

# Daily Newswatch

## Market Review

The FBMKLCI on Wednesday snapped its five-day streak to decline on the back of profit-taking activities on selected stocks in the utilities and financial services sector. Market breadth was negative with 359 gainers and 588 losers. The energy sector was the top gainer increasing by +0.67%, while the health care sector was the top loser declining by -1.56%. NESTLE (4707) was the top gainer surging by RM1.00 or +0.8%. The FBMKLCI declined by -0.80% to 1,486.86.

## Economics

- Asia's **vehicle sales growth** expected to moderate in 2024, with robust EV adoption – BMI
- **Malaysia's unemployment rate** returns to pre-pandemic level in November - DOSM

## Companies

- **Chin Hin (7187)** purchases Penang land for RM40mil
- **Hextar Capital (0035)** diversifies with Transgrid acquisition in power EPCC
- **Nestcon (0235)** wins RM108mil construction contract with Exsim Avenue
- **Leader Steel (9881)** subsidiary accepts RM42mil as compensation for Klang land

## Expresso for the Day

- **Technical Watch – QL Resources (7084)** Entry Price: RM5.88, Target Price: RM6.47, Stop Loss: RM5.03, Support: RM5.59, Resistance: RM5.88
- **Technical Watch – Heitech Padu (5028)** Entry Price: RM1.13, Target Price: RM1.24, Stop Loss: RM0.97, Support: RM1.07, Resistance: RM1.13

Local	Close	(%)
FBMKLCI	1,486.9	(0.80)
Volume (mil)	4,968.2	(22.90)
Value (RM'mil)	2,840.4	(24.58)
Gainers	359	
Losers	588	
Unchanged	497	

Foreign	Close	(%)
Dow Jones	37,525.2	(0.4)
Nasdaq CI	14,857.7	0.1
S&P 500	4,756.5	(0.1)
FTSE 100	7,684.0	(0.1)
Nikkei 225	33,763.2	1.2
Shanghai CI	2,893.3	0.2
HSI	16,190.0	(0.2)
STI	3,198.0	0.3

Most Active	RM	Chg (RM)
HONGSENG	0.020	(0.005)
MINETEC	0.225	(0.010)
TWL	0.050	0.005
FINTEC	0.015	0.000
PMHLDG	0.140	(0.010)

Top Gainers	RM	Chg (RM)
NESTLE	120.000	1.000
ALLIANZ	19.200	0.500
YNHPROP	3.670	0.370
HUMEIND	2.670	0.190
PETDAG	21.100	0.160

Top Losers	RM	Chg (RM)
RAPID	16.380	(7.020)
BLDPLNT	10.000	(1.000)
IMASPRO	2.500	(0.980)
MPI	28.000	(0.280)
HLBANK	18.900	(0.280)

Other Stats	RM	(%)
USD/MYR	4.64	(0.01)
USD/RMB	7.17	0.06
Brent (USD/barrel)	76.78	(1.04)
Gold (USD/troy oz)	2,024.41	(0.29)
CPO (RM/metric t)	3,708.50	0.58

# Daily Newswatch

## Economics

**ASIA: Asian vehicle sales are predicted to have a 2.3% YoY increase** in 2024, down from the estimated 5.4% growth in 2023 according to BMI, a Fitch Solutions company. The moderation is attributed to stabilized or slightly increased vehicle financing costs, coupled with improved disposable incomes and a growing electric vehicle (EV) market. Cambodia, Sri Lanka, and Afghanistan are expected to see strong sales growth, while Malaysia, China, and Pakistan may experience more modest growth rates. BMI anticipates a continuous YoY growth of 13.1% in EV sales across Asia in 2024, reflecting a shift in consumer preferences and a commitment to sustainability. The EV penetration rate is projected to reach 23.3% in the region. (The Edge)

