

# Daily Newswatch

## Market Review

The FBMKLCI saw a slight recovery on Friday, primarily due to bargain hunting following two consecutive days of decline.

Market breadth was negative with 448 gainers and 613 losers. The utilities sector was the top gainer increasing by +3.14%, while the healthcare sector was the top loser declining by -1.40%. YTL (4677) was the top gainer surging by RM0.32 or +14.90%. The FBMKLCI increased by +0.2% to 1,549.1.

## Economics

- **Malaysia's approved investments surged to RM329.5 billion** in 2023, marking a 23% increase from 2022.
- The **Malaysian government anticipates a 5% expansion in trade** for the current year.

## Companies

- **YTL Corp (4677)** saw an increase in its net profit for the second quarter, soaring sixfold to RM589.21 million.
- **YTL Power (6742)** net profit surged fourfold to RM845.12 million in second quarter.
- **E&O (3417)** quarterly net profit rose by 14.47% to RM34.44 million.
- **Dayang (5141)** net profit increase sixfold to RM93.79 million in the fourth quarter.

## Expresso for the Day

- **Technical Watch – Chin Hin (5273)** Entry Price: RM4.03, Target Price: RM4.43, Stop Loss: RM3.45, Support: RM3.83, Resistance: RM4.05
- **Technical Watch – Ge-Shen (7197)** Entry Price: RM2.00, Target Price: RM2.20, Stop Loss: RM1.71, Support: RM1.90, Resistance: RM2.00

Local	Close	(%)
FBMKLCI	1,549.1	0.2
Volume (mil)	4,068.6	9.4
Value (RM'mil)	3,209.3	24.6
Gainers	448	
Losers	613	
Unchanged	458	
Foreign	Close	(%)
Dow Jones	39,131.5	0.2
Nasdaq CI	15,996.8	(0.3)
S&P 500	5,088.8	0.0
FTSE 100	7,706.3	0.3
Nikkei 225	38,849.8	2.2
Shanghai CI	3,004.9	0.6
HSI	16,725.9	(0.1)
STI	3,185.5	(1.2)
Most Active	RM	Chg (RM)
HONGSENG	0.020	0.000
PWRWELL	0.290	0.020
YTL	2.470	0.320
YTLPOWR	4.020	0.240
NOTION	0.440	(0.015)
Top Gainers	RM	Chg (RM)
YTL	2.470	0.320
YTLPOWR	4.020	0.240
MCEMENT	5.040	0.210
CANONE	2.640	0.190
LTKM	1.600	0.180
Top Losers	RM	Chg (RM)
NESTLE	121.200	(0.500)
KLK	22.480	(0.380)
AJI	17.000	(0.200)
PETRONM	4.650	(0.170)
RCECAP	2.670	(0.160)
Other Stats	RM	(%)
USD/MYR	4.78	0.04
USD/RMB	7.20	0.03
Brent (USD/barrel)	81.62	(2.45)
Gold (USD/troy oz)	2,035.40	0.54
CPO (RM/metric t)	3,995.50	0.95



# Daily Newswatch

## Economics

**Malaysia: Malaysia achieved a historic high in approved investments, reaching RM329.5 billion, representing a 23% increase compared to 2022.** Prime Minister Datuk Seri Anwar Ibrahim highlighted that foreign investments accounted for 57.2%, surpassing domestic investments at 42.8%. This remarkable performance was driven by a 35.1% rise in domestic investments and a 15.3% increase in foreign investments. These investments, spread across 5,101 projects, are anticipated to generate over 127,000 new job opportunities. The services sector attracted the largest share of investments, accounting for 51.1% (RM168.4 billion), followed by manufacturing at 46.1% (RM152 billion), and primary industries at 2.8% (RM9.1 billion). (The Edge)

**Malaysia: The government anticipates a 5% growth in trade this year, boosted by a stronger-than-expected recovery observed in January 2024.** This projection slightly exceeds the World Trade Organization's forecast of 3.3% trade growth for the same period. This anticipated improvement in trade marks a significant rebound from the 7.3% year-on-year decline to RM2.6 trillion recorded in 2023. Factors contributing to the previous downturn include sluggish global demand, reduced commodity prices, geopolitical uncertainties, elevated inflation rates, a downturn in the semiconductor sector, and a high base effect from the previous year. Malaysia's trade performance in January 2024 demonstrated a notable recovery, with a double-digit expansion of 13.3% to RM234.73 billion, following ten consecutive months of year-on-year contraction. (The Star)

