



# Daily Newswatch

## Market Review

The FBMKLCI rose for the seventh consecutive day in line with rally in wall street as market remain optimistic on the back of last week's Federal Reserve's decision to maintain interest rate steady. Market breadth was positive with 474 gainers and 431 losers. The utilities sector was the top gainer increasing by +1.3%, while the health care sector were the top losers declining by -1.3%. RAPID (7765) was the top gainer surging by RM0.78 or +2.8%. The FBMKLCI rose by +0.03% to 1,465.7.

## Economics

- Germany's industrial gas needs addressed as Sefc secures €50 billion gas deal
- Thailand allocates \$970.0mil to boost electric vehicle production hub ambitions

## Companies

- Poh Kong (5080) reports RM19.0mil net profit for 1Q24
- TT Vision (0272) secures RM7.51mil solar cell equipment deal
- AIM's (0122) rights issue oversubscribed by 32.9%
- Dataprep (8338) to acquire 70% stake in DACS network
- Apollo Food's (6432) stakes to be acquired by Baskin-Robbins franchisee

## Expresso for the Day

- Technical Watch – MCE (7004) Entry Price: RM2.32, Target Price: RM2.55, Stop Loss: RM1.98, Support: RM2.20, Resistance: RM2.32
- Technical Watch – WCT (9679) Entry Price: RM0.51, Target Price: RM0.56, Stop Loss: RM0.44, Support: RM0.48, Resistance: RM0.58

Local	Close	(%)
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FBMKLCI	1,465.7	0.03
Volume (mil)	3,715.3	(22.80)
<b>Value (RM'mil)</b>	2,416.0	(19.97)
Gainers	474	
Losers	431	
Unchanged	478	

Foreign	Close	(%)
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Dow Jones	37,557.9	0.7
Nasdaq CI	15,003.2	0.7
S&P 500	4,768.4	0.6
FTSE 100	7,638.0	0.3
Nikkei 225	33,219.4	1.4
Shanghai CI	2,932.4	0.1
HSI	16,505.0	(0.7)
STI	3,116.6	0.1

Most Active	RM	Chg (RM)
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TOPGLOV	0.940	(0.020)
CAREPLS	0.465	0.000
LEFORM	0.390	0.005
WIDAD	0.470	0.005
IWCITY	0.670	0.055

Top Gainer	RM	Chg (RM)
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RAPID	28.780	0.780
IMASPRO	4.890	0.620
F&N	28.000	0.500
NESTLE	119.900	0.500
APOLLO	5.770	0.370

Top Loser	RM	Chg (RM)
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HEXTECH	21.800	(0.700)
MPI	28.000	(0.500)
IGBB	2.240	(0.210)
UWC	3.400	(0.160)
PETDAG	22.120	(0.120)

Other Stats	RM	(%)
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USD/MYR	4.68	(0.34)
USD/RMB	7.12	(0.18)
Brent (USD/barrel)	79.23	1.64
Gold (USD/troy oz)	2,040.07	0.65
CPO (RM/metric t)	3,655.00	0.69

# Daily Newswatch

## Economics

**GERMANY:** German energy company Sefo has secured a €50 billion (\$55 billion) gas deal with Norway's Equinor, covering one-third of Germany's industrial gas needs. This agreement is part of Germany's efforts to replace Russia, its former long-term gas supplier. The deal, covering approximately 10 billion cubic meters of natural gas per year from January 1, 2024, until 2034, includes an option for another five years covering 29 billion cubic meters. The agreement also involves a non-binding letter of intent for Sefo to become an offtaker of low-carbon hydrogen from Equinor starting in 2029. This deal ensures a sustainable and future-proof gas supply for European customers. (The Edge)

**THAILAND:** Thailand plans to allocate 34 billion baht (approximately \$970 million) until 2027 to support its goal of becoming a major electric vehicle (EV) production hub. Under the new "EV 3.5 package," foreign EV manufacturers can receive up to 40% cuts on import duties and a reduced excise tax rate of 2% for their fully assembled electric cars imported into Thailand in 2024 and 2025. In return, these manufacturers are required to produce EVs locally in Thailand by 2027. The initiative aims to attract new EV manufacturers and facilitate the transition of traditional players to EVs. The budget was approved in a cabinet meeting and continues Thailand's push for carbon neutrality by 2050. (The Edge)

## Companies

Poh Kong Holdings Bhd (5080) in the first quarter ending October 31, 2023, reported a net profit of RM19 million, up from RM15.67 million in the same period in 2022, driven by improved operating profits due to a general uptrend in gold prices. Despite revenue decreasing to RM355.98 million from RM370.36 million a year earlier, attributed to weak market sentiment and lower demand for gold jewelry. (The Star)

TT Vision Holdings Bhd (0272) said its wholly-owned subsidiary, TT Vision Technologies Sdn Bhd, has secured several purchase orders for its solar cell inspection equipment totaling RM7.51 million from an undisclosed buyer. The Penang-based automated test equipment maker did not disclose information about the buyer, citing non-disclosure agreements signed. The group said the contract is expected to be fulfilled within the next three to four months. (The Edge)

