

# Daily Newswatch

## Market Review

The FBMKLCI on Thursday fell marginally lower ahead of release of US CPI data yesterday. Market breadth was negative with 406 gainers and 568 losers. The energy sector was the top gainer increasing by +1.46%, while the property sector was the top loser declining by -0.92%. BLDPLNT (5069) was the top gainer surging by RM0.98 or +9.8%. The FBMKLCI declined by -0.26% to 1,483.00.

## Economics

- **Gold ascends as the dollar weakens**, attention shifts to US inflation data
- **China REITs** reach historic lows amid prolonged economic uncertainty

## Companies

- **Hume Cement (5000)** to dispose land in Penang for RM39.8mil
- **Atlan Holdings (7048)** reports 9.5% YoY increase in net profit for 3Q24
- **Warisan TC (5016)** appointed exclusive distributor for GAC AION's EV in Malaysia
- **Life Water** seeks Main Market listing

## Expresso for the Day

- **Technical Watch – Genting Plantations (2291)** Entry Price: RM6.30, Target Price: RM6.93, Stop Loss: RM5.39, Support: RM5.99, Resistance: RM6.44
- **Technical Watch – Frontken (0128)** Entry Price: RM3.58, Target Price: RM3.94, Stop Loss: RM3.06, Support: RM3.40, Resistance: RM3.58

Local	Close	(%)
FBMKLCI	1,483.0	(0.26)
Volume (mil)	4,637.5	(6.66)
Value (RM'mil)	3,004.5	5.78
Gainers	406	
Losers	568	
Unchanged	447	

Foreign	Close	(%)
Dow Jones	37,711.0	0.0
Nasdaq CI	14,970.2	0.0
S&P 500	4,780.2	(0.1)
FTSE 100	7,576.6	(1.0)
Nikkei 225	35,049.9	1.8
Shanghai CI	2,886.7	0.3
HSI	16,302.0	1.3
STI	3,201.4	0.7

Most Active	RM	Chg (RM)
HONGSENG	0.020	0.000
TWL	0.040	(0.010)
MINETEC	0.220	(0.005)
SCIB	1.120	0.040
VELESTO	0.490	0.000

Top Gainers	RM	Chg (RM)
BLDPLNT	10.980	0.980
HEIM	24.200	0.480
GENP	6.300	0.290
FRONTKN	3.580	0.270
MAGNA	0.760	0.260

Top Losers	RM	Chg (RM)
RAPID	11.500	(4.880)
YNHPROP	2.720	(0.950)
IMASPRO	1.990	(0.510)
NESTLE	119.800	(0.200)
GENTING	4.680	(0.190)

Other Stats	RM	(%)
USD/MYR	4.64	0.04
USD/RMB	7.17	(0.08)
Brent (USD/barrel)	77.41	0.79
Gold (USD/troy oz)	2,035.05	0.22
CPO (RM/metric t)	3,759.00	1.36

# Daily Newswatch

## Economics

**COMMODITY: Gold prices rose on Thursday, supported by a weakened dollar**, while financial markets anticipated a crucial U.S. inflation report later in the day to gauge the Federal Reserve's policy direction for the year. As of 1206 GMT, spot gold increased by 0.5% to \$2,033.70 per ounce, and U.S. gold futures saw a 0.6% rise to \$2,038.90. Saxo Bank's Head of Commodity Strategy, Ole Hansen, noted, "Gold remains range-bound ahead of the U.S. CPI print with key support around \$2010, while a break above \$2045 is needed to offer fresh momentum. (Reuters)

**CHINA: China's real estate investment products are experiencing a continued decline, following last year's downturn**, as investors become less optimistic about an economic recovery and property assets such as industrial parks and logistics hubs. Chinese real estate investment trusts (REITs), which issue shares to investors backed by a portfolio of real estate holdings, have reached consecutive lows in the early days of 2024. After a 28% decline in 2023, the CSI REITs Index has fallen an additional 6.4% this year through an unusual seven-day losing streak. This downward trend is attributed to one REITs manager disclosing cuts in warehouse rental prices and broader concerns about decreasing yields. (Reuters)

