

Daily Newswatch

Market Review

The FBMKLCI saw another decline on Thursday as investors continued persistent selling pressure on selected stocks in the financial sector. Market breadth was negative with 390 gainers and 435 losers. The plantation sector was the top gainer increasing by +0.5%, while the financial services sector was the top loser declining by -1.5%. MPI (3867) was the top gainer surging by RM0.50 or +1.8%. The FBMKLCI declined by -0.6% to 1,455.6.

Economics

- South Korea to relax holdings threshold of capital gains taxes
- Malaysia maintain January crude palm oil export duty at 8%

Companies

- Comintel (7195) net profit jumps 77% in 3Q
- RSawit (5113) to sell Sarawak land for RM165.0mil
- AEON Credit (5139) 3Q earnings increase to RM85.5mil
- PT Resources (0260) reports RM18.7 net profit for 3Q

Expresso for the Day

- Technical Watch – SCGM (7247) Entry Price: RM0.58, Target Price: RM0.64, Stop Loss: RM0.50, Support: RM0.55, Resistance: RM0.62
- Technical Watch – PTRB (0260) Entry Price: RM0.54, Target Price: RM0.59, Stop Loss: RM0.46, Support: RM0.51, Resistance: RM0.57

Local	Close	(%)
FBMKLCI	1,455.6	(0.61)
Volume (mil)	3,057.6	(20.41)
Value (RM'mil)	2,094.5	(21.70)
Gainers	390	
Losers	435	
Unchanged	487	
Foreign	Close	(%)
Dow Jones	37,404.4	0.9
Nasdaq CI	14,963.9	1.3
S&P 500	4,746.8	1.0
FTSE 100	7,694.7	(0.3)
Nikkei 225	33,140.5	(1.6)
Shanghai CI	2,918.7	0.6
HSI	16,621.1	0.0
STI	3,112.5	0.1
Most Active	RM	Chg (RM)
TWL	0.035	0.000
TOPGLOV	0.935	0.030
LEFORM	0.415	0.005
MLAB	0.010	0.005
WIDAD	0.465	0.000
Top Gainer	RM	Chg (RM)
MPI	27.900	0.500
HEIM	23.780	0.280
KLK	21.920	0.240
UTDPLT	18.000	0.200
MCEHLDG	2.680	0.180
Top Loser	RM	Chg (RM)
HLBANK	18.980	(0.480)
RAPID	27.400	(0.360)
MBMR	4.180	(0.300)
PERTAMA	2.670	(0.280)
ZHULIAN	1.600	(0.130)
Other Stats	RM	(%)
USD/MYR	4.65	(0.08)
USD/RMB	7.14	(0.01)
Brent (USD/barrel)	79.42	(0.35)
Gold (USD/troy oz)	2,045.95	0.72
CPO (RM/metric t)	3,708.50	0.15

Daily Newswatch

Economics

South Korea: South Korea will relax the threshold for major shareholders subject to capital gains tax to those holding five billion won (US\$3.83 million) worth of listed stocks, up from the current one billion won. Starting January 2024, investors with more than five billion won in a single company will be considered large shareholders and subject to a capital gains tax of 20% to 25%. The move is aimed at easing market volatility caused by year-end stock sell-offs to avoid taxes, considering the capital market situation and heightened internal and external uncertainty. This comes ahead of the general election in April 2024, with the government seeking to appease retail investors.

Malaysia: Malaysia has maintained its January export tax for crude palm oil at 8%, with a reference price of RM3,679.50 per metric tonne. The export tax structure starts at 3% for crude palm oil in a range of RM2,250 to RM2,400 per tonne and increases to a maximum of 8% when prices exceed RM3,450 per tonne. The decision aims to regulate palm oil exports and manage tax rates based on prevailing market conditions.

Companies

Comintel Corp Bhd reported a significant increase in net profit for the third quarter ended Oct 31, 2023, rising to RM11.24 million from RM6.35 million in the same period last year. The revenue also saw substantial growth, reaching RM122.03 million compared to RM64.54 million in the previous corresponding period. Comintel basic earnings per share also decreased from 4.53 sen to 2.94 sen. (The Edge)

Rimbunan Sawit Bhd (5113) is set to sell five parcels of agricultural land totaling 9.935 hectares in Miri, Sarawak, to Mahawangsa Sungai Bok Plantation Sdn Bhd for RM165.0mil. This divestment is aligned with RSB's strategy to continually assess its investment portfolio and capitalize on opportunities to unlock value for shareholders. The proceeds from the sale will be directed towards the company's business operations, particularly for new oil palm planting and replanting activities. (The Edge)

