

# Daily Newswatch

## Market Review

The FBMKLCI declined on Wednesday as investors sold off amid quiet trading, following a recent rally and amidst key data releases and economic meetings this week. Market breadth was negative with 422 gainers and 588 losers. The plantation sector was the top gainer increasing by +0.58%, while the energy sector was the top loser declining by -1.26%. Nestle (4707) was the top gainer surging by RM1.50 or +1.3%. The FBMKLCI decreased by -0.4% to 1,531.5.

## Economics

- **Australia is establishing a \$1.3 billion fund** to allocate towards investment in projects across Southeast Asia.
- **InvestKL secured an unprecedented RM8.7 billion in foreign direct investment (FDI)** in 2023.

## Companies

- **Solarvest Energy Sdn Bhd (0215)** to deploy solar power systems across more than 300 Petronas stations.
- **Crest Builder Holdings Bhd (8591)** has reported that its order book has reached a record high of RM1.8 billion.
- **Fajarbaru Builder Group Bhd (7047)** has secured a contract worth RM120.82 million to construct a clubhouse and a driving range complex in Johor Bahru.
- **Paramount Corp Bhd (1724)** targets to achieve property sales amounting to RM1.4 billion in the financial year 2024.

## Expresso for the Day

- **Technical Watch – Tanco Holdings (2429)** Entry Price: RM0.77, Target Price: RM0.85, Stop Loss: RM0.66, Support: RM0.73, Resistance: RM0.77
- **Technical Watch – Heitech Padu (5028)** Entry Price: RM1.99, Target Price: RM2.19, Stop Loss: RM1.70, Support: RM1.89, Resistance: RM1.99

Local	Close	(%)
FBMKLCI	1,531.5	(0.4)
Volume (mil)	3,654.6	(4.2)
Value (RM'mil)	2,666.3	(4.9)
Gainers	422	
Losers	588	
Unchanged	439	

Foreign	Close	(%)
Dow Jones	38,661.1	0.2
Nasdaq CI	16,031.5	0.6
S&P 500	5,104.8	0.5
FTSE 100	7,679.3	0.4
Nikkei 225	40,090.8	(0.0)
Shanghai CI	3,039.9	(0.3)
HSI	16,438.1	1.7
STI	3,136.1	0.9

Most Active	RM	Chg (RM)
HM	0.120	(0.015)
VELESTO	0.270	(0.020)
WIDAD	0.095	(0.005)
HONGSENG	0.010	(0.005)
MINETEC	0.150	0.005

Top Gainers	RM	Chg (RM)
NESTLE	121.000	1.500
AJI	18.660	0.400
AMWAY	7.900	0.320
F&N	28.920	0.300
UTDPLT	23.500	0.240

Top Losers	RM	Chg (RM)
MPI	28.600	(0.300)
VITROX	7.080	(0.260)
AMBANK	3.990	(0.210)
PETDAG	22.060	(0.200)
HUMEIND	2.680	(0.170)

Other Stats	RM	(%)
USD/MYR	4.73	(0.06)
USD/RMB	7.20	0.02
Brent (USD/barrel)	82.92	1.07
Gold (USD/troy oz)	2,148.18	0.95
CPO (RM/metric t)	4,040.50	0.29

# Daily Newswatch

## Economics

**AUSTRALIA:** Australia announced on Tuesday a **A\$2 billion finance facility (US\$1.3 billion) to boost trade and investment in Southeast Asia**, focusing on clean energy and infrastructure projects. The initiative aims to strengthen ties amid growing concerns about China's assertiveness in the region. Prime Minister Anthony Albanese revealed the fund during the Association of Southeast Asian Nations (ASEAN) summit in Melbourne, emphasizing Australia's commitment to deepening regional relationships. Additionally, Australia will allocate an extra A\$140 million to extend an existing infrastructure advisory program. (The Edge)

**MALAYSIA:** InvestKL saw a **record-breaking RM8.7 billion FDI in 2023**, tripled from the previous year, led by 12 global corporations. CEO Datuk Muhammad Azmi Zulkifli is optimistic about 2024, aiming for more land-intensive projects. The FDI surge reflects investor confidence in Malaysia's policies and talent pool. InvestKL plans to prioritize attracting global services in digital technology, engineering, health tech, and renewable energy this year. (The Star)

