

# Daily Newswatch

## Market Review

The FBMKLCI rose on Tuesday on the back of bargain-hunting on selected heavyweight counters in the technology and consumer product & services sector. Market breadth was positive with 511 gainers and 470 losers. The transportation & logistics sector was the top gainer increasing by +0.67%, while the health care sector was the top loser declining by -0.69%. MPI (3867) was the top gainer surging by RM0.30 or +1.0%. The FBMKLCI rose by +0.33% to 1,496.11.

## Economics

- **Global stocks** linger close to levels seen in the past month, while Chinese markets face challenges
- **Thailand** revises down its 2024 GDP growth forecast to 2.8%

## Companies

- **Unitrade (0247)** partners with Huawei and JJ-LAPP for smart PV systems
- **Ni Hsin (7215)** partners with MYUS for EBIXON motorcycle marketing
- **TNB (5347)** broadens power plant maintenance business with Kuwait agreement
- **Mah Sing (8583)** signs JV to expand plastic pallets/containers production in Indonesia

## Expresso for the Day

- **Technical Watch – PetDag (5681)** Entry Price: RM21.20, Target Price: RM23.32, Stop Loss: RM18.13, Support: RM20.14, Resistance: RM22.24
- **Technical Watch – Genetech (0104)** Entry Price: RM2.09, Target Price: RM2.30, Stop Loss: RM1.79, Support: RM1.99, Resistance: RM2.36

Local	Close	(%)
FBMKLCI	1,496.1	0.33
Volume (mil)	5,161.0	7.58
Value (RM'mil)	3,334.5	6.79
Gainers	511	
Losers	470	
Unchanged	464	

Foreign	Close	(%)
Dow Jones	37,905.5	(0.3)
Nasdaq CI	15,425.9	0.4
S&P 500	4,864.6	0.3
FTSE 100	7,485.7	(0.0)
Nikkei 225	36,517.6	(0.1)
Shanghai CI	2,771.0	0.5
HSI	15,354.0	2.6
STI	3,135.3	(0.4)

Most Active	RM	Chg (RM)
WIDAD	0.185	0.050
SCIB	0.435	0.000
YNHPROP	0.610	0.055
LEFORM	0.195	0.015
RAPID	1.950	0.000

Top Gainers	RM	Chg (RM)
MPI	29.300	0.300
JSB	0.835	0.290
ALLIANZ	19.780	0.200
HEIM	24.080	0.180
DLADY	23.980	0.160

Top Losers	RM	Chg (RM)
IDEAL	3.130	(0.340)
PBA	2.260	(0.170)
AJI	16.200	(0.140)
LYSAGHT	2.260	(0.140)
NESTLE	119.300	(0.100)

Other Stats	RM	(%)
USD/MYR	4.73	(0.07)
USD/RMB	7.17	(0.27)
Brent (USD/barrel)	79.74	(0.40)
Gold (USD/troy oz)	2,029.61	0.37
CPO (RM/metric t)	3,946.50	0.00

# Daily Newswatch

## Economics

**GLOBAL:** The global stocks edged lower from recent one-month highs on Tuesday, following the Bank of Japan's decision to maintain its monetary policy. This move strengthened the yen and Japanese stocks, while Chinese investors remained cautious despite speculation about a substantial government rescue package. The MSCI All-World index remained flat but close to one-month highs, supported by a nearly 3% recovery in Hong Kong stocks after a previous day's slump driven by foreign outflows and increased short selling. Chinese stocks experienced a more subdued recovery, reaching their lowest point in five years the day before, prompted by the country's cabinet's commitment to implementing more effective measures to stabilize market confidence. (Reuters)

**THAILAND:** Thailand's finance ministry has revised down the country's 2024 economic growth forecast from 3.2% to 2.8%, highlighting the need for government stimulus to address what it calls an economic "crisis." The GDP expansion for the previous year was adjusted to 1.8% from the earlier estimate of 2.7%. Prime Minister Srettha Thavisin, who is also the finance minister, proposes injecting 500 billion baht (\$14.05 billion) into the economy by providing 10,000 baht (\$281) to 50 million Thais for spending within six months. To counter weakness in exports (projected to contract by 1.5% last year), the government aims to boost tourism, a key economic driver. (Reuters)