## Companies

**Hume Cement Industries Bhd (5000)** has agreed to the proposed sale of a parcel of land with buildings in Prai Industrial Estate, Penang, to Skygate Technology (KL) Sdn Bhd for RM39.8 million. The acceptance of the offer was made through HCIB's wholly-owned subsidiary, Hume Concrete Sdn Bhd. The deal is anticipated to result in a net gain of RM32 million for HCIB from the sale, according to the filing with Bursa Malaysia. (The Edge)

**Atlan Holdings Bhd (7048)** reported a 9.45% increase in net profit to RM6.5 million in the third quarter, with revenue rising by 19.1% to RM117.2 million. For the first nine months of FY24, Atlan posted a net profit of RM15.3 million on revenue of RM324.9 million. The company remains committed to improving operational efficiency through cost controls and strategic planning. Atlan declared a second interim dividend of 4.0 sen per share for FY24, amounting to RM10.15 million, with the book closure date on Jan 31 and payment scheduled for Feb 22. (The Edge)

**Warisan TC Holdings Bhd's (5016)** subsidiary, WTC Automotif (M) Sdn Bhd (WTCA), has been named the sole and exclusive distributor for electric vehicles (EV) by Chinese car manufacturer GAC AION New Energy Automobile Company Ltd. Under the three-year agreement, WTCA will handle the import, distribution, sales, after-sale services, and spare parts and accessories for GAC AION's EV cars in Malaysia. The deal offers Warisan an opportunity to diversify its business activities by entering the EV sector. (The Edge)

Sabah-based **Life Water Bhd**, a manufacturer of drinking water and carbonated drinks, has submitted its IPO prospectus to the Securities Commission Malaysia. The IPO comprises 125.95 million shares, with 28.39 million as an offer for sale of existing shares and 97.56 million as a public issue. The company, known for its own brands and private label manufacturing, plans to utilize the IPO funds for capital expansion, including a new manufacturing plant and enhancements to existing facilities. Financially, Life Water reported a profit after tax of RM20.62 million for FY2023, reflecting steady growth in revenue. MIDF is the principal adviser, underwriter, and placement agent for the IPO. (The Edge)

# Genting Plantations Berhad

Bloomberg: GENP MK | KLSE Stock Code: 2291

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Genting Plantations Berhad is an investment holding company which operates plantations. The Company, through its subsidiaries, also develops and invests in properties, processes fresh fruit bunches, trades rubber wood, provides palm oil mill management services, and operates golf course.

### 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.

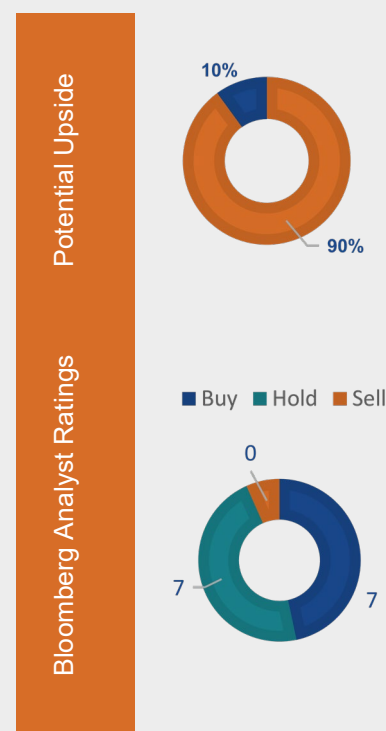
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	14.2	31.4	27.8
P/B	1.1	1.3	1.5
P/CF	7.5	21.2	20.2
P/S	1.7	2.6	3.4

Entry Price	<b>RM6.30</b>
Market Cap (m)	RM5,652.1
52w high	<b>RM6.36</b>
52w low	<b>RM5.11</b>
Stop Loss	RM5.39
Immediate Support	RM5.99
Immediate Resistance	RM6.44 (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)	256,056.1

### Main Market

Plantation  
 Subsector – Plantation  
 Current Price: RM6.30  
 Target Price: RM6.93



# Frontken Corporation Bhd

Bloomberg: FRCB MK | KLSE Stock Code: 0128

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Frontken Corporation Bhd. provides surface metamorphosis technology with thermal spray coating processes.

