

Daily Newswatch

Market Review

The FBMKLCI ended lower on Thursday on the back of an absent positive catalysts for stimulating buying interest in the market. Market breadth was negative with 322 gainers and 603 losers. The financial service sector was the only gainer increasing by +0.14%, while the energy sector was the top loser declining by -1.73%. NESTLE (4707) was the top gainer surging by RM2.20 or +1.9%. The FBMKLCI declined by -0.21% to 1,442.85.

Economics

- 3.5% GDP growth in 2023 as Russian economy overcomes sanctions and challenges
- US weekly jobless claims increase moderately

Companies

- Critical Holdings (0291) IPO oversubscribed by 88.08 times
- Vizione (7070) clinches RM490mil turnkey contractor job
- Paragon Union (9407) acquires carpet manufacturer for RM2.5mil
- UEM Edgenta (1368) acquires 60% stake in Kaizen Group for strategic partnership in UAE

Expresso for the Day

- Technical Watch – Aurelius (5302) Entry Price: RM2.80, Target Price: RM3.08, Stop Loss: RM2.39, Support: RM2.66, Resistance: RM2.84
- Technical Watch – GFM (0039) Entry Price: RM0.27, Target Price: RM0.29, Stop Loss: RM0.23, Support: RM0.26, Resistance: RM0.27

Local	Close	(%)
FBMKLCI	1,442.9	(0.21)
Volume (mil)	3,012.0	7.66
Value (RM'mil)	1,981.9	9.56
Gainers	322	
Losers	603	
Unchanged	398	

Foreign	Close	(%)
Dow Jones	36,117.4	0.2
Nasdaq CI	14,340.0	1.4
S&P 500	4,585.6	0.8
FTSE 100	7,513.7	(0.0)
Nikkei 225	32,483.5	(1.8)
Shanghai CI	2,966.2	(0.1)
HSI	16,345.9	(0.7)
STI	3,074.3	(0.4)

Most Active	RM	Chg (RM)
CPETECH	0.915	(0.155)
WIDAD	0.470	0.000
CLASSITA	0.045	0.000
RENEUCO	0.255	0.025
LEFORM	0.355	0.005

Top Gainer	RM	Chg (RM)
NESTLE	116.500	2.200
HEIM	21.720	0.620
EUROSP	1.440	0.330
AJI	16.300	0.240
GENP	5.590	0.180

Top Loser	RM	Chg (RM)
PETDAG	22.020	(0.440)
UTDPLT	16.500	(0.360)
MPI	26.360	(0.340)
F&N	26.960	(0.300)
RAPID	28.420	(0.280)

Other Stats	RM	(%)
USD/MYR	4.67	0.13
USD/RMB	7.15	(0.17)
Brent (USD/barrel)	74.05	(0.34)
Gold (USD/troy oz)	2,029.29	0.14
CPO (RM/metric t)	3,581.00	(2.01)



Daily Newswatch

Economics

UNITED STATES: The latest weekly jobless claims report from the U.S. Labor Department indicates a moderate increase in Americans filing new unemployment benefit claims, suggesting a gradual loss of momentum in the labor market amid higher borrowing costs affecting demand in the broader economy. The report, released on Thursday, showed a rise of 1,000 claims to 220,000 for the week ending December 2, slightly below economists' expectations. While the mixed data supports the notion that the Federal Reserve is likely pausing interest rate hikes, it suggests that market expectations for a rate cut in the first quarter may be too optimistic, emphasizing the careful balance the Fed must maintain in response to economic conditions. (The Edge)

RUSSIA: Russian President Vladimir Putin announced that the country's gross domestic product (GDP) is projected to grow by 3.5% this year, rebounding from a 2.1% contraction in 2022. Despite facing significant Western sanctions imposed in response to Russia's military actions in Ukraine, the nation's export-focused economy has proven more resilient than anticipated. The economic recovery has been driven by increased defense spending and manufacturing related to the conflict in Ukraine, although challenges such as elevated interest rates, high inflation, and a labor shortage persist. Putin characterized the West's sanctions as ineffective and suggested that the Western financial system is becoming technologically obsolete. (The Edge)

Companies

Critical Holdings Bhd's (0291) initial public offering (IPO) for the ACE Market in Malaysia has been oversubscribed by an impressive 88.08 times. The IPO consisted of 74.35 million new ordinary shares, with allocations for the Malaysian public, eligible directors and employees, Bumiputera investors, and selected investors. The overwhelming response saw 13,038 applications for 1.66 billion shares from the Malaysian public alone, representing the high oversubscription rate. (The Star)

Vizione Holdings Bhd (7070) has been awarded a letter of award (LoA) valued at RM490 million from Hardie Development Sdn Bhd. Under the agreement, Vizione will serve as a turnkey contractor for the design, construction, and delivery of three apartment blocks in Sabah. The scope of work includes design, engineering, construction, project management, and the delivery of all project components, including the installation and testing of mechanical and electrical equipment. The completion period for the project is set at 36 months from the commencement date. (The Star)