**MALAYSIA:** The Department of Statistics Malaysia reports a positive economic outlook in November, as **the country's unemployment rate returns to pre-pandemic levels at 3.3%**, down from October's 3.4%. With 569,000 unemployed individuals, the labor force expands by 0.2% to 17 million, indicating continuous growth in employed persons and a decline in unemployment. Sectors such as information and communications, food and beverage services, and transportation show employment increases, contributing to a 0.2% rise in the number of employed persons to 16.43 million. Actively unemployed individuals seeking jobs decrease by 0.6% to 454,500, with Malaysia's diversified economic structure and strong fundamentals contributing to stable growth. Despite challenges, including the 2023 floods, the labor market is expected to remain robust, aligning with the nation's economic performance, with the upcoming holiday season likely to further stimulate the economy, particularly in tourism activities. (The Edge)

## Companies

**Chin Hin Group Property Bhd (7187)** is set to acquire roughly 1.218 acres of freehold land in Penang Times Square from Ivory Gleneary Sdn Bhd for RM40 million. This acquisition aligns with CHGP's overarching strategy to secure new land and grow its property development sector. The move is seen as advantageous for CHGP, resonating with their plans to bolster property development while expanding their footprint into Penang, marking a strategic diversification for the group. (The Star)

**Hextar Capital Bhd (0035)** (formerly known as Opcom Bhd) has finalized the purchase of a 49% stake in Transgrid Ventures Sdn Bhd, a power industry engineering, procurement, construction, and commissioning (EPCC) firm. This acquisition, conducted through a cash and share transaction, signifies Hextar Capital's expansion into the power generation and transmission sector. Transgrid Ventures has a strong track record in developing electricity switching stations and substations. (The Edge)

**Nestcon Bhd (0235)** secures a RM108 million construction contract from Exsim Avenue Sdn Bhd for a mixed commercial development. Through its wholly-owned subsidiary, Nestcon Builders Sdn Bhd, they accepted the award to undertake main building works for a 37-storey mixed commercial complex, including retail shops, 220 strata office units, 126 service apartments, parking, and associated facilities. The contract mandates completion within 39 months, starting on Jan 15, with a scheduled project completion date set for April 14, 2027. (The Edge)

**Leader Steel Holdings Bhd (9881)'s** subsidiary, Ferronet Asia Sdn Bhd, has agreed to compensation terms set by the Klang Land Office through a compulsory acquisition of 28,903 square meters of land in Klang, valued at RM42.56 million. This acquisition, mandated under the Land Acquisition Act 1960, followed the receipt of Form H and will involve settling the land's current financial encumbrance with a portion of the compensation. The remaining funds are allocated for future business growth, operational capital, and debt settlement. The compensation package encompasses severance damages and income loss. (The Edge)

# QL Resources Berhad

Bloomberg: QLG MK | KLSE Stock Code: 7084

## Technical Watch

“BUY on Potential Upside”

### Company Overview

QL Resources Berhad is an investment holding company. Through its subsidiaries, the Company manufactures and sells fishmeal, surimi, and surimi-based products, distributes animal feed raw materials, animal health products, and layer farming, and cultivates oil palm and crude palm oil milling.

### 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.

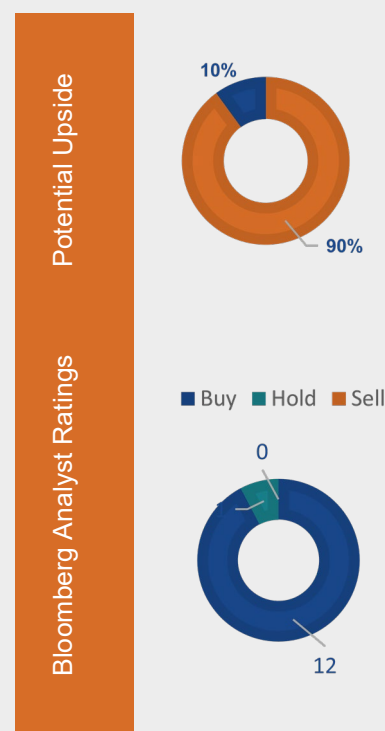
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	42.5	48.1	39.3
P/B	4.9	5.6	4.5
P/CF	22.9	26.5	26.6
P/S	2.2	2.7	2.4

Entry Price	<b>RM5.88</b>
Market Cap (m)	RM14,309.9
52w high	<b>RM6.09</b>
52w low	<b>RM5.23</b>
Stop Loss	RM5.03
Immediate Support	RM5.59
Immediate Resistance	RM5.88 (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)	1,609,237.8

### Main Market

Consumer Products & Services  
Subsector – Agriculture Product  
Current Price: RM5.88  
Target Price: RM6.47



# Heitech Padu Berhad

Bloomberg: HEIT MK | KLSE Stock Code: 5028

## Technical Watch

“BUY on Potential Upside”

### Company Overview

HeiTech Padu Berhad provides total business solutions in IT which includes system integration, data center management, network related services, and disaster recovery services. The Company, through its subsidiaries, also develops software, manages and maintains property, and develops centralized parts price database for the Malaysian insurance industry.

