

# Daily Newswatch

## Market Review

The FBMKLCI maintained its positive momentum on Monday, concluding higher with widespread buying support. Market breadth was positive with 575 gainers and 456 losers. The property sector was the top gainer increasing by +2.59%, while the health care sector was the top loser declining by -0.88%. SBAGAN (2569) was the top gainer surging by RM0.46 or +10.13%. The FBMKLCI rose by +0.93% to 1,501.11.

## Economics

- **Gold** climbs on safe-haven demand and rate cut expectations, sustaining elevated prices
- **China's 2024 growth** forecast at 4.6%, intensifying pressure on policymakers

## Companies

- **Wentel Engineering Holdings Bhd** prices IPO shares at 26 Sen, aiming to raise RM71.03mil
- **Tien Wah Press (7374)** forms JV for paper packaging business in Vietnam
- **CelcomDigi (6947)** partners with SoftBank and SC-NEX
- **Econframe (0227)** acquires industrial property builder ETA World for RM56mil

## Expresso for the Day

- **Technical Watch – Ta Ann (5012)** Entry Price: RM3.75, Target Price: RM4.13, Stop Loss: RM3.21, Support: RM3.56, Resistance: RM3.80
- **Technical Watch – E&O (3417)** Entry Price: RM0.93, Target Price: RM1.02, Stop Loss: RM0.80, Support: RM0.88, Resistance: RM0.94

Local	Close	(%)
FBMKLCI	1,501.1	0.93
Volume (mil)	4,979.0	22.15
Value (RM'mil)	3,129.0	10.36
<b>Gainers</b>	575	
<b>Losers</b>	456	
<b>Unchanged</b>	419	
Foreign	Close	(%)
Dow Jones	37,593.0	(0.3)
Nasdaq CI	14,972.8	0.0
S&P 500	4,783.8	0.1
FTSE 100	7,594.9	(0.4)
Nikkei 225	35,729.8	0.9
Shanghai CI	2,886.3	0.1
HSI	16,216.3	(0.2)
STI	3,199.4	0.2
Most Active	RM	Chg (RM)
MINETEC	0.175	(0.020)
MRCB	0.535	0.055
EKOVEST	0.595	0.005
HONGSENG	0.020	0.005
E&O	0.930	0.160
Top Gainers	RM	Chg (RM)
SBAGAN	5.000	0.460
HEIM	24.500	0.400
MPI	28.500	0.380
ALLIANZ	19.800	0.320
KLUANG	4.650	0.250
Top Losers	RM	Chg (RM)
RAPID	8.060	(1.270)
NESTLE	119.300	(0.600)
YNHPROP	2.470	(0.330)
F&N	28.600	(0.200)
GENETEC	1.950	(0.180)
Other Stats	RM	(%)
USD/MYR	4.68	0.49
USD/RMB	7.17	0.06
Brent (USD/barrel)	78.15	(0.18)
Gold (USD/troy oz)	2,052.05	0.37
CPO (RM/metric t)	3,838.00	1.45

# Daily Newswatch

## Economics

**COMMODITY: Gold prices increased on Monday due to higher demand for safe-haven assets** amid Middle-East tensions. The market also anticipated an earlier Federal Reserve rate cut. Spot gold rose 0.2% to \$2,053.00 per ounce, and U.S. gold futures went up 0.3% to \$2,057.50, with low trading expected due to the Martin Luther King Day holiday. Ongoing conflicts in the Middle East, including the Israel-Hamas war and Houthi militia threats in response to U.S. airstrikes on Yemen, kept risks elevated. Gold, known for stability during economic turmoil, served as a hedge against volatility, especially in times of geopolitical uncertainty. (Reuters)

**CHINA: China's economic growth is expected to slow to 4.6% in 2024 and further to 4.5% in 2025**, according to a Reuters poll. This puts pressure on policymakers to implement more stimulus measures due to deflationary pressures and a significant property slump. In 2023, GDP likely grew 5.2%, meeting the government's target, but the post-COVID economic recovery remains weak. Challenges include a prolonged property crisis, low consumer and business confidence, rising local government debts, and slow global growth. (Reuters)