Paragon Union Bhd (9407) has engaged in an asset purchase agreement with Carpet Art Manufacturing Sdn Bhd (CAMSB) for the planned acquisition of CAMSB's assets at a value of RM2.5 million. CAMSB is primarily engaged in manufacturing and supplying high-quality hand-tufted and machined tufted carpets, as well as trading in carpet and related products. The acquisition is expected to broaden PUB's market presence and client base by incorporating the skills and expertise of CAMSB in designing and manufacturing custom-made and hand-tufted commercial carpets and rugs. (The Star)

UEM Edgenta Berhad (1368) has acquired a 60% stake in Kaizen Group, a leading tech-enabled property management services firm in the UAE, during the UNFCCC Conference of the Parties in Dubai. Kaizen Group, with a 16-year track record, is recognized for its pioneering role in tech-driven property management services. The strategic partnership aims to integrate UEM Edgenta's smart building technologies and sustainability solutions into Kaizen Group's operations, aligning with the real estate sector's commitment to digitalization and environmentally conscious practices, while also supporting UEM Edgenta's vision to build an integrated real estate services platform in high-growth markets. (The Edge)

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 marubozu with a rising 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.

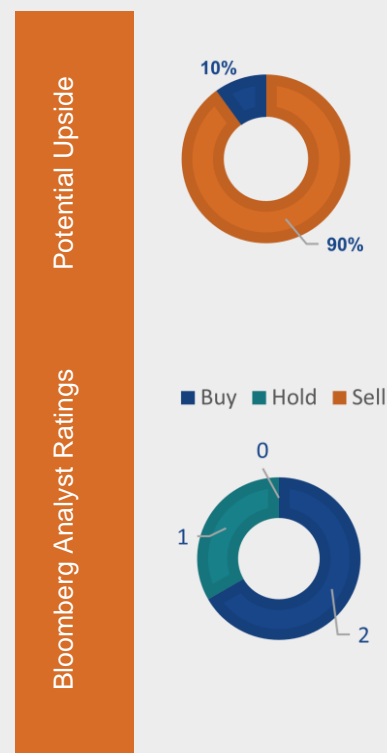
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	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	RM2.80
Market Cap (m)	RM1,103.4
52w high	RM3.40
52w low	RM1.77
Stop Loss	RM2.39
Immediate Support	RM2.66
Immediate Resistance	RM2.84 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More 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: RM2.80
 Target Price: RM3.08



GFM Services Berhad

Bloomberg: GFM MK | KLSE Stock Code: 0039

Technical Watch

“BUY on Potential Upside”

Company Overview

GFM Services Berhad provides facility management and advisory services. The Company offers facility planning and development, operation, maintenance, asset life cycle replacement, and strategic management services. GFM Services conducts its business in Malaysia.

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.

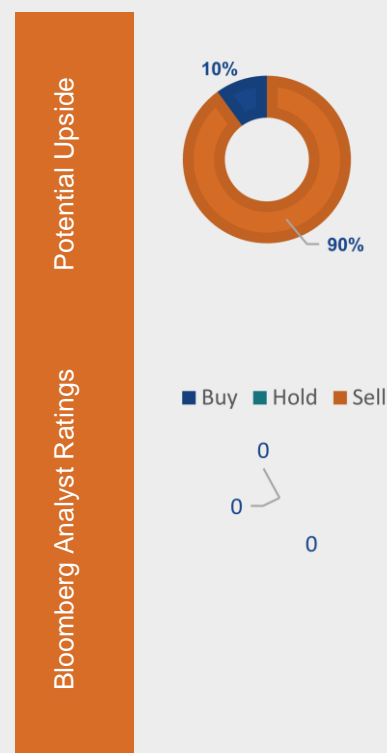
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	7.8	17.8	18.4
P/B	0.8	1.1	1.7
P/CF	3.7	5.4	17.4
P/S	0.8	0.9	1.3

Entry Price	RM0.27
Market Cap (m)	RM186.4
52w high	RM0.27
52w low	RM0.17
Stop Loss	RM0.23
Immediate Support	RM0.26
Immediate Resistance	RM0.27 (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)	7,534,073.4

Ace Market

Industrial Products & Services
 Subsector – Industrial Services
 Current Price: RM0.27
 Target Price: RM0.29





