

# Daily Newswatch

## Market Review

The FBMKLCI experienced a second consecutive day of gains on Monday, driven by the presence of bargain hunters targeting specific large-cap and small-cap stocks. Market breadth was positive with 644 gainers and 375 losers. The utilities sector was the top gainer increasing by +2.14%, while the plantation sector was the top loser declining by -0.17%. MPI (3867) was the top gainer surging by RM0.64 or +2.3%. The FBMKLCI rose by +0.32% to 1,491.19.

## Economics

- Despite economic slowdown, **Beijing** establishes higher growth target for 2024
- **German chemicals sector** exhibit challenges due to supply disruptions in the Red Sea.

## Companies

- **Matrix Concepts (5236)** launches Levia Residence in Cheras, first tower 75% occupied
- **PGF Capital (8117)** records double net profit and revenue in 3QFY2024, fueled by Oceania market growth
- **Samaiden (0223)** secures solar power plant project worth RM100mil
- **Bina Darulaman (6173)** and Shanghai Youzhu sign MoU for sustainable waste management project

## Expresso for the Day

- **Technical Watch – RCE (9296)** Entry Price: RM3.24, Target Price: RM3.56, Stop Loss: RM2.77, Support: RM3.08, Resistance: RM3.24
- **Technical Watch – Jaya Tiasa (4383)** Entry Price: RM1.13, Target Price: RM1.24, Stop Loss: RM0.97, Support: RM1.07, Resistance: RM1.13

Local	Close	(%)
FBMKLCI	1,491.2	0.32
Volume (mil)	4,797.2	(11.03)
Value (RM'mil)	3,122.6	14.20
Gainers	644	
Losers	375	
Unchanged	427	
Foreign	Close	(%)
Dow Jones	38,001.8	0.4
Nasdaq CI	15,360.3	0.3
S&P 500	4,850.4	0.2
FTSE 100	7,487.7	0.3
Nikkei 225	36,547.0	1.6
Shanghai CI	2,756.3	(2.7)
HSI	14,961.2	(2.3)
STI	3,149.1	(0.1)
Most Active	RM	Chg (RM)
SCIB	0.435	0.145
WIDAD	0.135	0.025
YNHPROP	0.555	(0.300)
LEFORM	0.180	0.020
MINETEC	0.155	(0.010)
Top Gainers	RM	Chg (RM)
MPI	29.000	0.640
AJI	16.30	0.320
HLBANK	19.020	0.220
ALLIANZ	20.280	0.220
MCEHLDG	1.450	0.220
Top Losers	RM	Chg (RM)
RAPID	1.950	(0.830)
YNHPROP	0.555	(0.300)
SRIDGE	0.385	(0.160)
HARISON	8.260	(0.140)
SAM	3.760	(0.100)
Other Stats	RM	(%)
USD/MYR	4.73	0.26
USD/RMB	7.19	(0.03)
Brent (USD/barrel)	79.88	1.68
Gold (USD/troy oz)	2,021.71	(0.38)
CPO (RM/metric t)	3,943.50	1.23

# Daily Newswatch

## Economics

**CHINA: Beijing has set a growth target of around 5% for 2024**, exceeding last year's goal of above 4.5%, despite anticipated national economic slowdown. In 2023, the city's economy grew by 5.2%, aligning with the national trend marked by modest post-pandemic growth amid a deepening property crisis and other challenges. The higher growth target is intended to stabilize expectations, boost confidence, and address livelihood goals, such as employment and household income. While acknowledged as challenging, achieving the 5% goal is deemed crucial. Beijing also aims to keep its urban jobless rate below 5% this year. (Reuters)

**GERMANY: Germany's chemical sector, the largest in Europe, is experiencing supply disruptions** due to delayed shipments via the Red Sea. Container shippers rerouted vessels away from the Red Sea and Suez Canal following attacks by Yemen's Houthis, leading to extended delivery times for crucial Asian imports, including car parts, engineering equipment, chemicals, and toys. This marks a new challenge for German industries already accustomed to supply disruptions from the pandemic and the Ukraine war. The chemical sector, Germany's third-largest industry, heavily depends on Asia for around a third of its imports from outside Europe. (Reuters)

