



# Daily Newswatch

## Market Review

The FBMKLCI continued its upward trend on Thursday as investors bargain-hunt activities continue following recent sell-offs. Market breadth was positive with 486 gainers and 404 losers. The technology sector was the top gainer increasing by +0.75%, while the energy sector was the top loser declining by -0.27%. MCE Holdings (7004) was the top gainer surging by RM0.36 or +14.2%. The FBMKLCI rose by +0.22% to 1,457.4.

## Economics

- **Oil prices decline** as disruptions in Red Sea transportation ease
- **November factory output in Japan** declines due to a decrease in automobile manufacturing

## Companies

- **Ni Hsin (7215)** transports 50 electric bikes to USM
- **ATech (5302)** boosting IoT framework diversity
- **Kim Loong (5027)** achieves increased net profit of RM47.97 mil in third quarter
- **Analabs' (7083)** 2Q net profit soars to RM13 mil on boosted manufacturing sales, declares 2.1 sen dividend

## Expresso for the Day

- **Technical Watch – PMBTech (7172)** Entry Price: RM2.62, Target Price: RM2.88, Stop Loss: RM2.24, Support: RM2.49, Resistance: RM2.67
- **Technical Watch – Ta Ann (5012)** Entry Price: RM3.70, Target Price: RM4.07, Stop Loss: RM3.16, Support: RM3.52, Resistance: RM3.80

Local	Close	(%)
FBMKLCI	1,457.4	0.22
Volume (mil)	4,238.6	28.70
Value (RM'mil)	2,394.5	15.96
Gainers	486	
Losers	404	
Unchanged	465	
Foreign	Close	(%)
Dow Jones	37,710.1	0.1
Nasdaq CI	15,095.1	(0.0)
S&P 500	4,783.4	0.0
FTSE 100	7,722.7	(0.0)
Nikkei 225	33,539.6	(0.4)
Shanghai CI	2,954.7	1.4
HSI	17,043.5	2.5
STI	3,214.4	1.4
Most Active	RM	Chg (RM)
PELIKAN	0.335	0.165
HONGSENG	0.025	0.005
SCABLE	0.400	0.010
VSOLAR	0.225	0.050
MINETEC	0.150	(0.005)
Top Gainer	RM	Chg (RM)
MCEHLDG	2.890	0.360
HLBANK	18.820	0.320
HEIM	24.120	0.220
PELIKAN	0.335	0.165
DLADY	22.800	0.160
Top Loser	RM	Chg (RM)
NESTLE	119.000	(2.400)
RAPID	28.940	(0.260)
ALLIANZ	18.240	(0.260)
F&N	28.100	(0.200)
CHINHIN	3.480	(0.180)
Other Stats	RM	(%)
USD/MYR	4.61	(0.46)
USD/RMB	7.11	(0.45)
Brent (USD/barrel)	78.39	(1.58)
Gold (USD/troy oz)	2,065.31	(0.59)
CPO (RM/metric t)	3,716.50	1.46

# Daily Newswatch

## Economics

**COMMODITY:** Oil prices declined by approximately 1% on Thursday due to reduced worries about disruptions in Red Sea shipping, despite ongoing tensions in the Middle East. Front-month Brent crude futures dropped to \$78.75 a barrel by 1141 GMT, while the more active March contract reached \$78.85 a barrel. U.S. WTI crude futures also decreased to \$73.31 a barrel. This fall follows a nearly 2% drop on Wednesday as major shipping companies started resuming routes in the Red Sea. Denmark's Maersk has decided to route most container vessels between Asia and Europe through the Suez Canal, diverting only a few around Africa. (Reuters)

**JAPAN:** In November, Japan's factory production dipped, affected by decreased automobile manufacturing, casting uncertainty over the export-oriented economy's future. The Ministry of Economy, Trade and Industry (METI) reported a 0.9% decline in industrial production compared to the previous month, which was slightly better than the anticipated 1.6% decrease in the market forecast. The decline was primarily driven by a 2.5% drop in motor vehicle production, attributed to slowdowns in small car and engine manufacturing. (Reuters)

## Companies

**Ni Hsin Group Bhd (7215)**, through its subsidiary Ni Hsin EV Tech Sdn Bhd, has handed 50 EBixon Bold electric motorcycles to Universiti Sains Malaysia (USM) on behalf of Dongguan Tailing Electric Vehicle Co Ltd. This delivery stems from a collaboration-cum-donation agreement signed on Oct 16, 2023, involving Ni Hsin EV Tech, USM, Focus Applied Technologies Sdn Bhd, and Dongguan Tailing EV. The aim is to promote electric mobility in Malaysia, specifically for two-wheelers, aligning with the United Nations Environment (Unep) Electric Mobility study spanning 2023-2024. (The Star)

**Aurelius Technologies Bhd (5302)**, commits to further technology infrastructure investments while navigating the volatile global market with caution. The electronic manufacturing services (EMS) provider aims to diversify its Internet of Things (IoT) infrastructure and selectively invest in automotive manufacturing to attract new customers and undertake electric vehicle component projects. As of December 11, 2023, ATech holds an order book of approximately RM473 million. In the quarter ending October 31, the company witnessed a 25% year-on-year revenue decrease to RM98.8 million. (The Star)

