

Daily Newswatch

Market Review

The FBMKLCI rebounded on Friday, closing at its highest point of the day due to the resurgence of interest in certain prominent stocks, particularly in the financial services and utilities sectors, driven by bargain hunting. Market breadth was positive with 639 gainers and 358 losers. All sectors ended in green with the construction sector being the top gainer increasing by +1.66%. NESTLE (4707) was the top gainer surging by RM0.40 or +0.34%. The FBMKLCI rose by +0.49% to 1,486.37.

Economics

- **Oil prices** experiences a minor decline due to concerns over Chinese demand, yet achieves a weekly gain
- Probable growth in **Malaysia's economy** during Q4, future outlook remains uncertain

Companies

- **Sime Property (5288)** campaign achieves RM1.1bil bookings
- **LB Aluminium (9326)** acquires industrial land in Beranang for RM30.41 million
- **Eupe Corp (6815)** buys two more Sungai Petani plots for investment
- **Edeltec (0278)** inks MOU with Chinese and local firms for semiconductor ventures

Expresso for the Day

- **Technical Watch – MCement (3794)** Entry Price: RM4.83, Target Price: RM5.31, Stop Loss: RM4.13, Support: RM4.59, Resistance: RM4.92
- **Technical Watch – Aurelius (5302)** Entry Price: RM2.77, Target Price: RM3.05, Stop Loss: RM2.37, Support: RM2.63, Resistance: RM2.80

Local	Close	(%)
FBMKLCI	1,486.4	0.49
Volume (mil)	5,391.7	(11.55)
Value (RM'mil)	2,734.4	(24.37)
Gainers	639	
Losers	358	
Unchanged	423	
Foreign	Close	(%)
Dow Jones	37,863.8	1.1
Nasdaq CI	15,311.0	1.7
S&P 500	4,839.8	1.2
FTSE 100	7,461.9	0.0
Nikkei 225	35,963.3	1.4
Shanghai CI	2,832.3	(0.5)
HSI	15,308.7	(0.5)
STI	3,152.3	0.4
Most Active	RM	Chg (RM)
WIDAD	0.110	(0.080)
SCIB	0.290	(0.245)
SAPNRG	0.045	(0.005)
TANCO	0.365	(0.145)
ARTRNIQ	0.285	0.055
Top Gainers	RM	Chg (RM)
NESTLE	119.400	0.400
PETDAG	20.980	0.320
HLCAP	4.380	0.250
CRESNDO	2.760	0.220
ALLIANZ	20.060	0.180
Top Losers	RM	Chg (RM)
RAPID	2.780	(1.180)
YNHPROP	0.855	(0.365)
PERTAMA	2.610	(0.310)
SRIDGE	0.545	(0.300)
JSB	0.500	(0.300)
Other Stats	RM	(%)
USD/MYR	4.72	(0.01)
USD/RMB	7.19	(0.04)
Brent (USD/barrel)	78.56	(0.68)
Gold (USD/troy oz)	2,029.49	0.30
CPO (RM/metric t)	3,895.50	0.95

Daily Newswatch

Economics

COMMODITY: Oil prices experienced a marginal decline on Friday but marked a weekly increase due to tensions in the Middle East and disruptions in oil production, offsetting concerns about the Chinese and global economies. Brent futures settled at \$78.56 per barrel, down by 54 cents, while U.S. West Texas Intermediate crude dropped 67 cents to settle at \$73.41. Despite worries about Chinese economic growth in Q4 affecting global oil demand forecasts, the week saw Brent gaining approximately 0.5%, and the U.S. benchmark rising over 1%. Geopolitical risks in the Middle East, including escalated tensions in Gaza and U.S. strikes against Houthi anti-ship missiles, supported oil prices throughout the week. (Reuters)