### 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 >80).

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.

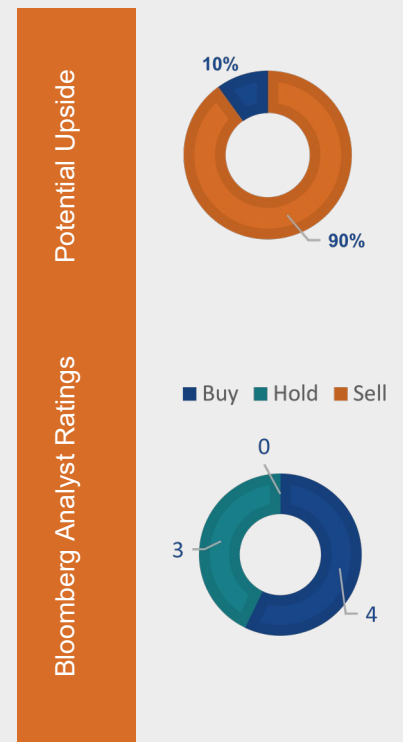
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	40.3	40.2	31.0
P/B	8.6	7.8	4.4
P/CF	29.7	28.1	16.8
P/S	8.7	8.5	4.7

Entry Price	<b>RM3.58</b>
Market Cap (m)	RM5,631.0
<b>52w high</b>	<b>RM3.60</b>
<b>52w low</b>	<b>RM2.76</b>
Stop Loss	RM3.06
Immediate Support	RM3.40
Immediate Resistance	RM3.58 (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)	2,297,674.3

### Main Market

Technology  
 Subsector – Semiconductors  
 Current Price: RM3.58  
 Target Price: RM3.94





