



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks ended mixed last Friday with 425 gainers versus 468 losers. The technology sector was the top percentage loser diving by 2.32%, while the energy sector was the top percentage gainer surging by 1.47% as WTI crude oil moved back over the USD100 per barrel mark. Malaysian Pacific Industries (3867) was the top loser falling by RM1.40 or 3.98% in line with weakness in technology counters. The FBM KLCI rose marginally by 0.02% to 1,591.26.

We expect Malaysian stocks to rise following gains on Wall Street last Friday.

ECONOMICS

- **Saudi Aramco** CEO sees healthy demand growth as spare capacity shrinks

COMPANY

- **DRB-Hicom (1619)** investing RM32bn to develop Automotive High-Technology Valley — PM
- **Hextar Industries (0161)** buys remaining 16.67% stake in PK Fertilizers (Sarawak) for RM6.29m
- **Magni-Tech (7087)** 3Q net profit down 46% on lower revenue, absence of one-off gain
- Main-market bound **Farm Fresh** posts RM11.46m net profit in 3QFY22
- **NTPM (5066)** 3Q net profit drops 81% to RM5.62m y-o-y, grows 68% q-o-q

EXPRESSO FOR THE DAY

- **Technical Watch – TDM (2054)** – Entry Price RM0.27, Target Price RM0.30, Stop Loss RM0.23, Support RM0.25, Resistance RM0.32
- **Technical Watch – Rsawit (5113)** – Entry Price RM0.24, Target Price RM0.26, Stop Loss RM0.20, Support RM0.22, Resistance RM0.30

Local	Close	(%)
FBMKLCI	1,591.26	0.0
Volume (mil)	3,329.8	(0.6)
Value (RM mil)	5,709.3	53.8
Gainers	747	
Losers	311	
Unchanged	389	

Foreign		(%)
Dow Jones	34,754.9	0.8
Nasdaq CI	13,893.8	2.0
S&P 500	4,463.1	1.2
FTSE 100	7,404.7	0.3
Nikkei 225	26,827.4	0.7
Shanghai CI	3,251.1	1.1
HSI	21,412.4	(0.4)
STI	3,330.6	0.2

Most Active	RM	Chg
XOX	0.020	0.000
Hsi-CQV	0.230	0.110
Hsi-HM7	0.240	(0.285)
Hibiscus	1.090	(0.010)
Pbbank	4.640	0.120

Top Gainer	RM	Chg
MPI	35.200	3.640
Fang-2XL	10.500	1.600
Nestle	135.700	0.700
Vitrox	7.160	0.690
Hlbank	20.640	0.440

Top Loser	RM	Chg
Hsi-HA8	0.830	(0.740)
KLK	25.080	(0.740)
Hsi-HA2	1.100	(0.720)
Hsi-HA3	1.770	(0.660)
Hsi-HMZ	0.955	(0.605)

Other Stats		(%)
USD/MYR	4.20	(0.02)
USD/RMB	6.36	0.22
WTI (USD/barrel)	107.93	1.21
Gold (USD/troy oz)	1,921.62	(1.09)
CPO (USD/metric t)	6895.5	0.72



DAILY NEWSWATCH

ECONOMICS

Global oil demand is growing healthily as economies recover from the pandemic and spare production capacity is declining, the chief executive officer of Saudi Arabia's state oil company Aramco said on Sunday. (The Edge)

COMPANY

The government has announced a new investment of RM32bn from **DRB-Hicom Bhd (1619)** to develop the Automotive High-Technology Valley in Proton City, Tanjung Malim, Perak. (The Edge)

Hextar Industries Bhd (0161) said on Friday (March 18) that the company has acquired the remaining 16.67% stake in PK Fertilizers (Sarawak) Sdn Bhd for US\$1.5m (RM6.29m). (The Edge)

Magni-Tech Industries Bhd (7087) saw its net profit drop 45.5% to RM26.68m for 3QFY22, from RM48.95m a year earlier, on lower contributions from its garment and packaging businesses, as well as the absence of a one-off disposal gain on property of RM6.94m in 3QFY21. (The Edge)

Main-market bound **Farm Fresh Bhd** saw its net profit for 3QFY22 fall 24.13% to RM11.46m from RM15.1m in 3QFY21 due to lower revenue, as well as higher animal feed cost and freight cost. (The Edge)

NTPM Holdings Bhd (5066) reported an 81.08% slump in its third-quarter net profit ended Jan 31, 2022 (3QFY22) to RM5.62m from RM29.68m a year earlier. (The Edge)

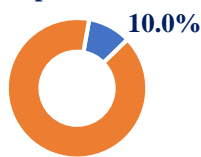
**TDM Berhad****Technical Watch - "BUY on Potential Reversal"**

Bloomberg: TDM MK | KLSE Stock Code: 2054

**Main Market
Plantations****Subsector - Plantation****Current Price : RM0.27****Target Price : RM0.30****Investment Highlights**

On a downtrend, the stock is currently trading below the MA20. We think that there is a potential reversal supported by a bullish engulfing, rising momentum (RSI > 45), and higher volatility on the back of a widening bollinger bands.

