

**DAILY NEWSWATCH****MARKET REVIEW**

The FBM KLCI finished in the red due to weakness in selected blue chip counters. Market breadth was positive with 558 gainers versus 398 losers. The technology sector was the top percentage gainer surging by 3.70%, while the plantation sector was the top percentage loser falling by 0.52%. Malaysian Pacific Industries (3867) was the top gainer leaping by RM2.22 or 6.57% in line with strength in technology counters. The FBM KLCI dipped by 0.26% to 1,587.16.

We expect Malaysian stock to pullback in the short-term on profit-taking.

ECONOMICS

- **Crude price** settles up more than 7% as EU mulls Russian oil ban
- **Malaysia** keeps April crude palm oil export duty at 8%

COMPANY

- Cita Realiti emerges as largest shareholder of **Fitters Diversified (9318)** with 10% stake
- **Greenfield's (0136)** founder Tham family plans to inject plantation assets into company for RM88m
- **Mubadala Petroleum** commences first gas from Pegaga field
- **TDM (2054)** accepts RM115m offer for two-loss making Indonesia subsidiaries

EXPRESSO FOR THE DAY

- **Technical Watch – Greatec (0208)** – Entry Price RM4.23, Target Price RM4.65, Stop Loss RM3.62, Support RM4.02, Resistance RM4.45
- **Technical Watch – D&O (7204)** – Entry Price RM4.28, Target Price RM4.71, Stop Loss RM3.66, Support RM4.07, Resistance RM4.93

Local	Close	(%)
FBMKLCI	1,587.16	(0.3)
Volume (mil)	2,444.9	(26.6)
Value (RM mil)	2,269.5	(60.2)
Gainers	558	
Losers	398	

Foreign		(%)
Dow Jones	34,553.0	(0.6)
Nasdaq CI	13,838.5	(0.4)
S&P 500	4,461.2	(0.0)
FTSE 100	7,442.4	0.5
Nikkei 225	26,827.4	N/A
Shanghai CI	3,253.7	0.1
HSI	21,221.3	(0.9)
STI	3,355.5	0.7

Other Stats		(%)
USD/MYR	4.20	0.21
USD/RMB	6.36	(0.08)
WTI (USD/barrel)	107.93	7.12
Gold (USD/troy oz)	1,921.62	0.74



DAILY NEWSWATCH

ECONOMICS

Oil prices settled up more than 7% on Monday, with global benchmark Brent climbing above \$115 a barrel, as European Union nations disagreed on whether to join the United States in a Russian oil embargo after an attack on Saudi oil facilities. (The Star)

Comments: We think that there are opportunities in the O&G sector as certain oil services providers in Malaysia have not seen their share prices rise in line with the surge in oil prices. We expect an increase in CAPEX in the O&G sector to boost production of oil and natural gas. This should eventually lead to better performance for the oil services subsector.

Malaysia has maintained its April export tax for crude palm oil at 8%, a circular on the Malaysian Palm Oil Board website showed on Monday (March 21). The world's second-largest palm exporter calculated a reference price of RM5,925.33 per tonne for April. (The Edge)

COMPANY

Cita Realiti Sdn Bhd, a substantial shareholder of BCM Alliance Bhd, Sanichi Technology Bhd and MNC Wireless Bhd, has also emerged as the largest shareholder of **Fitters Diversified Bhd (9318)**. (The Edge)

The Tham family, founder and major shareholder of **Greenyfield Bhd (0136)**, plans to inject their private plantation assets in Papua New Guinea into the Bursa Malaysia-listed agricultural and horticultural product and service provider for RM87.81m. (The Edge)

Mubadala Petroleum announced on Monday (March 21) that it has successfully commenced first gas production from the Pegaga gas field in Block SK 320, offshore Malaysia. (The Edge)

TDM Bhd (2054) has accepted an offer from Ikhasas CPO Sdn Bhd to acquire two loss-making Indonesian subsidiaries for RM115m. (The Edge)



Greatec Technology Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: GREATEC MK | KLSE Stock Code: 0208

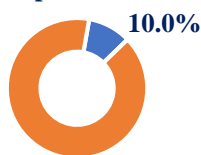
**Main Market
Technology
Subsector – Tech Equipments****Current Price : RM4.23****Target Price : RM4.65**

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think that there is a potential continuation and a trend reversal supported by strong momentum on the stock, rising momentum (RSI > 50), 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	57.5	54.7	54.7
P/B	18.5	15.1	15.1
P/CF	65.4	60.2	60.2
P/S	19.3	18.1	18.1

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

Company Overview

Greatec Technology Berhad provides automation solutions. The Company offers auto screw, water handler, robotics, fluid dispenser, semiconductor, battery, conveyor, sorter, tester, and other related products. Greatec Technology serves customers in the United States and Malaysia.

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Entry Price	RM4.23
Market Cap (m)	RM5,296.5
52w high	RM7.60
52w low	RM2.81
Stop Loss	RM3.62
Immediate Support	RM4.02
Immediate Resistance	RM4.45
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)	8,166,936.2



D&O Green Technologies Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: DOGT MK | KLSE Stock Code: 7204

Main Market
Technology
Subsector – Semiconductors

Current Price : RM4.28

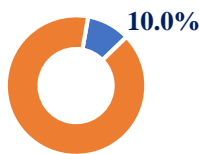
Target Price : RM4.71

Investment Highlights

On a downtrend, the stock is currently trading below the MA20. We think that there is a potential continuation to a trend reversal supported by a tweezer top, 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: 3
Holds: 1
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	56.8	40.2	62.3
P/BV	16.1	11.9	7.3
P/CF	41.8	25.2	20.6
P/S	5.4	3.0	2.0

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

Company Overview

D&O Green Technologies Bhd, through its subsidiary, manufactures semiconductor components. The Company manufactures and assembles semiconductor components under original equipment manufacturer contract manufacturing and captive line arrangements. D&O serves multinational corporations.



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Entry Price	RM4.28
Market Cap (m)	RM5,295.0
52w high	RM6.15
52w low	RM3.22
Stop Loss	RM3.66
Immediate Support	RM4.07
Immediate Resistance	RM4.93
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)	5,037,996.8



TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
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	2.190	2.590	2.200	0.4	-6.8	-
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	-
22/3/2022	Greatec	0208	4.230	3.920	3.620	4.650	0.0	-7.3	-
22/3/2022	D&O	7204	4.280	4.140	3.660	4.710	-0.5	-3.3	-

*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	1.3	21.3	14.9	17.5	14.9	13.9	
Finance	6.9	13.0	11.5	12.4	12.3	10.2	
Property	(0.7)	13.8	4.9	10.8	4.9	11.4	
Plantation	20.1	94.6	11.4	43.8	11.4	16.3	
Consumer	(0.8)	25.6	19.7	23.0	19.7	16.8	
Technology	(21.7)	29.8	19.1	25.7	29.5	22.8	
Construction	1.4	22.2	14.0	18.0	14.0	11.3	
Energy	2.1	-	-	-	13.7	10.4	
Health care	(10.8)	52.6	6.9	29.7	6.9	25.0	
Ind Prod	0.2	38.6	11.4	23.9	11.4	9.7	
REIT	(4.2)	-	-	-	29.1	15.5	
Telco	(0.7)	25.7	25.1	25.4	25.7	19.3	
Transportations	(4.5)	-	-	-	-	16.3	
Utilities	(2.6)	-	-	-	14.3	12.4	

Source: Bloomberg



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