



# Daily Newswatch

## Market Review

The FBMKLCI experienced a decline on Wednesday, putting an end to its seven-day positive streak. This downward trend was attributed to profit-taking activities amid development in the Red Sea shipping crisis. Market breadth was negative with 411 gainers and 465 losers. The telecommunications & media sector was the top gainer increasing by +0.9%, while the health care sector were the top losers declining by -1.5%. HEIM (3255) was the top gainer surging by RM0.46 or +2.0%. The FBMKLCI declined by -0.08% to 1,464.5.

## Economics

- Russia remains top oil supplier to China in November, while Saudi Arabia faces cuts
- Shipping crisis escalates as container ships reroute around Africa amid Red Sea violence

## Companies

- Willowglen MSC (0008) bags RM10.28mil contract
- Sunzen Biotech (0148) to acquire remaining stakes in subsidiaries for RM24.0 mil
- Ecobuilt (0059) awarded RM23.2 mil in favourable adjudication decision against Golden Wave
- Maxis (6012) renews deal with TM until 2029

## Expresso for the Day

- Technical Watch – MASTER (7029) Entry Price: RM3.03, Target Price: RM3.33, Stop Loss: RM2.59, Support: RM2.88, Resistance: RM3.14
- Technical Watch – KOTRA (0002) Entry Price: RM4.85, Target Price: RM5.34, Stop Loss: RM4.15, Support: RM4.61, Resistance: RM5.59

Local	Close	(%)
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FBMKLCI	1,464.6	(0.08)
Volume (mil)	3,841.9	3.41
<b>Value (RM'mil)</b>	2,674.9	10.72
Gainers	411	
Losers	465	
Unchanged	491	

Foreign	Close	(%)
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Dow Jones	37,082.0	(1.3)
Nasdaq CI	14,777.9	(1.5)
S&P 500	4,698.4	(1.5)
FTSE 100	7,715.7	1.0
Nikkei 225	33,675.9	1.4
Shanghai CI	2,902.1	(1.0)
HSI	16,613.8	0.7
STI	3,108.0	(0.3)

Most Active	RM	Chg (RM)
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TOPGLOV	0.905	(0.035)
TWL	0.035	0.005
JTGROUP	0.310	0.040
CAREPLS	0.440	(0.025)
LEFORM	0.410	0.020

Top Gainer	RM	Chg (RM)
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HEIM	23.500	0.460
CARLSBG	19.460	0.380
IDEAL	2.600	0.240
F&N	28.200	0.200
UTDPLT	17.800	0.200

Top Loser	RM	Chg (RM)
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RAPID	27.760	(1.020)
MPI	27.400	(0.600)
IMASPRO	4.350	(0.540)
NESTLE	119.500	(0.400)
AYER	6.900	(0.190)

Other Stats	RM	(%)
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USD/MYR	4.66	(0.43)
USD/RMB	7.14	0.28
Brent (USD/barrel)	79.16	(0.09)
Gold (USD/troy oz)	2,031.39	(0.44)
CPO (RM/metric t)	3,703.00	1.31



# Daily Newswatch

## Economics

**CHINA-RUSSIA:** In November, Russia retained its position as China's leading oil supplier despite higher prices for Russian crude, while Saudi Arabia's supply to China decreased due to ongoing output cuts. China imported 9 million metric tons of oil from Russia, equivalent to 2.19 million barrels per day (bpd), marking a 9% increase from October and a 15.2% rise from the previous year. Saudi shipments totaled 6.61 million tons, or 1.61 million bpd, a slight decrease from the same period last year. Saudi Arabia had raised crude prices from July to November, prompting some Chinese refiners to seek alternative, more affordable sources. Despite geopolitical tensions, China continues to import higher quantities of US oil, reaching 1.06 million tons in November, with year-to-date volumes up 82.4%. Overall, China's total crude imports in November declined 9.2% year-on-year amid slowing orders from independent refiners and high inventory levels. (The Edge)