With higher volatility, we think that prices could potentially trade higher with more downside risk for the week. Trading within 2SD, we project a 10% upside to the current price, with the potential to trade above the upper band of the bollinger bands before retracing subsequently.

Potential Upside**Bloomberg Analyst Ratings****Fundamentals**

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	162.5	85.6	42.1
P/B	0.6	0.5	0.7
P/CF	6.2	10.7	13.5
P/S	1.0	1.1	1.8

*CF – Cashflow per share, S – Sales per share

Company Overview

TDM Berhad, through its subsidiaries, manages oil palm plantations, and trades palm oil and related products and operates fast food restaurants. The Company also provides consultancy and management services to specialist medical centers, operates in property development, and develops computer systems. TDM trades machinery and equipment and manufactures fiberboard.

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Entry Price	RM0.27
Market Cap (m)	RM456.6
52w high	RM0.34
52w low	RM0.22
Stop Loss	RM0.23
Immediate Support	RM0.25
Immediate Resistance	RM0.32
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run, price trading on the lower band.
RSI	Rising Momentum
Volume (4-Weeks Average)	21,335,453.9



Rimbunan Sawit Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: RSAW MK | KLSE Stock Code: 5113

Main Market Plantations Subsector – Plantations

Current Price : RM0.24

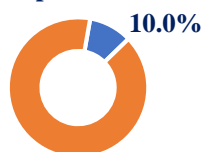
Target Price : RM0.26

Investment Highlights

On a downtrend, the stock is currently trading below the MA20. We think that there is a potential reversal supported by a doji, rising momentum (RSI > 45), and higher volatility on the back of a widening bollinger bands.

With higher volatility, we think that prices could potentially trade higher with more downside risk for the week. Trading within 2SD, we project a 10% upside to the current price, with the potential to trade above the upper band of the bollinger bands before retracing subsequently.

Potential Upside



Bloomberg Analyst Ratings



Buys: 0

Holds: 0

Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	-	-	160.1
P/BV	1.3	1.0	1.1
P/CF	9.9	258.8	137.3
P/S	1.3	1.7	3.3

*CF – Cashflow per share, S – Sales per share

Company Overview

Rimbunan Sawit Bhd cultivates oil palms and process palm oil. The Company owns about 13,500ha of plantation land and operates its palm oil mill.

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Entry Price	RM0.24
Market Cap (m)	RM479.8
52w high	RM0.30
52w low	RM0.20
Stop Loss	RM0.20
Immediate Support	RM0.22
Immediate Resistance	RM0.30
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run, price trading outside on the lower band.
RSI	Rising Momentum
Volume (4-Weeks Average)	15,323,338.1



TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
22/2/2022	Maybank	1155	8.750	9.020	8.550	9.650	0.4	3.1	-
22/2/2022	Jaks	4723	0.430	0.310	0.410	0.475	0.0	-27.9	Stop Loss Triggered
23/2/2022	Armada	5210	0.515	0.405	0.500	0.565	-2.4	-21.4	Stop Loss Triggered
23/2/2022	Leonfuat	5232	0.920	0.785	0.900	1.010	0.0	-14.7	-
24/2/2022	Cuscapi	0051	0.415	0.355	0.395	0.455	1.4	-14.5	TP Achieved
24/2/2022	Jtiasa	4383	0.875	0.975	0.850	0.960	2.6	11.4	TP Achieved
25/2/2022	Armada	5210	0.520	0.405	0.500	0.570	-2.4	-22.1	Stop Loss Triggered
25/2/2022	Tomei	7230	1.100	0.980	1.000	1.210	0.0	-10.9	TP Achieved
28/2/2022	Pantech	5125	0.630	0.680	0.610	0.690	4.6	7.9	-
28/2/2022	SOP	5126	5.900	5.620	5.700	6.490	4.9	-4.7	TP Achieved
1/3/2022	SCGM	7247	2.050	2.150	1.900	2.250	0.5	4.9	-
1/3/2022	Dayang	5141	0.860	0.860	0.830	0.950	-1.7	0.0	-
2/3/2022	Tafi	7211	0.755	0.730	0.735	0.830	1.4	-3.3	-
2/3/2022	PIE	7095	2.780	2.870	2.950	3.050	-0.7	3.2	-
3/3/2022	Rsawit	5113	0.290	0.240	0.280	0.325	2.1	-17.2	Stop Loss Triggered
3/3/2022	TDM	2054	0.295	0.260	0.280	0.330	0.0	-11.9	-
4/3/2022	SOP	5126	6.650	5.620	6.500	7.320	4.9	-15.5	Stop Loss Triggered
4/3/2022	TSH	9095	1.700	1.600	1.600	1.870	3.9	-5.9	-
7/3/2022	Lctitan	5284	2.350	2.400	2.590	2.200	0.4	2.1	-
7/3/2022	Leonfuat	5232	0.835	0.785	0.920	0.815	0.0	-6.0	-
8/3/2022	Tomei	7230	1.200	0.980	1.100	1.310	0.0	-18.3	Stop Loss Triggered
8/3/2022	Pohkong	5080	0.940	0.820	0.900	1.040	-1.2	-12.8	-
9/3/2022	Coastal	5071	1.650	1.820	1.500	1.820	0.6	10.3	TP Achieved
9/3/2022	Mcement	3794	2.150	2.380	2.000	2.400	0.0	10.7	TP Achieved
10/3/2022	Unisem	5005	2.550	2.930	2.400	2.800	-2.3	14.9	TP Achieved
10/3/2022	TSH	9095	1.700	1.600	1.600	1.870	3.9	-5.9	-
10/3/2022	FLBHD	5197	1.390	1.400	1.300	1.530	0.0	0.7	-
10/3/2022	SAM	9822	4.180	4.480	4.100	4.600	-0.9	7.2	-
14/3/2022	MYEG	0138	0.970	0.970	0.950	1.070	0.0	0.0	-
14/3/2022	MSM	5202	0.850	0.850	0.830	0.935	0.0	0.0	-
15/3/2022	PUC	0007	0.130	0.130	0.120	0.145	-3.7	0.0	-
15/3/2022	QL	7084	4.850	4.890	4.700	5.310	0.8	0.8	-
16/3/2022	Jtiasa	4383	0.920	0.975	0.900	1.010	2.6	6.0	-
16/3/2022	Bursa	1818	6.350	6.770	6.200	6.980	-2.7	6.6	-
17/3/2022	Hibiscus	5199	1.000	1.150	0.950	1.180	4.5	15.0	TP Achieved
17/3/2022	Armada	5210	0.375	0.405	0.350	0.410	-2.4	8.0	-
18/3/2022	Senheng	5305	0.830	0.825	0.710	0.910	-0.6	-0.6	-
18/3/2022	FLBHD	5197	1.410	1.400	1.210	1.550	0.0	-0.7	-
21/3/2022	TDM	2054	0.270	0.260	0.230	0.300	0.0	-3.7	-
21/3/2022	RSAWIT	5113	0.240	0.240	0.200	0.260	2.1	0.0	-

