

Daily Newswatch

Market Review

The FBMKLCI ended flat on Friday as investors waned on the cautious side. Market breadth was positive with 453 gainers and 377 losers. The utilities sector was the top gainer increasing by +2.03%, while the telco sector was the top loser declining by -0.52%. NESTLE (4707) was the top gainer surging by RM1.00 or +0.9%. The FBMKLCI declined by -0.06% to 1,441.97.

Economics

- Penang aims to reclaim 400 acres of land for Silicon Island project each year
- Egypt's headline inflation dips to 34.6% in November

Companies

- Solarvest (0215) appointed to install rooftop solar systems
- Critical Holdings (0291) oversubscribed by 88 times
- Westports (5246) secures 58-year concession extension and unveils RM39.6bn expansion plan
- MyEG's (0138) Zetrix introduces digital identification card, driving licence to Chinese citizens
- Chin Hin Group Property (7187) buys RM40m land in Penang for residential project

Expresso for the Day

- Technical Watch – RCE Capital (9296) Entry Price: RM2.99, Target Price: RM3.29, Stop Loss: RM2.56, Support: RM2.84, Resistance: RM2.99
- Technical Watch – Thong Guan (7034) Entry Price: RM1.89, Target Price: RM2.08, Stop Loss: RM1.62, Support: RM1.80, Resistance: RM1.98

Local	Close	(%)
FBMKLCI	1,442.0	(0.06)
Volume (mil)	2,993.3	(0.62)
Value (RM'mil)	1,992.5	0.54
Gainers	453	
Losers	377	
Unchanged	488	

Foreign	Close	(%)
Dow Jones	36,247.9	0.4
Nasdaq CI	14,404.0	0.4
S&P 500	4,604.4	0.4
FTSE 100	7,554.5	0.5
Nikkei 225	32,307.9	(1.7)
Shanghai CI	2,969.6	0.1
HSI	16,334.4	(0.1)
STI	3,110.7	1.2

Most Active	RM	Chg (RM)
YTL	1.690	0.150
YTLPOWR	2.420	0.150
AIRPORT	7.080	0.000
PBBANK	4.240	(0.020)
CIMB	5.760	0.000

Top Gainer	RM	Chg (RM)
NESTLE	117.500	1.000
F&N	27.500	0.540
HEIM	22.260	0.540
DLADY	22.800	0.500
HEXTECH	22.500	0.400

Top Loser	RM	Chg (RM)
PETDAG	21.620	(0.400)
IMASPRO	4.760	(0.200)
RAPID	28.260	(0.160)
HLFG	16.400	(0.140)
MBMR	4.220	(0.110)

Other Stats	RM	(%)
USD/MYR	4.66	(0.21)
USD/RMB	7.17	0.30
Brent (USD/barrel)	75.84	2.42
Gold (USD/troy oz)	2,004.67	(1.17)
CPO (RM/metric t)	3,595.00	0.39



Daily Newswatch

Economics

MALAYSIA: The Penang government is targeting the reclamation of about 400 acres (161.87 hectares) of land annually for the Silicon Island project, with plans to commence construction of the first factory on the island as early as 2026. Chief Minister Chow Kon Yeow revealed that reclamation work had already begun in early October, and the government aims to speed up the project by adding two more boats with a large capacity of 20,000 cubic metres each for dredging works next year. The Silicon Island project, with a focus on the high-technology industrial park, Green Tech Park, is expected to contribute significantly to Penang's economy and generate employment opportunities. (The Edge)

EGYPT: In November, Egypt's annual urban consumer price inflation dropped to 34.6% from 35.8% in October, primarily due to a deceleration in the rate of food price increases, according to data from the statistics agency Capmas. The annual inflation figure was slightly below the median forecast of analysts, which predicted 34.8%. Over the month, prices rose by 1.3%, up from 1.0% in October, with food prices increasing by 0.2% and surging 64.5% year on year. The November figure represents the lowest inflation rate since May, after reaching a record high of 38.0% in September. (The Edge)

