

# Daily Newswatch

## Market Review

The FBMKLCI on Monday extends winning streak for a sixth day on the back of positive buying catalysts across energy, health care and financial services counters. Market breadth was negative with 373 gainers and 459 losers. The health care sector was the top gainer increasing by +3.2%, while the utilities sector were the top losers declining by -1.4%. NESTLE (4707) was the top gainer surging by RM2.20 or +1.9%. The FBMKLCI rose by +0.19% to 1,465.3.

## Economics

- Malaysia's Asean-Japan Summit visit yields RM6.56 billion potential investments, expands bilateral relations
- Singapore suspends use of non-bank channels for money transfers to China

## Companies

- Teladan (0230) receives nod for transfer listing to Main Market
- Majuperak (8141) to receive RM18.4mil for Perak land disposal
- Supermax (7106) to replace senior management team
- APB (5568) proposes 10% acquisition of Globetronics
- Sunway REIT (5176) acquires industrial property in Penang for RM66.8bil

## Expresso for the Day

- Technical Watch – WELLS (0271) Entry Price: RM0.69, Target Price: RM0.75, Stop Loss: RM0.59, Support: RM0.65, Resistance: RM0.97
- Technical Watch – SLP (7248) Entry Price: RM0.93, Target Price: RM1.02, Stop Loss: RM0.80, Support: RM0.88, Resistance: RM0.98

Local	Close	(%)
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FBMKLCI	1,465.3	0.19
Volume (mil)	4,812.3	27.63
<b>Value (RM'mil)</b>	3,018.7	<b>(11.37)</b>
Gainers	373	
Losers	459	
Unchanged	546	

Foreign	Close	(%)
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Dow Jones	37,306.0	0.0
Nasdaq CI	14,904.8	0.6
S&P 500	4,740.6	0.5
FTSE 100	7,614.5	0.5
Nikkei 225	32,759.0	<b>(0.6)</b>
Shanghai CI	2,930.8	<b>(0.4)</b>
HSI	16,629.2	<b>(1.0)</b>
STI	3,113.2	<b>(0.1)</b>

Most Active	RM	Chg (RM)
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TOPGLOV	0.960	0.060
CAREPLS	0.465	0.115
ZENTECH	0.020	0.000
CHB	0.570	0.220
MINETEC	0.130	0.010

Top Gainer	RM	Chg (RM)
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NESTLE	119.400	2.200
RAPID	28.000	1.740
MPI	28.500	0.520
HEXTECH	22.500	0.500
PERTAMA	2.930	0.280

Top Loser	RM	Chg (RM)
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HEIM	22.780	<b>(0.360)</b>
PETGAS	17.500	<b>(0.240)</b>
KLCC	7.160	<b>(0.140)</b>
EUROSP	1.310	<b>(0.140)</b>
AIRPORT	7.440	<b>(0.120)</b>

Other Stats	RM	(%)
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USD/MYR	4.69	0.52
USD/RMB	7.13	0.13
Brent (USD/barrel)	78.05	1.96
Gold (USD/troy oz)	2,027.60	0.37
CPO (RM/metric t)	3,630.00	0.19



# Daily Newswatch

## Economics

**MALAYSIA:** Malaysia's Prime Minister, Datuk Seri Anwar Ibrahim, stated that his working visit to Japan in conjunction with the ASEAN-Japan Commemorative Summit has attracted potential investments worth RM6.56 billion. These potential investments cover various sectors, including renewable energy, electrical and electronics, chemicals, and the digital economy. This comes as part of efforts to strengthen Malaysia-Japan relations and promote economic cooperation between the two countries. The visit has contributed to a cumulative total of potential investments from visits to Japan amounting to RM29.56 billion. (The Edge)

**SINGAPORE:** The Monetary Authority of Singapore (MAS) has directed cross-border money transfer service providers to suspend the use of non-bank and non-card channels for transferring money to individuals in China for the next three months, starting January. This directive follows reports of remittances to China, particularly by Chinese nationals working in Singapore, being frozen in their beneficiaries' bank accounts in China. The MAS has instructed remittance firms to use only bank and card channels for such transfers. As of December 15, Singapore police have received over 670 reports of frozen remittances, totaling around S\$13 million (\$9.76 million). (The Edge)

