

Daily Newswatch

Market Review

The FBMKLCI ended higher on Monday after five days of losses on the back of late interest buying. Market breadth was positive with 483 gainers and 397 losers. The property sector was the top gainer increasing by +0.94%, while the energy sector was the top loser declining by -0.42%. NESTLE (4707) was the top gainer surging by RM1.20 or +1.0%. The FBMKLCI rose by +0.31% to 1,446.39.

Economics

- Manufacturing sales down 1.4% YoY to RM156.7bil in October 2023
- IPI rebounds 2.7% in October 2023 on robust performance in mining sector

Companies

- Censof (5195) gets RM9.47m JPJ contract
- Straits Energy (0080) signs MoU for reforestation project
- HLIB (3301) disposes of HLI Trading Ltd for RM36.0m
- DRB-Hicom (1619) sign joint venture agreement with Geely Holdings

Expresso for the Day

- Technical Watch – GenP (2291) Entry Price: RM5.62, Target Price: RM6.18, Stop Loss: RM4.81, Support: RM5.34, Resistance: RM5.73
- Technical Watch – Unisem (5005) Entry Price: RM3.37, Target Price: RM3.71, Stop Loss: RM2.88, Support: RM3.20, Resistance: RM3.40

Local	Close	(%)
FBMKLCI	1,446.4	0.31
Volume (mil)	3,820.8	27.65
Value (RM'mil)	2,473.5	24.14
Gainers	483	
Losers	397	
Unchanged	463	

Foreign	Close	(%)
Dow Jones	36,247.9	0.3
Nasdaq CI	14,404.0	0.1
S&P 500	4,604.4	0.3
FTSE 100	7,554.5	(0.1)
Nikkei 225	32,307.9	1.5
Shanghai CI	2,969.6	0.7
HSI	16,334.4	(0.8)
STI	3,110.7	(0.7)

Most Active	RM	Chg (RM)
SAUDEE	0.025	0.000
YTL	1.870	0.180
YTLPOWR	2.510	0.090
EKOVEST	0.470	0.030
WIDAD	0.470	0.005

Top Gainer	RM	Chg (RM)
NESTLE	118.700	1.200
UTDPLT	16.900	0.400
PPB	14.500	0.320
MPI	27.000	0.280
APOLLO	5.470	0.260

Top Loser	RM	Chg (RM)
RAPID	27.200	(1.060)
HEXTECH	21.800	(0.700)
BKAWAN	20.280	(0.220)
IMASPRO	4.550	(0.210)
HARISON	8.200	(0.180)

Other Stats	RM	(%)
USD/MYR	4.66	0.39
USD/RMB	7.17	0.05
Brent (USD/barrel)	75.84	0.50
Gold (USD/troy oz)	2,004.67	(1.15)
CPO (RM/metric t)	3,595.00	0.00



Daily Newswatch

Economics

MALAYSIA: In October 2023, Malaysia's manufacturing sector witnessed a 1.4% year-on-year decrease in sales value, totaling RM156.7 billion. The decline was primarily attributed to a persistent drop in the petroleum, chemical, rubber, and plastic products sub-sector by 9.5% year-on-year. Additionally, the electrical and electronics products sub-sector contracted by 2.7%. Despite the year-on-year decline, the October 2023 figure showed a smaller rate of decrease compared to the preceding month. The sales value of export-oriented industries, constituting more than two-thirds of total sales, fell 5.2% year-on-year in October 2023. However, domestic-oriented industries' sales value increased by 9.9% during the same period. For the first 10 months of 2023, the manufacturing sector's sales slightly rose by 0.9% year-on-year to reach RM1.50 trillion. The sector employed 2.38 million persons in October 2023, reflecting a 2.5% increase compared to the same month last year. (The Star)

