

Daily Newswatch

Market Review

The FBMKLCI rose on Monday reaching its peak level in almost two years, buoyed by robust performance in consumer-related sectors, mirroring the upward trajectory seen across major Asian market benchmarks. Market breadth was negative with 447 gainers and 554 losers. The property sector was the top gainer increasing by +0.72%, while the utilities sector was the top loser declining by -0.89%. UTDPLT (2089) was the top gainer surging by RM0.52 or +2.60%. The FBMKLCI increased by 0.33% to 1,538.6.

Economics

- **China's central bank** opts to maintain the **key policy rate unchanged**.
- **Thai Q4 GDP** shrinkage and bleak outlook bolster rationale for rate cut.

Companies

- **MRC (1651)** secures contract worth RM35.0m to demolish the Shah Alam Stadium.
- **MyEG (0138)** partners with Security System of Philippines for online payments.
- **KNM (7164)** has received two proposals for FBM Hudson, amounting to a combined total of 16.5 million euros.
- **Hextar Global (5151)** reports an increased net profit of RM23.3m in 4Q.

Expresso for the Day

- **Technical Watch – Jaya Tiasa (4383)** Entry Price: RM1.34, Target Price: RM1.47, Stop Loss: RM1.15, Support: RM1.27, Resistance: RM1.34
- **Technical Watch – Padini (7052)** Entry Price: RM3.58, Target Price: RM3.94, Stop Loss: RM3.06, Support: RM3.40, Resistance: RM3.66

Local	Close	(%)
FBMKLCI	1,538.6	0.3
Volume (mil)	3,476.4	(4.4)
Value (RM'mil)	2,073.9	(12.1)
Gainers	447	
Losers	554	
Unchanged	459	
Foreign	Close	(%)
Dow Jones	38,628.0	(0.4)
Nasdaq CI	15,775.7	(0.8)
S&P 500	5,005.6	(0.5)
FTSE 100	7,728.5	0.2
Nikkei 225	38,470.4	(0.0)
Shanghai CI	2,910.5	1.6
HSI	16,155.6	(1.1)
STI	3,225.9	0.1
Most Active	RM	Chg (RM)
MINETEC	0.017	0.020
HONGSENG	0.020	0.000
TWL	0.035	0.000
FITTERS	0.050	0.000
RENEUCO	0.075	0.020
Top Gainers	RM	Chg (RM)
UTDPLT	20.520	0.520
PETDAG	22.800	0.500
NESTLE	121.900	0.200
PETGAS	18.100	0.180
THPLANT	0.825	0.120
Top Losers	RM	Chg (RM)
HEIM	23.440	(1.400)
ALLIANZ	19.380	(0.220)
BIMB	2.340	(0.100)
BURSA	7.360	(0.100)
DYNAFNT	0.900	(0.100)
Other Stats	RM	(%)
USD/MYR	4.79	0.16
USD/RMB	7.20	0.06
Brent (USD/barrel)	83.42	(0.06)
Gold (USD/troy oz)	2,017.21	0.15
CPO (RM/metric t)	3,932.00	(1.16)



Daily Newswatch

Economics

CHINA: China's central bank has maintained its key policy rate unchanged, aligning with expectations while renewing medium-term loans. This decision comes amidst uncertainties regarding the timing of potential easing by the US Federal Reserve, constraining Beijing's monetary policy flexibility. The move reflects China's cautious approach to supporting its economy amid persistent deflationary pressures, with the risk of stimulating depreciation of the Chinese currency and capital outflows. With expectations of delayed Fed easing due to recent US data, investors anticipate China may postpone imminent stimulus measures. The People's Bank of China (PBoC) announced yesterday the retention of the rate on 500 billion yuan worth of one-year medium-term lending facility (MLF) loans at 2.50%, aiming to sustain reasonably ample liquidity in the banking system. (Reuters)

THAILAND: According to data from the National Economic and Social Development Council, **Thailand's gross domestic product (GDP) contracted by 0.6%** in the October to December quarter on a seasonally adjusted basis, compared to a revised 0.6% growth in the previous quarter. On a year-on-year basis, the economy expanded by 1.7%, slightly higher than the revised 1.4% growth in the third quarter but lower than the projected 2.5% growth. The deceleration in economic activity increases the likelihood of a rate cut at the central bank's upcoming policy review on April 10, following its decision to maintain the key rate at 2.50% earlier this month. (Reuters)