## Companies

**Solarvest Energy Sdn Bhd (0215)**, a subsidiary of clean energy expert Solarvest Holdings Bhd, has been chosen by Gentari Renewables Sdn Bhd to install solar power systems at over 300 Petronas stations across Malaysia. Scheduled to commence in April 2024, the project will involve deploying more than 5.4 megawatts peak (MWp) of solar capacity across these stations. It is anticipated that once operational by 2027, the solar power systems will offset around 5,035 tonnes of carbon dioxide emissions annually. (The Edge)

**Crest Builder Holdings Bhd's (8591)** order book has reached a record high of RM1.8 billion, propelled by securing a commercial development project in Kuala Lumpur from Sunway Velocity Three Sdn Bhd for a total contract value of RM448.5 million. This project involves constructing 1,604 serviced apartment units across two 60-storey blocks. (The Edge)

**Fajarbaru Builder Group Bhd (7047)** has been awarded a contract valued at RM120.82 million to construct a clubhouse and a driving range complex in Johor Bahru. The project, named Johor Golf and Country Club, was granted by Tanjung Nakhoda (M) Sdn Bhd. The contract is set to span 90 weeks, running from March 11, 2024, to November 30, 2025. (The Edge)

**Paramount Corp Bhd (1724)** aims to sell properties worth RM1.4 billion in the financial year ending December 31, 2024 (FY2024), as part of its strategy to launch projects valued at RM2.4 billion in gross development value for the year. This includes some delayed projects. Last year, the company achieved a record high of RM1.12 billion in property sales, exceeding the value of products launched, which amounted to RM886 million. However, this was slightly lower than the RM1.21 billion in property sales achieved in 2022. (The Edge)

# Tanco Holdings Berhad

Bloomberg: TANC MK | KLSE Stock Code: 2429

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Tanco Holdings Berhad is an investment holding company. The Company, through its subsidiaries, operates in property development and investment, hotel, vacation ownership interval and schemes, golf club, marina club, travel and tour agent, and resort. Tanco also provides construction and money lending services.

### 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 >70).

Contracting Bollinger Bands suggest lower volatility and hlower 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.

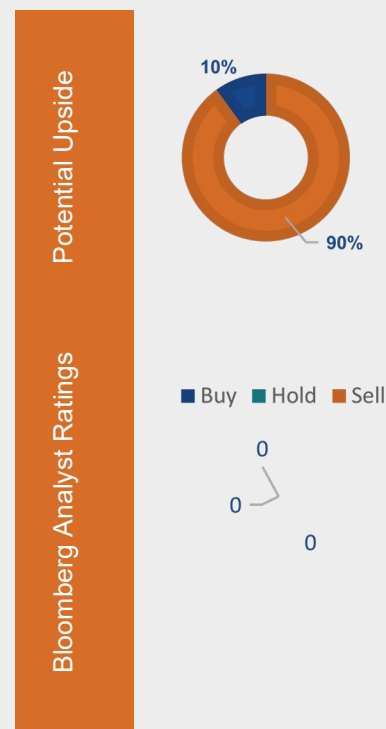
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	120.0	120.0	111.4
P/B	3.7	1.9	1.1
P/CF	-	10.4	41.0
P/S	14.9	13.9	8.7

Entry Price	RM0.77
Market Cap (m)	RM1,597.4
52w high	RM0.77
52w low	RM0.24
Stop Loss	RM0.66
Immediate Support	RM0.73
Immediate Resistance	RM0.77 (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)	-

### Main Market

Property  
 Subsector – Property  
 Current Price: RM0.77  
 Target Price: RM0.85



# Hitech Padu Berhad

Bloomberg: HEIT MK | KLSE Stock Code: 5028

## Technical Watch

“BUY on Potential Upside”

### Company Overview

HeiTech Padu Berhad provides total business solutions in IT which includes system integration, data center management, network related services, and disaster recovery services. The Company, through its subsidiaries, also develops software, manages and maintains property, and develops centralized parts price database for the Malaysian insurance industry.