Advance Information Marketing Bhd's (0122) three-for-one rights issue with free warrants has been oversubscribed by 32.9%. The group said it received valid acceptances and excess applications for a total of 388.94 million rights shares in respect of the 292.66 million shares available for subscription. The rights shares are expected to be listed on the ACE Market of Bursa Securities on Dec 28. (The Edge)

Dataprep Holdings Bhd (8338) has suggested acquiring a 70% stake in DACS Network Solutions Sdn Bhd (DNS) from Cloudaron Group Bhd for RM10.5 million. The proposed acquisition will be settled through the issuance of 82.68 million shares in Dataprep at 12.7 sen per share. DNS specializes in offering and overseeing network connectivity services, functioning as a dealer in the telecommunications industry. (The Edge)

Apollo Food Holdings Bhd's (6432) announced that Scoop Capital Sdn Bhd, the franchisee of Baskin-Robbins, is acquiring a controlling stake in the company. (The Edge)

# MCE Holdings Berhad

Bloomberg: MCE MK | KLSE Stock Code: 7004

## Technical Watch

“BUY on Potential Upside”

### Company Overview

MCE Holdings Berhad is an investment holding company. The Company is based in Malaysia.

### 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 > 85).

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.

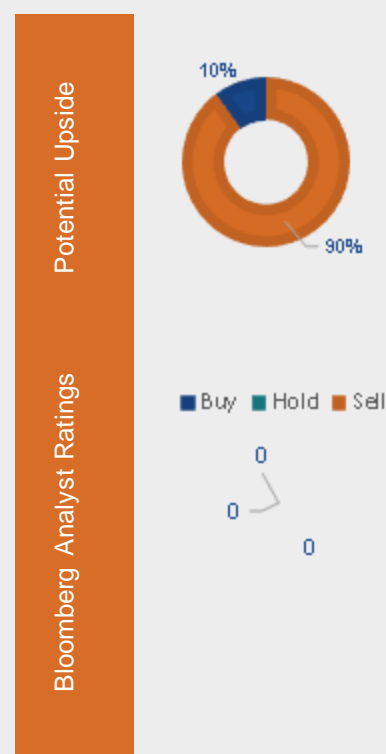
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	6.5	8.1	21.7
P/B	0.8	0.7	0.6
P/CF	28.9	20.9	12.3
P/S	0.7	0.6	0.6

Entry Price	RM2.32
Market Cap (m)	RM143.3
52w high	RM2.32
52w low	RM1.24
Stop Loss	RM1.98
Immediate Support	RM2.20
Immediate Resistance	RM2.32 (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)	171,411.8

### Main Market

Industrial Products & Services  
 Subsector – Auto Parts  
 Current Price: RM2.32  
 Target Price: RM2.55



# WCT Holdings Berhad

Bloomberg: WCTHG MK | KLSE Stock Code: 9679

## Technical Watch

“BUY on Potential Upside”

### Company Overview

WCT Holdings Berhad provides civil engineering, specializing in earthworks, highway construction, and related infrastructure works. The Company also operates in property investment and development as well as trades building materials.

### 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 > 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.

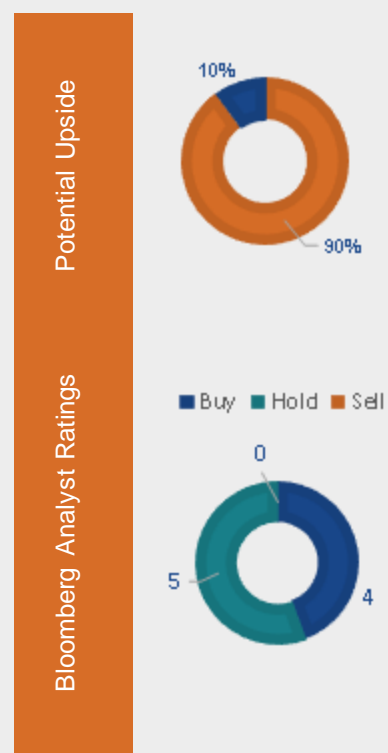
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	12.0	12.7	13.4
P/B	0.2	0.3	0.5
P/CF	5.7	9.5	10.7
P/S	0.3	0.4	0.7

Entry Price	RM0.51
Market Cap (m)	RM722.8
52w high	RM0.60
52w low	RM0.39
Stop Loss	RM0.44
Immediate Support	RM0.48
Immediate Resistance	RM0.58 (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)	1,736,224.5

### Main Market

Construction  
 Subsector – Construction  
 Current Price: RM0.51  
 Target Price: RM0.56