**MIDDLE EAST:** Over a hundred container ships are opting for a longer route around Africa to evade violence in the Red Sea, driven by attacks on commercial vessels by Yemen-based Houthi militants supporting Hamas. The disruptions have led shipping companies to consider alternative routes, such as rail and air, while insurance premiums and freight rates rise. The situation, triggered by the Israel-Hamas conflict, has prompted the US and its allies to form a task force to address the Iran-backed Houthis. Potential military strikes are being weighed, but concerns about escalation and shipping delays persist. Shippers are cautious about convoy solutions, anticipating further trade slowdowns, and the shipping crisis could have economic repercussions, impacting global trade and inflation. (The Edge)

## Companies

Willowglen MSC Bhd (0008), through its subsidiary Willowglen Services Pte Ltd, has successfully obtained a RM10.28 million contract from PowerGas Ltd in Singapore. The contract involves the supply of pipeline and CCTV system renewal and commenced on December 19, 2023, with completion expected by March 18, 2026. Willowglen anticipates a positive impact on its earnings and net assets per share for the financial years ending in 2024 to 2026. (The Star)

Sunzen Biotech Bhd (0148) is set to acquire the remaining 30% stakes in its subsidiaries, Ecolite Biotech Manufacturing Sdn Bhd and Yanming Resources Sdn Bhd, for RM18 million and RM6 million, respectively. The acquisitions involve cash and the issuance of new ordinary shares in Sunzen at an issue price of 29.5 sen. The agreements with stakeholders include the purchase of 2.25 million ordinary shares in Ecolite Biotech Manufacturing and 150,000 ordinary shares in Yanming Resources. (The Edge)

Ecobuilt Holdings Bhd's (0059) subsidiary, Eko Bina Sdn Bhd, has been awarded RM23.16 million following a favorable adjudication decision in its case against Golden Wave Sdn Bhd. The legal dispute, initiated by Eko Bina on August 10, pertains to a payment dispute related to a serviced apartment and retail units project in Kota Kinabalu, Sabah. The contract, awarded in January 2021, was valued at RM166.37 million. (The Edge)

Maxis Bhd (6012) has extended its high-speed broadband (HSBB) premium service agreement with Telekom Malaysia Bhd (TM) until June 30, 2029. The amendment agreement, signed by Maxis Broadband Sdn Bhd (Maxis' broadband arm) and TM's unit TM Technology Services Sdn Bhd (TMT), allows Maxis to procure premium HSBB services from TMT, enhancing its reach across the country. This modification builds upon the existing agreement from February 8, 2019, and designates Maxis Broadband as TMT's premium customer for HSBB premium services, offering improved features and functionalities. (The Edge)

# Master-Pack Group Berhad

Bloomberg: MPG MK | KLSE Stock Code: 7029

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Master-Pack Group Bhd, through subsidiaries, manufactures and sells corrugated fiberboard cartons and packaging materials.

### 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 > 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.

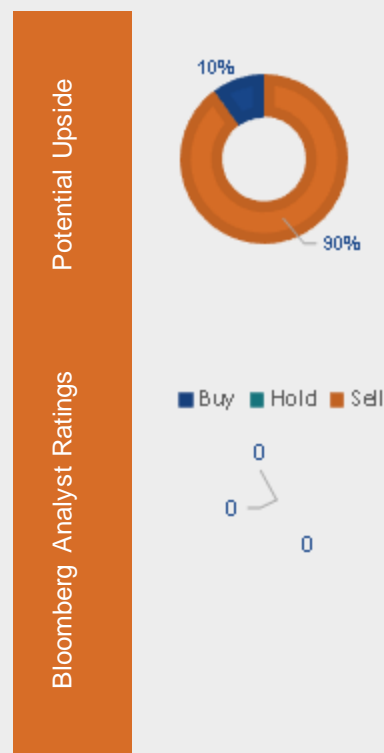
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	5.9	6.2	6.6
P/B	0.8	0.8	0.6
P/CF	5.4	5.1	6.2
P/S	0.7	0.6	0.5

