

# Daily Newswatch

## Market Review

The FBMKLCI ended in positive on the back of late bargain-hunting by investors on selected heavyweight counters. Market breadth was positive with 482 gainers and 373 losers. The health care sector was the top gainer increasing by +4.09%, while the energy sector was the top loser declining by -0.77%. HEIM (3255) was the top gainer surging by RM0.32 or +1.4%. The FBMKLCI rose by +0.06% to 1,448.0.

## Economics

- Ringgit ends lower against US dollar
- US producer prices hold steady in November

## Companies

- **UMW's** (4588) auto sales up 8% to 42,315 units in Nov 2023, rises 16% YTD
- Sime Darby (4197) unit completes UMW stake buy
- Samaiden (0223) wins RM26.0m hydro contract
- Lattice Semiconductor to expand Penang operations

## Expresso for the Day

- Technical Watch – SWKPLNT (5135) Entry Price: RM2.17, Target Price: RM2.39, Stop Loss: RM1.86, Support: RM2.06, Resistance: RM2.21
- Technical Watch – YBS (0025) Entry Price: RM0.70, Target Price: RM0.77, Stop Loss: RM0.60, Support: RM0.67, Resistance: RM0.73

Local	Close	(%)
FBMKLCI	1,448.0	0.06
Volume (mil)	3,763.1	14.64
<b>Value (RM'mil)</b>	2,400.7	0.91
Gainers	482	
Losers	373	
Unchanged	456	

Foreign	Close	(%)
Dow Jones	36,582.9	0.0
Nasdaq CI	14,523.8	(0.1)
S&P 500	4,644.5	0.0
FTSE 100	7,548.4	0.1
Nikkei 225	32,926.4	0.3
Shanghai CI	2,968.8	(1.2)
HSI	16,228.8	(0.9)
STI	3,104.3	0.1

Most Active	RM	Chg (RM)
TWL	0.030	(0.005)
TOPGLOV	0.875	0.080
BPURI	0.095	0.010
SCABLE	0.240	0.030
SAPNRG	0.050	0.005

Top Gainer	RM	Chg (RM)
HEIM	22.700	0.320
HARTA	2.530	0.240
MBMR	4.460	0.160
F&N	27.460	0.140
QL	5.670	0.140

Top Loser	RM	Chg (RM)
NESTLE	116.000	(1.700)
RAPID	25.000	(1.420)
HEXTECH	21.200	(0.800)
AJI	16.100	(0.180)
IMASPRO	4.170	(0.180)

Other Stats	RM	(%)
USD/MYR	4.71	0.47
USD/RMB	7.17	(0.07)
Brent (USD/barrel)	73.82	0.75
Gold (USD/troy oz)	1,980.20	0.03
CPO (RM/metric t)	3,595.00	0.00



# Daily Newswatch

## Economics

**MALAYSIA:** The Malaysian ringgit weakened against the US dollar on Wednesday, closing at 4.7035/7085 compared to the previous day's close of 4.6830/6855. Analysts attributed the ringgit's decline to a broader trend of regional currencies weakening against the US dollar. The anticipation of the Federal Open Market Committee (FOMC) meeting outcome contributed to the cautious market sentiment, with market participants awaiting the Fed's decision on the Federal Funds Rate. The US consumer price index meeting expectations for the year-on-year comparison suggested a possibility that the Federal Reserve might maintain a hawkish stance. The ringgit also depreciated against major currencies such as the British pound, euro, and Japanese yen, while showing mixed performance against several ASEAN currencies. (The Edge)

**UNITED STATES:** U.S. producer prices unexpectedly held steady in November, with the producer price index (PPI) for final demand showing no change after a revised 0.4% drop in October. Economists had anticipated a 0.1% gain. Over the 12 months through November, the PPI rose 0.9%. While inflation remains above the Federal Reserve's 2% target, the pace of increase seems less widespread. The Fed, expected to keep its policy rate steady in the 5.25%-5.50% range, may face reduced pressure for further rate hikes as financial markets now anticipate a rate cut as early as May. The core PPI, excluding food, energy, and trade services components, increased by 0.1% in November, with a year-on-year growth of 2.5%. (The Edge)