MALAYSIA: Malaysia's economy is expected to have grown by 3.4% year-on-year in the fourth quarter of 2023, showing a slight acceleration compared to the preceding quarter. However, signs of weakening momentum were evident in a decline in exports and a slowdown in construction and manufacturing growth. Official advance estimates from the Statistics Department revealed that while all major sectors expanded in the October-December period, the construction sector grew at a slower pace of 2.5%, down from 7.2% in the previous quarter, and manufacturing growth was nearly stagnant at 0.1%. In the third quarter of 2023, Malaysia's GDP expanded by 3.3%, driven by strong domestic spending that offset subdued external demand. (Reuters)

Companies

Sime Darby Property Bhd's (5288) Great Deals sales campaign, conducted from August 15 to December 31, 2023, resulted in bookings for 1,107 units, amounting to RM1.1 billion. The campaign offered attractive deals on a limited number of properties across Sime Darby townships nationwide. Sime Darby Property has now launched the Sime Darby Property Dragon Deals sales campaign, featuring the Go Landed and High-Rise Collection of properties in various prime areas until February 29, 2024. (The Star)

LB Aluminium Bhd (9326) has announced its intention to purchase a parcel of freehold industrial land with structures in Beranang, Selangor, for a cash sum of RM30.41 million. The company has formally entered into a sale and purchase agreement with Puspajaya Realty Sdn Bhd for this acquisition. The property includes freehold industrial land with two single-storey detached factories, a single-storey office, and a guard house. LB specified that the acquisition will be funded through internally generated funds and/or bank borrowings. (The Star)

Eupe Corp Bhd (6815), a property developer, is set to acquire two additional freehold land parcels in Sugai petani, Kuala Muda district, Kedah, for RM40.68 million. This move aims to expand the land area around its proposed township for investment purposes. The company will be purchasing these freehold plots, totaling 221,238 square meters, from Sing Na Tian Development Sdn Bhd (SNTDSB), as indicated in its recent bourse filing. (The Edge)

Edeltec Holdings Bhd (0278) has entered into Memoranda of Understanding (MOUs) with a Chinese company and a Malaysian entity to initiate semiconductor-related ventures both domestically and internationally. As per the Friday bourse filing, the company has signed an MOU with CYG Semiconductor Equipment (Zhuhai) Co Ltd from China to establish two companies—one in China and another in Malaysia—engaged in semiconductor-related activities. Edeltec specializes in providing engineering support for integrated circuit assembly and test processes. (The Edge)

Malayan Cement Berhad

Bloomberg: LMC MK | KLSE Stock Code: 3794

Technical Watch

“BUY on Potential Upside”

Company Overview

Malayan Cement Berhad manufactures, sells, and distributes cement and clinker. The Company offers ready-mixed concrete, provides shipping services, leases vessels, and trades building materials. Malayan Cement serves customers 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 bullish engulfing 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.

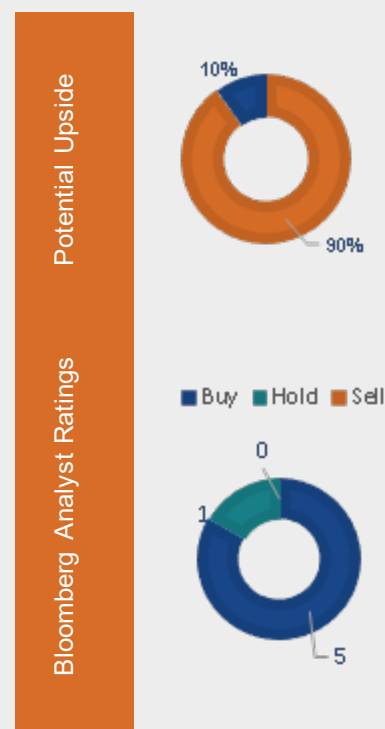
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	36.8	70.0	78.6
P/B	0.6	0.8	1.4
P/CF	14.5	15.9	44.6
P/S	1.1	1.3	1.8

Entry Price	RM4.83
Market Cap (m)	RM6,328.3
52w high	RM4.99
52w low	RM2.18
Stop Loss	RM4.13
Immediate Support	RM4.59
Immediate Resistance	RM4.92 (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)	318,650.1

Main Market

Industrial Products & Services
 Subsector – Building Materials
 Current Price: RM4.83
 Target Price: RM5.31



Aurelius Technologies Bhd

Bloomberg: ATECH MK | KLSE Stock Code: 5302

Technical Watch

“BUY on Potential Upside”

Company Overview

Aurelius Technologies Berhad operates as a holding company. The Company, through its subsidiaries, focuses on industrial electronic products such as manufacturing of semiconductor components. Aurelius Technologies serves customer 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 marubozu with a strong momentum on the stock (RSI >60).

