



Daily Newswatch

Market Review

The FBMKLCI declined last Friday as investors waned on the cautious side ahead of the Christmas holiday. Market breadth was negative with 411 gainers and 425 losers. The industrial products & services sector was the top gainer increasing by +0.38%, while the health care sector was the top loser declining by -0.36%. RAPID (7765) was the top gainer surging by RM2.10 or +7.7%. The FBMKLCI declined by -0.08% to 1,454.4.

Economics

- Sarawak achieves RM13.1 bil in revenue for 2023
- Red Sea shipping crisis expected to persist for months - AP Moller-Maersk A/S

Companies

- PPB (4065) to challenge RM42.7 mil penalty decision.
- IJM (3336) secures RM260mil contract for KTUS project.
- Thong Guan (7034) expects to begin new production line in January.

Expresso for the Day

- Technical Watch – Kerjaya Prospek (7161) Entry Price: RM1.54, Target Price: RM1.69, Stop Loss: RM1.32, Support: RM1.46, Resistance: RM1.54
- Technical Watch – Chin Hin (5273) Entry Price: RM3.72, Target Price: RM4.09, Stop Loss: RM3.18, Support: RM3.53, Resistance: RM4.02

Local	Close	(%)
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FBMKLCI	1,454.4	(0.08)
Volume (mil)	2,965.6	(3.01)
Value (RM'mil)	1,839.8	(12.16)
Gainers	411	
Losers	425	
Unchanged	483	

Foreign	Close	(%)
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Dow Jones	37,386.0	(0.0)
Nasdaq CI	14,993.0	0.2
S&P 500	4,754.6	0.2
FTSE 100	7,697.5	0.0
Nikkei 225	33,254.0	0.1
Shanghai CI	2,918.8	(0.1)
HSI	16,340.4	(1.7)
STI	3,140.3	0.9

Most Active	RM	Chg (RM)
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CLASSITA	0.005	0.050
LEFORM	0.420	0.005
WIDAD	0.470	0.005
SCIB	0.890	0.015
TOPGLOV	0.925	(0.010)

Top Gainer	RM	Chg (RM)
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RAPID	29.500	2.100
HEIM	24.240	0.480
CARLSBG	19.620	0.200
CHINHIN	3.720	0.170
KGB	2.070	0.170

Top Loser	RM	Chg (RM)
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IMASPRO	4.210	(0.140)
ALLIANZ	18.660	(0.140)
HLFG	16.280	(0.120)
FAREAST	3.500	(0.100)
UNISEM	3.300	(0.080)

Other Stats	RM	(%)
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USD/MYR	4.63	(0.56)
USD/RMB	7.14	(0.03)
Brent (USD/barrel)	79.07	(0.40)
Gold (USD/troy oz)	2,053.08	0.35
CPO (RM/metric t)	3,708.50	(0.59)



Daily Newswatch

Economics

MALAYSIA: Sarawak, Malaysia, achieved its highest-ever revenue performance, reaching RM13.1bil in 2023, according to Premier Tan Sri Abang Johari Tun Openg. The state's revenue comprises tax revenue, non-tax revenue, non-revenue receipts, and federal grants and reimbursements. Abang Johari anticipates further revenue increases in 2024 and 2025, thanks to ongoing revenue engineering efforts and recently introduced laws. The state recorded RM11.9 billion in revenue for 2022. (The Edge)

GLOBAL: The chaos affecting shipping in the Red Sea, particularly due to Houthi attacks on merchant ships, is expected to persist for months, posing risks to the global economy. AP Moller-Maersk A/S, the world's second-largest container line, issued a notice showing revised arrival dates for over 150 tankers servicing ports such as Singapore, Rotterdam, and along the Texas and US East Coasts, with some extending into March. Vessels are being diverted around the Cape of Good Hope to avoid the Houthi threats. This situation follows the redirection of vessels to avoid the southern Red Sea, impacting global trade routes. (The Edge)

Companies

PPB Group Bhd's (4065) subsidiary FFM Bhd, a flour and animal feed milling company, will consult with external legal counsel to challenge the Malaysia Competition Commission's (MyCC) decision to impose a penalty of RM42.69 million for price-fixing infringement. FFM believes the decision is without merit and will seek legal advice on the appropriate actions to challenge it. MyCC has imposed a penalty against five poultry feed manufacturers, including FFM, for forming a price-fixing cartel for poultry feed, resulting in a total penalty of nearly RM415.5 million. (The Star)