MALAYSIA: Malaysia's Industrial Production Index (IPI) rebounded with a growth of 2.7% in October 2023, compared to the negative 0.5% recorded in the previous month. The recovery was led by the mining sector's robust performance, showing an increase of 8.7%. Additionally, the electricity and manufacturing sectors continued to grow, with rates of 5.8% and 0.9%, respectively. The manufacturing output expansion was supported by a 6.7% growth in domestic-oriented industries. On a month-on-month basis, the IPI increased by 2.2%, marking the third consecutive monthly rise. For the first ten months of 2023, the IPI showed a slower growth rate of 1.0% compared to the same period in the previous year. (The Star)

Companies

Censof Holdings Bhd (5195) has secured a contract from the Road Transport Department Malaysia (JPJ) worth RM9.47 million. The contract is for maintenance, verification, and calibration services for 48 weighing instruments at enforcement stations. The project has a tenure of 36 months, from January 1, 2024, to December 31, 2026, without an option to extend or renew. (The Star)

Straits Energy Resources Bhd's (0080) subsidiary, Benua Hijau Sdn Bhd, has entered into a memorandum of understanding (MoU) with the Management Council of Terengganu State Parks (MPTN) and the Setiu Land Office for a multi-year reforestation project in the Setiu Wetlands State Park. The project aims to restore degraded forest areas by planting 100,000 Pokok Gelam (melaleuca) trees across 200 acres over five years. Benua Hijau will coordinate the activities, including tree planting and community engagement, and invest in a dedicated nursery and research center for Gelam saplings and ecosystem study. (The Star)

Hong Leong Industries Bhd (3301) is selling its entire equity interest in HLI Trading Ltd (HLIT) to Guoline International Ltd for RM36.22 million. The disposal is part of HLIB's efforts to streamline its offshore non-operating company. The proceeds from the sale will be placed with financial institutions while HLIB identifies suitable investment opportunities and expansion plans. The company clarified that there are no liabilities, including contingent liabilities, related to the disposal, and no guarantees have been given by HLIB in connection with the transaction. (The Star)

DRB-Hicom Bhd (1619) and Zhejiang Geely Holding Group Co Ltd have signed a joint venture agreement for the development of the Automotive Hi-Tech Valley (AHTV) in Tanjong Malim, Perak. The joint venture company will capitalize on the strengths and expertise of both companies to establish AHTV as an international next-generation vehicle hub in Malaysia. AHTV aims to encompass extensive automotive and mobility solutions, including a high-technology global research and development center, automotive OEMs, manufacturing clusters, logistics services, and more within a smart city for the automotive industry. (The Star)

Genting Plantations Berhad

Bloomberg: GENP MK | KLSE Stock Code: 2291

Technical Watch

“BUY on Potential Upside”

Company Overview

Genting Plantations Berhad is an investment holding company which operates plantations. The Company, through its subsidiaries, also develops and invests in properties, processes fresh fruit bunches, trades rubber wood, provides palm oil mill management services, and operates golf course.

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 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.

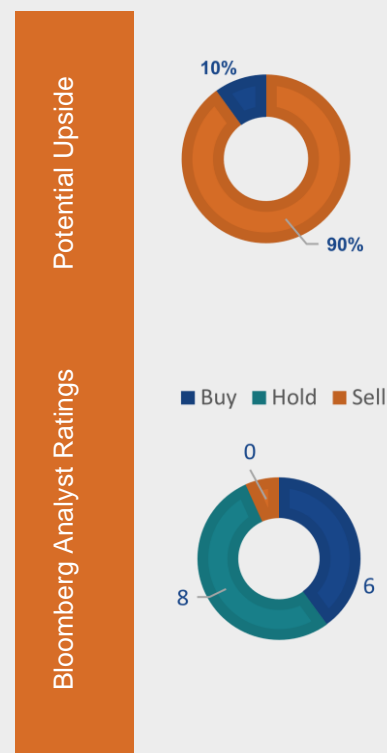
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	13.9	31.6	27.9
P/B	1.1	1.3	1.5
P/CF	7.3	21.5	20.3
P/S	1.7	2.6	3.4

