

Daily Newswatch

Market Review

The FBMKLCI ended flat on Tuesday as investors wane on the cautious side amid news of reshuffling of the Cabinet ministers. Market breadth was negative with 388 gainers and 483 losers. The telco sector was the top gainer increasing by +0.91%, while the health care sector was the top loser declining by -1.14%. CARLSBG (2836) was the top gainer surging by RM0.22 or +1.2%. The FBMKLCI rose by +0.05% to 1,447.12.

Economics

- **India's inflation rises** for the first time in four months, manufacturing surges
- **US consumer prices rise** in November, underlying inflation inches higher

Companies

- **Bermaz's (5247)** 2Q profit jumps 37% with stronger Mazda sales, declares 5 cent dividend
- **Unitrade (0247)** acquires 51% stake in metal recycling company for RM66.3m
- **SCIB (9237)** signs MoU for RM250m Bintulu housing project
- **Hextar Capital (0035)** secures moneylender licence

Expresso for the Day

- **Technical Watch – SFP Tech (0251)** Entry Price: RM1.02, Target Price: RM1.12, Stop Loss: RM0.87, Support: RM0.97, Resistance: RM1.03
- **Technical Watch – Tropicana (5401)** Entry Price: RM1.26, Target Price: RM1.39, Stop Loss: RM1.08, Support: RM1.20, Resistance: RM1.30

Local	Close	(%)
FBMKLCI	1,447.1	0.05
Volume (mil)	3,282.4	(14.09)
Value (RM'mil)	2,379.1	(3.82)
Gainers	388	
Losers	483	
Unchanged	457	
Foreign	Close	(%)
Dow Jones	36,519.4	0.3
Nasdaq CI	14,496.7	0.4
S&P 500	4,633.3	0.2
FTSE 100	7,542.8	(0.0)
Nikkei 225	32,843.7	0.2
Shanghai CI	3,003.4	0.4
HSI	16,374.5	1.1
STI	3,102.3	0.4
Most Active	RM	Chg (RM)
SCABLE	0.150	0.150
SCIB	0.770	(0.035)
HANDAL	0.130	0.000
YTL	0.040	(0.040)
ASDION	0.090	0.015
Top Gainer	RM	Chg (RM)
CARLSBG	19.200	0.220
HEXTECH	22.000	0.200
SCABLE	0.210	0.150
HAPSENG	4.750	0.130
INARI	2.960	0.130
Top Loser	RM	Chg (RM)
NESTLE	117.700	(1.000)
RAPID	26.420	(0.780)
HARNLEN	0.575	(0.215)
IMASPRO	4.350	(0.200)
VITROX	7.100	(0.200)
Other Stats	RM	(%)
USD/MYR	4.68	0.03
USD/RMB	7.18	0.04
Brent (USD/barrel)	72.95	(4.04)
Gold (USD/troy oz)	1,980.00	(0.10)
CPO (RM/metric t)	3,595.00	0.00

Daily Newswatch

Economics

INDIA: India's inflation rose for the first time in four months, with the consumer price index increasing by 5.55% in November compared to a year earlier, according to data from the statistics ministry. Manufacturing production also surged, reaching a 16-month high of 11.7%, exceeding the revised reading of 6.2% in the previous month. Food inflation, which constitutes about half of the consumer price basket, accelerated to 8.7% in November, with pulses and vegetable prices seeing significant jumps. Despite the inflationary pressures, the RBI kept its benchmark interest rate unchanged in its latest policy meeting. (The Edge)

UNITED STATES: In November, US consumer prices unexpectedly increased by 0.1%, following October's unchanged reading, according to the Labor Department. The Consumer Price Index (CPI) rose by 3.1% year-on-year, slightly down from the 3.2% gain in October but remaining above the Federal Reserve's 2% target. Core CPI, which excludes volatile food and energy components, saw a 0.3% increase in November, driven by higher prices of used cars and trucks. The annual core CPI inflation reached 4.0% in November, consistent with the previous month. (The Edge)

Companies

Bermaz Auto Bhd (5247) reported a 37.19% increase in net profit for the second quarter ending October 31, 2023 (2QFY2024) to RM90.10 million, attributed to higher revenue, improved results from associates, and forex gains. The company declared a second interim dividend of five sen per share, bringing the total dividends declared for the year to 10 sen per share. Revenue grew 28.61% to RM1.01 billion, driven by strong performance in its Mazda operations in Malaysia, particularly the CX-30 CKD model. For the six months ending October 31, 2023 (1HFY2024), net profit surged 59.8% to RM203.62 million, and revenue grew 39.76% to RM2.1 billion. (The Edge)

Unitrade Industries Bhd (0247) has entered into a share sale agreement to acquire a 51% stake in Intergreen Metals Sdn Bhd for RM66.3 million from Intergreen Holdings Sdn Bhd, Intergreen Corp (M) Sdn Bhd, and Pong Wing Seng. The acquisition aligns with Unitrade's core operations in building materials wholesaling and distribution, and it allows the company to enter the metal recycling sector, contributing to the circular economy market. The deal includes a profit guarantee, with Intergreen Metals expected to achieve a net profit totaling RM45 million for the financial years 2024 to 2026. (The Edge)