## Companies

**Unitrade Industries Bhd (0247)**, through its subsidiary Syarikat Logam Unitrade Sdn Bhd, is considering a partnership with Huawei Technologies (Malaysia) Sd Bhd and JJ-LAPP (M) Sdn Bhd. The collaboration aims to explore business opportunities related to Huawei's advanced digital power-smart photovoltaic (PV) solutions, with a focus on promoting sustainability in residential, commercial, and industrial sectors. According to the memorandum of understanding (MoU) signed by the parties, Huawei will serve as the technology advisor for smart PV systems, while JJ-LAPP will act as the authorized value-added partner to enhance the solutions' reach and impact within the specified segments. (The Star)

**Ni Hsin Group Bhd (7215)'s** subsidiary, Ni Hsin EV Mobility Sdn Bhd, has entered a master dealer agreement with MYUS Autotech Sdn Bhd to promote and market EBIXON motorcycles in Perlis and Langkawi. The partnership includes the promotion of EBIXON motorcycle rentals at the Kuala Perlis Jetty, catering to the constant flow of visitors between Perlis and Langkawi. Ni Hsin EV Mobility aims to support Perlis' recognition as a responsible geopark by encouraging the use of EV motorcycles as an eco-friendly transportation alternative for locals and tourists in the region. (The Star)

**Tenaga Nasional Bhd (5347)**, through its subsidiary TNB Repair and Maintenance Sdn Bhd (TNB Remaco), is expanding its power plant maintenance operations in Kuwait. TNB Remaco has entered into a joint venture with Al Dhow Engineering in Kuwait and signed a long-term service agreement with General Electric Global Services (GE Vernova). The collaboration is focused on providing maintenance solutions for the gas turbine at the Shuaiba North Power Generation and Water Distillation Plant in Ahmadi, owned by the Ministry of Electricity, Water and Renewable Energy of Kuwait. (The Edge)

**Mah Sing Group Bhd (8583)'s** subsidiary, Mah Sing Plastics Industries Sdn Bhd (MSPI), is forming a joint venture with PT Gaya Sukses Mandiri Kaseindo (PT Gaya) to expand the manufacturing and trading of plastic pallets, containers, and related material handling products in Indonesia. The joint venture, with MSPI holding a 70% share and PT Gaya holding the remaining 30%, aims to leverage the strengths and expertise of both parties to address the growing demand for plastic pallets in Indonesia. (The Star)

# Petronas Dagangan Berhad

## Technical Watch

Bloomberg: PETD MK | KLSE Stock Code: 5681

“BUY on Potential Upside”

### Company Overview

Petronas Dagangan Berhad markets petroleum products and operates service stations domestically. Through its subsidiaries, the Company has operations in aviation fueling at Kuala Lumpur International Airport and bunkering facilities at West Port along with marketing and distributing lubricants.

### Investment Highlights

On a trend reversal, the stock is currently trading above the MA20. We think there is a potential upside supported by three white soldiers with a rising momentum on the stock (RSI >40).

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.

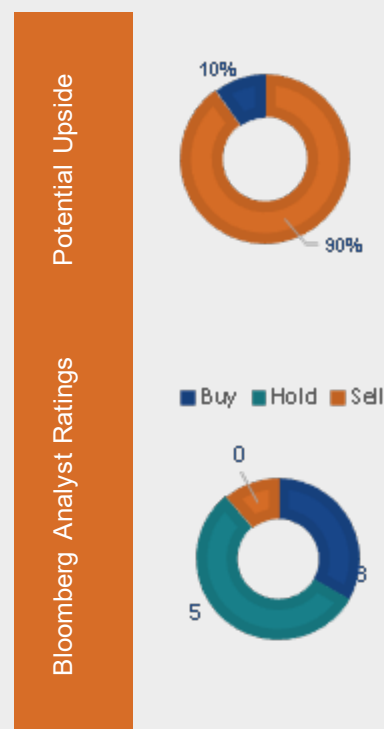
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	29.0	33.8	28.4
P/B	3.7	3.5	3.5
P/CF	20.8	27.7	22.3
P/S	0.6	0.7	0.7

Entry Price	<b>RM21.20</b>
Market Cap (m)	RM21,061.2
52w high	<b>RM23.60</b>
52w low	<b>RM20.04</b>
Stop Loss	RM18.13
Immediate Support	RM20.14
Immediate Resistance	RM22.24 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising momentum
Volume (4-Weeks Average)	423,750.0

### Main Market

Consumer Products & Services  
 Subsector – Retailers  
 Current Price: RM21.20  
 Target Price: RM23.32



# Genetech Technology Berhad

Bloomberg: GENE MK | KLSE Stock Code: 0104

## Technical Watch

"BUY on Potential Upside"

### Company Overview

Genetech Technology Berhad designs and develops both customized and standardized industrial automated equipments for high technology related manufacturing companies. The Company also provides integrated engineering solutions that incorporates mechanical, engineering and software functions.