IJM Corp Bhd's (3336) unit, IJM Construction Sdn Bhd, has secured a RM260 million contract for the Kuching Urban Transportation System (KTUS) project. The contract, awarded through a joint venture (JV) with Azam Sehasrat Sdn Bhd and Unique Deco Sdn Bhd, is for the construction of the KTUS Rembus autonomous rapid transit (ART) depot in Samarahan and associated works. The JV is set to commence work in the coming month, with the project scheduled for completion by December 2025. The KTUS project includes three lines – Blue, Red, and Green – covering a total distance of 70km and is expected to start passenger service in stages from the fourth quarter of 2025, completing by the end of 2027. (The Star)

Thong Guan Industries Bhd (7034) is set to begin operations on its new production lines in January. The company invested over RM70 million in the installation of four high-capacity production lines over the past two years, enhancing its annual production capacity from 220,000 to 265,000 tonnes. The new lines, comprising blown film and stretch film, aim to target growth in premium sales markets in Europe and North America. Thong Guan anticipates 20% decline in sales for the financial year ending December 31, 2023, due to the global slowdown in demand for consumer and industrial goods. The company continues to reduce costs and expand its market share in advanced economies. (The Star)

Kerjaya Prospek Group Bhd

Bloomberg: KPG MK | KLSE Stock Code: 7161

Technical Watch

“BUY on Potential Upside”

Company Overview

Kerjaya Prospek Group Bhd manufactures aluminum lighting louvers and advertising point of sale and related products. The Company also manufactures high-pressure die casted alloy products, aluminum lighting louvers and disposable safety medical devices. Kerjaya Prospek Group also manufactures, assembles, supplies and sells light fittings and related products.

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by three white soldiers 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	12.5	11.6	9.9
P/B	1.2	1.2	1.3
P/CF	27.9	27.0	105.1
P/S	1.3	1.3	1.3

Entry Price	RM1.54
Market Cap (m)	RM1,942.0
52w high	RM1.56
52w low	RM1.05
Stop Loss	RM1.32
Immediate Support	RM1.46
Immediate Resistance	RM1.54 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	262,540.4

Main Market

Construction
Subsector – Construction
Current Price: RM1.54
Target Price: RM1.69



Chin Hin Group Berhad

Bloomberg: CHIN MK | KLSE Stock Code: 5273

Technical Watch

“BUY on Potential Upside”

Company Overview

Chin Hin Group Berhad provides building materials and services. The Company offers steel mesh reinforcement, metal roofing systems, aerated autoclaved cement block, fire-rated doors, pre-cast concrete products, and cement. Chin Hin Group serves construction and building industries 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 three white soldiers 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	65.6	42.3	33.8
P/B	8.8	4.3	3.2
P/CF	373.5	149.4	125.9
P/S	2.8	1.5	1.2

Entry Price	RM3.72
Market Cap (m)	RM6,582.2
52w high	RM4.80
52w low	RM3.05
Stop Loss	RM3.18
Immediate Support	RM3.53
Immediate Resistance	RM4.02 (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)	2,030,832.3

Ace Market

Industrial Products & Services
Subsector – Building Materials
Current Price: RM3.72
Target Price: RM4.09