Entry Price	RM5.62
Market Cap (m)	RM5,042.0
52w high	RM6.25
52w low	RM5.11
Stop Loss	RM4.81
Immediate Support	RM5.34
Immediate Resistance	RM5.73 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Rising momentum
Volume (4-Weeks Average)	256,056.1

Main Market

Plantation
Subsector – Plantation
Current Price: RM5.62
Target Price: RM6.18



Unisem (M) Berhad

Bloomberg: UNI MK | KLSE Stock Code: 5005

Technical Watch

“BUY on Potential Upside”

Company Overview

Unisem (M) Berhad manufactures semiconductor devices. The Company provides turnkey solutions to its customers in wafer grinding, packaging and testing of integrated circuits, tape and reel, and dropship services. Unisem also provides packaging and testing wide range of leadframe packages.

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 strong 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	25.1	30.9	22.6
P/B	1.8	1.8	1.5
P/CF	12.4	11.9	8.5
P/S	2.8	2.5	1.8

Entry Price	RM3.37
Market Cap (m)	RM5,436.1
52w high	RM3.67
52w low	RM2.64
Stop Loss	RM2.88
Immediate Support	RM3.20
Immediate Resistance	RM3.40 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	1,140,063.5

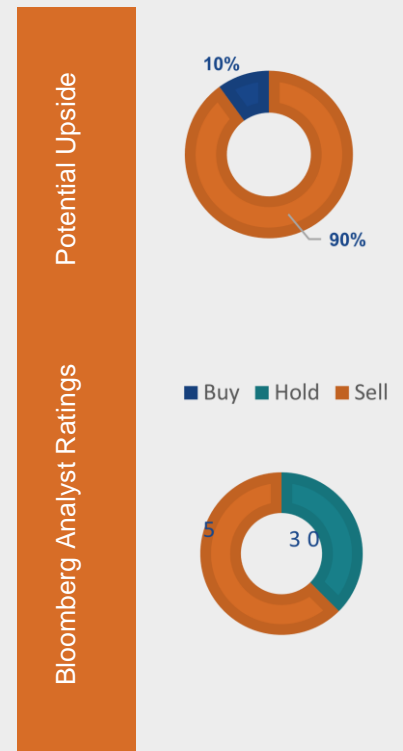
Main Market

Technology

Subsector – Semiconductors

Current Price: RM3.37

Target Price: RM3.71





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
15/11/2023	RedTone	0032	0.810	0.675	0.690	0.890	0.746	-16.7	SL Triggered
15/11/2023	Pensonic	9997	0.770	0.645	0.660	0.850	-2.273	-16.2	SL Triggered
16/11/2023	GenP	2291	5.730	5.620	4.900	6.300	1.079	-1.9	-
16/11/2023	Suria	6521	1.790	1.750	1.530	1.970	-3.315	-2.2	-
17/11/2023	YTLPower	6742	2.360	2.510	2.020	2.590	3.719	6.4	-
17/11/2023	ChinHin	5273	3.910	3.500	3.340	4.300	1.449	-10.5	SL Triggered
20/11/2023	Ranhill	5272	0.920	0.860	0.790	1.010	1.176	-6.5	-
20/11/2023	Day3	0281	0.450	0.350	0.380	0.490	0.000	-22.2	SL Triggered
21/11/2023	PIE	7095	3.340	3.300	2.860	3.670	1.227	-1.2	-
21/11/2023	Globetronic	7022	1.640	1.700	1.400	1.810	0.592	3.7	-
22/11/2023	INARI	0166	3.050	2.830	2.610	3.360	0.000	-7.2	-
22/11/2023	GENTING	3182	4.430	4.650	3.790	4.870	1.087	5.0	-
23/11/2023	TeoSeng	7252	1.650	1.630	1.410	1.820	3.822	-1.2	-
23/11/2023	Dufu	7233	1.850	1.780	1.580	2.040	0.565	-3.8	-
24/11/2023	Supermax	7106	1.040	0.910	0.890	1.140	1.111	-12.5	SL Triggered
24/11/2023	Hartalega	5166	2.620	2.370	2.240	2.880	1.717	-9.5	-
27/11/2023	Mcement	3226	4.040	4.150	3.450	4.440	-0.480	2.7	-
27/11/2023	Hextech	1286	23.700	21.800	20.260	26.070	-3.111	-8.0	-
