

# Daily Newswatch

## Market Review

The FBMKLCI increased on Monday, in line with most regional markets. Market breadth was negative with 426 gainers and 536 losers. The construction sector was the top gainer increasing by +1.00%, while the technology sector was the top loser declining by -0.78%. UTDPLT (2089) was the top gainer surging by RM0.92 or +4.0%. The FBMKLCI increased by +0.1% to 1,539.3.

## Economics

- Tourism **Malaysia aims to attract additional international flights** to the country.
- The **Vietnamese government is fully dedicated to enhancing Vietnam's business environment** and competitiveness.

## Companies

- **Pekat Group Bhd (0233)** is selling 12,813.89 sq m of industrial land for RM21 million cash.
- **KUB Malaysia Bhd (6874)** is acquiring a 40% equity stake in KUB Sepadu Sdn Bhd (KUBS) for RM60 million.
- **RGT Bhd (9954)** is enhancing its factory automation and precision engineering operations.
- **Alpha IVF Group Bhd (0303)** expresses confidence in sustaining a consistent growth path in the future.

## Expresso for the Day

- **Technical Watch – Affin Bank (5185)** Entry Price: RM2.67, Target Price: RM2.94, Stop Loss: RM2.28, Support: RM2.54, Resistance: RM2.67
- **Technical Watch – Eita Resources (5208)** Entry Price: RM0.92.53, Target Price: RM1.01, Stop Loss: RM0.79, Support: RM0.87, Resistance: RM0.92

Local	Close	(%)
FBMKLCI	1,539.3	0.1
Volume (mil)	3,327.1	(31.0)
Value (RM'mil)	2,559.8	(17.0)
Gainers	426	
Losers	536	
Unchanged	461	
Foreign	Close	(%)
Dow Jones	39,087.4	(0.2)
Nasdaq CI	16,274.9	(0.4)
S&P 500	5,137.1	(0.1)
FTSE 100	7,645.0	(0.5)
Nikkei 225	40,109.2	0.5
Shanghai CI	3,039.3	0.4
HSI	16,596.0	0.0
STI	3,122.2	(0.4)
Most Active	RM	Chg (RM)
TWL	0.035	0.000
HM	0.140	(0.010)
HONGSENG	0.015	0.000
WIDAD	0.110	(0.010)
JAKS	0.155	(0.020)
Top Gainers	RM	Chg (RM)
UTDPLT	24.000	0.920
HEIM	23.300	0.540
AMWAY	7.560	0.350
ALLIANZ	19.080	0.340
KLK	22.320	0.280
Top Losers	RM	Chg (RM)
NESTLE	121.100	(2.400)
F&N	29.200	(0.320)
HLIND	10.000	(0.200)
MPI	28.820	(0.180)
KLCC	7.400	(0.150)
Other Stats	RM	(%)
USD/MYR	4.72	(0.50)
USD/RMB	7.20	0.03
Brent (USD/barrel)	83.11	(0.81)
Gold (USD/troy oz)	2,082.98	1.52
CPO (RM/metric t)	4013.00	0.24

# Daily Newswatch

## Economics

**MALAYSIA: Tourism Malaysia is optimistic that Routes Asia 2024 will serve as a catalyst for increasing the number of international flights to Malaysia**, aiming to surpass pre-pandemic levels. Mohd Shahrir Mohd Ali, the senior director for international promotion (Asean), highlighted that last year's arrivals totaled 20.1 million, with this year's target set at 27.3 million. With preparations underway for Visit Malaysia 2026, the focus is on hosting various events to attract more tourists. The ministry is particularly targeting an increase in Chinese tourists, aiming for three to five million arrivals, as chartered flights from China have been steadily rising. (The Star)

**Vietnam: The Ministry of Planning and Investment, on behalf of the government, is dedicated to fostering a conducive business environment across all sectors.** Their focus includes advising and implementing policies for institutional reform, aiming to create a business-friendly atmosphere in line with global standards and responsive to evolving trends. Priorities encompass removing unnecessary legal hurdles, simplifying project requirements, and enhancing inspection processes, such as through the National Single Window initiative. Moreover, efforts are directed towards enhancing administrative procedures, bolstering IT infrastructure, and facilitating data sharing. The government also aims to ease access to capital, stimulate investment, drive innovation and digitalization, promote sustainability initiatives, and enhance the quality of business services. (The Star)