## Companies

**Wentel Engineering Holdings Bhd** has priced its shares at 26 sen each for its ACE Market listing, generating a total of RM83 million. The initial public offering (IPO) involves the issuance of 273.2 million new shares, constituting 23.8% of the enlarged share capital upon listing. The company's market capitalization is estimated at RM299 million, with a price-earnings multiple of 14.61 times based on its profit after tax of RM20.48 million for the financial year ended Dec 31, 2022. The IPO funds of RM71.03 million will be utilized for the construction of factories and hostels, machinery and equipment acquisition, and listing-related expenses. Wentel's net profit for FY2022 rose by 49.38% to RM20.48 million, driven by increased customer orders, with revenue reaching RM117.54 million, up 30.81% from the previous year. The IPO is open for subscription until January 22. (The Edge)

**Tien Wah Press Holdings Bhd (7374)** has entered into an agreement with Cat Loi Joint Stock Company (CLC) to establish a joint venture company named C&A Packaging Company Ltd in Vietnam. The joint venture, in which Tien Wah's wholly-owned subsidiary Alliance Print Technologies Co Ltd (APTV) will hold 50% of the charter capital for VND6 billion (RM1.14 million) in cash, aims to engage in the production of paper packaging, print packaging, and other related activities. The transaction is expected to be completed in the first half of 2024, funded through internally generated funds. (The Edge)

**CelcomDigi Bhd (6947)** has entered into a partnership with Japanese technology giants SoftBank Corp and Sumitomo's subsidiary SC-NEX to accelerate the digitalization of Malaysian enterprises adopting Fourth Industrial Revolution (IR 4.0) solutions. The collaboration aims to leverage expertise in artificial intelligence (AI), robotics, and analytic solutions, with a focus on agritech (agricultural technology) and smart city solutions. (The Edge)

**Econframe Bhd (0227)** has acquired industrial property builder ETA World Sdn Bhd for a purchase consideration of RM56 million. The acquisition was made through a conditional share sale agreement with ETA Industries Sdn Bhd. ETA World specializes in turnkey design and build solutions for industrial buildings such as factories and warehouses, customizing projects based on customer requirements. The purchase will be funded through a combination of cash and the issuance of shares, with a profit guarantee for ETA World. Econframe also announced its proposed diversification into construction services and property development as part of the acquisition. The transaction is expected to complete in the first half of 2024. (The Edge)

# 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 three white soldiers with a strong momentum on the stock (RSI >65).

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.

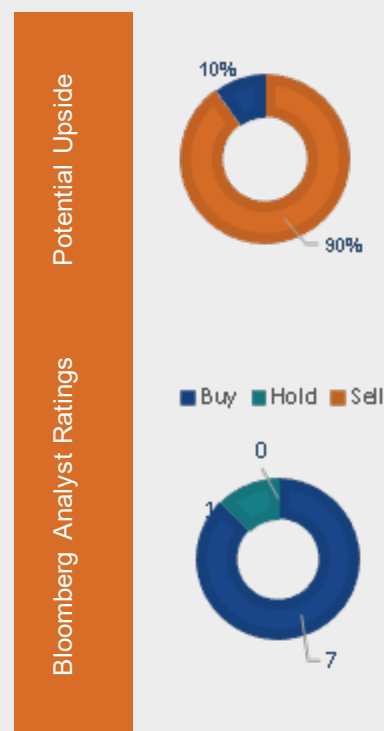
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	5.7	8.3	8.1
P/B	0.9	0.7	0.8
P/CF	3.6	4.2	4.5
P/S	0.8	0.8	0.9

Entry Price	<b>RM3.75</b>
Market Cap (m)	RM1,651.7
52w high	<b>RM3.82</b>
52w low	<b>RM3.03</b>
Stop Loss	RM3.21
Immediate Support	RM3.56
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)	279,648.3

### Main Market

Plantation  
Subsector – Plantation  
Current Price: RM3.75  
Target Price: RM4.13



# Eastern and Oriental Berhad

Bloomberg: EAST MK | KLSE Stock Code: 3417

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Eastern and Oriental Berhad is an investment holding company. The Company, through its subsidiaries, operates in property development, investment, and management. Eastern & Oriental also provides hotel catering and management.