Companies

Malaysian Resources Corp Bhd (1651) has been officially selected by Menteri Besar Selangor Inc (Selangor MBI) to carry out the demolition of Shah Alam Stadium, with a preliminary contract worth RM35 million. Selangor Menteri Besar Datuk Seri Amirudin Shari recently stated that the stadium's complete demolition is projected to occur by mid-2025. Nevertheless, negotiations are ongoing between the group and MBI to settle the terms of the definitive agreement for the stadium's redevelopment, which is distinct from the demolition contract. (The Edge)

MyEG Services Bhd's (0138) joint venture, MYEG Philippines Inc (MYEG PH), has collaborated with the Social Security System of the Philippines (SSS PH) to enable online payments for loans and contributions. This partnership allows SSS PH members to utilize various payment methods available on the platform www.myeg.ph, including e-wallets, credit/debit cards, bank transfers, and cash payments through over-the-counter channels. Furthermore, members can conveniently generate their Payment Reference Number on the same platform, simplifying the payment procedure. (The Edge)

KNM Group Bhd (7164) has received two "binding and irrevocable offers" for the proposed sale of KNM Europa BV's entire shareholding in FBM Hudson Italiana SpA (FBM Hudson) for a potential total amount of 16.5 million euros. The first offer, from BM Carpenterie Oil & Gas S.R.L based in Milan, proposes acquiring a 60% equity stake in FBM Hudson for up to 9.9 million euros. Similarly, Officine Piccoli S.p.A. in Verona has put forward an offer to purchase a 40% equity stake in FBM Hudson for up to 6.6 million euros. (The Star)

Hextar Global Bhd (5151), buoyed by its strong 2023 performance, anticipates continued growth, supported by core business expansion. In 4QFY23, the company reported a net profit of RM23.39 million, significantly higher than the previous year, with revenue reaching RM214.28 million. The robust performance was driven by improved results in specialty chemicals and new revenue from the fruits segment during the durian season. Hextar also divested its loss-making consumer products segment in 2QFY23. For FY23, net profit rose to RM56.08 million, with revenue at RM669.44 million. The board declared a first interim dividend of one sen per share. (The Star)

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 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 crossover moving forward.

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	5.3	8.7	24.8
P/B	0.6	0.5	0.6
P/CF	2.4	3.6	5.8
P/S	0.8	0.8	1.0

Entry Price **RM1.34**

Market Cap (m) **RM1,297.1**

52w high **RM1.37**

52w low **RM0.61**

Stop Loss **RM1.15**

Immediate Support **RM1.27**

Immediate Resistance **RM1.34 (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) **1,735,614.3**

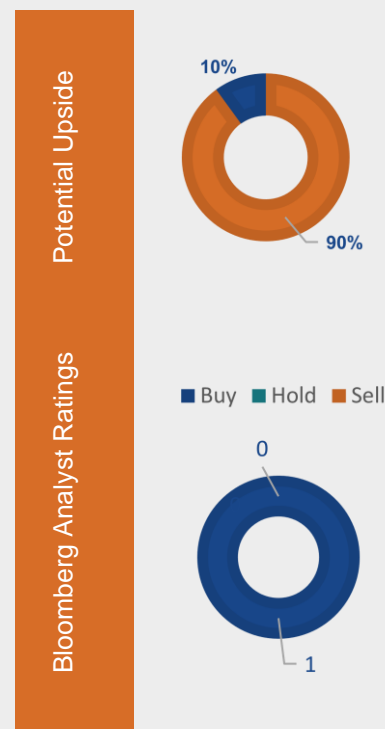
Main Market

Plantation

Subsector – Plantation

Current Price: RM1.34

Target Price: RM1.47



Padini Holdings Berhad

Bloomberg: PAD MK | KLSE Stock Code: 7052

Technical Watch

"BUY on Potential Upside"

Company Overview

Padini Holdings Berhad is an investment holding company. The Company, through its subsidiaries, manufactures and retails garments, shoes, ancillary products, and accessories.