Companies

Solarvest Holdings Bhd (0215) has been chosen by Westports Malaysia Sdn Bhd, a subsidiary of Westports Holdings Bhd, has chosen to install rooftop solar photovoltaic (PV) systems on two Port Klang warehouse facilities. The 7.7-megawatt peak (MWp) installation project is set to be completed by mid-2024 and aligns with Westports' commitment to achieving net-zero carbon emissions by 2050. (The Edge)

Critical Holdings Bhd (0291), a mechanical, electrical, and process utilities (MEP) engineering company, is set to debut on the ACE Market on December 18, and its initial public offering (IPO) has been oversubscribed by 88.08 times. In addition to the public offering, shares for eligible directors and employees, Bumiputera investors, and selected investors were also fully subscribed and placed out. The IPO price is set at 35 sen per share, aiming to raise RM39.03m. (The Edge)

Westports Holdings Bhd (5246), has secured a 58-year extension until 2082 for its concession agreement with the government. The extension includes existing port facilities in Westports and the development of new facilities with an investment of RM39.6 billion. The expansion involves container terminals (CT) 10 to 17, which is expected to increase capacity from 14 million twenty-foot equivalent units (TEUs) to 27 million TEUs by 2082. (The Edge)

MyEG's (0138) Zetrix has introduced a digital qualification platform called Zcert: Cross-Border Digital Verified Qualification Document System. This platform allows Chinese citizens to digitize their identification cards and driving licenses on the blockchain, providing a verified credential on Xinghuo International, China's public blockchain international gateway. The platform, a collaboration between MyEG and Guangxi Beitou IT Innovation Technology Investment Group Co Ltd, aims to offer a solution to complicated verification processes, non-compliant procedures, and cross-border exchanges between Chinese and Malaysian citizens. (The Edge)

Chin Hin Group Property Bhd (7187) is set to acquire a 1.218-acre freehold plot in Penang for RM40m from Ivory Properties Group Bhd. The acquired land will be used to build a multi-storey serviced residence. As part of the deal, the construction works for the development will be awarded to a member company of the Ivory group. Chin Hin Group Property has signed a binding term sheet with Ivory Properties' Ivory Gleneary Sdn Bhd for the proposed land acquisition. (The Edge)

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 marubozu with a strong momentum on the stock (RSI > 80).

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.

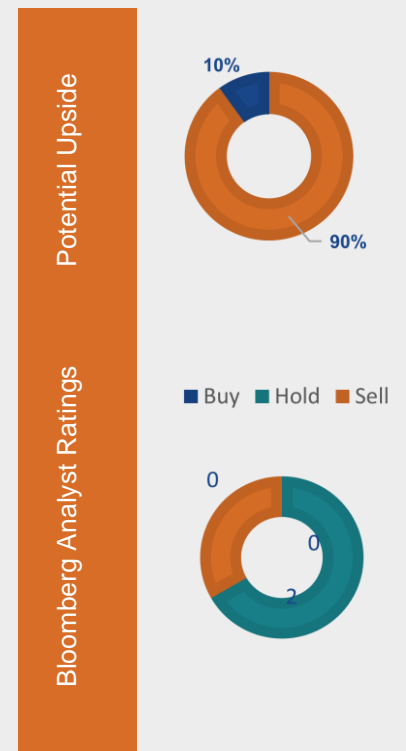
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	9.3	6.7	6.3
P/B	1.6	1.1	0.8
P/CF	91.0	47.3	44.8
P/S	4.1	2.8	2.0

Entry Price	RM2.99
Market Cap (m)	RM2,191.2
52w high	RM2.99
52w low	RM1.57
Stop Loss	RM2.56
Immediate Support	RM2.84
Immediate Resistance	RM2.99 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	569,881.5

Main Market

Financial Services
 Subsector – Other Financials
 Current Price: RM2.99
 Target Price: RM3.29



Thong Guan Industries Berhad

Bloomberg: TGI MK | KLSE Stock Code: 7034

Technical Watch

“BUY on Potential Upside”

Company Overview

Thong Guan Industries Berhad is an investment holding company. The Company, through its subsidiaries, trades plastic and paper products. Thong Guan also trades beverages including tea and coffee and machinery.