Sarawak Consolidated Industries Bhd's (9237) subsidiary, SCIB Properties Sdn Bhd (SCIBP), has signed a memorandum of understanding (MoU) with Kemena City Development Sdn Bhd (KCD) and Smart Borneo Properties Sdn Bhd (SBP) for a potential joint venture in a residential development project in Bintulu, Sarawak. The project, valued at around RM250 million, aims to develop approximately 50 acres of land into 600 residential units. (The Edge)

Hextar Capital Bhd's (0035) subsidiary, Opcom Trading Sdn Bhd, has secured a moneylender license from the Housing and Local Government. The license, valid for two years from December 5, 2023, allows Opcom Trading to offer money lending services. (The Edge)

SFP Tech Holdings Berhad

Bloomberg: SFPTECH MK | KLSE Stock Code: 0251

Technical Watch

“BUY on Potential Upside”

Company Overview

SFP Tech Holdings Berhad operates as a holding company. The Company, through its subsidiaries, provides customized sheet metal fabrication, CNC machining, equipment automation assembly processes, and automated equipment solutions. SFP Tech Holdings serves customers worldwide.

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by a three white soldiers with a strong 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	57.0	57.0	57.0
P/B	10.5	10.5	10.5
P/CF	284.8	284.8	284.8
P/S	20.1	20.1	20.1

Entry Price	RM1.02
Market Cap (m)	RM2,448.0
52w high	RM1.19
52w low	RM0.57
Stop Loss	RM0.87
Immediate Support	RM0.97
Immediate Resistance	RM1.03 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	22,780,714.7

Ace Market

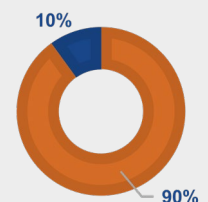
Technology

Subsector – Semiconductors

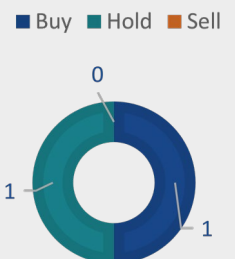
Current Price: RM1.02

Target Price: RM1.12

Potential Upside



Bloomberg Analyst Ratings



Tropicana Corporation Berhad

Bloomberg: TRCB MK | KLSE Stock Code: 5401

Technical Watch

"BUY on Potential Upside"

Company Overview

Tropicana Corporation Berhad is involved in the development of residential and commercial properties including golf courses and resorts. The Company is also involved in mechanical engineering, general trading services, and credit leasing business.

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 > 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.

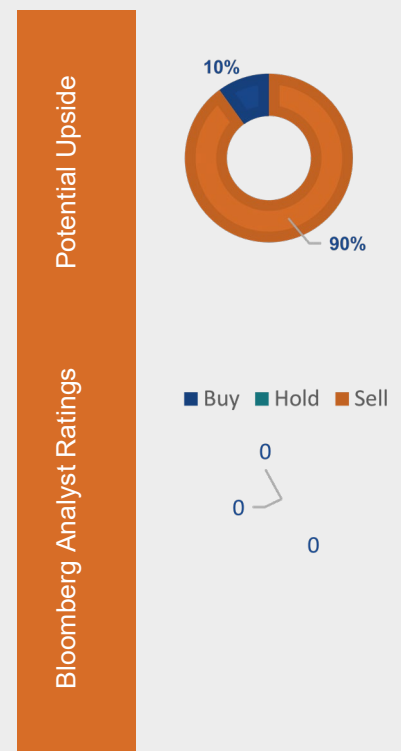
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	N/A	10.0	7.7
P/B	0.5	0.4	0.4
P/CF	99.3	79.6	31.6
P/S	2.1	1.5	1.2

Entry Price	RM1.26
Market Cap (m)	RM2,855.6
52w high	RM1.52
52w low	RM1.11
Stop Loss	RM1.08
Immediate Support	RM1.20
Immediate Resistance	RM1.30 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	232,706.6