## Companies

**Matrix Concepts Holdings Bhd (5236)** officially launched Levia Residence, its second Klang Valley development, in Pandan Perdana, Cheras. The launch coincided with the opening of the Levia Residence Sales Gallery in Taman Shamelin Perkasa, Cheras. With a gross development value of RM523 million, Levia Residence spans 4.7 acres and includes two 36-storey apartment towers, each housing 389 units. The development offers four layout types—Type A (767 sq ft), Type B (938 sq ft), Type C (1,109 sq ft), and Type D (1,364 sq ft). (The Edge)

**PGF Capital Bhd (8117)** reported a more than two-fold increase in net profit for the third quarter ending November 30, 2023 (3QFY2024), reaching RM5.4 million compared to RM2.03 million in the same period last year. The surge was attributed to higher revenue, with earnings per share rising to 3.3 sen from 1.27 sen. Quarterly revenue saw a substantial 106.75% increase to RM36.7 million, driven by enhanced production output and boosted sales in the Oceania market within the insulation segment. (The Edge)

**Samaiden Group Bhd (0223)'s** subsidiary, Samaiden Sdn Bhd, and consortium member JS Solar Sdn Bhd secured a RM100 million contract from NUR Renewables Sdn Bhd for the development of a 50 MWac solar power plant at Kulim Hi-Tech Park, Kedah. The project is the initial phase of a larger 500 MWac solar project planned in collaboration with UEM Lestra Bhd, the green energy arm of UEM Group. The solar plant aims to provide green energy to customers within Kulim Hi-Tech Park. (The Star)

**Bina Darulaman Bhd (6173)** and Shanghai Youzhu Industry Co Ltd have signed an MoU to collaborate on an innovative industrial waste management project, aligning with the Kedah Development Plan 2035 (PPK 2035). The collaboration is part of BDB's New Strategic Business Plan and aims to create comprehensive industrial waste management solutions, promoting sustainability, minimizing environmental impacts, and ensuring regulatory compliance. The partnership may also lead to the establishment of a joint venture company related to Industrial Waste Management Development. The initiative reflects a commitment to environmental sustainability and community well-being. (The Star)

# RCE Capital Berhad

Bloomberg: RCE MK | KLSE Stock Code: 9296

## Technical Watch

“BUY on Potential Upside”

### Company Overview

RCE Capital Berhad is an investment holding company which provides management services. Through its subsidiaries, the Company invests in property, provides information technology, financial administrative, loan financing, broadcasting and advertising media services. RCE Capital is also involved in general trading, licensing and merchandising activities.

### 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).

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.

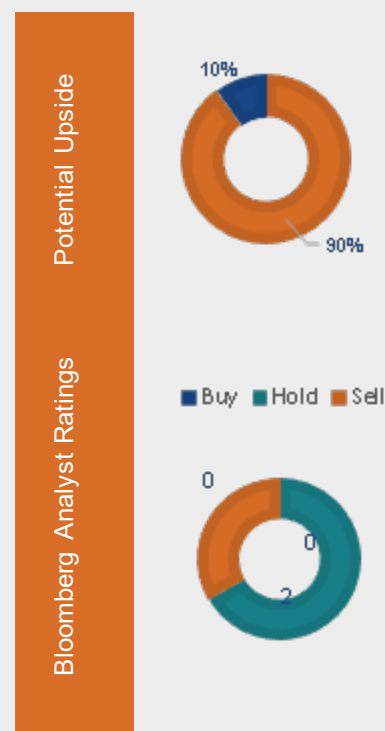
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	9.5	6.8	6.2
P/B	1.6	1.2	0.8
P/CF	94.3	47.4	46.0
P/S	4.1	2.9	2.0

Entry Price	<b>RM3.24</b>
Market Cap (m)	RM2,374.4
<b>52w high</b>	<b>RM3.25</b>
<b>52w low</b>	<b>RM1.75</b>
Stop Loss	RM2.77
Immediate Support	RM3.08
Immediate Resistance	RM3.24 (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)	569,881.5

### Main Market

Financial Services  
 Subsector – Other Services  
 Current Price: RM3.24  
 Target Price: RM3.56



# Jaya Tiasa Holdings Berhad

Bloomberg: JT MK | KLSE Stock Code: 4383

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Jaya Tiasa Holdings Berhad is an investment holding company which provides management services, oil palm production, and extracts and trades timber logs. Through its subsidiaries, the Company manufactures and trades sawn timber, blockboard, plywood, veneer and related products. Jaya Tiasa also provides air transportation services and imports wood products.