**Kim Loong Resources Bhd (5027)** anticipates a favourable performance in its 2024 financial year. The company predicts a 15% increase in fresh fruit bunch (FFB) production compared to the previous year, attributed to more mature replanted areas and improved productivity in young palm areas. The management expects to process 1.5 million tonnes of FFB in its palm oil milling operations for the current financial year. (The Star)

**Analabs Resources Bhd (7083)** doubled its net profit to RM13.04 million for the second quarter ending Oct 31, 2023 (2QFY2024) from RM5.51 million a year earlier. This growth was propelled by improved manufacturing practices, better cost management, and increased dividends from quoted share investments, leading to a rise in earnings per share to 11.97 sen from 5.06 sen in 2QFY2023. Quarterly revenue surged by 25.5% to RM44.87 million, primarily boosted by heightened sales of melamine-faced chipboards. (The Edge)

# PMB Technology Berhad

Bloomberg: PMBT MK | KLSE Stock Code: 7172

## Technical Watch

"BUY on Potential Reversal"

### Company Overview

PMB Technology Berhad is an investment holding company. The Company, through its subsidiaries, designs, fabricates and installs aluminum curtain wall, cladding system as well as manufactures and trades aluminum related products.

### Investment Highlights

On a downtrend, the stock is currently trading below the MA20. We think there is a potential reversal supported by three white soldiers with a rising momentum on the stock (RSI >45).

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 crossover moving forward.

### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	77.1	63.6	42.4
P/B	5.9	3.9	2.6
P/CF	59.5	45.3	30.7
P/S	4.1	3.0	1.7

Entry Price **RM2.62**

Market Cap (m) **RM4,246.7**

52w high **RM5.27**

52w low **RM2.44**

Stop Loss **RM2.24**

Immediate Support **RM2.49**

Immediate Resistance **RM2.67 (Previous high)**

Moving Average (EMA) **Bearish**

Moving Average (SMA) **Bearish**

Bollinger Bands (Long Run) **Less volatile over the long run**

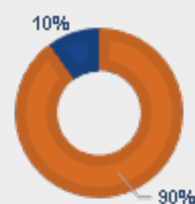
RSI **Rising momentum**

Volume (4-Weeks Average) **2,033,051.2**

### Main Market

Industrial Products & Services  
Subsector – Metals  
Current Price: RM2.62  
Target Price: RM2.88

Potential Upside



Bloomberg Analyst Ratings

Buy Hold Sell



# Ta Ann Holdings Berhad

Bloomberg: TAH MK | KLSE Stock Code: 5012

## Technical Watch

"BUY on Potential Upside"

### Company Overview

Ta Ann Holdings Berhad is an investment holding company. The Company, through its subsidiaries, manufactures and sells plywood, sawn timber, logs, and timber products. The Company also provides reforestation and plantation services.

### 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

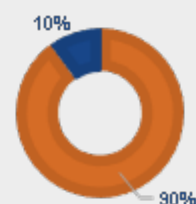
	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	5.8	8.6	8.5
P/B	0.9	0.7	0.8
P/CF	3.7	4.4	4.7
P/S	0.8	0.8	0.9

Entry Price	RM3.70
Market Cap (m)	RM1,629.7
52w high	RM3.93
52w low	RM3.03
Stop Loss	RM3.16
Immediate Support	RM3.52
Immediate Resistance	RM3.80 (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)	423,750.0

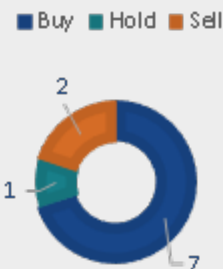
### Main Market

Plantation  
Subsector – Plantation  
Current Price: RM3.70  
Target Price: RM4.07