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.

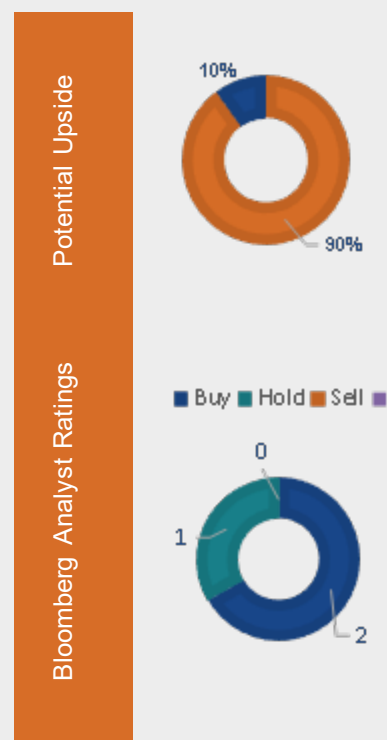
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	20.7	20.7	20.7
P/B	3.1	2.9	2.9
P/CF	13.7	13.7	13.7
P/S	1.7	1.7	1.7

Entry Price	RM2.77
Market Cap (m)	RM1,091.6
52w high	RM3.40
52w low	RM2.10
Stop Loss	RM2.37
Immediate Support	RM2.63
Immediate Resistance	RM2.80 (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)	644,600.0

Main Market

Industrial Products & Services
 Subsector – Ind Mat, Comp, &
 Equipment
 Current Price: RM2.77
 Target Price: RM3.05