### 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 >85).

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.

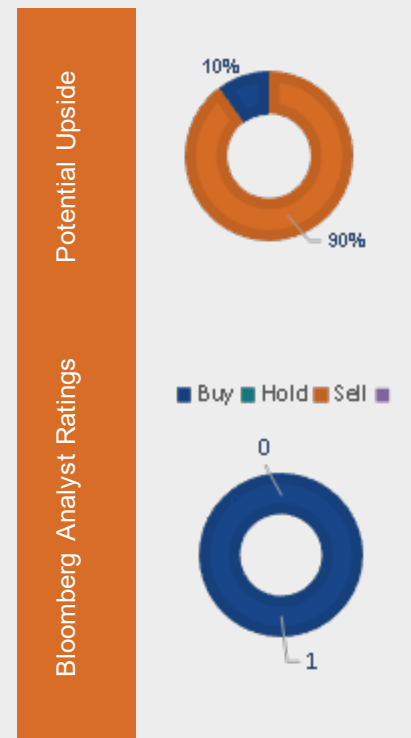
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	8.7	14.7	23.2
P/B	0.4	0.4	0.8
P/CF	N/A	43.7	41.1
P/S	2.8	2.3	3.0

Entry Price	<b>RM0.93</b>
Market Cap (m)	RM1,709.8
52w high	<b>RM0.93</b>
52w low	<b>RM0.28</b>
Stop Loss	RM0.80
Immediate Support	RM0.88
Immediate Resistance	RM0.94 (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)	233,009.7

### Main Market

Property  
 Subsector – Property  
 Current Price: RM0.93  
 Target Price: RM1.02