### 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.

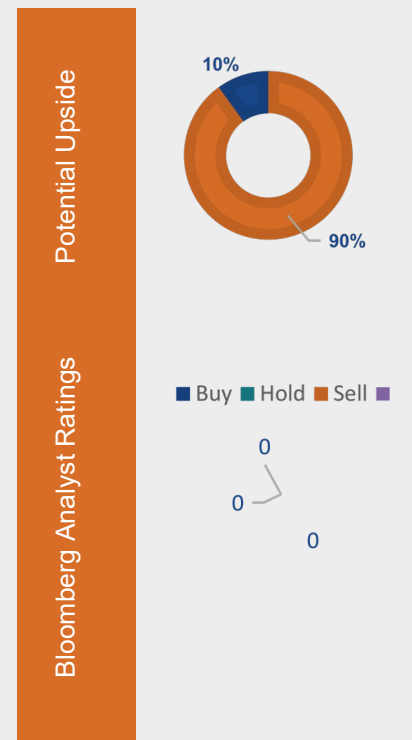
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	16.5	16.4	16.8
P/B	0.9	1.0	0.7
P/CF	15.3	11.4	7.5
P/S	0.3	0.3	0.3

Entry Price	<b>RM1.99</b>
Market Cap (m)	RM201.4
52w high	<b>RM2.02</b>
52w low	<b>RM0.57</b>
Stop Loss	RM1.70
Immediate Support	RM1.89
Immediate Resistance	RM1.99 (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

Technology  
 Subsector – Digital Services  
 Current Price: RM1.99  
 Target Price: RM2.19