### 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 > 75).

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.

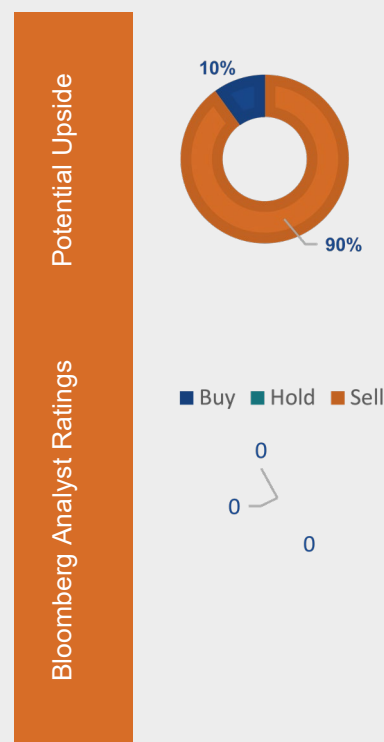
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	N/A	16.4	16.8
P/B	0.9	1.0	0.7
P/CF	14.2	10.9	7.9
P/S	0.3	0.3	0.2

Entry Price	<b>RM1.13</b>
Market Cap (m)	RM114.4
52w high	<b>RM1.16</b>
52w low	<b>RM0.57</b>
Stop Loss	RM0.97
Immediate Support	RM1.07
Immediate Resistance	RM1.13 (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)	46,602.6

### Main Market

Technology  
 Subsector – Digital Services  
 Current Price: RM1.13  
 Target Price: RM1.24