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
22/12/2023	SCGM	7247	0.580	0.595	0.496	0.638	0.847	2.6	-
22/12/2023	PTRB	0260	0.535	0.510	0.457	0.589	0.990	-4.7	-
26/12/2023	KerjayaProspek	7161	1.540	1.690	1.320	1.690	0.595	9.7	TP Achieved
26/12/2023	ChinHin	5273	3.720	3.600	3.180	4.092	-2.174	-3.2	-
27/12/2023	Padini	7052	3.560	3.560	3.040	3.920	0.000	0.0	-
27/12/2023	Kelington	0151	2.150	2.250	1.840	2.370	3.211	4.7	-
28/12/2023	MAXIS	6012	3.900	3.770	3.330	4.290	0.000	-3.3	-
28/12/2023	PETDAG	5681	22.060	20.980	18.860	24.270	1.549	-4.9	-
29/12/2023	PMBTech	7172	2.620	2.640	2.240	2.882	-3.297	0.8	TP Achieved
29/12/2023	TaAnnHoldings	5012	3.700	3.660	3.160	4.070	0.826	-1.1	-
2/1/2024	TimeDotCom	5031	5.400	5.400	4.620	5.940	-0.917	0.0	-
2/1/2024	PBA	5041	1.460	2.390	1.250	1.610	-5.159	63.7	TP Achieved
3/1/2024	DutchLady	3026	24.000	23.700	20.520	26.400	0.000	-1.3	-
3/1/2024	PMBTech	7172	2.990	2.640	2.560	3.290	-3.297	-11.7	SL Triggered
4/1/2024	Hartalega	5168	2.880	2.790	2.460	3.170	1.455	-3.1	-
4/1/2024	Ranhill	5272	1.030	1.090	0.880	1.130	0.926	5.8	TP Achieved
5/1/2024	TeoSeng	7252	1.740	1.840	1.490	1.910	-1.075	5.7	-
5/1/2024	Hume	5000	2.460	2.680	2.100	2.710	-2.190	8.9	TP Achieved
8/1/2024	TNB	5347	10.500	10.440	8.960	11.550	0.772	-0.6	-
8/1/2024	IJM	3336	2.080	2.100	1.780	2.288	1.942	1.0	-
9/1/2024	HengYuan	4324	3.300	3.100	2.820	3.690	0.977	-6.1	-
9/1/2024	Kelington	0151	2.350	2.250	2.010	2.585	3.211	-4.3	-
10/1/2024	Telekom	4863	5.740	5.850	4.910	6.310	1.211	1.9	-
10/1/2024	GenP	2291	5.890	6.370	5.040	6.480	0.632	8.1	-
11/1/2024	QL Resources	7084	5.880	5.880	5.030	6.470	-0.339	0.0	-
11/1/2024	HeitechPadu	5028	1.130	0.825	0.970	1.240	-22.897	-27.0	SL Triggered
12/1/2024	GenP	2291	6.300	6.370	5.390	6.930	0.632	1.1	-
12/1/2024	Frontken	0128	3.580	3.530	3.060	3.940	2.915	-1.4	-
15/1/2024	KeckSeng	3476	5.300	5.490	4.530	5.800	0.549	3.6	-
15/1/2024	Telekom	4863	5.820	5.850	4.980	6.400	1.211	0.5	-
16/1/2024	TaAnnHoldings	5012	3.750	3.660	3.210	4.130	0.826	-2.4	-
16/1/2024	E&O	3417	0.930	0.915	0.800	1.020	2.809	-1.6	-
17/1/2024	PressMetal	8869	5.000	4.780	4.280	5.500	-0.624	-4.4	-
17/1/2024	Allianz	1163	20.100	20.060	17.190	22.110	0.905	-0.2	-
18/1/2024	AffinBank	5185	2.450	2.380	2.090	2.700	-0.418	-2.9	-
18/1/2024	AME Elite	5923	1.840	1.830	1.570	2.030	1.667	-0.5	-
19/1/2024	QL Resources	7084	5.900	5.880	5.040	6.490	-0.339	-0.3	-
19/1/2024	MSM	5202	1.880	1.930	1.610	2.070	2.660	2.7	-
22/1/2024	MalayanCement	3794	4.830	4.830	4.130	5.310	1.899	0.0	-
22/1/2024	Aurelius	5302	2.770	2.770	2.370	3.050	3.745	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.41	0.73	13.44
UOA DEVELOPMENT BERHAD	PROPERTY	1.75	0.22	12.57
MBM RESOURCES BHD	CONSUMER	4.30	0.46	10.72
HEKTAR REITS	REITs	0.66	0.06	8.64
BERMAZ AUTO BERHAD	CONSUMER	2.39	0.21	8.58
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.10	0.74	8.16
TALIWORKS CORPORATION BHD	UTILITIES	0.84	0.07	8.14
YTL HOSPITALITY REIT	REITs	1.16	0.09	8.10
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.87
SENTRAL REIT	REITs	0.80	0.06	7.80
UOA REITS	REITs	1.12	0.09	7.68
AMWAY (M) HOLDINGS BHD	CONSUMER	6.32	0.46	7.28
SPORTS TOTO BERHAD	CONSUMER	1.48	0.11	7.23
RHB BANK	FINANCE	5.53	0.39	7.02
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	2.0	24.2	14.8	18.0	14.5	13.3
Finance	1.7	13.0	10.0	11.9	10.0	9.9
Property	3.2	25.2	10.6	15.7	11.2	N/A
Plantation	2.1	95.5	9.7	31.1	14.7	16.7
Consumer	0.3	22.5	14.7	18.8	14.7	14.8
Technology	(0.6)	46.1	23.0	31.7	32.0	23.9
Construction	6.5	34.6	16.4	25.3	16.4	12.5
Energy	3.1	11.5	9.1	10.3	9.1	9.2
Healthcare	2.0	36.1	5.1	24.4	25.3	31.8
Ind. Prod.	(0.1)	24.9	12.7	18.2	17.7	14.9
REIT	2.2	29.5	13.3	19.2	13.3	15.8
Telco	3.5	31.0	19.8	26.5	27.2	21.3

Source: Bloomberg

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