## Companies

**Pekat Group Bhd (0233)** is selling a 12,813.89 sq m industrial freehold land for RM21 million cash to unlock the value of the unused property. The proceeds from the sale will be allocated towards working capital and to repay the land's financing. With an expected gain of approximately RM1.82 million, the net book value of the freehold plot stands at RM17.82 million as of end-2023, after accounting for estimated expenses and real property gains tax of RM630,000. (The Edge)

**KUB Malaysia Bhd's (6874)** wholly owned subsidiary, KUB Agro Holdings Sdn Bhd (Kubah), is acquiring a 40% equity interest in KUB Sepadu Sdn Bhd (KUBS) from Medan Sepadu Sdn Bhd and Lembaga Amanah Kebajikan Kaum Melanau Sarawak for RM60 million. This acquisition aims to regain control of KUBS, which is currently undergoing liquidation. (The Edge)

**RGT Bhd (9954)** anticipates a better financial performance for the fiscal year ending June 30, 2024 (FY24) compared to the previous year, driven by the significant growth in its factory automation and precision engineering (FAPE) business. The company's FAPE segment is experiencing strong demand, with ongoing projects and orders from both new and existing customers, particularly in the semiconductor and automotive sectors. Additionally, RGT has received multiple inquiries for quotations from potential new clients, indicating promising growth opportunities. (The Star)

**Alpha IVF Group Bhd (0303)** is optimistic about maintaining a consistent growth trajectory in the foreseeable future. This confidence stems from its impending listing on the ACE Market of Bursa Malaysia and well-defined business strategies. With extensive experience in the fertility industry, the group's managing director, Datuk Dr. Colin Lee Soon Soo, highlights a dual approach to growth. This strategy involves organic expansion within its existing fertility centers and extending its presence to neighboring countries in Southeast Asia. Lee emphasizes that the listing on the ACE Market aligns with this strategy, as a portion of the proceeds will be earmarked for advancing the group's future growth initiatives. (The Star)

# Affin Bank Berhad

Bloomberg: ABANK MK | KLSE Stock Code: 5185

## Technical Watch

“BUY on Potential Upside”

### Company Overview

AFFIN Bank Berhad operates as a bank. The Bank offers deposits, loans, investment, online banking, asset management, underwriting, life and general insurance facilities, and financing services. AFFIN Bank 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 >60).

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.

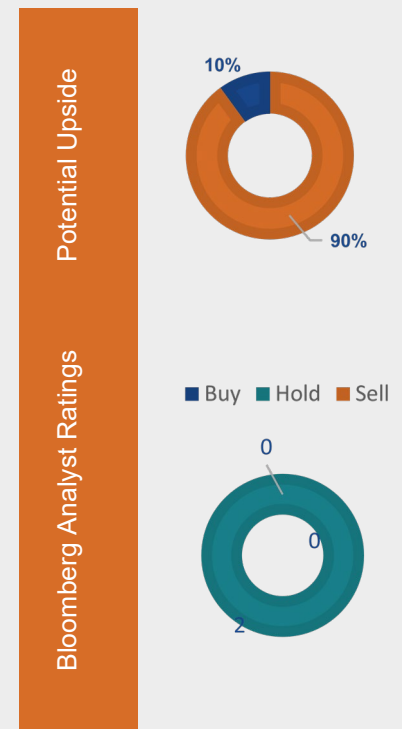
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	36.4	19.6	15.7
P/B	0.4	0.3	0.5
P/CF	-	1.3	2.4
P/S	1.5	1.1	1.1

Entry Price	RM2.67
Market Cap (m)	RM6,265.1
52w high	RM2.70
52w low	RM1.79
Stop Loss	RM2.28
Immediate Support	RM2.54
Immediate Resistance	RM2.67 (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)	-

### Main Market

Financial Services  
 Subsector – Banking  
 Current Price: RM2.67  
 Target Price: RM2.94



# Eita Resources Berhad

Bloomberg: EITA MK | KLSE Stock Code: 5208

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Eita Resources Bhd. is an holding company and provider of management services to its subsidiaries. The Company markets and distributes E&E components and equipment and designs and manufactures elevator and busduct systems.

