

# Daily Newswatch

## Market Review

The FBMKLCI fell flat last Friday ahead of Chinese New Year's long weekend. Market breadth was positive with 530 gainers and 313 losers. The energy sector was the top gainer increasing by +0.82%, while the financial services sector was the top loser declining by -0.21%. NESTLE (4707) was the top gainer surging by RM1.00 or +0.8%. The FBMKLCI declined by -0.01% to 1,512.3.

## Economics

- **Natural rubber production eased** in Dec 2023 – DOSM
- **Unemployed rates stabilized** in Dec 2023 - DOSM

## Companies

- **Zecon Bhd (7028)** secures RM851.9m financing facilities from Bank Pembangunan

## Expresso for the Day

- **Technical Watch – Ajinomoto (2658)** Entry Price: RM16.76, Target Price: RM18.44, Stop Loss: RM14.33, Support: RM15.92, Resistance: RM16.76
- **Technical Watch – Solarvest (0215)** Entry Price: RM1.47, Target Price: RM1.62, Stop Loss: RM1.26, Support: RM1.40, Resistance: RM1.47

Local	Close	(%)
FBMKLCI	1,512.3	(0.01)
Volume (mil)	1,862.8	(42.60)
Value (RM'mil)	1,095.8	(45.12)
Gainers	530	
Losers	313	
Unchanged	444	

Foreign	Close	(%)
Dow Jones	38,802.5	0.3
Nasdaq CI	15,959.1	(0.2)
S&P 500	5,024.7	(0.1)
FTSE 100	7,573.7	0.0
Nikkei 225	36,897.4	0.1
Shanghai CI	2,865.9	1.3
HSI	15,746.6	(0.8)
STI	3,138.3	(0.1)

Most Active	RM	Chg (RM)
RENEUCO	0.055	(0.015)
WIDAD	0.120	(0.005)
TWL	0.035	(0.005)
VELESTO	0.265	0.000
DATAPRP	0.150	0.020

Top Gainers	RM	Chg (RM)
NESTLE	121.400	1.000
ALLIANZ	19.400	0.180
APOLLO	5.680	0.170
SAM	3.840	0.150
LEESK	1.110	0.145

Top Losers	RM	Chg (RM)
F&N	28.620	(0.300)
UTDPLT	19.780	(0.140)
PETDAG	21.340	(0.100)
GENP	6.190	(0.090)
TGL	1.200	(0.080)

Other Stats	RM	(%)
USD/MYR	4.77	(0.16)
USD/RMB	7.19	(0.04)
Brent (USD/barrel)	81.89	0.69
Gold (USD/troy oz)	2,017.94	(0.50)
CPO (RM/metric t)	3,937.00	0.12

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## Economics

**MALAYSIA:** In December 2023, **Malaysia's natural rubber output decreased slightly month-on-month**, while total NR stocks increased, exports declined, and prices for concentrated latex, scrap rubber, and Standard Malaysian Rubber decreased, with the Kuala Lumpur rubber market exhibiting a mixed trend amid optimism over stimulus measures from China and expectations of US interest rate cuts in 2024. (The Edge)

**MALAYSIA:** The Department of Statistics Malaysia (DOSM) reported **a stable unemployment rate of 3.3% in December 2023**, with 567,800 individuals unemployed, indicating stable economic foundations, while sectors like information and communication, food and beverage services, transportation, manufacturing, and construction showed growth, and Malaysia's labor market is expected to benefit from increased foreign direct investment (FDI), growing tourism, and higher infrastructure spending in 2024. (The Edge)

## Companies

**Zecon Bhd (7028)** secured Tawarruq Asset Financing Facilities totaling RM851.94 million from Bank Pembangunan Malaysia Bhd, with funds allocated for settling existing facilities, payment to contractors, and working capital, while having a marginal impact on the company's gearing ratio. (The Edge)

# Ajinomoto (Malaysia) Berhad

Bloomberg: AJI MK | KLSE Stock Code: 2658

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Ajinomoto (Malaysia) Berhad manufactures and sells monosodium glutamate (MSG) and other related products. The Company also produces consumer food products such as food seasonings, flavored salt and pepper, and sago starch.