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
28/11/2023	GentingM	4715	2.700	2.660	2.310	2.970	-0.746	-1.5	-
28/11/2023	Kelington	0151	1.750	2.070	1.500	1.930	8.947	18.3	TP Achieved
29/11/2023	AeonCredit	5139	5.780	5.620	4.940	6.360	-0.178	-2.8	-
29/11/2023	BAT	4162	9.350	9.190	7.990	10.290	-0.217	-1.7	-
30/11/2023	FarmFresh	5306	1.360	1.320	1.160	1.490	0.763	-2.9	-
30/11/2023	BAT	5000	2.060	2.180	1.760	2.270	0.000	5.8	-
1/12/2023	Infomina	0265	1.770	1.760	1.510	1.950	-1.676	-0.6	-
1/12/2023	Vitrox	0097	7.000	7.260	5.990	7.700	-0.275	3.7	-
4/12/2023	Nationgate	0270	1.360	1.540	1.160	1.490	-1.282	13.2	TP Achieved
4/12/2023	Kossan	7153	1.690	1.780	1.440	1.860	-1.111	5.3	-
5/12/2023	RCECapital	9296	2.760	2.980	2.360	3.040	1.361	8.0	-
5/12/2023	Aurelius	5302	2.740	2.630	2.340	3.010	-0.379	-4.0	-
6/12/2023	Vitrox	0097	7.040	7.260	6.019	7.744	-0.275	3.1	-
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	3.640	3.078	3.960	0.552	1.1	-
7/12/2023	Matrix	5236	1.680	1.650	1.436	1.848	0.610	-1.8	-
8/12/2023	Aurelius	5302	2.800	2.630	2.394	3.080	-0.379	-6.1	-
8/12/2023	GFM	0039	0.270	0.279	0.231	0.297	0.000	3.3	-
11/12/2023	RCECapital	9296	2.990	2.980	2.556	3.289	1.361	-0.3	-
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	5.650	4.805	6.182	1.073	0.5	-
12/12/2023	Unisem	5005	3.370	3.300	2.881	3.707	-2.367	-2.1	-
13/12/2023	SFPTECH	0251	1.020	0.945	0.872	1.122	0.000	-7.4	-
13/12/2023	Tropicana	5401	1.260	1.280	1.077	1.386	-3.030	1.6	-
14/12/2023	SWKPLNT	5135	2.170	2.090	1.855	2.387	0.000	-3.7	-
14/12/2023	YBS	0025	0.700	0.705	0.599	0.770	0.714	0.7	-
15/12/2023	UTDPLT	2089	17.200	18.060	14.706	18.920	0.333	5.0	-
15/12/2023	PMETAL	8869	4.930	4.820	4.215	5.423	0.000	-2.2	-
18/12/2023	GASMSIA	5209	3.230	3.200	2.762	3.553	0.000	-0.9	-
18/12/2023	SIME	4197	2.450	2.380	2.095	2.695	-0.833	-2.9	-
19/12/2023	WELLS	0271	0.685	0.705	0.586	0.754	0.714	2.9	-
19/12/2023	SLP	7248	0.930	N/A	0.795	1.023	N/A	N/A	-
20/12/2023	MCE	7004	2.320	2.600	1.984	2.552	-2.985	12.1	TP Achieved
20/12/2023	WCT	9679	0.510	0.500	0.436	0.561	2.041	-2.0	-
21/12/2023	MasterPack	7029	3.030	3.010	2.591	3.333	0.000	-0.7	-
21/12/2023	Kotra	0002	4.850	4.790	4.147	5.335	-1.237	-1.2	-
22/12/2023	SCGM	7247	0.580	0.575	0.496	0.638	-0.862	-0.9	-
22/12/2023	PTRB	0260	0.535	0.545	0.457	0.589	1.869	1.9	-
26/12/2023	KerjayaProspek	7161	1.540	1.540	1.320	1.690	3.356	0.0	-
26/12/2023	ChinHin	5273	3.720	3.720	3.180	4.092	4.789	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	1.77	0.22	12.43
MBM RESOURCES BHD	CONSUMER	4.31	0.46	10.70
YTL HOSPITALITY REIT	REITs	1.03	0.09	9.13
HEKTAR REITS	REITs	0.65	0.06	8.84
BERMAZ AUTO BERHAD	CONSUMER	2.45	0.21	8.61
TALIWORKS CORPORATION BHD	UTILITIES	0.82	0.07	8.29
AMWAY (M) HOLDINGS BHD	CONSUMER	5.60	0.46	8.21
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.19	0.74	8.08
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.	1.09	0.08	7.34
CAPITALAND MALAYSIA TRUST	REITs	0.56	0.04	7.32
RHB BANK	FINANCE	5.42	0.39	7.20

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	(2.7)	24.2	17.0	18.8	14.2	13.1
Finance	(1.5)	13.0	9.8	12.3	9.8	9.7
Property	34.1	25.1	7.4	11.5	10.9	#N/A N/A
Plantation	(0.7)	95.5	14.6	36.8	14.6	17.1
Consumer	(5.2)	22.5	14.7	21.5	14.7	15.1
Technology	(0.4)	48.6	22.5	28.1	32.3	24.5
Construction	24.3	36.8	15.5	19.0	15.5	11.8
Energy	5.5	8.8	-	-	8.8	9.3
Healthcare	8.7	36.1	25.0	30.5	25.0	32.9
Ind. Prod.	(5.0)	24.9	17.8	22.5	17.8	15.1
REIT	1.2	13.1	-	-	13.1	15.5
Telco	(3.4)	28.5	19.8	23.0	26.3	20.8

Source: Bloomberg



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