### 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 >85).

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.

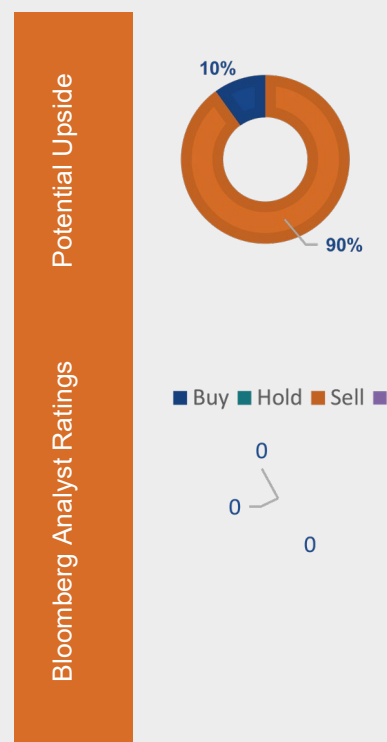
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	14.1	11.5	9.9
P/B	0.9	0.9	1.0
P/CF	10.6	24.8	16.8
P/S	0.6	0.6	0.6

Entry Price	RM0.92
Market Cap (m)	RM277.7
52w high	RM0.94
52w low	RM0.67
Stop Loss	RM0.79
Immediate Support	RM0.87
Immediate Resistance	RM0.92 (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)	28,710.5

### Main Market

Industrial Products & Services  
 Subsector – Industrial materials,  
 Components & Equipment  
 Current Price: RM0.92  
 Target Price: RM1.01