## Companies

Teladan Group Bhd (0230) has received approval from Bursa Malaysia Securities Bhd to transfer the listing and quotation of its entire issued share capital from the ACE Market to the Main Market of Bursa Securities. The property developer met the profit requirements for the transfer, recording an aggregate adjusted profit after tax attributable to owners of the company of RM93.1mil for the past three financial years ending Dec 31, 2020, to 2022, and a net profit of RM32.3mil for FYE2022, surpassing the minimum requirement of RM20mil in aggregate net profit. (The Edge)

Majuperak Holdings Bhd (8141), through its subsidiary Syarikat Majuperak Bhd, is selling the Brewster Village building and two tracts of land in Ipoh, Perak, for a total consideration of RM18.4mil. The deal, involving 8,157.45 sq m of land and a building with a gross built-up area of 41,030 sq ft, is with Ladang Lekir Sdn Bhd, a unit of Perak Agro Oil Palm Sdn Bhd. Majuperak expects a net gain of RM12.32mil from the disposal, with the proceeds to be used for debt reduction and working capital requirements. (The Edge)

Supermax Corp Bhd (7106) has announced changes to its senior management team, appointing Tan Chee Keong as the Senior Executive Director and CEO of the group. Tan will also continue as the CEO of Supermax Healthcare Inc and Maxter Healthcare Inc in the US. Additionally, Tan Bow Kok will become the new COO. The company will appoint a new Chief Quality Assurance and Regulatory Affairs Officer. Four new independent non-executive directors are joining the board as well. The appointments will take effect on January 2, 2024. (The Edge)

APB Bhd (5568) has proposed to diversify into the semiconductor manufacturing and distribution business by acquiring a 10.41% stake in Globetronics Technology Bhd for RM140mil. The acquisition involves purchasing 70 million shares from General Produce Agency Sdn Bhd and Ng Kweng Chong Holdings Sdn Bhd. The cash consideration of RM2 per share represents a 13.6% premium to the five-day volume weighted average market price of Globetronics shares. (The Edge)

Sunway Real Estate Investment Trust (5176) is set to acquire an industrial property in Prai, Penang, for RM66.8 million. The property, located on land covering 4.21 hectares, has a gross floor area of 307,487 square feet and is fully tenanted by three multinational corporations. The acquisition is expected to generate an initial net property income yield of around 7.6%. The purchase will be funded by Sunway REIT's existing debt facilities and is targeted to be completed in the third quarter of 2024. (The Edge)

# Wellspire Holdings Berhad

Bloomberg: WELLS MK | KLSE Stock Code: 0271

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Wellspire Holdings Berhad operates as an investment holding company. The Company, through its subsidiaries, engages in the distribution and online retailing of consumer-packaged foods. Wellspire 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 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.

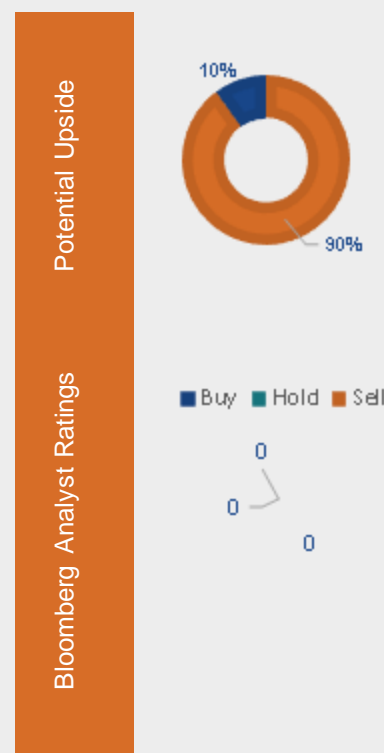
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	307.1	307.1	307.1
P/B	15.7	15.7	15.7
P/CF	165.6	165.6	165.6
P/S	2.8	2.8	2.8

Entry Price	RM0.69
Market Cap (m)	RM487.8
52w high	RM0.98
52w low	RM0.33
Stop Loss	RM0.59
Immediate Support	RM0.65
Immediate Resistance	RM0.97 (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)	#N/A N/A

### Ace Market

Consumer Products & Services  
 Subsector – Food & Beverages  
 Current Price: RM0.69  
 Target Price: RM0.75



# SLP Resources Berhad

Bloomberg: SLPR MK | KLSE Stock Code: 7248

## Technical Watch

“BUY on Potential Upside”

### Company Overview

SLP Resources Bhd is a holding company. The Company, through its subsidiaries, manufactures, exports, and distributes plastic packaging products and plastic related goods, as well as trades polymer products, such as plastic resins.