### 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 >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.

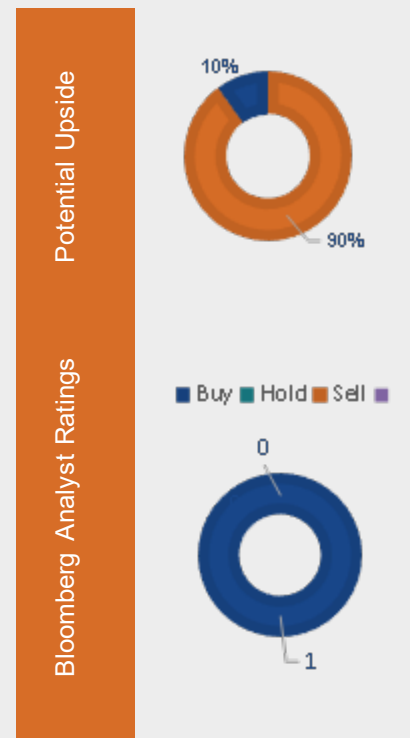
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	5.4	8.7	25.2
P/B	0.6	0.5	0.6
P/CF	2.4	3.7	5.8
P/S	0.8	0.8	1.0

Entry Price	RM1.13
Market Cap (m)	RM1,093.8
52w high	RM1.15
52w low	RM0.61
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)	1,735,614.3