## Companies

**YTL Corp Bhd's (4677)** net profit surged sixfold to RM589.21 million in the second quarter ended December 31, 2023, from RM96.91 million a year ago. Revenue for the quarter increased by 14.2% to RM7.53 billion. In the first six months of FY2024, its net profit jumped eightfold to RM1.1 billion from RM133.53 million in the same period last year. Its subsidiary, Malayan Cement, reported a strong net profit of RM121.2 million – its best quarterly performance since 2013 – with revenue rising 29% to RM1.16 billion. (The Edge)

**YTL Power International Bhd's (6742)** net profit surged fourfold to RM845.12 million in 2QFY2024 from RM198.82 million last year, with revenue rising 14.26% to RM5.37 billion. This strong performance continued into the first half of FY2024, with net profit reaching RM1.69 billion compared to RM372.1 million in 1HFY2023. The company's stable earnings in Singapore, driven by improved margins and a stronger Singapore dollar, were key factors behind its sustained success. (The Edge)

**Eastern & Oriental Bhd (3417)** is in discussions with banks to secure RM1 billion to RM1.5 billion for its Andaman Island project in Penang, with an additional RM2 billion needed for the second phase. Quarterly net profit rose by 14.47% to RM34.44 million, and revenue surged by 13.58% to RM92.23 million. For the nine months ending in FY2024, E&O's net profit tripled to RM97.13 million, and revenue grew by 19.28% to RM301.50 million compared to the same period in FY2023. (The Edge)

**Dayang Enterprise Holdings Bhd's (5141)** net profit surged sixfold to RM93.79 million in the fourth quarter of FY2023, compared to RM12.52 million a year ago. Despite the challenges of the monsoon season, the company experienced a 57.93% increase in revenue to RM351.08 million, attributed to continued job orders and improved charter rates. For the full fiscal year, net profit rose by 80.6% to RM218.92 million, while revenue reached a record high of RM1.11 billion, up 13.09% from the previous year. The dividend per share remained unchanged at 1.5 sen for the quarter and three sen for the full year. (The Edge)

# Chin Hin Group Berhad

Bloomberg: CHIN MK | KLSE Stock Code: 5273

## Technical Watch

"BUY on Potential Upside"

### Company Overview

Chin Hin Group Berhad provides building materials and services. The Company offers steel mesh reinforcement, metal roofing systems, aerated autoclaved cement block, fire-rated doors, pre-cast concrete products, and cement. Chin Hin Group serves construction and building industries 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.

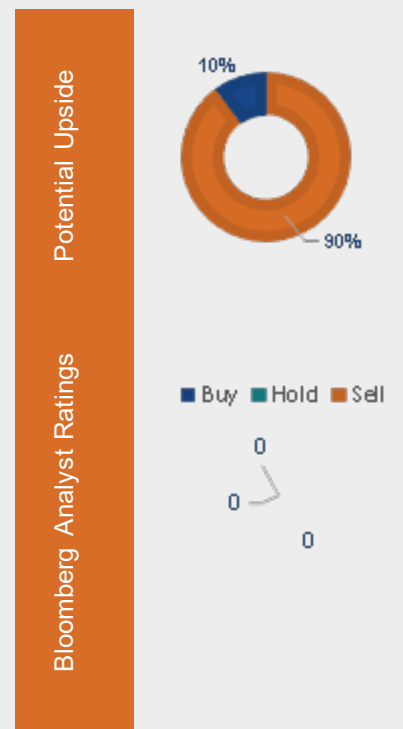
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	68.1	44.4	34.9
P/B	9.3	4.6	3.4
P/CF	437.0	171.4	144.6
P/S	2.9	1.6	1.2

Entry Price	<b>RM4.03</b>
Market Cap (m)	RM7,130.7
<b>52w high</b>	<b>RM4.80</b>
<b>52w low</b>	<b>RM3.37</b>
Stop Loss	RM3.45
Immediate Support	RM3.83
Immediate Resistance	RM4.05 (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)	2,030,832.3

### Main Market

Industrial Products & Services  
 Subsector – Building Materials  
 Current Price: RM4.03  
 Target Price: RM4.43



# Ge-Shen Corporation Berhad

Bloomberg: GSCB MK | KLSE Stock Code: 7197

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Ge-Shen Corporation Berhad is an investment holding company. The Company manufactures plastic molded products and components as well as plastic mold, tools, and die.