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	0.000	5.1	-
29/11/2023	AeonCredit	5139	5.780	5.610	4.940	6.360	-0.355	-2.9	-
29/11/2023	BAT	4162	9.350	9.080	7.990	10.290	0.000	-2.9	-
30/11/2023	FarmFresh	5306	1.360	1.310	1.160	1.490	-2.963	-3.7	-
30/11/2023	BAT	5000	2.060	2.280	1.760	2.270	0.885	10.7	-
1/12/2023	Infomina	0265	1.770	1.750	1.510	1.950	0.000	-1.1	-
1/12/2023	Vitrox	0097	7.000	7.300	5.990	7.700	-0.545	4.3	-
4/12/2023	Nationgate	0270	1.360	1.430	1.160	1.490	4.380	5.1	-
4/12/2023	Kossan	7153	1.690	1.660	1.440	1.860	2.469	-1.8	-
5/12/2023	RCECapital	9296	2.760	2.930	2.360	3.040	-2.007	6.2	-
5/12/2023	Aurelius	5302	2.740	2.750	2.340	3.010	-1.079	0.4	-
6/12/2023	Vitrox	0097	7.04	7.300	6.019	7.744	-0.545	3.7	-
6/12/2023	WellCall	7231	1.7	1.700	1.454	1.87	-3.409	0.0	-
7/12/2023	D&O	7204	3.6	3.550	3.078	3.96	0.000	-1.4	-
7/12/2023	Matrix	5236	1.68	1.680	1.4364	1.848	1.205	0.0	-
8/12/2023	Aurelius	5302	2.8	2.750	2.394	3.08	-1.079	-1.8	-
8/12/2023	GFM	0039	0.27	0.275	0.2309	0.297	3.774	1.9	-
11/12/2023	RCECapital	9296	2.99	2.930	2.5565	3.289	-2.007	-2.0	-
11/12/2023	Thong Guan	7034	1.89	1.900	1.6160	2.079	0.529	0.5	-
12/12/2023	GenP	2291	5.62	5.620	4.8051	6.182	1.079	0.0	-
12/12/2023	Unisem	5005	3.37	3.370	2.8814	3.707	4.334	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.04	0.73	14.42
UOA DEVELOPMENT BERHAD	PROPERTY	1.77	0.22	12.43
MBM RESOURCES BHD	CONSUMER	4.23	0.46	10.90
YTL HOSPITALITY REIT	REITs	1.01	0.09	9.31
HEKTAR REITS	REITs	0.66	0.06	8.64
BERMAZ AUTO BERHAD	CONSUMER	2.35	0.20	8.47
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	9.09	0.74	8.17
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
UOA REITS	REITs	1.10	0.09	7.82
SENTRAL REIT	REITs	0.80	0.06	7.75
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.39
SPORTS TOTO BERHAD	CONSUMER	1.48	0.11	7.30
SCICOM (MSC) BHD	IND. PROD.	1.10	0.08	7.27

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	(1.0)	13.0	9.8	12.3	9.8	9.8
Property	31.7	25.1	7.4	11.5	10.5	#N/A N/A
Plantation	(1.7)	95.5	14.4	36.8	14.4	16.8
Consumer	(6.2)	22.5	14.6	21.4	14.6	14.8
Technology	(2.2)	48.6	22.5	27.8	31.1	23.8
Construction	20.5	36.8	14.9	18.9	14.9	11.3
Energy	2.5	9.1	-	-	9.1	9.2
Healthcare	2.2	36.1	23.4	29.7	23.4	31.1
Ind. Prod.	(6.5)	24.9	17.2	22.4	17.2	14.5
REIT	0.5	13.0	-	-	13.0	15.3
Telco	(7.2)	28.5	19.8	21.9	24.1	20.3

Source: Bloomberg

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Published & Printed By:

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