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
5/2/2024	GentingM	4715	2.770	2.800	2.370	3.050	-2.439	1.1	-
5/2/2024	Maybank	1155	9.340	9.450	7.990	10.270	-0.839	1.2	-
6/2/2024	RCE	9296	3.170	2.840	2.710	3.490	1.792	-10.4	SL Triggered
6/2/2024	PGF	8117	1.850	1.680	1.580	2.040	4.348	-9.2	SL Triggered
7/2/2024	Uzma	7250	1.190	1.220	1.020	1.310	-0.813	2.5	-
7/2/2024	Dayang	5141	2.090	2.270	1.770	2.280	-2.575	8.6	TP Achieved
8/2/2024	YTLPower	6742	4.040	3.920	3.450	4.440	-0.759	-3.0	-
8/2/2024	Suncon	5263	2.470	2.490	2.110	2.720	-2.353	0.8	-
9/2/2024	MSM	5202	2.410	2.570	2.060	2.650	-1.154	6.6	TP Achieved
9/2/2024	AeonCredit	5139	6.010	6.400	5.140	6.610	0.946	6.5	-
13/2/2024	AjinamotoMy	2658	16.760	17.240	14.330	18.440	-0.806	2.9	-
13/2/2024	Solarvest	0215	1.470	1.520	1.260	1.620	2.013	3.4	-
14/2/2024	HapSeng	3034	4.810	4.470	4.110	5.290	1.131	-7.1	-
14/2/2024	MNRB	6459	1.730	1.800	1.480	1.900	0.000	4.0	TP Achieved
15/2/2024	HumeCement	5000	2.930	2.940	2.510	3.220	-1.010	0.3	-
15/2/2024	ITMax	5309	2.140	2.330	1.830	2.350	2.643	8.9	-
16/2/2024	TNB	5347	11.100	11.300	9.490	12.210	0.355	1.8	-
16/2/2024	QL Resources	7084	5.860	5.930	5.010	6.450	2.065	1.2	-
19/2/2024	BankIslam	5258	2.440	2.530	2.090	2.680	2.846	3.7	-
19/2/2024	PWF	7134	1.040	0.930	0.890	1.140	-5.102	-10.6	SL Triggered
20/2/2024	JayaTiasa	4383	1.340	1.280	1.150	1.470	6.667	-4.5	SL Triggered
20/2/2024	Padini	7052	3.580	3.410	3.060	3.940	0.590	-4.7	-
21/2/2024	Axiata	6888	2.890	2.750	2.470	3.180	-1.079	-4.8	-
21/2/2024	Sime Darby	4197	2.630	2.680	2.250	2.890	-1.107	1.9	-
22/2/2024	PIE	7095	3.330	3.360	2.850	3.660	0.299	0.9	-
22/2/2024	Jetson	9083	0.365	0.270	0.310	0.400	-20.588	-26.0	SL Triggered
23/2/2024	MiTech	5286	2.070	1.860	1.770	2.280	1.639	-10.1	SL Triggered
23/2/2024	Genetec	0104	2.050	2.240	1.750	2.260	0.901	9.3	-
26/2/2024	ChinHin	5273	4.030	3.940	3.450	4.430	1.546	-2.2	-
26/2/2024	Ge-Shen	7197	2.000	2.740	1.710	2.200	0.000	37.0	TP Achieved
27/2/2024	Paragon	9407	4.050	3.600	3.460	4.450	0.000	-11.1	SL Triggered
27/2/2024	MalaysiAirports	7197	8.440	8.490	7.220	9.280	0.118	0.6	-
28/2/2024	KKB	9466	1.830	1.750	1.580	2.010	-0.568	-4.4	-
28/2/2024	MSM Malaysia	5202	2.810	2.570	2.400	3.090	-1.154	-8.5	-
29/2/2024	UPL	2089	21.680	23.080	21.900	23.850	4.340	6.5	-
29/2/2024	UNISEM	5005	3.350	3.380	2.750	3.690	1.502	0.9	-
1/3/2024	Mcement	3749	5.180	5.180	4.430	5.700	0.000	0.0	-
1/3/2024	Paramon	1724	1.080	1.070	0.920	1.190	-0.926	-0.9	-
4/3/2024	Alliance Bank	2488	3.590	3.590	3.070	3.950	0.843	0.0	-
4/3/2024	Bank Islam	5258	2.530	2.530	2.16	2.780	2.846	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
BRITISH AMERICAN TOBACCO (M)	CONSUMER	8.19	0.70	8.58
BERMAZ AUTO BERHAD	CONSUMER	2.46	0.21	8.41
SENTRAL REIT	REITs	0.80	0.07	8.38
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.87
YTL HOSPITALITY REIT	REITs	1.23	0.09	7.64
MBM RESOURCES BHD	CONSUMER	4.44	0.33	7.55
TALIWORKS CORPORATION BHD	UTILITIES	0.77	0.06	7.53
UOA REITS	REITs	1.11	0.08	7.48
RHB BANK	FINANCE	5.62	0.41	7.26
HEKTAR REITS	REITs	0.62	0.04	7.15
SPORTS TOTO BERHAD	CONSUMER	1.42	0.10	6.83
AMWAY (M) HOLDINGS BHD	CONSUMER	7.56	0.51	6.71
CAPITALAND MALAYSIA TRUST	REITs	0.63	0.04	6.67
MALAKOFF CORPORATION BERHAD	Utilities	0.62	0.04	6.61
MAG HOLDINGS BERHAD	CONSUMER	1.14	0.07	6.58

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	14.2	12.8
Finance	5.8	13.0	10.2	11.9	10.2	9.6
Property	6.1	25.2	10.6	15.9	12.4	N/A
Plantation	4.1	95.5	9.7	31.6	17.6	16.5
Consumer	3.2	22.5	12.7	18.3	12.7	13.9
Technology	0.4	46.1	23.0	31.9	32.6	20.3
Construction	8.2	34.6	16.7	25.4	16.7	13.7
Energy	11.7	11.5	11.4	11.5	11.4	8.9
Healthcare	(0.4)	36.1	5.1	22.9	19.4	26.6
Ind Prod	1.6	24.9	12.7	18.5	19.2	15.5
REIT	3.7	29.5	12.9	19.0	12.9	14.8
Telco	5.4	31.0	19.8	26.6	27.5	18.7

Source: Bloomberg

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