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
10/11/2023	HupSeng	5024	0.800	0.785	0.680	0.880	-1.258	-1.9	-
10/11/2023	Toyoven	7173	1.430	1.370	1.220	1.360	-0.725	-4.2	-
14/11/2023	Mflour	3662	0.700	0.640	0.590	0.770	0.000	-8.6	-
14/11/2023	IGBB	5606	2.350	2.380	2.010	2.590	N/A	1.3	-
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	0.620	0.660	0.850	-6.767	-19.5	SL Triggered
16/11/2023	GenP	2291	5.730	5.590	4.900	6.300	3.327	-2.4	-
16/11/2023	Suria	6521	1.790	1.810	1.530	1.970	3.429	1.1	-
17/11/2023	YTLPower	6742	2.360	2.270	2.020	2.590	0.442	-3.8	-
17/11/2023	ChinHin	5273	3.910	3.450	3.340	4.300	-2.817	-11.8	SL Triggered
20/11/2023	Ranhill	5272	0.920	0.795	0.790	1.010	-3.049	-13.6	SL Triggered
20/11/2023	Day3	0281	0.450	0.345	0.380	0.490	-2.817	-23.3	SL Triggered
21/11/2023	PIE	7095	3.340	3.290	2.860	3.670	0.000	-1.5	-
21/11/2023	Globetronic	7022	1.640	1.660	1.400	1.810	-1.775	1.2	-
22/11/2023	INARI	0166	3.050	2.860	2.610	3.360	-0.348	-6.2	-
22/11/2023	GENTING	3182	4.430	4.610	3.790	4.870	0.000	4.1	-
23/11/2023	TeoSeng	7252	1.650	1.550	1.410	1.820	-6.061	-6.1	-
23/11/2023	Dufu	7233	1.850	1.800	1.580	2.040	1.124	-2.7	-
24/11/2023	Supermax	7106	1.040	0.900	0.890	1.140	-1.639	-13.5	SL Triggered
24/11/2023	Hartalega	5166	2.620	2.330	2.240	2.880	-1.688	-11.1	SL Triggered
27/11/2023	Mcement	3226	4.040	4.180	3.450	4.440	-1.647	3.5	-
27/11/2023	Hextech	1286	23.700	22.100	20.260	26.070	-0.808	-6.8	-
28/11/2023	GentingM	4715	2.700	2.640	2.310	2.970	-1.124	-2.2	-
28/11/2023	Kelington	0151	1.750	1.850	1.500	1.930	-1.596	5.7	-
29/11/2023	AeonCredit	5139	5.780	5.660	4.940	6.360	-0.352	-2.1	-
29/11/2023	BAT	4162	9.350	9.160	7.990	10.290	-1.293	-2.0	-
30/11/2023	FarmFresh	5306	1.360	1.340	1.160	1.490	-2.899	-1.5	-
30/11/2023	BAT	5000	2.060	2.250	1.760	2.270	0.000	9.2	-
1/12/2023	Infomina	0265	1.770	1.720	1.510	1.950	-4.444	-2.8	-
1/12/2023	Vitrox	0097	7.000	7.190	5.990	7.700	1.986	2.7	-
4/12/2023	Nationgate	0270	1.360	1.350	1.160	1.490	-3.571	-0.7	-
4/12/2023	Kossan	7153	1.690	1.660	1.440	1.860	-1.190	-1.8	-
5/12/2023	RCECapital	9296	2.760	2.850	2.360	3.040	2.888	3.3	-
5/12/2023	Aurelius	5302	2.740	2.800	2.340	3.010	2.564	2.2	-
6/12/2023	Vitrox	0097	7.04	7.190	6.019	7.744	1.986	2.1	-
6/12/2023	WellCall	7231	1.7	1.750	1.454	1.87	-1.130	2.9	-
7/12/2023	D&O	7204	3.6	3.500	3.078	3.96	-2.778	-2.8	-
7/12/2023	Matrix	5236	1.68	1.660	1.4364	1.848	-1.190	-1.2	-
8/12/2023	Aurelius	5302	2.8	2.800	2.394	3.08	2.564	0.0	-
8/12/2023	GFM	0039	0.27	0.270	0.23085	0.297	8.000	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	4.96	0.73	14.66
UOA DEVELOPMENT BERHAD	PROPERTY	1.75	0.22	12.57
MBM RESOURCES BHD	CONSUMER	4.48	0.46	10.29
YTL HOSPITALITY REIT	REITs	1.01	0.09	9.31
HEKTAR REITS	REITs	0.65	0.06	8.84
BERMAZ AUTO BERHAD	CONSUMER	2.32	0.20	8.58
AMWAY (M) HOLDINGS BHD	CONSUMER	5.54	0.46	8.30
TALIWORKS CORPORATION BHD	UTILITIES	0.82	0.07	8.22
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.16	0.74	8.11
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
UOA REITS	REITs	1.10	0.09	7.82
SENTRAL REIT	REITs	0.82	0.06	7.56
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.39
SCICOM (MSC) BHD	IND. PROD.	1.09	0.08	7.34
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	(3.5)	24.2	17.0	18.8	14.1	13.2
Finance	(1.1)	13.0	9.8	12.3	9.8	9.7
Property	30.3	25.1	7.4	11.5	10.6	#N/A N/A
Plantation	(1.9)	95.5	14.4	36.8	14.4	17.0
Consumer	(6.5)	22.5	14.6	21.4	14.6	14.7
Technology	(2.9)	48.6	22.5	27.9	31.3	23.9
Construction	19.6	36.8	14.8	18.9	14.8	11.2
Energy	1.3	9.2	-	-	9.2	9.3
Healthcare	1.9	36.1	23.7	29.9	23.7	31.2
Ind. Prod.	(7.3)	24.9	17.3	22.4	17.3	14.5
REIT	0.8	13.1	-	-	13.1	15.3
Telco	(7.2)	28.5	19.8	22.0	24.2	20.3

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