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
1/12/2023	Infomina	0265	1.770	1.670	1.510	1.950	-2.907	-5.6	-
1/12/2023	Vitrox	0097	7.000	7.300	5.990	7.700	0.440	4.3	-
4/12/2023	Nationgate	0270	1.360	1.510	1.160	1.490	-1.307	11.0	TP Achieved
4/12/2023	Kossan	7153	1.690	1.840	1.440	1.860	-0.541	8.9	-
5/12/2023	RCECapital	9296	2.760	3.070	2.360	3.040	0.656	11.2	TP Achieved
5/12/2023	Aurelius	5302	2.740	2.580	2.340	3.010	-1.149	-5.8	-
6/12/2023	Vitrox	0097	7.040	7.300	6.019	7.744	0.440	3.7	-
6/12/2023	WellCall	7231	1.700	1.700	1.454	1.870	0.000	0.0	-
7/12/2023	D&O	7204	3.600	3.680	3.078	3.960	0.822	2.2	-
7/12/2023	Matrix	5236	1.680	1.650	1.436	1.848	0.610	-1.8	-
8/12/2023	Aurelius	5302	2.800	2.580	2.394	3.080	-1.149	-7.9	-
8/12/2023	GFM	0039	0.270	0.270	0.231	0.297	0.000	0.0	-
11/12/2023	RCECapital	9296	2.990	3.070	2.556	3.289	0.656	2.7	-
11/12/2023	Thong Guan	7034	1.890	1.890	1.616	2.079	-0.526	0.0	-
12/12/2023	GenP	2291	5.620	5.620	4.805	6.182	0.000	0.0	-
12/12/2023	Unisem	5005	3.370	3.320	2.881	3.707	1.840	-1.5	-
13/12/2023	SFPTECH	0251	1.020	0.965	0.872	1.122	4.324	-5.4	-
13/12/2023	Tropicana	5401	1.260	1.280	1.077	1.386	0.787	1.6	-
14/12/2023	SWKPLNT	5135	2.170	2.120	1.855	2.387	0.952	-2.3	-
14/12/2023	YBS	0025	0.700	0.690	0.599	0.770	-0.719	-1.4	-
15/12/2023	UTDPLT	2089	17.200	17.860	14.706	18.920	-0.778	3.8	-
15/12/2023	PMETAL	8869	4.930	4.810	4.215	5.423	0.208	-2.4	-
18/12/2023	GASMSIA	5209	3.230	3.230	2.762	3.553	0.311	0.0	-
18/12/2023	SIME	4197	2.450	2.370	2.095	2.695	0.000	-3.3	-
19/12/2023	WELLS	0271	0.685	0.670	0.586	0.754	-3.597	-2.2	-
19/12/2023	SLP	7248	0.930	0.895	0.795	1.023	0.000	-3.8	-
20/12/2023	MCE	7004	2.320	2.890	1.984	2.552	14.229	24.6	TP Achieved
20/12/2023	WCT	9679	0.510	0.500	0.436	0.561	0.000	-2.0	-
21/12/2023	MasterPack	7029	3.030	3.050	2.591	3.333	0.660	0.7	-
21/12/2023	Kotra	0002	4.850	4.750	4.147	5.335	0.000	-2.1	-
22/12/2023	SCGM	7247	0.580	0.580	0.496	0.638	0.870	0.0	-
22/12/2023	PTRB	0260	0.535	0.530	0.457	0.589	0.000	-0.9	-
26/12/2023	KerjayaProspek	7161	1.540	1.530	1.320	1.690	-0.649	-0.6	-
26/12/2023	ChinHin	5273	3.720	3.480	3.180	4.092	-4.918	-6.5	-
27/12/2023	Padini	7052	3.560	3.500	3.040	3.920	-0.850	-1.7	-
27/12/2023	Kelington	0151	2.150	2.150	1.840	2.370	0.000	0.0	-
28/12/2023	MAXIS	6012	3.900	3.860	3.330	4.290	-1.026	-1.0	-
28/12/2023	PETDAG	5681	22.060	21.920	18.860	24.270	-0.635	-0.6	-
29/12/2023	PMBTech	7172	2.620	2.620	2.240	2.882	1.946	0.0	-
29/12/2023	TaAnnHoldings	5012	3.700	3.700	3.160	4.070	1.648	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.34	0.73	13.61
UOA DEVELOPMENT BERHAD	PROPERTY	1.74	0.22	12.64
MBM RESOURCES BHD	CONSUMER	4.26	0.46	10.82
YTL HOSPITALITY REIT	REITs	1.04	0.09	9.04
BERMAZ AUTO BERHAD	CONSUMER	2.39	0.21	8.83
HEKTAR REITS	REITs	0.65	0.06	8.77
TALIWORKS CORPORATION BHD	UTILITIES	0.82	0.07	8.29
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.25	0.74	8.03
AMWAY (M) HOLDINGS BHD	CONSUMER	5.75	0.46	8.00
SENTRAL REIT	REITs	0.79	0.06	7.90
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
UOA REITS	REITs	1.11	0.09	7.75
CAPITALAND MALAYSIA TRUST	REITs	0.57	0.04	7.26
SPORTS TOTO BERHAD	CONSUMER	1.49	0.11	7.18
RHB BANK	FINANCE	5.46	0.39	7.14

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	13.1
Finance	(1.2)	13.0	9.8	12.3	9.8	9.7
Property	34.8	25.1	7.4	11.6	11.0	N/A
Plantation	(1.0)	95.5	14.5	36.8	14.5	17.0
Consumer	(5.2)	22.5	14.7	21.5	14.7	15.0
Technology	0.1	48.6	22.5	28.1	32.5	24.6
Construction	25.4	36.8	15.6	19.1	15.6	11.9
Energy	5.6	8.8	-	-	8.8	9.4
Healthcare	9.6	36.1	25.2	30.6	25.2	32.8
Ind. Prod.	(4.9)	24.9	17.8	22.5	17.8	15.0
REIT	1.3	13.1	-	-	13.1	15.5
Telco	(2.9)	28.5	19.8	23.1	26.4	20.9

Source: Bloomberg

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## Published & Printed By:

MERCURY SECURITIES SDN BHD  
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