## Companies

UMW Holdings Bhd (4588) reported an 8% increase in automotive sales to 42,315 units in November, compared to the previous year, driven by Perusahaan Otomobil Kedua Sdn Bhd (Perodua) fulfilling outstanding orders. The group's year-to-date (YTD) sales rose by 16% to 396,820 units. UMW Toyota Motor's November sales slightly decreased, but YTD sales expanded by 8% to 97,705 units. Perodua recorded a 12% increase in November sales, reaching 32,052 units, with YTD sales growing by 19% to 299,115 units. (The Edge)

Sime Darby Bhd's (4197) indirect wholly owned subsidiary, Sime Darby Enterprise Sdn Bhd, has successfully concluded its acquisition of a 61.18% stake in UMW Holdings Bhd for RM3.57bn. With this transaction, Sime Darby Enterprise's shareholding in UMW has risen from nil to 714,813,100 UMW shares, resulting in UMW becoming an indirect subsidiary of Sime Darby. Additionally, a mandatory takeover offer has been proposed to acquire all remaining UMW shares not currently held by Sime Darby Enterprise and Sime Darby subsequent to the completion of the acquisition. (The Star)

Samaiden Group Bhd's (0223) wholly-owned subsidiary, Samaiden Sdn Bhd, has secured a contract worth RM25.8 million for the engineering, procurement, construction, and commissioning works related to the development of a 2MWAC small hydro facility at Hutan Rezab Pelagat in Besut, Terengganu. The contract was awarded by Tesdec Hydropower Sdn Bhd, as announced in a filing with Bursa Malaysia. (The Star)

U.S.-based Lattice Semiconductor Corporation is expanding in Penang to tap into the local semiconductor ecosystem. Mark Nelson, Senior VP of Worldwide Sales, highlighted Penang's role as the global hub for the company's operations, covering R&D and engineering functions. The region's technical talent pool, collaboration opportunities, and a strong university structure are key attractions. The new 23,300 sq ft office, opened in 2021, represents an upgrade, currently hosting 130 employees with a capacity for 200, reflecting plans for further growth. (The Star)

# Sarawak Plantation Berhad

## Technical Watch

Bloomberg: SPLB MK | KLSE Stock Code: 5135

“BUY on Potential Upside”

### Company Overview

Sarawak Plantation Bhd. is an agricultural company that develops, cultivates, and manages oil palm plantations.

### 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 > 55).

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.

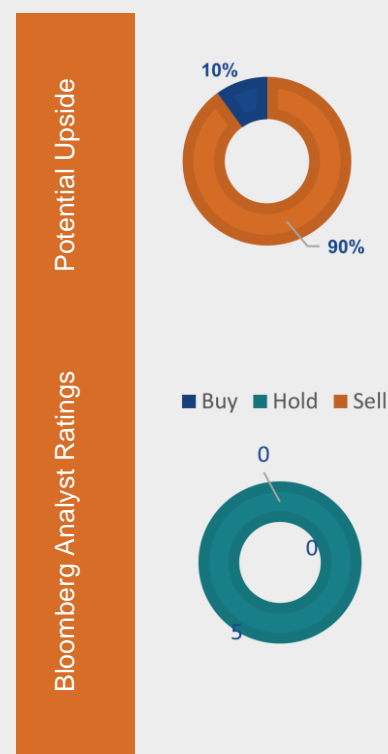
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	6.6	10.6	13.3
P/B	0.9	0.9	0.8
P/CF	4.9	6.1	46.0
P/S	0.9	1.0	1.0

Entry Price	RM2.17
Market Cap (m)	RM605.5
52w high	RM2.30
52w low	RM2.02
Stop Loss	RM1.86
Immediate Support	RM2.06
Immediate Resistance	RM2.21 (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)	95,183.2

### Main Market

Plantation  
Subsector – Plantation  
Current Price: RM2.17  
Target Price: RM2.39



# YBS International Berhad

Bloomberg: YBS MK | KLSE Stock Code: 0025

## Technical Watch

“BUY on Potential Upside”

### Company Overview

YBS International Berhad operates as an investment holding company. The Company, through its subsidiaries, designs and manufactures high precision moulds, tools, and dies. YBS International also focuses in property investments.