AEON Credit Service (M) Bhd (5139) in the third quarter of the financial year 2024 (3Q24), reported a 2% year-on-year increase in net profit to RM85.5 million, with revenue growing by 16% to RM486.5 million. This growth was attributed to a 17.8% rise in total transaction and financing volume to RM1.82 billion in 3Q24. AEON Credit has focused on digital onboarding with instant conditional approval, e-KYC solutions, and scoring models. It also plans to leverage AI-based credit scoring services and adopt a risk-based collection approach. (The Edge)

PT Resources Holdings Bhd (0260) in Q2 2023, reported a net profit increase to RM18.7mil from RM8.34mil in the same period last year, while revenue declined to RM111.7mil from RM125.4mil. The firm attributes the profit growth to strategic deployment and commitment to operational excellence, particularly in the thriving global frozen seafood market, especially in key markets like China. The company plans to fine-tune business strategies, expand into Southeast Asia and China, manage operational costs effectively, and address challenges related to rising raw material and administrative costs. (The Edge)

SCGM Berhad

Bloomberg: SCGM MK | KLSE Stock Code: 7247

Technical Watch

"BUY on Potential Upside"

Company Overview

SCGM Bhd is an investment holding company. The Company, through its subsidiary, manufactures and trades of plastic products, such as thermo-vacuum-formed plastic packaging and extrusion sheets.

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 > 70).

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

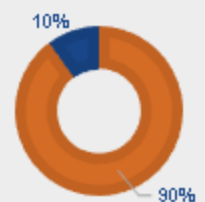
	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	1.2	3.0	2.6
P/B	0.6	0.4	0.4
P/CF	4.7	2.9	5.1
P/S	1.4	0.7	0.5

Entry Price	RM0.58
Market Cap (m)	RM111.7
52w high	RM0.74
52w low	RM0.50
Stop Loss	RM0.50
Immediate Support	RM0.55
Immediate Resistance	RM0.62 (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)	880,011.0

Main Market

Industrial Products & Services
Subsector – Packaging
Materials
Current Price: RM0.58
Target Price: RM0.64

Potential Upside



Bloomberg Analyst Ratings



PT Resources Holdings Berhad

Bloomberg: PTRB MK | KLSE Stock Code: 0260

Technical Watch

"BUY on Potential Upside"

Company Overview

PT Resources Holdings Berhad is an investment holding company. The Company, through its subsidiaries, involved in the processing and trading of frozen seafood and other products. Resources 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 rising momentum on the stock (RSI > 70).

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

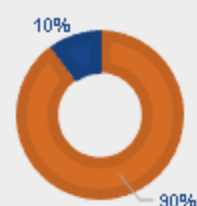
	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	6.4	6.4	6.4
P/B	1.6	1.6	1.6
P/CF	#N/A N/A	#N/A N/A	#N/A N/A
P/S	0.5	0.5	0.5

Entry Price	RM0.54
Market Cap (m)	RM286.2
52w high	RM0.69
52w low	RM0.40
Stop Loss	RM0.46
Immediate Support	RM0.51
Immediate Resistance	RM0.57 (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)	22,329,852.4

Ace Market

Consumer Products & Services
Subsector – Food & Beverages
Current Price: RM0.54
Target Price: RM0.59