Main Market

Property
Subsector – Property
Current Price: RM1.26
Target Price: RM1.39





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/ Loss from TP (%)	Remark
16/11/2023	GenP	2291	5.730	5.490	4.900	6.300	-2.313	-4.2	-
16/11/2023	Suria	6521	1.790	1.790	1.530	1.970	2.286	0.0	-
17/11/2023	YTLPower	6742	2.360	2.460	2.020	2.590	-1.992	4.2	-
17/11/2023	ChinHin	5273	3.910	3.400	3.340	4.300	-2.857	-13.0	SL Triggered
20/11/2023	Ranhill	5272	0.920	0.870	0.790	1.010	1.163	-5.4	-
20/11/2023	Day3	0281	0.450	0.370	0.380	0.490	5.714	-17.8	SL Triggered
21/11/2023	PIE	7095	3.340	3.300	2.860	3.670	0.000	-1.2	-
21/11/2023	Globetronic	7022	1.640	1.770	1.400	1.810	4.118	7.9	-
22/11/2023	INARI	0166	3.050	2.960	2.610	3.360	4.594	-3.0	-
22/11/2023	GENTING	3182	4.430	4.660	3.790	4.870	0.215	5.2	-
23/11/2023	TeoSeng	7252	1.650	1.630	1.410	1.820	0.000	-1.2	-
23/11/2023	Dufu	7233	1.850	1.790	1.580	2.040	0.562	-3.2	-
24/11/2023	Supermax	7106	1.040	0.865	0.890	1.140	-4.945	-16.8	SL Triggered
24/11/2023	Hartalega	5166	2.620	2.290	2.240	2.880	-3.376	-12.6	SL Triggered
27/11/2023	Mcement	3226	4.040	4.120	3.450	4.440	-0.723	2.0	-
27/11/2023	Hextech	1286	23.700	22.000	20.260	26.070	0.917	-7.2	-
28/11/2023	GentingM	4715	2.700	2.660	2.310	2.970	0.758	-1.5	-
28/11/2023	Kelington	0151	1.750	1.850	1.500	1.930	0.543	5.7	-
29/11/2023	AeonCredit	5139	5.780	5.650	4.940	6.360	0.713	-2.2	-
29/11/2023	BAT	4162	9.350	9.100	7.990	10.290	0.220	-2.7	-
30/11/2023	FarmFresh	5306	1.360	1.320	1.160	1.490	0.763	-2.9	-
30/11/2023	BAT	5000	2.060	2.250	1.760	2.270	-1.316	9.2	-
1/12/2023	Infomina	0265	1.770	1.750	1.510	1.950	0.000	-1.1	-
1/12/2023	Vitrox	0097	7.000	7.100	5.990	7.700	-2.740	1.4	-
4/12/2023	Nationgate	0270	1.360	1.380	1.160	1.490	-3.497	1.5	-
4/12/2023	Kossan	7153	1.690	1.620	1.440	1.860	-2.410	-4.1	-
5/12/2023	RCECapital	9296	2.760	2.970	2.360	3.040	1.365	7.6	-
5/12/2023	Aurelius	5302	2.740	2.690	2.340	3.010	-2.182	-1.8	-
6/12/2023	Vitrox	0097	7.04	7.100	6.019	7.744	-2.740	0.9	-
6/12/2023	WellCall	7231	1.7	1.660	1.454	1.87	-0.718	-2.4	-
7/12/2023	D&O	7204	3.6	3.570	3.078	3.96	0.563	-0.8	-
7/12/2023	Matrix	5236	1.68	1.670	1.4364	1.848	-0.595	-0.6	-
8/12/2023	Aurelius	5302	2.8	2.690	2.394	3.08	-2.182	-3.9	-
8/12/2023	GFM	0039	0.27	0.265	0.2309	0.297	-3.636	-1.9	-
11/12/2023	RCECapital	9296	2.99	2.970	2.5565	3.289	1.365	-0.7	-
11/12/2023	Thong Guan	7034	1.89	1.870	1.6160	2.079	-1.579	-1.1	-
12/12/2023	GenP	2291	5.62	5.490	4.8051	6.182	-2.313	-2.3	-
12/12/2023	Unisem	5005	3.37	3.280	2.8814	3.707	-2.671	-2.7	-
13/12/2023	SFPTech	0251	1.02	1.020	0.8721	1.122	4.082	0.0	-
13/12/2023	Tropicana	5401	1.26	1.260	1.0773	1.386	0.800	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.15	0.73	14.12
UOA DEVELOPMENT BERHAD	PROPERTY	1.76	0.22	12.50
MBM RESOURCES BHD	CONSUMER	4.30	0.46	10.72
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
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	0.82	0.07	8.22
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.10	0.74	8.16
SENTRAL REIT	REITs	0.78	0.06	8.00
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
UOA REITS	REITs	1.11	0.09	7.75
CAPITALAND MALAYSIA TRUST	REITs	0.55	0.04	7.45
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	(3.2)	24.2	17.0	18.8	14.1	13.2
Finance	(0.8)	13.0	9.9	12.3	9.9	9.8
Property	30.8	25.1	7.4	11.5	10.6	N/A
Plantation	(1.6)	95.5	14.4	36.8	14.4	16.9
Consumer	(6.0)	22.5	14.7	21.5	14.7	14.8
Technology	(1.6)	48.6	22.5	27.9	31.4	24.0
Construction	21.0	36.8	15.0	18.9	15.0	11.3
Energy	2.5	9.1	-	-	9.1	9.2
Healthcare	1.2	36.1	23.5	29.8	23.5	31.3
Ind. Prod.	(6.4)	24.9	17.3	22.4	17.3	14.5
REIT	0.4	13.0	-	-	13.0	15.4
Telco	(6.1)	28.5	19.8	22.0	24.2	20.5

Source: Bloomberg

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