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
13/12/2023	SFPTech	0251	1.020	0.915	0.872	1.122	-0.543	-10.3	SL Triggered
13/12/2023	Tropicana	5401	1.260	1.220	1.077	1.386	-1.613	-3.2	-
14/12/2023	SWKPLNT	5135	2.170	2.100	1.855	2.387	-0.474	-3.2	-
14/12/2023	YBS	0025	0.700	0.765	0.599	0.770	0.658	9.3	-
15/12/2023	UTDPLT	2089	17.200	18.520	14.706	18.920	0.108	7.7	-
15/12/2023	PMETAL	8869	4.930	4.900	4.215	5.423	0.616	-0.6	-
18/12/2023	GASMSIA	5209	3.230	3.320	2.762	3.553	0.606	2.8	-
18/12/2023	SIME	4197	2.450	2.430	2.095	2.695	0.413	-0.8	-
19/12/2023	WELLS	0271	0.685	0.685	0.586	0.754	-0.725	0.0	-
19/12/2023	SLP	7248	0.930	0.950	0.795	1.023	0.000	2.2	-
20/12/2023	MCE	7004	2.320	1.800	1.984	2.552	4.046	-22.4	TP Achieved
20/12/2023	WCT	9679	0.510	0.525	0.436	0.561	0.000	2.9	-
21/12/2023	MasterPack	7029	3.030	3.230	2.591	3.333	-0.309	6.6	-
21/12/2023	Kotra	0002	4.850	4.760	4.147	5.335	-1.856	-1.9	-
22/12/2023	SCGM	7247	0.580	0.590	0.496	0.638	1.724	1.7	-
22/12/2023	PTRB	0260	0.535	0.560	0.457	0.589	0.901	4.7	-
26/12/2023	KerjayaProspek	7161	1.540	1.660	1.320	1.690	0.000	7.8	-
26/12/2023	ChinHin	5273	3.720	3.450	3.180	4.092	0.000	-7.3	-
27/12/2023	Padini	7052	3.560	3.590	3.040	3.920	-1.644	0.8	-
27/12/2023	Kelington	0151	2.150	2.340	1.840	2.370	0.000	8.8	-
28/12/2023	MAXIS	6012	3.900	3.860	3.330	4.290	-0.258	-1.0	-
28/12/2023	PETDAG	5681	22.060	21.100	18.860	24.270	0.764	-4.4	-
29/12/2023	PMBTech	7172	2.620	3.060	2.240	2.882	-0.326	16.8	TP Achieved
29/12/2023	TaAnnHoldings	5012	3.700	3.500	3.160	4.070	0.000	-5.4	-
2/1/2024	TimeDotCom	5031	5.400	5.430	4.620	5.940	0.370	0.6	-
2/1/2024	PBA	5041	1.460	1.750	1.250	1.610	2.941	19.9	TP Achieved
3/1/2024	DutchLady	3026	24.000	23.700	20.520	26.400	0.254	-1.3	-
3/1/2024	PMBTech	7172	2.990	3.060	2.560	3.290	-0.326	2.3	-
4/1/2024	Hartalega	5168	2.880	2.910	2.460	3.170	-3.322	1.0	-
4/1/2024	Ranhill	5272	1.030	1.100	0.880	1.130	1.852	6.8	TP Achieved
5/1/2024	TeoSeng	7252	1.740	1.890	1.490	1.910	4.420	8.6	-
5/1/2024	Hume	5000	2.460	2.670	2.100	2.710	7.661	8.5	-
8/1/2024	TNB	5347	10.500	10.480	8.960	11.550	-0.758	-0.2	-
8/1/2024	IJM	3336	2.080	2.050	1.780	2.288	-1.914	-1.4	-
9/1/2024	HengYuan	4324	3.300	3.170	2.820	3.690	-0.938	-3.9	-
9/1/2024	Kelington	0151	2.350	2.340	2.010	2.585	0.000	-0.4	-
10/1/2024	Telekom	4863	5.740	5.700	4.910	6.310	-0.697	-0.7	-
10/1/2024	GentingP	2291	5.890	6.010	5.040	6.480	2.037	2.0	-
11/1/2024	QL Resources	7084	5.880	5.880	5.030	6.470	0.858	0.0	-
11/1/2024	HeitechPadu	5028	1.130	1.130	0.970	1.240	7.619	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.43	0.73	13.39
UOA DEVELOPMENT BERHAD	PROPERTY	1.77	0.22	12.43
MBM RESOURCES BHD	CONSUMER	4.30	0.46	10.72
HEKTAR REITS	REITs	0.66	0.06	8.70
YTL HOSPITALITY REIT	REITs	1.09	0.09	8.62
BERMAZ AUTO BERHAD	CONSUMER	2.39	0.20	8.54
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.14	0.74	8.13
TALIWORKS CORPORATION BHD	UTILITIES	0.85	0.07	8.05
SENTRAL REIT	REITs	0.79	0.06	7.85
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
UOA REITS	REITs	1.11	0.09	7.75
AMWAY (M) HOLDINGS BHD	CONSUMER	6.14	0.46	7.49
CAPITALAND MALAYSIA TRUST	REITs	0.58	0.04	7.13
SPORTS TOTO BERHAD	CONSUMER	1.52	0.11	7.04
RHB BANK	FINANCE	5.52	0.39	7.03

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	2.2	24.2	14.8	18.0	14.5	13.3
Finance	1.5	13.0	10.0	11.9	10.0	9.9
Property	4.0	25.2	10.6	15.7	11.4	N/A
Plantation	0.8	95.5	9.7	31.0	14.6	17.0
Consumer	1.9	22.5	14.9	18.8	14.9	15.0
Technology	0.7	46.1	23.0	31.9	32.7	24.4
Construction	7.3	34.6	16.8	25.4	16.8	12.6
Energy	4.0	11.5	9.2	10.4	9.2	9.5
Healthcare	3.6	36.1	5.1	24.6	26.0	32.6
Ind. Prod.	2.0	24.9	12.7	18.3	18.1	15.3
REIT	1.5	29.5	13.3	19.2	13.3	15.7
Telco	1.9	31.0	19.8	26.4	26.8	21.0

Source: Bloomberg



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