Entry Price	RM3.03
Market Cap (m)	RM165.5
52w high	RM3.22
52w low	RM2.20
Stop Loss	RM2.59
Immediate Support	RM2.88
Immediate Resistance	RM3.14 (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)	153,833.3

### Main Market

Industrial Products & Services  
 Subsector – Packaging Materials  
 Current Price: RM3.03  
 Target Price: RM3.33



# Kotra Industries Berhad

Bloomberg: KTRI MK | KLSE Stock Code: 0002

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Kotra Industries Berhad makes therapeutic products including anti-inflammatory, analgesic, antacids, cold and antitussive, anthelmintics, antidiabetics, antiasthmatics dermatological preparations, mouth and throat preparations, antiameobics, antihistamines, anti-emetics, and antivertigo. The Company also produces OTC products, energy drink booster, and mineral water.

### 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 > 50).

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

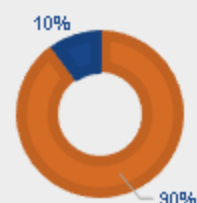
	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	11.1	11.8	14.3
P/B	2.7	2.1	1.7
P/CF	9.3	8.1	7.4
P/S	3.1	2.4	1.8

Entry Price	RM4.85
Market Cap (m)	RM719.3
52w high	RM6.78
52w low	RM4.47
Stop Loss	RM4.15
Immediate Support	RM4.61
Immediate Resistance	RM5.59 (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)	58,588.8

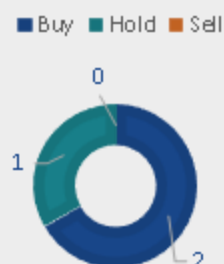
### Main Market

Health Care  
 Subsector – Pharmaceuticals  
 Current Price: RM4.85  
 Target Price: RM5.34