### Main Market

Plantation  
 Subsector – Plantation  
 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
26/12/2023	KerjayaProspek	7161	1.540	1.690	1.320	1.690	0.000	9.7	TP Achieved
26/12/2023	ChinHin	5273	3.720	3.580	3.180	4.092	-0.556	-3.8	-
27/12/2023	Padini	7052	3.560	3.590	3.040	3.920	0.843	0.8	-
27/12/2023	Kelington	0151	2.150	2.330	1.840	2.370	3.556	8.4	-
28/12/2023	MAXIS	6012	3.900	3.790	3.330	4.290	0.531	-2.8	-
28/12/2023	PETDAG	5681	22.060	21.080	18.860	24.270	0.477	-4.4	-
29/12/2023	PMBTech	7172	2.620	2.590	2.240	2.882	-1.894	-1.1	TP Achieved
29/12/2023	TaAnnHoldings	5012	3.700	3.630	3.160	4.070	-0.820	-1.9	-
2/1/2024	TimeDotCom	5031	5.400	5.470	4.620	5.940	1.296	1.3	-
2/1/2024	PBA	5041	1.460	2.430	1.250	1.610	1.674	66.4	TP Achieved
3/1/2024	DutchLady	3026	24.000	23.820	20.520	26.400	0.506	-0.7	-
3/1/2024	PMBTech	7172	2.990	2.590	2.560	3.290	-1.894	-13.4	SL Triggered
4/1/2024	Hartalega	5168	2.880	2.770	2.460	3.170	-0.717	-3.8	-
4/1/2024	Ranhill	5272	1.030	1.140	0.880	1.130	4.587	10.7	TP Achieved
5/1/2024	TeoSeng	7252	1.740	1.880	1.490	1.910	2.174	8.0	-
5/1/2024	Hume	5000	2.460	2.790	2.100	2.710	4.104	13.4	TP Achieved
8/1/2024	TNB	5347	10.500	10.480	8.960	11.550	0.383	-0.2	-
8/1/2024	IJM	3336	2.080	2.200	1.780	2.288	4.762	5.8	-
9/1/2024	HengYuan	4324	3.300	3.080	2.820	3.690	-0.645	-6.7	-
9/1/2024	Kelington	0151	2.350	2.330	2.010	2.585	3.556	-0.9	-
10/1/2024	Telekom	4863	5.740	5.920	4.910	6.310	1.197	3.1	-
10/1/2024	GenP	2291	5.890	6.400	5.040	6.480	0.471	8.7	-
11/1/2024	QL Resources	7084	5.880	5.860	5.030	6.470	-0.340	-0.3	-
11/1/2024	HeitechPadu	5028	1.130	0.890	0.970	1.240	7.879	-21.2	SL Triggered
12/1/2024	GenP	2291	6.300	6.400	5.390	6.930	0.471	1.6	-
12/1/2024	Frontken	0128	3.580	3.530	3.060	3.940	0.000	-1.4	-
15/1/2024	KeckSeng	3476	5.300	5.580	4.530	5.800	1.639	5.3	-
15/1/2024	Telekom	4863	5.820	5.920	4.980	6.400	1.197	1.7	-
16/1/2024	TaAnnHoldings	5012	3.750	3.630	3.210	4.130	-0.820	-3.2	-
16/1/2024	E&O	3417	0.930	0.900	0.800	1.020	-1.639	-3.2	-
17/1/2024	PressMetal	8869	5.000	4.780	4.280	5.500	0.000	-4.4	-
17/1/2024	Allianz	1163	20.100	19.590	17.190	22.110	1.099	-2.5	-
18/1/2024	AffinBank	5185	2.450	2.400	2.090	2.700	0.840	-2.0	-
18/1/2024	AME Elite	5923	1.840	1.830	1.570	2.030	0.000	-0.5	-
19/1/2024	QL Resources	7084	5.900	5.860	5.040	6.490	-0.340	-0.7	-
19/1/2024	MSM	5202	1.880	1.920	1.610	2.070	-0.518	2.1	-
22/1/2024	MalayCement	3794	4.830	4.850	4.130	5.310	0.414	0.4	-
22/1/2024	Aurelius	5302	2.770	2.770	2.370	3.050	0.000	0.0	-
23/1/2024	RCE	9296	3.240	3.240	2.770	3.560	4.516	0.0	-
23/1/2024	JayaTiasa	4383	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	5.47	0.73	13.29
UOA DEVELOPMENT BERHAD	PROPERTY	1.78	0.22	12.36
MBM RESOURCES BHD	CONSUMER	4.30	0.46	10.72
HEKTAR REITS	REITs	0.65	0.06	8.77
BERMAZ AUTO BERHAD	CONSUMER	2.41	0.21	8.59
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.08	0.74	8.18
YTL HOSPITALITY REIT	REITs	1.16	0.09	8.10
TALIWORKS CORPORATION BHD	UTILITIES	0.85	0.07	8.00
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.87
UOA REITS	REITs	1.12	0.09	7.86
SENTRAL REIT	REITs	0.79	0.06	7.85
SPORTS TOTO BERHAD	CONSUMER	1.48	0.11	7.23
AMWAY (M) HOLDINGS BHD	CONSUMER	6.40	0.46	7.19
RHB BANK	FINANCE	5.57	0.39	6.97
MALAYAN BANKING	FINANCE	9.01	0.60	6.65

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	14.8	18.0	14.6	13.4
Finance	2.0	13.0	10.0	11.9	10.0	9.9
Property	5.0	25.2	10.6	15.7	11.5	N/A
Plantation	2.0	95.5	9.7	31.1	14.7	16.8
Consumer	0.8	22.5	14.8	18.8	14.8	14.9
Technology	0.7	46.1	23.0	31.9	32.7	24.4
Construction	8.9	34.6	17.0	25.5	17.0	13.1
Energy	4.5	11.5	9.2	10.4	9.2	9.3
Healthcare	2.3	36.1	5.1	24.5	25.7	31.2
Ind. Prod.	0.3	24.9	12.7	18.3	17.8	15.0
REIT	2.3	29.5	13.4	19.2	13.4	15.8
Telco	4.7	31.0	19.8	26.6	27.5	21.6

Source: Bloomberg

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