Investment Highlights

On a downtrend, 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 > 50).

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.

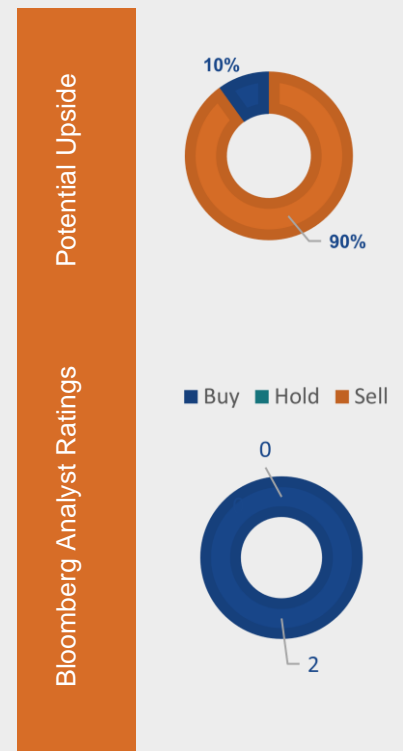
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	9.3	9.5	8.8
P/B	1.1	1.1	0.9
P/CF	23.8	15.2	12.1
P/S	0.7	0.7	0.5

Entry Price	RM1.89
Market Cap (m)	RM746.9
52w high	RM2.52
52w low	RM1.82
Stop Loss	RM1.62
Immediate Support	RM1.80
Immediate Resistance	RM1.98 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising momentum
Volume (4-Weeks Average)	269,747.6

Main Market

Industrial Products & Services
 Subsector – Packaging Materials
 Current Price: RM1.89
 Target Price: RM2.08