### 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 >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.

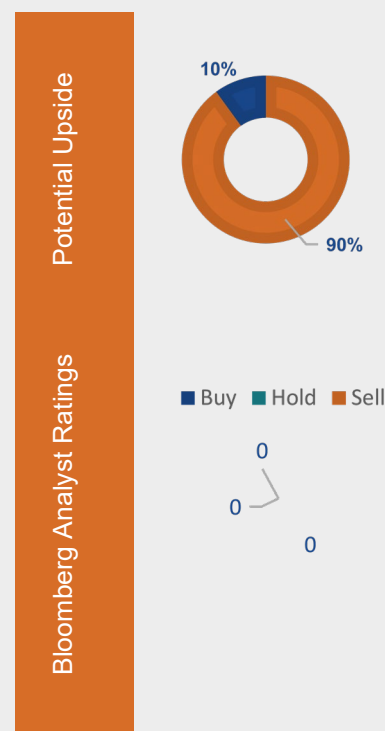
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	152.7	62.2	36.3
P/B	1.7	1.8	1.8
P/CF	105.4	38.5	23.8
P/S	1.5	1.8	1.8

Entry Price	<b>RM16.76</b>
Market Cap (m)	RM1,019.0
52w high	<b>RM17.10</b>
52w low	<b>RM13.36</b>
Stop Loss	RM14.33
Immediate Support	RM15.92
Immediate Resistance	RM16.76 (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)	66,618.4

### Main Market

Consumer Products & Services  
 Subsector – Food & Beverages  
 Current Price: RM16.76  
 Target Price: RM18.44



# Solarvest Holdings Berhad

Bloomberg: SOLAR MK | KLSE Stock Code: 0215

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Solarvest Holdings Berhad operates as a holding company. The Company, through its subsidiaries, provides engineering, procurement, construction, commissioning, management, and operation and maintenance services for solar projects. Solarvest Holdings 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 marubozu 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.

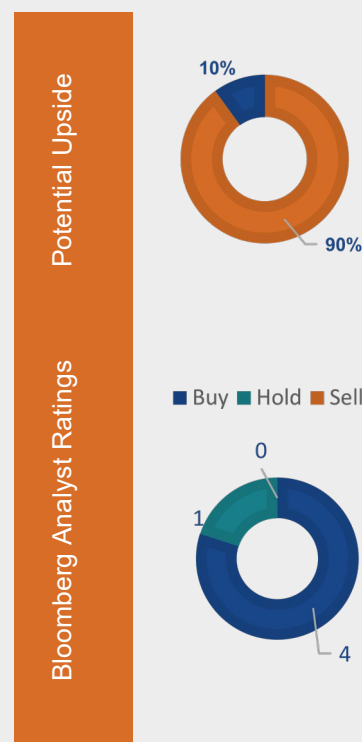
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	41.9	45.3	45.3
P/B	3.4	4.4	4.4
P/CF	29.7	38.2	38.2
P/S	2.1	2.7	2.7

Entry Price	RM1.47
Market Cap (m)	RM983.2
52w high	RM1.48
52w low	RM0.84
Stop Loss	RM1.26
Immediate Support	RM1.40
Immediate Resistance	RM1.47 (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)	1,375,243.1

### Main Market

Industrial Products & Services  
Subsector – Industrial Services  
Current Price: RM1.47  
Target Price: RM1.62