### 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 > 65).

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.

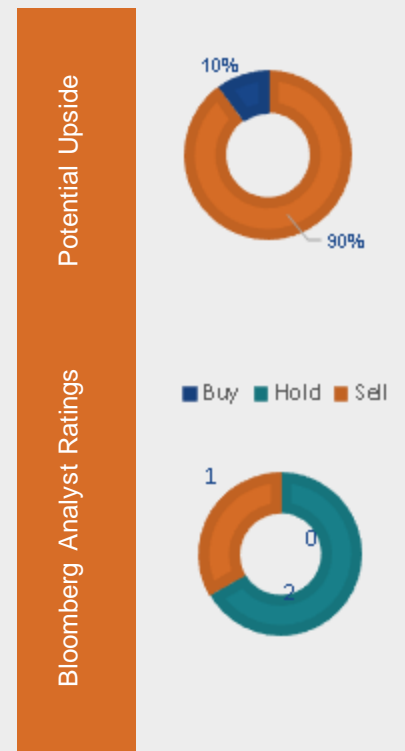
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	15.9	14.1	13.4
P/B	1.4	1.4	1.8
P/CF	16.1	12.8	13.1
P/S	1.6	1.6	1.6

Entry Price	RM0.93
Market Cap (m)	RM294.8
52w high	RM1.07
52w low	RM0.81
Stop Loss	RM0.80
Immediate Support	RM0.88
Immediate Resistance	RM0.98 (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)	118,423.8

### Main Market

Industrial Products & Services  
 Subsector – Packaging  
 Materials  
 Current Price: RM0.93  
 Target Price: RM1.02