### 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 >90).

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.

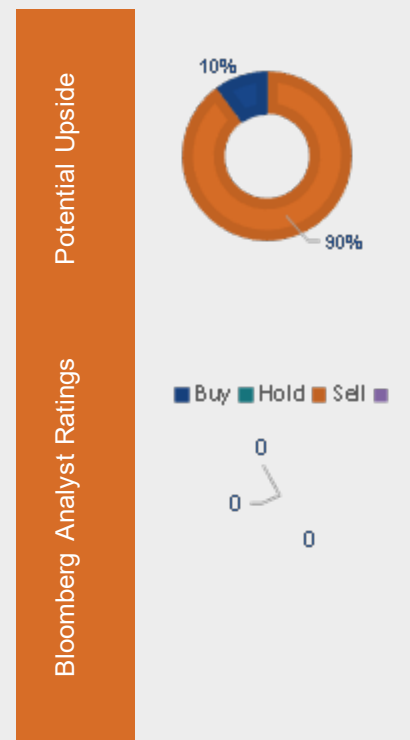
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	16.7	40.4	21.7
P/B	1.1	1.0	1.2
P/CF	10.9	10.6	15.2
P/S	0.6	0.5	0.6

Entry Price	RM2.00
Market Cap (m)	RM244.0
52w high	RM2.07
52w low	RM1.10
Stop Loss	RM1.71
Immediate Support	RM1.90
Immediate Resistance	RM2.00 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong momentum
Volume (4-Weeks Average)	102,015.0

### Main Market

Industrial Products & Services  
 Subsector – Industrials  
 Materials, Components  
 Current Price: RM2.00  
 Target Price: RM2.20