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
8/2/2024	YTLPower	6742	4.040	3.840	3.450	4.440	-2.785	-5.0	-
8/2/2024	Suncon	5263	2.470	2.520	2.110	2.720	-0.395	2.0	-
9/2/2024	MSM	5202	2.410	2.550	2.060	2.650	0.791	5.8	TP Achieved
9/2/2024	AeonCredit	5139	6.010	6.240	5.140	6.610	-0.952	3.8	-
13/2/2024	AjinamotoMy	2658	16.760	18.480	14.330	18.440	2.099	10.3	TP Achieved
13/2/2024	Solarvest	0215	1.470	1.530	1.260	1.620	0.000	4.1	-
14/2/2024	HapSeng	3034	4.810	4.490	4.110	5.290	0.447	-6.7	-
14/2/2024	MNRB	6459	1.730	1.770	1.480	1.900	0.568	2.3	TP Achieved
15/2/2024	HumeCement	5000	2.930	2.770	2.510	3.220	-2.807	-5.5	-
15/2/2024	ITMax	5309	2.140	2.290	1.830	2.350	1.778	7.0	-
16/2/2024	TNB	5347	11.100	11.120	9.490	12.210	0.725	0.2	-
16/2/2024	QL Resources	7084	5.860	5.950	5.010	6.450	0.677	1.5	-
19/2/2024	BankIslam	5258	2.440	2.610	2.090	2.680	1.556	7.0	-
19/2/2024	PWF	7134	1.040	0.880	0.890	1.140	-1.676	-15.4	SL Triggered
20/2/2024	JayaTiasa	4383	1.340	1.320	1.150	1.470	0.763	-1.5	SL Triggered
20/2/2024	Padini	7052	3.580	3.380	3.060	3.940	0.595	-5.6	-
21/2/2024	Axiata	6888	2.890	2.680	2.470	3.180	0.375	-7.3	-
21/2/2024	Sime Darby	4197	2.630	2.650	2.250	2.890	1.923	0.8	-
22/2/2024	PIE	7095	3.330	3.280	2.850	3.660	-2.959	-1.5	-
22/2/2024	Jetson	9083	0.365	0.245	0.310	0.400	-3.922	-32.9	SL Triggered
23/2/2024	MiTech	5286	2.070	1.830	1.770	2.280	-0.543	-11.6	SL Triggered
23/2/2024	Genetec	0104	2.050	2.180	1.750	2.260	-1.802	6.3	-
26/2/2024	ChinHin	5273	4.030	3.980	3.450	4.430	0.000	-1.2	-
26/2/2024	Ge-Shen	7197	2.000	2.680	1.710	2.200	-1.832	34.0	TP Achieved
27/2/2024	Paragon	9407	4.050	3.860	3.460	4.450	-1.531	-4.7	SL Triggered
27/2/2024	MalaysiAirports	7197	8.440	8.350	7.220	9.280	1.090	-1.1	-
28/2/2024	KKB	9466	1.830	1.750	1.580	2.010	1.744	-4.4	-
28/2/2024	MSM Malaysia	5202	2.810	2.550	2.400	3.090	0.791	-9.3	SL Triggered
29/2/2024	UPL	2089	21.680	23.840	21.900	23.850	2.847	10.0	TP Achieved
29/2/2024	UNISEM	5005	3.350	3.370	2.750	3.690	1.201	0.6	-
1/2/2024	Mcement	3749	5.180	5.010	4.430	5.700	-2.907	-3.3	-
1/2/2024	Paramon	1724	1.080	1.090	0.920	1.190	1.869	0.9	-
4/3/2024	Alliance Bank	2488	3.590	3.610	3.070	3.950	0.278	0.6	-
4/3/2024	Bank Islam	5258	2.530	2.610	2.16	2.780	1.556	3.2	-
5/3/2024	Affin Bank	5185	2.670	2.590	2.280	2.940	-1.145	-3.0	-
5/3/2024	Eita	5208	0.920	0.925	0.790	1.010	-0.538	0.5	-
6/3/2024	HL Industries	3301	10.160	10.180	8.690	10.380	0.197	0.2	-
6/3/2024	Ajinomoto MY	2658	18.260	18.480	15.610	20.080	2.099	1.2	-
7/3/2024	Tanco Holdings	2429	0.770	0.770	0.660	0.850	10.000	0.0	-
7/3/2024	Heitech Padu	5028	1.990	1.900	1.700	2.190	4.972	-4.5	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
BRITISH AMERICAN TOBACCO (M)	CONSUMER	8.15	0.70	8.63
BERMAZ AUTO BERHAD	CONSUMER	2.41	0.21	8.59
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	1.20	0.09	7.83
TALIWORKS CORPORATION BHD	UTILITIES	0.76	0.06	7.68
MBM RESOURCES BHD	CONSUMER	4.39	0.33	7.59
UOA REITS	REITs	1.12	0.08	7.41
RHB BANK	FINANCE	5.61	0.41	7.27
HEKTAR REITS	REITs	0.62	0.04	7.10
SPORTS TOTO BERHAD	CONSUMER	1.42	0.10	6.83
MALAKOFF CORPORATION BERHAD	Utilities	0.62	0.04	6.67
MAG HOLDINGS BERHAD	CONSUMER	1.14	0.07	6.58
MAGNUM BERHAD	CONSUMER	1.14	0.07	6.58
PARAMOUNT CORPORATION BHD	PROPERTY	1.08	0.07	6.57

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	5.3	24.2	14.8	18.0	14.1	12.8
Finance	5.7	13.0	10.2	12.0	10.2	9.7
Property	5.3	25.2	10.6	15.9	12.3	N/A
Plantation	3.0	95.5	9.7	31.6	17.4	16.4
Consumer	3.0	22.5	13.7	18.5	13.7	13.7
Technology	(0.1)	46.1	23.0	31.8	32.1	20.1
Construction	8.1	34.6	16.9	25.4	16.9	13.9
Energy	9.6	11.5	11.2	11.4	11.2	8.8
Healthcare	(0.9)	36.1	5.1	22.9	19.4	25.7
Ind Prod	0.8	24.9	12.7	18.5	19.0	15.4
REIT	3.5	29.5	12.9	19.0	12.9	14.7
Telco	4.3	31.0	19.8	26.5	27.1	18.5

Source: Bloomberg

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## Published & Printed By:

MERCURY SECURITIES SDN BHD  
Registration No. 198401000672 (113193-W)  
L-7-2, No 2, Jalan Solaris, Solaris Mont’ Kiara,  
50480 Kuala Lumpur  
Telephone: (603) - 6203 7227  
Website: [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my)  
Email: [mercurykl@mersec.com.my](mailto:mercurykl@mersec.com.my)