*TP=Target Price

**STOCK SELECTION BASED ON DIVIDEND YIELD**

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
SHL Consolidated Bhd	Property	1.990	0.18	9.0
British American Tobacco Malay	Consumer	12.200	0.96	7.9
UOA REIT	REIT	1.120	0.09	7.7
Al-'Aqar Healthcare REIT	REIT	1.130	0.08	7.3
Tambun Indah Land Bhd	Property	0.790	0.05	6.6
Amanahraya REIT	REIT	0.680	0.04	6.5
Magnum Bhd	Consumer	1.890	0.12	6.5
Uchi Technologies Bhd	Industrial	3.090	0.20	6.3
Pharmaniaga Bhd	Consumer	0.850	0.05	6.2
Malaysia Building Society Bhd	Finance	0.580	0.04	6.2
Malayan Banking Bhd	Finance	8.760	0.54	6.2
YTL Power International Bhd	Utilities	0.605	0.04	6.0
AmFirst REIT	REIT	0.375	0.02	5.8
Capitaland Malaysia Trust	REIT	0.550	0.03	5.6
Hong Leong Industries Bhd	Industrial	9.450	0.52	5.5

Source: Bloomberg

User guide: Mercury Securities compile a list of **dividend stocks** for conservative long term passive investors looking for regular income while keeping the investment intact.

Methodology: The list below is made up of stocks that pay high dividend (Estimate dividend yield >4%) and paying dividend consistently (Paid dividend for the last 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 and notice that the technology sector is the best performing sector over a five-year period between 2016 and 2020 with a compound annual growth rate. 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. For example, finance sector PE is currently at 11.4 times against 5-year average P/E of 12.2 times, suggesting financials valuation is in line with the average of 12.2 times.

Index	Return (%)	Valuation P/E (X)					
		YTD	5 - Years			Current	1 Yr – Fwd
			High	Low	Avg		
KLCI	(0.3)	21.3	14.5	17.4	14.5	13.8	
Finance	2.8	13.0	11.5	12.3	11.8	9.8	
Property	(2.3)	13.8	4.9	10.8	4.9	10.9	
Plantation	28.6	94.6	12.2	44.0	12.2	18.3	
Consumer	(2.2)	25.6	19.3	22.9	19.3	16.6	
Technology	(29.4)	29.8	19.1	25.1	26.5	8.2	
Construction	(4.1)	22.2	13.0	17.8	13.0	10.8	
Energy	4.2	-	-	-	13.5	10.3	
Health care	(15.7)	52.6	6.6	29.6	6.6	22.6	
Ind Prod	2.6	38.6	11.8	24.0	11.8	10.1	
REIT	(4.2)	-	-	-	29.1	15.5	
Telco	(4.9)	26.1	25.1	25.6	26.1	19.2	
Transportations	(5.4)	-	-	-	-	16.0	
Utilities	(6.2)	-	-	-	13.8	12.0	

Source: Bloomberg



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