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
26/1/2024	BermazAuto	5248	2.470	2.490	2.110	2.720	0.810	0.8	-
26/1/2024	MPI	3867	29.700	28.880	25.390	32.670	0.347	-2.8	SL Triggered
29/1/2024	MSM	5202	2.410	2.400	2.060	2.650	2.128	-0.4	-
29/1/2024	YTL	4677	2.450	2.470	2.090	2.700	14.884	0.8	SL Triggered
30/1/2024	IHH	5225	6.150	6.150	5.260	6.780	-0.485	0.0	-
30/1/2024	UchiTech	7100	3.870	4.070	3.310	4.260	-0.489	5.2	-
31/1/2024	Solarvest	0215	1.450	1.510	1.240	1.600	2.027	4.1	-
31/1/2024	ITMax	5309	1.900	2.220	1.620	2.090	-0.893	16.8	TP Achieved
2/2/2024	TNB	5347	10.720	11.280	9.170	11.790	0.535	5.2	-
2/2/2024	Uzma	7250	1.180	1.120	1.010	1.290	0.000	-5.1	-
5/2/2024	GentingM	4715	2.770	2.890	2.370	3.050	0.000	4.3	-
5/2/2024	Maybank	1155	9.340	9.530	7.990	10.270	0.105	2.0	-
6/2/2024	RCE	9296	3.170	2.670	2.710	3.490	-5.654	-15.8	SL Triggered
6/2/2024	PGF	8117	1.850	1.660	1.580	2.040	-4.046	-10.3	-
7/2/2024	Uzma	7250	1.190	1.120	1.020	1.310	0.000	-5.9	-
7/2/2024	Dayang	5141	2.090	2.330	1.770	2.280	4.484	11.5	TP Achieved
8/2/2024	YTLPower	6742	4.040	4.020	3.450	4.440	6.349	-0.5	-
8/2/2024	Suncon	5263	2.470	2.570	2.110	2.720	-1.154	4.0	-
9/2/2024	MSM	5202	2.410	2.400	2.060	2.650	2.128	-0.4	-
9/2/2024	AeonCredit	5139	6.010	6.300	5.140	6.610	0.639	4.8	-
13/2/2024	AjinamotoMy	2658	16.760	17.000	14.330	18.440	-1.163	1.4	-
13/2/2024	Solarvest	0215	1.470	1.510	1.260	1.620	2.027	2.7	-
14/2/2024	HapSeng	3034	4.810	4.760	4.110	5.290	0.000	-1.0	-
14/2/2024	MNRB	6459	1.730	1.760	1.480	1.900	-4.348	1.7	TP Achieved
15/2/2024	HumeCement	5000	2.930	3.020	2.510	3.220	-2.265	3.1	-
15/2/2024	ITMax	5309	2.140	2.220	1.830	2.350	-0.893	3.7	-
16/2/2024	TNB	5347	11.100	11.280	9.490	12.210	0.535	1.6	-
16/2/2024	QL Resources	7084	5.860	5.870	5.010	6.450	-0.677	0.2	-
19/2/2024	BankIslam	5258	2.440	2.400	2.090	2.680	2.128	-1.6	-
19/2/2024	PWF	7134	1.040	1.010	0.890	1.140	0.000	-2.9	-
20/2/2024	JayaTiasa	4383	1.340	1.220	1.150	1.470	-7.576	-9.0	-
20/2/2024	Padini	7052	3.580	3.480	3.060	3.940	-0.855	-2.8	-
21/2/2024	Axiata	6888	2.890	2.770	2.470	3.180	0.362	-4.2	-
21/2/2024	Sime Darby	4197	2.630	2.650	2.250	2.890	1.533	0.8	-
22/2/2024	PIE	7095	3.330	3.390	2.850	3.660	2.727	1.8	-
22/2/2024	Jetson	9083	0.365	0.395	0.310	0.400	3.947	8.2	-
23/2/2024	MiTech	5286	2.070	2.040	1.770	2.280	-1.449	-1.4	-
23/2/2024	Genetec	0104	2.050	2.070	1.750	2.260	0.976	1.0	-
23/2/2024	ChinHin	5273	4.030	4.030	3.450	4.430	3.333	0.0	-
23/2/2024	Ge-Shen	7197	2.000	2.000	1.710	2.200	6.383	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM HOLDINGS BERHAD	TELCO	5.51	0.73	13.19
UOA DEVELOPMENT BERHAD	PROPERTY	1.85	0.22	11.89
MBM RESOURCES BHD	CONSUMER	4.56	0.46	10.11
HEKTAR REITS	REITs	0.63	0.04	6.98
BERMAZ AUTO BERHAD	CONSUMER	2.49	0.21	8.31
SENTRAL REIT	REITs	0.80	0.07	8.38
BRITISH AMERICAN TOBACCO (M)	CONSUMER	8.81	0.70	7.98
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.87
TALIWORKS CORPORATION BHD	UTILITIES	0.87	0.07	7.86
YTL HOSPITALITY REIT	REITs	1.24	0.09	7.58
UOA REITS	REITs	1.12	0.08	7.41
SPORTS TOTO BERHAD	CONSUMER	1.52	0.10	6.84
RHB BANK	FINANCE	5.66	0.39	6.86
AMWAY (M) HOLDINGS BHD	CONSUMER	6.80	0.46	6.76
CAPITALAND MALAYSIA TRUST	REITs	0.65	0.04	6.51

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	6.5	24.2	14.8	18.0	15.2	13.6
Finance	6.4	13.0	10.4	12.0	10.4	10.3
Property	8.0	25.2	10.6	15.8	11.8	N/A
Plantation	3.4	95.5	9.7	31.1	14.9	17.5
Consumer	4.5	22.5	15.3	18.9	15.3	14.3
Technology	3.3	46.1	23.0	32.0	33.5	25.6
Construction	9.4	34.6	17.1	25.5	17.1	14.0
Energy	13.7	11.5	10.1	10.8	10.1	9.9
Healthcare	2.4	36.1	5.1	24.5	25.7	32.6
Ind Prod	2.8	24.9	12.7	18.4	18.2	15.3
REIT	5.0	29.5	13.0	19.1	13.0	14.9
Telco	7.3	31.0	19.8	26.6	27.3	19.0

Source: Bloomberg

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