### Investment Highlights

On a trend reversal, the stock is currently trading below the MA20. We think there is a potential upside supported by a morning star with a rising momentum on the stock (RSI >40).

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.

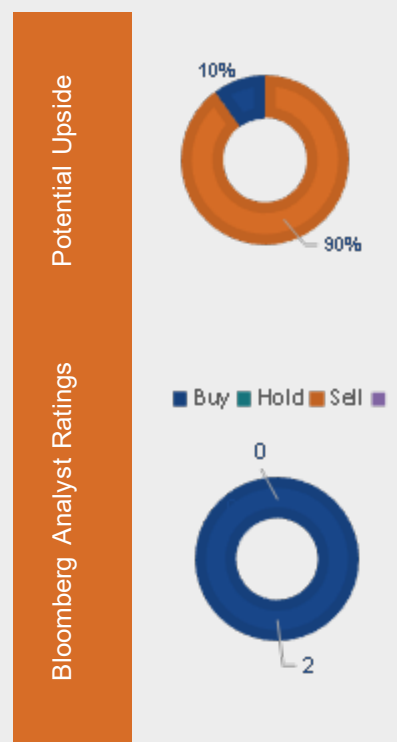
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	27.4	47.7	71.5
P/B	24.4	13.4	6.9
P/CF	71.4	27.7	15.1
P/S	6.6	4.3	2.3

Entry Price	RM2.09
Market Cap (m)	RM1,620.0
52w high	RM2.98
52w low	RM1.91
Stop Loss	RM1.79
Immediate Support	RM1.99
Immediate Resistance	RM2.36 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising momentum
Volume (4-Weeks Average)	3,938,560.9

### Main Market

Plantation  
 Subsector – Plantation  
 Current Price: RM2.09  
 Target Price: RM2.30