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
27/11/2023	Mcement	3226	4.040	4.240	3.450	4.440	0.952	5.0	-
27/11/2023	Hextech	1286	23.700	21.980	20.260	26.070	0.000	-7.3	-
28/11/2023	GentingM	4715	2.700	2.680	2.310	2.970	-1.107	-0.7	-
28/11/2023	Kelington	0151	1.750	1.900	1.500	1.930	0.000	8.6	-
29/11/2023	AeonCredit	5139	5.780	5.630	4.940	6.360	-0.177	-2.6	-
29/11/2023	BAT	4162	9.350	9.210	7.990	10.290	-0.432	-1.5	-
30/11/2023	FarmFresh	5306	1.360	1.310	1.160	1.490	-2.963	-3.7	-
30/11/2023	BAT	5000	2.060	2.180	1.760	2.270	4.306	5.8	-
1/12/2023	Infomina	0265	1.770	1.790	1.510	1.950	0.000	1.1	-
1/12/2023	Vitrox	0097	7.000	7.280	5.990	7.700	0.414	4.0	-
4/12/2023	Nationgate	0270	1.360	1.560	1.160	1.490	3.311	14.7	TP Achieved
4/12/2023	Kossan	7153	1.690	1.800	1.440	1.860	0.559	6.5	-
5/12/2023	RCECapital	9296	2.760	2.940	2.360	3.040	-0.676	6.5	-
5/12/2023	Aurelius	5302	2.740	2.640	2.340	3.010	0.380	-3.6	-
6/12/2023	Vitrox	0097	7.040	7.280	6.019	7.744	0.414	3.4	-
6/12/2023	WellCall	7231	1.700	1.670	1.454	1.870	0.000	-1.8	-
7/12/2023	D&O	7204	3.600	3.620	3.078	3.960	-0.275	0.6	-
7/12/2023	Matrix	5236	1.680	1.640	1.436	1.848	0.923	-2.4	-
8/12/2023	Aurelius	5302	2.800	2.640	2.394	3.080	0.380	-5.7	-
8/12/2023	GFM	0039	0.270	0.285	0.231	0.297	3.636	5.6	-
11/12/2023	RCECapital	9296	2.990	2.940	2.556	3.289	-0.676	-1.7	-
11/12/2023	Thong Guan	7034	1.890	1.880	1.616	2.079	0.535	-0.5	-
12/12/2023	GenP	2291	5.620	5.590	4.805	6.182	0.000	-0.5	-
12/12/2023	Unisem	5005	3.370	3.380	2.881	3.707	1.502	0.3	-
13/12/2023	SFPTech	0251	1.020	0.945	0.872	1.122	-2.073	-7.4	-
13/12/2023	Tropicana	5401	1.260	1.320	1.077	1.386	0.763	4.8	-
14/12/2023	SWKPLNT	5135	2.170	2.090	1.855	2.387	-0.476	-3.7	-
14/12/2023	YBS	0025	0.700	0.700	0.599	0.770	-0.709	0.0	-
15/12/2023	UTDPLT	2089	17.200	18.000	14.706	18.920	1.124	4.7	-
15/12/2023	PMETAL	8869	4.930	4.820	4.215	5.423	-0.413	-2.2	-
18/12/2023	GASMSIA	5209	3.230	3.200	2.762	3.553	-0.621	-0.9	-
18/12/2023	SIME	4197	2.450	2.400	2.095	2.695	-2.041	-2.0	-
19/12/2023	WELLS	0271	0.685	0.700	0.5857	0.7535	0.719	2.2	-
19/12/2023	SLP	7248	0.93	0.950	0.7952	1.023	0.529	2.2	-
20/12/2023	MCE	7004	2.32	2.680	1.9836	2.552	7.200	15.5	TP Achieved
20/12/2023	WCT	9679	0.51	0.490	0.4361	0.561	-2.000	-3.9	-
21/12/2023	MasterPack	7029	3.03	3.010	2.5907	3.333	-0.660	-0.7	-
21/12/2023	Kotra	0002	4.85	4.850	4.1468	5.335	0.000	0.0	-
22/12/2023	SCGM	7247	0.58	0.580	0.4959	0.638	3.571	0.0	-
22/12/2023	PTRB	0260	0.535	0.535	0.4574	0.5885	2.885	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	4.15	0.46	11.11
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	0.81	0.07	8.27
AMWAY (M) HOLDINGS BHD	CONSUMER	5.61	0.46	8.20
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.	1.07	0.08	7.48
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.39
RHB BANK	FINANCE	5.44	0.39	7.17

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	(2.5)	24.2	17.0	18.8	14.3	13.2
Finance	(1.1)	13.0	9.9	12.3	9.9	9.8
Property	33.2	25.1	7.4	11.5	10.9	#N/A N/A
Plantation	(1.1)	95.5	14.5	36.8	14.5	17.0
Consumer	(5.0)	22.5	14.8	21.5	14.8	15.1
Technology	(0.6)	48.6	22.5	28.0	32.2	24.4
Construction	23.5	36.8	15.4	19.0	15.4	11.7
Energy	5.3	8.8	-	-	8.8	9.2
Healthcare	9.4	36.1	24.9	30.5	24.9	32.6
Ind. Prod.	(5.4)	24.9	17.5	22.5	17.5	15.0
REIT	0.9	13.1	-	-	13.1	15.6
Telco	(3.8)	28.5	19.8	23.0	26.2	21.2

Source: Bloomberg



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