### Investment Highlights

On a 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 > 65).

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.

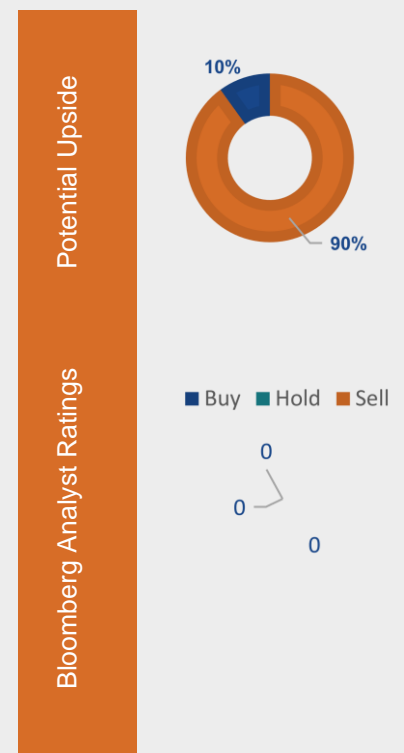
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	100.9	70.7	55.5
P/B	2.0	1.4	1.1
P/CF	17.4	13.5	9.4
P/S	1.4	1.1	0.9

Entry Price	RM0.70
Market Cap (m)	RM179.3
52w high	RM0.82
52w low	RM0.50
Stop Loss	RM0.60
Immediate Support	RM0.67
Immediate Resistance	RM0.73 (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)	2,739,957.1

### Ace Market

Industrial Products & Services  
 Subsector – Industrial Materials,  
 Components & Equipment  
 Current Price: RM0.70  
 Target Price: RM0.77