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
22/11/2023	INARI	0166	3.050	2.980	2.610	3.360	1.017	-2.3	-
22/11/2023	GENTING	3182	4.430	4.630	3.790	4.870	-1.489	4.5	-
23/11/2023	TeoSeng	7252	1.650	1.600	1.410	1.820	1.911	-3.0	-
23/11/2023	Dufu	7233	1.850	1.830	1.580	2.040	1.105	-1.1	-
24/11/2023	Supermax	7106	1.040	1.010	0.890	1.140	9.783	-2.9	-
24/11/2023	Hartalega	5166	2.620	2.750	2.240	2.880	2.230	5.0	-
27/11/2023	Mcement	3226	4.040	4.340	3.450	4.440	0.930	7.4	-
27/11/2023	Hextech	1286	23.700	22.500	20.260	26.070	2.273	-5.1	-
28/11/2023	GentingM	4715	2.700	2.710	2.310	2.970	-0.733	0.4	-
28/11/2023	Kelington	0151	1.750	1.860	1.500	1.930	0.000	6.3	-
29/11/2023	AeonCredit	5139	5.780	5.660	4.940	6.360	0.000	-2.1	-
29/11/2023	BAT	4162	9.350	9.200	7.990	10.290	-0.862	-1.6	-
30/11/2023	FarmFresh	5306	1.360	1.330	1.160	1.490	-1.481	-2.2	-
30/11/2023	BAT	5000	2.060	2.220	1.760	2.270	-0.448	7.8	-
1/12/2023	Infomina	0265	1.770	1.760	1.510	1.950	0.571	-0.6	-
1/12/2023	Vitrox	0097	7.000	7.200	5.990	7.700	-0.139	2.9	-
4/12/2023	Nationgate	0270	1.360	1.450	1.160	1.490	-1.361	6.6	-
4/12/2023	Kossan	7153	1.690	1.880	1.440	1.860	4.444	11.2	TP Achieved
5/12/2023	RCECapital	9296	2.760	2.900	2.360	3.040	-1.695	5.1	-
5/12/2023	Aurelius	5302	2.740	2.700	2.340	3.010	0.000	-1.5	-
6/12/2023	Vitrox	0097	7.040	7.200	6.019	7.744	-0.139	2.3	-
6/12/2023	WellCall	7231	1.700	1.650	1.454	1.870	-1.198	-2.9	-
7/12/2023	D&O	7204	3.600	3.590	3.078	3.960	0.279	-0.3	-
7/12/2023	Matrix	5236	1.680	1.670	1.436	1.848	1.212	-0.6	-
8/12/2023	Aurelius	5302	2.800	2.700	2.394	3.080	0.000	-3.6	-
8/12/2023	GFM	0039	0.270	0.265	0.231	0.297	1.923	-1.9	-
11/12/2023	RCECapital	9296	2.990	2.900	2.556	3.289	-1.695	-3.0	-
11/12/2023	Thong Guan	7034	1.890	1.880	1.616	2.079	0.000	-0.5	-
12/12/2023	GenP	2291	5.620	5.670	4.805	6.182	1.070	0.9	-
12/12/2023	Unisem	5005	3.370	3.360	2.881	3.707	0.299	-0.3	-
13/12/2023	SFPTech	0251	1.020	0.955	0.872	1.122	-2.051	-6.4	-
13/12/2023	Tropicana	5401	1.260	1.300	1.077	1.386	0.775	3.2	-
14/12/2023	SWKPLNT	5135	2.170	2.160	1.855	2.387	0.000	-0.5	-
14/12/2023	YBS	0025	0.700	0.705	0.599	0.770	1.439	0.7	-
15/12/2023	UTDPLT	2089	17.200	17.520	14.706	18.920	0.114	1.9	-
15/12/2023	PMETAL	8869	4.930	4.880	4.215	5.423	-1.014	-1.0	-
18/12/2023	GASMSIA	5209	3.230	3.230	2.762	3.553	0.000	0.0	-
18/12/2023	SIME	4197	2.450	2.430	2.095	2.695	-0.816	-0.8	-
19/12/2023	WELLS	0271	0.685	0.685	0.5857	0.7535	3.008	0.0	-
19/12/2023	SLP	7248	0.93	0.930	0.7952	1.023	1.639	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.39	0.73	13.49
UOA DEVELOPMENT BERHAD	PROPERTY	1.78	0.22	12.36
MBM RESOURCES BHD	CONSUMER	4.53	0.46	10.18
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
BERMAZ AUTO BERHAD	CONSUMER	2.41	0.21	8.76
HEKTAR REITS	REITs	0.66	0.06	8.70
TALIWORKS CORPORATION BHD	UTILITIES	0.81	0.07	8.32
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.20	0.74	8.08
AMWAY (M) HOLDINGS BHD	CONSUMER	5.73	0.46	8.03
SENTRAL REIT	REITs	0.78	0.06	8.00
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.82
UOA REITS	REITs	1.10	0.09	7.82
SCICOM (MSC) BHD	IND. PROD.	1.06	0.08	7.55
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.39
RHB BANK	FINANCE	5.55	0.39	7.01

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	(2.0)	24.2	17.0	18.8	14.3	13.4
Finance	0.1	13.0	9.9	12.3	9.9	9.8
Property	31.3	25.1	7.4	11.5	10.7	#N/A N/A
Plantation	(0.9)	95.5	14.6	36.8	14.6	17.1
Consumer	(5.2)	22.5	14.7	21.5	14.7	14.9
Technology	(0.5)	48.6	22.5	28.0	31.8	24.4
Construction	23.0	36.8	15.3	19.0	15.3	11.8
Energy	4.8	8.8	-	-	8.8	9.2
Healthcare	11.6	36.1	24.8	30.4	24.8	32.5
Ind. Prod.	(5.4)	24.9	17.5	22.5	17.5	14.9
REIT	1.1	13.0	-	-	13.0	15.6
Telco	(4.7)	28.5	19.8	22.8	25.8	20.9

Source: Bloomberg



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