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
18/12/2023	GASMSIA	5209	3.230	3.300	2.762	3.553	0.610	2.2	-
18/12/2023	SIME	4197	2.450	2.450	2.095	2.695	0.410	0.0	-
19/12/2023	WELLS	0271	0.685	0.670	0.586	0.754	-1.471	-2.2	-
19/12/2023	SLP	7248	0.930	0.950	0.795	1.023	0.000	2.2	-
20/12/2023	MCE	7004	2.320	1.390	1.984	2.552	1.460	-40.1	TP Achieved
20/12/2023	WCT	9679	0.510	0.545	0.436	0.561	3.810	6.9	-
21/12/2023	MasterPack	7029	3.030	3.230	2.591	3.333	1.254	6.6	-
21/12/2023	Kotra	0002	4.850	4.770	4.147	5.335	-0.209	-1.6	-
22/12/2023	SCGM	7247	0.580	0.600	0.496	0.638	-0.826	3.4	-
22/12/2023	PTRB	0260	0.535	0.570	0.457	0.589	1.786	6.5	-
26/12/2023	KerjayaProspek	7161	1.540	1.700	1.320	1.690	0.592	10.4	TP Achieved
26/12/2023	ChinHin	5273	3.720	3.590	3.180	4.092	2.279	-3.5	-
27/12/2023	Padini	7052	3.560	3.610	3.040	3.920	-1.366	1.4	-
27/12/2023	Kelington	0151	2.150	2.290	1.840	2.370	0.881	6.5	-
28/12/2023	MAXIS	6012	3.900	3.860	3.330	4.290	0.000	-1.0	-
28/12/2023	PETDAG	5681	22.060	21.220	18.860	24.270	0.284	-3.8	-
29/12/2023	PMBTech	7172	2.620	2.980	2.240	2.882	-0.667	13.7	TP Achieved
29/12/2023	TaAnnHoldings	5012	3.700	3.750	3.160	4.070	2.740	1.4	-
2/1/2024	TimeDotCom	5031	5.400	5.460	4.620	5.940	-0.365	1.1	-
2/1/2024	PBA	5041	1.460	1.720	1.250	1.610	-1.714	17.8	TP Achieved
3/1/2024	DutchLady	3026	24.000	23.860	20.520	26.400	-0.167	-0.6	-
3/1/2024	PMBTech	7172	2.990	2.980	2.560	3.290	-0.667	-0.3	-
4/1/2024	Hartalega	5168	2.880	2.770	2.460	3.170	-2.807	-3.8	-
4/1/2024	Ranhill	5272	1.030	1.140	0.880	1.130	1.786	10.7	TP Achieved
5/1/2024	TeoSeng	7252	1.740	1.880	1.490	1.910	3.297	8.0	-
5/1/2024	Hume	5000	2.460	2.720	2.100	2.710	1.493	10.6	-
8/1/2024	TNB	5347	10.500	10.500	8.960	11.550	1.547	0.0	-
8/1/2024	IJM	3336	2.080	2.150	1.780	2.288	2.871	3.4	-
9/1/2024	HengYuan	4324	3.300	3.140	2.820	3.690	-0.633	-4.8	-
9/1/2024	Kelington	0151	2.350	2.290	2.010	2.585	0.881	-2.6	-
10/1/2024	Telekom	4863	5.740	5.800	4.910	6.310	-0.344	1.0	-
10/1/2024	GenP	2291	5.890	6.360	5.040	6.480	0.952	8.0	-
11/1/2024	QL Resources	7084	5.880	5.900	5.030	6.470	-0.338	0.3	-
11/1/2024	HeitechPadu	5028	1.130	1.170	0.970	1.240	0.000	3.5	-
12/1/2024	GenP	2291	6.300	6.360	5.390	6.930	0.952	1.0	-
12/1/2024	Frontken	0128	3.580	3.500	3.060	3.940	-0.850	-2.2	-
15/1/2024	KeckSeng	3476	5.300	5.500	4.530	5.800	3.774	3.8	-
15/1/2024	Telekom	4863	5.820	5.800	4.980	6.400	-0.344	-0.3	-
16/1/2024	TaAnnHoldings	5012	3.750	3.750	3.210	4.130	2.740	0.0	-
16/1/2024	E&O	3417	0.930	0.930	0.800	1.020	20.779	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.46	0.73	13.32
UOA DEVELOPMENT BERHAD	PROPERTY	1.80	0.22	12.22
MBM RESOURCES BHD	CONSUMER	4.30	0.46	10.72
BERMAZ AUTO BERHAD	CONSUMER	2.37	0.20	8.65
HEKTAR REITS	REITs	0.67	0.06	8.57
YTL HOSPITALITY REIT	REITs	1.14	0.09	8.25
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.11	0.74	8.16
TALIWORKS CORPORATION BHD	UTILITIES	0.85	0.07	8.00
SENTRAL REIT	REITs	0.79	0.06	7.85
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
UOA REITS	REITs	1.12	0.09	7.68
AMWAY (M) HOLDINGS BHD	CONSUMER	6.37	0.46	7.22
SPORTS TOTO BERHAD	CONSUMER	1.51	0.11	7.09
RHB BANK	FINANCE	5.57	0.39	6.97
GAS MALAYSIA BERHAD	UTILITIES	3.30	0.22	6.67

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	3.2	24.2	14.8	18.0	14.7	13.5
Finance	2.4	13.0	10.0	11.9	10.0	9.9
Property	6.2	25.2	10.6	15.8	11.7	#N/A N/A
Plantation	2.6	95.5	9.7	31.1	14.8	16.9
Consumer	1.5	22.5	14.8	18.8	14.8	15.0
Technology	1.2	46.1	23.0	31.9	32.8	24.5
Construction	10.0	34.6	17.2	25.5	17.2	13.0
Energy	6.0	11.5	9.3	10.4	9.3	9.5
Healthcare	2.4	36.1	5.1	24.5	25.7	32.1
Ind. Prod.	2.7	24.9	12.7	18.4	18.2	15.4
REIT	2.5	29.5	13.4	19.3	13.4	15.9
Telco	3.2	31.0	19.8	26.5	27.1	21.6

Source: Bloomberg

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Registration No. 198401000672 (113193-W)  
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara,  
50480 Kuala Lumpur  
Telephone: (603) - 6203 7227  
Website: [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my)  
Email: [mercurykl@mersec.com.my](mailto:mercurykl@mersec.com.my)