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
23/11/2023	TeoSeng	7252	1.650	1.600	1.410	1.820	0.000	-3.0	-
23/11/2023	Dufu	7233	1.850	1.820	1.580	2.040	-0.546	-1.6	-
24/11/2023	Supermax	7106	1.040	0.975	0.890	1.140	-3.465	-6.3	-
24/11/2023	Hartalega	5166	2.620	2.680	2.240	2.880	-2.545	2.3	-
27/11/2023	Mcement	3226	4.040	4.290	3.450	4.440	-1.152	6.2	-
27/11/2023	Hextech	1286	23.700	21.800	20.260	26.070	-3.111	-8.0	-
28/11/2023	GentingM	4715	2.700	2.700	2.310	2.970	-0.369	0.0	-
28/11/2023	Kelington	0151	1.750	1.870	1.500	1.930	0.538	6.9	-
29/11/2023	AeonCredit	5139	5.780	5.630	4.940	6.360	-0.530	-2.6	-
29/11/2023	BAT	4162	9.350	9.250	7.990	10.290	0.543	-1.1	-
30/11/2023	FarmFresh	5306	1.360	1.360	1.160	1.490	2.256	0.0	-
30/11/2023	BAT	5000	2.060	2.110	1.760	2.270	-4.955	2.4	-
1/12/2023	Infomina	0265	1.770	1.780	1.510	1.950	1.136	0.6	-
1/12/2023	Vitrox	0097	7.000	7.210	5.990	7.700	0.139	3.0	-
4/12/2023	Nationgate	0270	1.360	1.480	1.160	1.490	2.069	8.8	-
4/12/2023	Kossan	7153	1.690	1.840	1.440	1.860	-2.128	8.9	-
5/12/2023	RCECapital	9296	2.760	2.880	2.360	3.040	-0.690	4.3	-
5/12/2023	Aurelius	5302	2.740	2.720	2.340	3.010	0.741	-0.7	-
6/12/2023	Vitrox	0097	7.040	7.210	6.019	7.744	0.139	2.4	-
6/12/2023	WellCall	7231	1.700	1.680	1.454	1.870	1.818	-1.2	-
7/12/2023	D&O	7204	3.600	3.530	3.078	3.960	-1.671	-1.9	-
7/12/2023	Matrix	5236	1.680	1.670	1.436	1.848	0.000	-0.6	-
8/12/2023	Aurelius	5302	2.800	2.720	2.394	3.080	0.741	-2.9	-
8/12/2023	GFM	0039	0.270	0.265	0.231	0.297	0.000	-1.9	-
11/12/2023	RCECapital	9296	2.990	2.880	2.556	3.289	-0.690	-3.7	-
11/12/2023	Thong Guan	7034	1.890	1.870	1.616	2.079	-0.532	-1.1	-
12/12/2023	GenP	2291	5.620	5.660	4.805	6.182	-0.176	0.7	-
12/12/2023	Unisem	5005	3.370	3.340	2.881	3.707	-0.595	-0.9	-
13/12/2023	SFPTech	0251	1.020	0.960	0.872	1.122	0.524	-5.9	-
13/12/2023	Tropicana	5401	1.260	1.300	1.077	1.386	0.000	3.2	-
14/12/2023	SWKPLNT	5135	2.170	2.170	1.855	2.387	0.463	0.0	-
14/12/2023	YBS	0025	0.700	0.710	0.599	0.770	0.709	1.4	-
15/12/2023	UTDPLT	2089	17.200	17.600	14.706	18.920	0.457	2.3	-
15/12/2023	PMETAL	8869	4.930	4.880	4.215	5.423	0.000	-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	0.000	-0.8	-
19/12/2023	WELLS	0271	0.685	0.695	0.5857	0.7535	1.460	1.5	-
19/12/2023	SLP	7248	0.93	0.940	0.7952	1.023	1.075	1.1	-
20/12/2023	MCE	7004	2.32	2.320	1.9836	2.552	4.505	0.0	-
20/12/2023	WCT	9679	0.51	0.510	0.4361	0.561	5.155	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.36	0.73	13.56
UOA DEVELOPMENT BERHAD	PROPERTY	1.79	0.22	12.29
MBM RESOURCES BHD	CONSUMER	4.48	0.46	10.29
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
BERMAZ AUTO BERHAD	CONSUMER	2.40	0.21	8.79
HEKTAR REITS	REITs	0.65	0.06	8.77
TALIWORKS CORPORATION BHD	UTILITIES	0.82	0.07	8.17
AMWAY (M) HOLDINGS BHD	CONSUMER	5.70	0.46	8.07
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.23	0.74	8.05
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
SCICOM (MSC) BHD	IND. PROD.	1.06	0.08	7.55
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.39
SPORTS TOTO BERHAD	CONSUMER	1.53	0.11	7.06

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	13.2
Finance	0.0	13.0	9.9	12.3	9.9	9.8
Property	33.2	25.1	7.4	11.5	10.8	#N/A N/A
Plantation	(1.1)	95.5	14.6	36.8	14.6	17.1
Consumer	(4.8)	22.5	14.8	21.5	14.8	14.9
Technology	(1.1)	48.6	22.5	28.1	32.3	24.4
Construction	23.3	36.8	15.3	19.0	15.3	11.7
Energy	5.1	8.8	-	-	8.8	9.2
Healthcare	9.7	36.1	25.6	30.8	25.6	33.6
Ind. Prod.	(5.6)	24.9	17.5	22.5	17.5	15.0
REIT	1.0	13.0	-	-	13.0	15.5
Telco	(4.3)	28.5	19.8	22.8	25.9	20.9

Source: Bloomberg

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