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
17/11/2023	YTLPower	6742	2.360	2.400	2.020	2.590	-2.439	1.7	-
17/11/2023	ChinHin	5273	3.910	3.400	3.340	4.300	0.000	-13.0	SL Triggered
20/11/2023	Ranhill	5272	0.920	0.885	0.790	1.010	1.724	-3.8	-
20/11/2023	Day3	0281	0.450	0.420	0.380	0.490	13.514	-6.7	-
21/11/2023	PIE	7095	3.340	N/A	2.860	3.670	N/A	N/A	-
21/11/2023	Globetronic	7022	1.640	1.770	1.400	1.810	0.000	7.9	-
22/11/2023	INARI	0166	3.050	2.970	2.610	3.360	0.338	-2.6	-
22/11/2023	GENTING	3182	4.430	4.650	3.790	4.870	-0.215	5.0	-
23/11/2023	TeoSeng	7252	1.650	1.610	1.410	1.820	-1.227	-2.4	-
23/11/2023	Dufu	7233	1.850	1.810	1.580	2.040	1.117	-2.2	-
24/11/2023	Supermax	7106	1.040	0.930	0.890	1.140	7.514	-10.6	SL Triggered
24/11/2023	Hartalega	5166	2.620	2.530	2.240	2.880	10.480	-3.4	-
27/11/2023	Mcement	3226	4.040	4.210	3.450	4.440	2.184	4.2	-
27/11/2023	Hextech	1286	23.700	21.200	20.260	26.070	-3.636	-10.5	SL Triggered
28/11/2023	GentingM	4715	2.700	2.680	2.310	2.970	0.752	-0.7	-
28/11/2023	Kelington	0151	1.750	1.840	1.500	1.930	-0.541	5.1	-
29/11/2023	AeonCredit	5139	5.780	5.600	4.940	6.360	-0.885	-3.1	-
29/11/2023	BAT	4162	9.350	9.090	7.990	10.290	-0.110	-2.8	-
30/11/2023	FarmFresh	5306	1.360	1.320	1.160	1.490	0.000	-2.9	-
30/11/2023	BAT	5000	2.060	2.250	1.760	2.270	0.000	9.2	-
1/12/2023	Infomina	0265	1.770	1.760	1.510	1.950	0.571	-0.6	-
1/12/2023	Vitrox	0097	7.000	7.190	5.990	7.700	1.268	2.7	-
4/12/2023	Natongate	0270	1.360	1.380	1.160	1.490	0.000	1.5	-
4/12/2023	Kossan	7153	1.690	1.690	1.440	1.860	4.321	0.0	-
5/12/2023	RCECapital	9296	2.760	2.950	2.360	3.040	2.076	6.9	-
5/12/2023	Aurelius	5302	2.740	2.740	2.340	3.010	1.859	0.0	-
6/12/2023	Vitrox	0097	7.04	7.190	6.019	7.744	1.268	2.1	-
6/12/2023	WellCall	7231	1.7	1.680	1.454	1.87	1.205	-1.2	-
7/12/2023	D&O	7204	3.6	3.490	3.078	3.96	-2.241	-3.1	-
7/12/2023	Matrix	5236	1.68	1.680	1.4364	1.848	0.599	0.0	-
8/12/2023	Aurelius	5302	2.8	2.740	2.394	3.08	1.859	-2.1	-
8/12/2023	GFM	0039	0.27	0.270	0.2309	0.297	1.887	0.0	-
11/12/2023	RCECapital	9296	2.99	2.950	2.5565	3.289	2.076	-1.3	-
11/12/2023	Thong Guan	7034	1.89	1.870	1.6160	2.079	0.000	-1.1	-
12/12/2023	GenP	2291	5.62	5.510	4.8051	6.182	0.364	-2.0	-
12/12/2023	Unisem	5005	3.37	3.360	2.8814	3.707	2.439	-0.3	-
13/12/2023	SFPTech	0251	1.02	0.995	0.8721	1.122	-2.451	-2.5	-
13/12/2023	Tropicana	5401	1.26	1.250	1.0773	1.386	-0.794	-0.8	-
14/12/2023	SWKPLNT	5135	2.17	2.170	1.8554	2.387	0.463	0.0	-
14/12/2023	YBS	0025	0.7	0.700	0.5985	0.77	2.190	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.16	0.73	14.09
UOA DEVELOPMENT BERHAD	PROPERTY	1.75	0.22	12.57
MBM RESOURCES BHD	CONSUMER	4.48	0.46	10.29
YTL HOSPITALITY REIT	REITs	1.04	0.09	9.04
BERMAZ AUTO BERHAD	CONSUMER	2.37	0.21	8.90
HEKTAR REITS	REITs	0.66	0.06	8.64
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)	CONSUMER	9.11	0.74	8.16
SENTRAL REIT	REITs	0.78	0.06	7.95
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
UOA REITS	REITs	1.10	0.09	7.82
CAPITALAND MALAYSIA TRUST	REITs	0.55	0.04	7.45
SCICOM (MSC) BHD	IND. PROD.	1.08	0.08	7.41
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	(3.3)	24.2	17.0	18.8	14.2	13.2
Finance	(0.8)	13.0	9.9	12.3	9.9	9.8
Property	30.5	25.1	7.4	11.5	10.6	#N/A N/A
Plantation	(1.5)	95.5	14.4	36.8	14.4	16.9
Consumer	(6.0)	22.5	14.6	21.4	14.6	14.8
Technology	(1.8)	48.6	22.5	27.9	31.5	24.1
Construction	21.2	36.8	15.0	18.9	15.0	11.4
Energy	2.1	9.1	-	-	9.1	9.1
Healthcare	3.9	36.1	23.2	29.7	23.2	30.9
Ind. Prod.	(6.5)	24.9	17.3	22.4	17.3	14.5
REIT	0.9	13.0	-	-	13.0	15.3
Telco	(6.3)	28.5	19.8	22.1	24.4	20.6

Source: Bloomberg

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