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
12/1/2024	GenP	2291	6.300	6.190	5.390	6.930	-1.433	-1.7	-
12/1/2024	Frontken	0128	3.580	3.500	3.060	3.940	0.865	-2.2	-
15/1/2024	KeckSeng	3476	5.300	5.750	4.530	5.800	0.877	8.5	TP Achieved
15/1/2024	Telekom	4863	5.820	5.850	4.980	6.400	0.515	0.5	-
16/1/2024	TaAnnHoldings	5012	3.750	3.720	3.210	4.130	0.541	-0.8	-
16/1/2024	E&O	3417	0.930	0.890	0.800	1.020	4.706	-4.3	SL Triggered
17/1/2024	PressMetal	8869	5.000	4.630	4.280	5.500	0.216	-7.4	-
17/1/2024	Allianz	1163	20.100	19.400	17.190	22.110	0.937	-3.5	-
18/1/2024	AffinBank	5185	2.450	2.510	2.090	2.700	0.000	2.4	-
18/1/2024	AME Elite	5923	1.840	1.880	1.570	2.030	2.732	2.2	-
19/1/2024	QL Resources	7084	5.900	5.740	5.040	6.490	0.000	-2.7	-
19/1/2024	MSM	5202	1.880	2.390	1.610	2.070	-0.830	27.1	TP Achieved
22/1/2024	MalayCement	3794	4.830	4.710	4.130	5.310	0.641	-2.5	-
22/1/2024	Aurelius	5302	2.770	2.600	2.370	3.050	-1.141	-6.1	-
23/1/2024	RCE	9296	3.240	3.150	2.770	3.560	0.318	-2.8	-
23/1/2024	JayaTiasa	4383	1.130	1.170	0.970	1.240	1.739	3.5	-
24/1/2024	PetDag	5681	21.200	21.340	18.130	22.300	-0.466	0.7	-
24/1/2024	Genetec	0104	2.090	1.860	1.790	2.299	-0.535	-11.0	SL Triggered
26/1/2024	BermazAuto	5248	2.470	2.440	2.110	2.720	-0.408	-1.2	-
26/1/2024	MPI	3867	29.700	26.220	25.390	32.670	0.537	-11.7	SL Triggered
29/1/2024	MSM	5202	2.410	2.390	2.060	2.650	-0.830	-0.8	-
29/1/2024	YTL	4677	2.450	2.320	2.090	2.700	0.870	-5.3	SL Triggered
30/1/2024	IHH	5225	6.150	6.120	5.260	6.780	-0.163	-0.5	-
30/1/2024	UchiTech	7100	3.870	3.910	3.310	4.260	-0.255	1.0	-
31/1/2024	Solarvest	0215	1.450	1.470	1.240	1.600	3.521	1.4	-
31/1/2024	ITMax	5309	1.900	2.060	1.620	2.090	1.478	8.4	-
2/2/2024	TNB	5347	10.720	10.780	9.170	11.790	0.000	0.6	-
2/2/2024	Uzma	7250	1.180	1.130	1.010	1.290	-0.877	-4.2	-
5/2/2024	GentingM	4715	2.770	2.840	2.370	3.050	1.068	2.5	-
5/2/2024	Maybank	1155	9.340	9.260	7.990	10.270	0.000	-0.9	-
6/2/2024	RCE	9296	3.170	3.150	2.710	3.490	0.318	-0.6	-
6/2/2024	PGF	8117	1.850	1.730	1.580	2.040	-1.705	-6.5	-
7/2/2024	Uzma	7250	1.190	1.130	1.020	1.310	-0.877	-5.0	-
7/2/2024	Dayang	5141	2.090	2.110	1.770	2.280	1.442	1.0	-
8/2/2024	YTLPower	6742	4.040	4.050	3.450	4.440	1.250	0.2	-
8/2/2024	Suncon	5263	2.470	2.650	2.110	2.720	0.760	7.3	-
9/2/2024	MSM	5202	2.410	2.390	2.060	2.650	-0.830	-0.8	-
9/2/2024	AeonCredit	5139	6.010	5.990	5.140	6.610	-0.333	-0.3	-
13/2/2024	AjinamotoMy	2658	16.760	16.760	14.330	18.440	0.600	0.0	-
13/2/2024	Solarvest	0215	1.470	1.470	1.260	1.620	3.521	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.55	0.73	13.10
UOA DEVELOPMENT BERHAD	PROPERTY	1.80	0.20	11.11
MBM RESOURCES BHD	CONSUMER	4.54	0.46	10.15
HEKTAR REITS	REITs	0.64	0.06	8.91
SENTRAL REIT	REITs	0.80	0.07	8.50
BERMAZ AUTO BERHAD	CONSUMER	2.44	0.21	8.48
YTL HOSPITALITY REIT	REITs	1.17	0.09	8.03
BRITISH AMERICAN TOBACCO (M)	CONSUMER	8.87	0.70	7.93
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.78
TALIWORKS CORPORATION BHD	UTILITIES	0.88	0.07	7.73
UOA REITS	REITs	1.10	0.08	7.55
SPORTS TOTO BERHAD	CONSUMER	1.50	0.11	7.20
RHB BANK	FINANCE	5.58	0.39	6.95
PAVILION REAL ESTATE INV TRUST	REITs	1.28	0.09	6.72
AMWAY (M) HOLDINGS BHD	CONSUMER	6.86	0.46	6.71

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	4.0	24.2	14.8	18.0	14.8	13.5
Finance	3.5	13.0	10.2	11.9	10.2	10.0
Property	5.8	25.2	10.6	15.8	11.6	N/A
Plantation	2.6	95.5	9.7	31.1	14.8	16.9
Consumer	2.2	22.5	15.0	18.9	15.0	14.9
Technology	(1.4)	46.1	23.0	31.7	32.0	24.3
Construction	10.7	34.6	17.4	25.6	17.4	14.1
Energy	8.6	11.5	9.6	10.6	9.6	9.3
Healthcare	2.9	36.1	5.1	24.5	25.9	32.5
Ind. Prod.	(0.2)	24.9	12.7	18.2	17.7	14.9
REIT	4.7	29.5	13.2	19.2	13.2	15.0
Telco	5.8	31.0	19.8	26.7	27.8	21.3

Source: Bloomberg

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