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
14/11/2023	Mflour	3662	0.700	0.640	0.590	0.770	0.000	-8.6	-
14/11/2023	IGBB	5606	2.350	2.420	2.010	2.590	1.681	3.0	-
15/11/2023	RedTone	0032	0.810	0.670	0.690	0.890	1.515	-17.3	SL Triggered
15/11/2023	Pensonic	9997	0.770	0.660	0.660	0.850	6.452	-14.3	SL Triggered
16/11/2023	GenP	2291	5.730	5.560	4.900	6.300	-0.537	-3.0	-
16/11/2023	Suria	6521	1.790	1.810	1.530	1.970	0.000	1.1	-
17/11/2023	YTLPower	6742	2.360	2.420	2.020	2.590	6.608	2.5	-
17/11/2023	ChinHin	5273	3.910	3.450	3.340	4.300	0.000	-11.8	SL Triggered
20/11/2023	Ranhill	5272	0.920	0.850	0.790	1.010	6.918	-7.6	-
20/11/2023	Day3	0281	0.450	0.350	0.380	0.490	1.449	-22.2	SL Triggered
21/11/2023	PIE	7095	3.340	3.260	2.860	3.670	-0.912	-2.4	-
21/11/2023	Globetronic	7022	1.640	1.690	1.400	1.810	1.807	3.0	-
22/11/2023	INARI	0166	3.050	2.830	2.610	3.360	-1.049	-7.2	-
22/11/2023	GENTING	3182	4.430	4.600	3.790	4.870	-0.217	3.8	-
23/11/2023	TeoSeng	7252	1.650	1.570	1.410	1.820	1.290	-4.8	-
23/11/2023	Dufu	7233	1.850	1.770	1.580	2.040	-1.667	-4.3	-
24/11/2023	Supermax	7106	1.040	0.900	0.890	1.140	0.000	-13.5	SL Triggered
24/11/2023	Hartalega	5166	2.620	2.330	2.240	2.880	0.000	-11.1	SL Triggered
27/11/2023	Mcement	3226	4.040	4.170	3.450	4.440	-0.239	3.2	-
27/11/2023	Hextech	1286	23.700	22.500	20.260	26.070	1.810	-5.1	-
28/11/2023	GentingM	4715	2.700	2.640	2.310	2.970	0.000	-2.2	-
28/11/2023	Kelington	0151	1.750	1.840	1.500	1.930	-0.541	5.1	-
29/11/2023	AeonCredit	5139	5.780	5.630	4.940	6.360	-0.530	-2.6	-
29/11/2023	BAT	4162	9.350	9.080	7.990	10.290	-0.873	-2.9	-
30/11/2023	FarmFresh	5306	1.360	1.350	1.160	1.490	0.746	-0.7	-
30/11/2023	BAT	5000	2.060	2.260	1.760	2.270	0.444	9.7	-
1/12/2023	Infomina	0265	1.770	1.750	1.510	1.950	1.744	-1.1	-
1/12/2023	Vitrox	0097	7.000	7.340	5.990	7.700	2.086	4.9	-
4/12/2023	Nationgate	0270	1.360	1.370	1.160	1.490	1.707	0.7	-
4/12/2023	Kossan	7153	1.690	1.620	1.440	1.860	-2.410	-4.1	-
5/12/2023	RCECapital	9296	2.760	2.990	2.360	3.040	4.912	8.3	-
5/12/2023	Aurelius	5302	2.740	2.780	2.340	3.010	-0.714	1.5	-
6/12/2023	Vitrox	0097	7.04	7.340	6.019	7.744	2.086	4.3	-
6/12/2023	WellCall	7231	1.7	1.760	1.454	1.87	0.571	3.5	-
7/12/2023	D&O	7204	3.6	3.550	3.078	3.96	1.429	-1.4	-
7/12/2023	Matrix	5236	1.68	1.660	1.4364	1.848	0.000	-1.2	-
8/12/2023	Aurelius	5302	2.8	2.780	2.394	3.08	-0.714	-0.7	-
8/12/2023	GFM	0039	0.27	0.265	0.2309	0.297	-1.852	-1.9	-
11/12/2023	RCECapital	9296	2.99	2.990	2.5565	3.289	4.912	0.0	-
11/12/2023	Thong Guan	7034	1.89	1.890	1.6160	2.079	1.613	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	1.76	0.22	12.50
MBM RESOURCES BHD	CONSUMER	4.22	0.46	10.92
YTL HOSPITALITY REIT	REITs	1.01	0.09	9.31
HEKTAR REITS	REITs	0.65	0.06	8.77
BERMAZ AUTO BERHAD	CONSUMER	2.30	0.20	8.65
AMWAY (M) HOLDINGS BHD	CONSUMER	5.55	0.46	8.29
TALIWORKS CORPORATION BHD	UTILITIES	0.81	0.07	8.27
BRITISH AMERICAN TOBACCO (M) KIP REAL ESTATE INVESTMENT TRUST	CONSUMER	9.10	0.74	8.16
SENTRAL REIT	REITs	0.90	0.07	7.82
UOA REITS	REITs	0.80	0.06	7.80
CAPITALAND MALAYSIA TRUST	REITs	1.11	0.09	7.75
SCICOM (MSC) BHD	IND. PROD.	0.56	0.04	7.39
SPORTS TOTO BERHAD	CONSUMER	1.09	0.08	7.34
		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	(3.6)	24.2	17.0	18.8	14.1	13.2
Finance	(1.0)	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	(1.9)	95.5	14.4	36.8	14.4	16.9
Consumer	(6.4)	22.5	14.6	21.4	14.6	14.7
Technology	(2.6)	48.6	22.5	27.8	31.1	23.7
Construction	20.0	36.8	14.9	18.9	14.9	11.3
Energy	2.7	9.0	-	-	9.0	9.1
Healthcare	1.5	36.1	23.4	29.7	23.4	31.1
Ind. Prod.	(6.9)	24.9	17.1	22.4	17.1	14.4
REIT	0.8	13.0	-	-	13.0	15.3
Telco	(7.5)	28.5	19.8	22.0	24.2	20.3

Source: Bloomberg

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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