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
27/12/2023	Padini	7052	3.560	3.510	3.040	3.920	-2.228	-1.4	-
27/12/2023	Kelington	0151	2.150	2.310	1.840	2.370	-0.858	7.4	-
28/12/2023	MAXIS	6012	3.900	3.810	3.330	4.290	0.528	-2.3	-
28/12/2023	PETDAG	5681	22.060	21.200	18.860	24.270	0.569	-3.9	-
29/12/2023	PMBTech	7172	2.620	2.650	2.240	2.882	2.317	1.1	TP Achieved
29/12/2023	TaAnnHoldings	5012	3.700	3.630	3.160	4.070	0.000	-1.9	-
2/1/2024	TimeDotCom	5031	5.400	5.470	4.620	5.940	0.000	1.3	-
2/1/2024	PBA	5041	1.460	2.260	1.250	1.610	-6.996	54.8	TP Achieved
3/1/2024	DutchLady	3026	24.000	23.980	20.520	26.400	0.672	-0.1	-
3/1/2024	PMBTech	7172	2.990	2.650	2.560	3.290	2.317	-11.4	SL Triggered
4/1/2024	Hartalega	5168	2.880	2.730	2.460	3.170	-1.444	-5.2	-
4/1/2024	Ranhill	5272	1.030	1.130	0.880	1.130	-0.877	9.7	TP Achieved
5/1/2024	TeoSeng	7252	1.740	1.890	1.490	1.910	0.532	8.6	-
5/1/2024	Hume	5000	2.460	2.850	2.100	2.710	2.151	15.9	TP Achieved
8/1/2024	TNB	5347	10.500	10.500	8.960	11.550	0.191	0.0	-
8/1/2024	IJM	3336	2.080	2.180	1.780	2.288	-0.909	4.8	-
9/1/2024	HengYuan	4324	3.300	3.070	2.820	3.690	-0.325	-7.0	-
9/1/2024	Kelington	0151	2.350	2.310	2.010	2.585	-0.858	-1.7	-
10/1/2024	Telekom	4863	5.740	5.900	4.910	6.310	-0.338	2.8	-
10/1/2024	GenP	2291	5.890	6.430	5.040	6.480	0.469	9.2	-
11/1/2024	QL Resources	7084	5.880	5.870	5.030	6.470	0.171	-0.2	-
11/1/2024	HeitechPadu	5028	1.130	0.885	0.970	1.240	-0.562	-21.7	SL Triggered
12/1/2024	GenP	2291	6.300	6.430	5.390	6.930	0.469	2.1	-
12/1/2024	Frontken	0128	3.580	3.560	3.060	3.940	0.850	-0.6	-
15/1/2024	KeckSeng	3476	5.300	5.640	4.530	5.800	1.075	6.4	-
15/1/2024	Telekom	4863	5.820	5.900	4.980	6.400	-0.338	1.4	-
16/1/2024	TaAnnHoldings	5012	3.750	3.630	3.210	4.130	0.000	-3.2	-
16/1/2024	E&O	3417	0.930	0.920	0.800	1.020	2.222	-1.1	-
17/1/2024	PressMetal	8869	5.000	4.770	4.280	5.500	-0.209	-4.6	-
17/1/2024	Allianz	1163	20.100	19.780	17.190	22.110	0.970	-1.6	-
18/1/2024	AffinBank	5185	2.450	2.380	2.090	2.700	-0.833	-2.9	-
18/1/2024	AME Elite	5923	1.840	1.850	1.570	2.030	1.093	0.5	-
19/1/2024	QL Resources	7084	5.900	5.870	5.040	6.490	0.171	-0.5	-
19/1/2024	MSM	5202	1.880	1.940	1.610	2.070	1.042	3.2	-
22/1/2024	MalayCement	3794	4.830	4.800	4.130	5.310	-1.031	-0.6	-
22/1/2024	Aurelius	5302	2.770	2.740	2.370	3.050	-1.083	-1.1	-
23/1/2024	RCE	9296	3.240	3.360	2.770	3.560	3.704	3.7	-
23/1/2024	JayaTiasa	4383	1.130	1.160	0.970	1.240	2.655	2.7	-
24/1/2024	PetDag	5681	21.200	21.200	18.130	22.300	0.569	0.0	-
24/1/2024	Genetec	0104	2.090	2.090	1.790	2.299	3.465	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.48	0.73	13.27
UOA DEVELOPMENT BERHAD	PROPERTY	1.77	0.22	12.43
MBM RESOURCES BHD	CONSUMER	4.39	0.46	10.50
HEKTAR REITS	REITs	0.66	0.06	8.70
BERMAZ AUTO BERHAD	CONSUMER	2.41	0.21	8.59
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.12	0.74	8.15
YTL HOSPITALITY REIT	REITs	1.16	0.09	8.10
TALIWORKS CORPORATION BHD	UTILITIES	0.85	0.07	8.05
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.87
SENTRAL REIT	REITs	0.79	0.06	7.85
UOA REITS	REITs	1.13	0.08	7.35
AMWAY (M) HOLDINGS BHD	CONSUMER	6.40	0.46	7.19
SPORTS TOTO BERHAD	CONSUMER	1.49	0.11	7.18
RHB BANK	FINANCE	5.60	0.39	6.93
GAS MALAYSIA BERHAD	UTILITIES	3.32	0.22	6.63

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	2.9	24.2	14.8	18.0	14.6	13.4
Finance	2.5	13.0	10.0	11.9	10.0	9.9
Property	5.4	25.2	10.6	15.7	11.5	N/A
Plantation	2.4	95.5	9.7	31.1	14.7	16.8
Consumer	1.0	22.5	14.8	18.8	14.8	14.9
Technology	0.6	46.1	23.0	31.9	32.7	24.4
Construction	9.1	34.6	17.0	25.5	17.0	13.1
Energy	5.1	11.5	9.2	10.4	9.2	9.3
Healthcare	1.6	36.1	5.1	24.5	25.7	31.2
Ind. Prod.	0.5	24.9	12.7	18.3	17.8	15.0
REIT	2.1	29.5	13.4	19.2	13.4	15.8
Telco	4.6	31.0	19.8	26.6	27.5	21.6

Source: Bloomberg

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