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
14/12/2023	SWKPLNT	5135	2.170	2.120	1.855	2.387	0.952	-2.3	-
14/12/2023	YBS	0025	0.700	0.775	0.599	0.770	1.307	10.7	TP Achieved
15/12/2023	UTDPLT	2089	17.200	18.520	14.706	18.920	0.000	7.7	-
15/12/2023	PMETAL	8869	4.930	4.820	4.215	5.423	-1.633	-2.2	-
18/12/2023	GASMSIA	5209	3.230	3.310	2.762	3.553	-0.301	2.5	-
18/12/2023	SIME	4197	2.450	2.430	2.095	2.695	0.000	-0.8	-
19/12/2023	WELLS	0271	0.685	0.680	0.586	0.754	-0.730	-0.7	-
19/12/2023	SLP	7248	0.930	0.950	0.795	1.023	0.000	2.2	-
20/12/2023	MCE	7004	2.320	1.400	1.984	2.552	-22.222	-39.7	TP Achieved
20/12/2023	WCT	9679	0.510	0.515	0.436	0.561	-1.905	1.0	-
21/12/2023	MasterPack	7029	3.030	3.220	2.591	3.333	-0.310	6.3	-
21/12/2023	Kotra	0002	4.850	4.780	4.147	5.335	0.420	-1.4	-
22/12/2023	SCGM	7247	0.580	0.600	0.496	0.638	1.695	3.4	-
22/12/2023	PTRB	0260	0.535	0.555	0.457	0.589	-0.893	3.7	-
26/12/2023	KerjayaProspek	7161	1.540	1.690	1.320	1.690	1.807	9.7	-
26/12/2023	ChinHin	5273	3.720	3.460	3.180	4.092	0.290	-7.0	-
27/12/2023	Padini	7052	3.560	3.600	3.040	3.920	0.279	1.1	-
27/12/2023	Kelington	0151	2.150	2.260	1.840	2.370	-3.419	5.1	-
28/12/2023	MAXIS	6012	3.900	3.830	3.330	4.290	-0.777	-1.8	-
28/12/2023	PETDAG	5681	22.060	21.100	18.860	24.270	0.000	-4.4	-
29/12/2023	PMBTech	7172	2.620	3.030	2.240	2.882	-0.980	15.6	TP Achieved
29/12/2023	TaAnnHoldings	5012	3.700	3.610	3.160	4.070	3.143	-2.4	-
2/1/2024	TimeDotCom	5031	5.400	5.470	4.620	5.940	0.737	1.3	-
2/1/2024	PBA	5041	1.460	1.710	1.250	1.610	-2.286	17.1	TP Achieved
3/1/2024	DutchLady	3026	24.000	23.880	20.520	26.400	0.759	-0.5	-
3/1/2024	PMBTech	7172	2.990	3.030	2.560	3.290	-0.980	1.3	-
4/1/2024	Hartalega	5168	2.880	2.920	2.460	3.170	0.344	1.4	-
4/1/2024	Ranhill	5272	1.030	1.060	0.880	1.130	-3.636	2.9	TP Achieved
5/1/2024	TeoSeng	7252	1.740	1.880	1.490	1.910	-0.529	8.0	-
5/1/2024	Hume	5000	2.460	2.650	2.100	2.710	-0.749	7.7	-
8/1/2024	TNB	5347	10.500	10.440	8.960	11.550	-0.382	-0.6	-
8/1/2024	IJM	3336	2.080	2.110	1.780	2.288	2.927	1.4	-
9/1/2024	HengYuan	4324	3.300	3.130	2.820	3.690	-1.262	-5.2	-
9/1/2024	Kelington	0151	2.350	2.260	2.010	2.585	-3.419	-3.8	-
10/1/2024	Telekom	4863	5.740	5.750	4.910	6.310	0.877	0.2	-
10/1/2024	GenP	2291	5.890	6.300	5.040	6.480	4.825	7.0	-
11/1/2024	QL Resources	7084	5.880	5.900	5.030	6.470	0.340	0.3	-
11/1/2024	HeitechPadu	5028	1.130	1.150	0.970	1.240	1.770	1.8	-
12/1/2024	GenP	2291	6.300	6.300	5.390	6.930	4.825	0.0	-
12/1/2024	Frontken	0128	3.580	3.580	3.060	3.940	8.157	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
<b>TIME DOTCOM HOLDINGS BERHAD</b>	TELCO	5.47	0.73	13.29
<b>UOA DEVELOPMENT BERHAD</b>	PROPERTY	1.78	0.22	12.36
<b>MBM RESOURCES BHD</b>	CONSUMER	4.30	0.46	10.72
<b>YTL HOSPITALITY REIT</b>	REITs	1.08	0.09	8.70
<b>HEKTAR REITS</b>	REITs	0.66	0.06	8.70
<b>BERMAZ AUTO BERHAD</b>	CONSUMER	2.38	0.20	8.61
<b>BRITISH AMERICAN TOBACCO (M)</b>	CONSUMER	9.12	0.74	8.15
<b>TALIWORKS CORPORATION BHD</b>	UTILITIES	0.84	0.07	8.10
<b>SENTRAL REIT</b>	REITs	0.79	0.06	7.85
<b>KIP REAL ESTATE INVESTMENT TRUST</b>	REITs	0.90	0.07	7.78
<b>UOA REITS</b>	REITs	1.11	0.09	7.75
<b>AMWAY (M) HOLDINGS BHD</b>	CONSUMER	6.20	0.46	7.42
<b>SPORTS TOTO BERHAD</b>	CONSUMER	1.51	0.11	7.09
<b>RHB BANK</b>	FINANCE	5.49	0.39	7.07
<b>MALAYAN BANKING</b>	FINANCE	9.00	0.60	6.66

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	2.0	24.2	14.8	18.0	14.5	13.3
Finance	1.4	13.0	10.0	11.9	10.0	9.9
Property	2.6	25.2	10.6	15.7	11.4	N/A
Plantation	1.7	95.5	9.7	31.0	14.6	17.0
Consumer	1.4	22.5	14.9	18.8	14.9	15.0
Technology	1.2	46.1	23.0	31.9	32.7	24.4
Construction	7.8	34.6	16.8	25.4	16.8	12.6
Energy	5.3	11.5	9.2	10.4	9.2	9.5
Healthcare	3.8	36.1	5.1	24.6	26.0	32.6
Ind. Prod.	1.2	24.9	12.7	18.3	18.1	15.3
REIT	1.7	29.5	13.3	19.2	13.3	15.7
Telco	1.3	31.0	19.8	26.4	26.8	21.0

Source: Bloomberg

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