Investment Highlights

On a sideways, the stock is currently trading above the MA20. We think there is a potential upside supported by a marubozu with a rising momentum on the stock (RSI >55).

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 crossover moving forward.

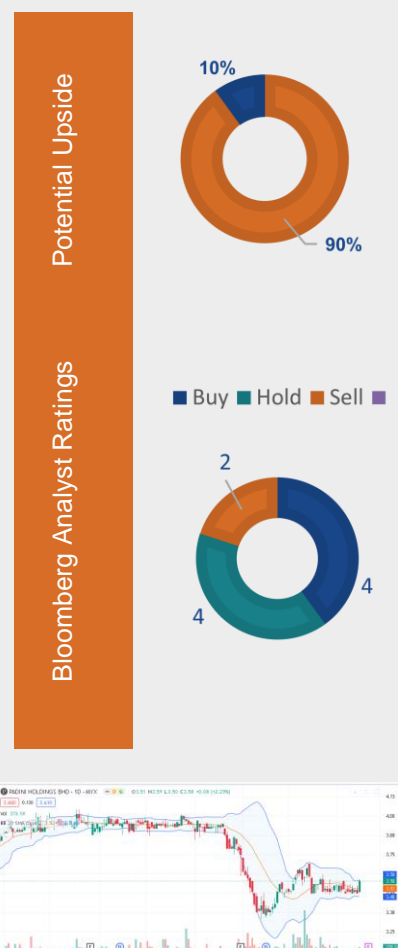
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	13.8	24.8	18.5
P/B	2.4	2.4	2.8
P/CF	14.9	15.4	13.4
P/S	1.5	1.4	1.3

Entry Price	RM3.58
Market Cap (m)	RM2,355.3
52w high	RM4.16
52w low	RM3.33
Stop Loss	RM3.06
Immediate Support	RM3.40
Immediate Resistance	RM3.66 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising momentum
Volume (4-Weeks Average)	308,449.8

Main Market

Consumer Products & Services
Subsector – Retailers
Current Price: RM3.58
Target Price: RM3.94





Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/ Loss from TP (%)	Remark
19/1/2024	QL Resources	7084	5.900	5.860	5.040	6.490	1.034	-0.7	-
19/1/2024	MSM	5202	1.880	2.480	1.610	2.070	2.058	31.9	TP Achieved
22/1/2024	MalayCement	3794	4.830	4.740	4.130	5.310	-1.863	-1.9	-
22/1/2024	Aurelius	5302	2.770	2.610	2.370	3.050	0.000	-5.8	-
23/1/2024	RCE	9296	3.240	3.100	2.770	3.560	-0.958	-4.3	-
23/1/2024	JayaTiasa	4383	1.130	1.340	0.970	1.240	8.943	18.6	TP Achieved
24/1/2024	PetDag	5681	21.200	22.800	18.130	22.300	2.242	7.5	-
24/1/2024	Genetec	0104	2.090	1.870	1.790	2.299	-1.579	-10.5	SL Triggered
26/1/2024	BermazAuto	5248	2.470	2.480	2.110	2.720	1.224	0.4	-
26/1/2024	MPI	3867	29.700	26.500	25.390	32.670	0.000	-10.8	SL Triggered
29/1/2024	MSM	5202	2.410	2.480	2.060	2.650	2.058	2.9	-
29/1/2024	YTL	4677	2.450	2.190	2.090	2.700	0.459	-10.6	SL Triggered
30/1/2024	IHH	5225	6.150	6.190	5.260	6.780	0.000	0.7	-
30/1/2024	UchiTech	7100	3.870	4.030	3.310	4.260	-1.707	4.1	-
31/1/2024	Solarvest	0215	1.450	1.510	1.240	1.600	0.667	4.1	-
31/1/2024	ITMax	5309	1.900	2.170	1.620	2.090	0.463	14.2	TP Achieved
2/2/2024	TNB	5347	10.720	11.200	9.170	11.790	0.179	4.5	-
2/2/2024	Uzma	7250	1.180	1.150	1.010	1.290	-2.542	-2.5	-
5/2/2024	GentingM	4715	2.770	2.870	2.370	3.050	0.702	3.6	-
5/2/2024	Maybank	1155	9.340	9.460	7.990	10.270	0.318	1.3	-
6/2/2024	RCE	9296	3.170	3.100	2.710	3.490	-0.958	-2.2	-
6/2/2024	PGF	8117	1.850	1.750	1.580	2.040	-3.315	-5.4	-
7/2/2024	Uzma	7250	1.190	1.150	1.020	1.310	-2.542	-3.4	-
7/2/2024	Dayang	5141	2.090	2.170	1.770	2.280	2.358	3.8	-
8/2/2024	YTLPower	6742	4.040	3.800	3.450	4.440	-0.524	-5.9	-
8/2/2024	Suncon	5263	2.470	2.600	2.110	2.720	1.961	5.3	-
9/2/2024	MSM	5202	2.410	2.480	2.060	2.650	2.058	2.9	-
9/2/2024	AeonCredit	5139	6.010	6.290	5.140	6.610	1.780	4.7	-
13/2/2024	AjinamotoMy	2658	16.760	17.300	14.330	18.440	0.348	3.2	-
13/2/2024	Solarvest	0215	1.470	1.510	1.260	1.620	0.667	2.7	-
14/2/2024	HapSeng	3034	4.810	4.890	4.110	5.290	-0.407	1.7	-
14/2/2024	MNRB	6459	1.730	1.900	1.480	1.900	-1.554	9.8	TP Achieved
15/2/2024	HumeCement	5000	2.930	2.850	2.510	3.220	-2.062	-2.7	-
15/2/2024	ITMax	5309	2.140	2.170	1.830	2.350	0.463	1.4	-
16/2/2024	TNB	5347	11.100	11.200	9.490	12.210	0.179	0.9	-
16/2/2024	QL Resources	7084	5.860	5.860	5.010	6.450	1.034	0.0	-
19/2/2024	BankIslam	5258	2.440	2.340	2.090	2.680	-4.098	-4.1	-
19/2/2024	PWF	7134	1.040	1.050	0.890	1.140	0.962	1.0	-
20/2/2024	JayaTiasa	4383	1.340	1.340	1.150	1.470	8.943	0.0	-
20/2/2024	Padini	7052	3.580	3.580	3.060	3.940	2.286	0.0	-

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.50	0.73	13.22
UOA DEVELOPMENT BERHAD	PROPERTY	1.86	0.20	10.75
MBM RESOURCES BHD	CONSUMER	4.65	0.46	9.91
HEKTAR REITS	REITs	0.64	0.06	8.98
SENTRAL REIT	REITs	0.81	0.07	8.45
BERMAZ AUTO BERHAD	CONSUMER	2.48	0.21	8.35
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.91
BRITISH AMERICAN TOBACCO (M)	CONSUMER	8.97	0.70	7.84
TALIWORKS CORPORATION BHD	UTILITIES	0.87	0.07	7.82
YTL HOSPITALITY REIT	REITs	1.21	0.09	7.77
UOA REITS	REITs	1.10	0.08	7.55
SPORTS TOTO BERHAD	CONSUMER	1.52	0.11	7.11
RHB BANK	FINANCE	5.63	0.39	6.89
AMWAY (M) HOLDINGS BHD	CONSUMER	6.82	0.46	6.74
PAVILION REAL ESTATE INV TRUST	REITs	1.33	0.09	6.47

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	5.8	24.2	14.8	18.0	15.1	13.6
Finance	5.8	13.0	10.4	12.0	10.4	10.3
Property	8.5	25.2	10.6	15.8	11.9	N/A
Plantation	4.1	95.5	9.7	31.1	15.0	17.2
Consumer	4.1	22.5	15.2	18.9	15.2	14.3
Technology	(0.7)	46.1	23.0	31.8	32.2	24.5
Construction	10.4	34.6	17.3	25.5	17.3	14.2
Energy	9.6	11.5	9.7	10.6	9.7	9.4
Healthcare	4.2	36.1	5.1	24.6	26.2	32.6
Ind. Prod.	1.5	24.9	12.7	18.3	18.0	15.2
REIT	5.0	29.5	13.3	19.2	13.3	15.1
Telco	8.5	31.0	19.8	26.9	28.5	21.6

Source: Bloomberg

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