Potential Upside



Bloomberg Analyst Ratings





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
24/11/2023	Supermax	7106	1.040	0.940	0.890	1.140	-3.590	-9.6	-
24/11/2023	Hartalega	5166	2.620	2.630	2.240	2.880	-1.866	0.4	-
27/11/2023	Mcement	3226	4.040	4.200	3.450	4.440	-2.098	4.0	-
27/11/2023	Hextech	1286	23.700	21.980	20.260	26.070	0.826	-7.3	-
28/11/2023	GentingM	4715	2.700	2.710	2.310	2.970	0.370	0.4	-
28/11/2023	Kelington	0151	1.750	1.900	1.500	1.930	1.604	8.6	-
29/11/2023	AeonCredit	5139	5.780	5.640	4.940	6.360	0.178	-2.4	-
29/11/2023	BAT	4162	9.350	9.250	7.990	10.290	0.000	-1.1	-
30/11/2023	FarmFresh	5306	1.360	1.350	1.160	1.490	-0.735	-0.7	-
30/11/2023	BAT	5000	2.060	2.090	1.760	2.270	-0.948	1.5	-
1/12/2023	Infomina	0265	1.770	1.790	1.510	1.950	0.562	1.1	-
1/12/2023	Vitrox	0097	7.000	7.250	5.990	7.700	0.555	3.6	-
4/12/2023	Nationgate	0270	1.360	1.510	1.160	1.490	2.027	11.0	TP Achieved
4/12/2023	Kossan	7153	1.690	1.790	1.440	1.860	-2.717	5.9	-
5/12/2023	RCECapital	9296	2.760	2.960	2.360	3.040	2.778	7.2	-
5/12/2023	Aurelius	5302	2.740	2.630	2.340	3.010	-3.309	-4.0	-
6/12/2023	Vitrox	0097	7.040	7.250	6.019	7.744	0.555	3.0	-
6/12/2023	WellCall	7231	1.700	1.670	1.454	1.870	-0.595	-1.8	-
7/12/2023	D&O	7204	3.600	3.630	3.078	3.960	2.833	0.8	-
7/12/2023	Matrix	5236	1.680	1.650	1.436	1.848	-1.198	-1.8	-
8/12/2023	Aurelius	5302	2.800	2.630	2.394	3.080	-3.309	-6.1	-
8/12/2023	GFM	0039	0.270	0.275	0.231	0.297	3.774	1.9	-
11/12/2023	RCECapital	9296	2.990	2.960	2.556	3.289	2.778	-1.0	-
11/12/2023	Thong Guan	7034	1.890	1.870	1.616	2.079	0.000	-1.1	-
12/12/2023	GenP	2291	5.620	5.590	4.805	6.182	-1.237	-0.5	-
12/12/2023	Unisem	5005	3.370	3.330	2.881	3.707	-0.299	-1.2	-
13/12/2023	SFPTech	0251	1.020	0.965	0.872	1.122	0.521	-5.4	-
13/12/2023	Tropicana	5401	1.260	1.310	1.077	1.386	0.769	4.0	-
14/12/2023	SWKPLNT	5135	2.170	2.150	1.855	2.387	-0.922	-0.9	-
14/12/2023	YBS	0025	0.700	0.705	0.599	0.770	-0.704	0.7	-
15/12/2023	UTDPLT	2089	17.200	17.800	14.706	18.920	1.136	3.5	-
15/12/2023	PMETAL	8869	4.930	4.840	4.215	5.423	-0.820	-1.8	-
18/12/2023	GASMSIA	5209	3.230	3.220	2.762	3.553	-0.310	-0.3	-
18/12/2023	SIME	4197	2.450	2.450	2.095	2.695	0.823	0.0	-
19/12/2023	WELLS	0271	0.685	0.695	0.5857	0.7535	0.000	1.5	-
19/12/2023	SLP	7248	0.93	0.945	0.7952	1.023	0.532	1.6	-
20/12/2023	MCE	7004	2.32	2.500	1.9836	2.552	7.759	7.8	-
20/12/2023	WCT	9679	0.51	0.500	0.4361	0.561	-1.961	-2.0	-
21/12/2023	MasterPack	7029	3.03	3.030	2.5907	3.333	1.338	0.0	-
21/12/2023	Kotra	0002	4.85	4.850	4.1468	5.335	1.253	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	1.80	0.22	12.22
MBM RESOURCES BHD	CONSUMER	4.48	0.46	10.29
YTL HOSPITALITY REIT	REITs	1.03	0.09	9.13
BERMAZ AUTO BERHAD	CONSUMER	2.40	0.21	8.79
HEKTAR REITS	REITs	0.66	0.06	8.70
TALIWORKS CORPORATION BHD	UTILITIES	0.82	0.07	8.22
AMWAY (M) HOLDINGS BHD	CONSUMER	5.70	0.46	8.07
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.25	0.74	8.03
SENTRAL REIT	REITs	0.78	0.06	8.00
UOA REITS	REITs	1.10	0.09	7.82
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
SCICOM (MSC) BHD	IND. PROD.	1.07	0.08	7.48
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.32
RHB BANK	FINANCE	5.50	0.39	7.07

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	(2.1)	24.2	17.0	18.8	14.3	13.2
Finance	(0.3)	13.0	9.9	12.3	9.9	9.8
Property	33.3	25.1	7.4	11.5	10.9	#N/A N/A
Plantation	(1.2)	95.5	14.5	36.8	14.5	17.0
Consumer	(4.7)	22.5	14.8	21.5	14.8	15.0
Technology	(0.8)	48.6	22.5	28.0	32.2	24.4
Construction	23.8	36.8	15.4	19.0	15.4	11.8
Energy	5.4	8.8	-	-	8.8	9.2
Healthcare	8.6	36.1	24.9	30.5	24.9	32.6
Ind. Prod.	(5.4)	24.9	17.4	22.4	17.4	14.9
REIT	1.5	13.1	-	-	13.1	15.6
Telco	(3.7)	28.5	19.8	23.0	26.2	21.2

Source: Bloomberg





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