



DAILY NEWSWATCH

MARKET REVIEW

The broader Malaysian market rose in line with strength in Asian equity markets. Market breadth was positive with 504 gainers versus 403 losers. The plantation sector was the top percentage gainer surging by 2.34%, while the financial services and industrial products & services sectors were the only sectors to finish in the red. Kuala Lumpur Kepong (2445) was the top gainer increasing by RM0.72 or 2.88% in line with strength in plantation counters. The FBM KLCI dipped by 0.09% to 1,585.81.

We expect Malaysian stocks to rise following strong gains on Wall Street overnight.

ECONOMICS

- **BNM's international reserves** down 0.52% to US\$115.2bn as at March 15
- **Builders to miss deadline**; cash pledge arises: Evergrande update

COMPANY

- **Farm Fresh (5306)** makes strong market debut amid active trade, surging as much as 37.78% to RM1.86
- **Gagasan Solar** to raise RM200m to make solar energy more accessible
- **KAB (0193)** inks power purchase agreements worth RM46.8m in Thailand
- **MAHB (5014)** passenger volume soared 186% y-o-y to 4.7m in February 2022

EXPRESSO FOR THE DAY

- **Technical Watch – Greatec (0208)** – Entry Price RM4.41, Target Price RM4.85, Stop Loss RM3.77, Support RM4.19, Resistance RM5.60
- **Technical Watch – Jtiasa (4383)** – Entry Price RM1.01, Target Price RM1.11, Stop Loss RM0.86, Support RM0.96, Resistance RM1.03

Local	Close	(%)
FBMKLCI	1,585.81	(0.1)
Volume (mil)	3,090.5	26.4
Value (RM mil)	2,843.6	25.3
Gainers	494	
Losers	432	
Unchanged	417	

Foreign		(%)
Dow Jones	34,807.5	0.7
Nasdaq CI	14,108.8	2.0
S&P 500	4,511.6	1.1
FTSE 100	7,476.7	0.5
Nikkei 225	27,224.1	NA
Shanghai CI	3,259.9	0.2
HSI	21,889.3	3.1
STI	3,350.2	(0.2)

Most Active	RM	Chg
CSH	0.160	0.010
FFB	1.730	0.380
Fitters	0.170	(0.015)
AT	0.020	(0.005)
Dnex	1.030	0.000

Top Gainer	RM	Chg
KLK	25.900	0.920
Pmbtech-WA	13.960	0.440
FFB	1.730	0.380
MPI	36.300	0.280
Pmbtech	17.160	0.280

Top Loser	RM	Chg
Nestle	135.400	(0.800)
F&N	21.740	(0.620)
His-HBS	0.625	(0.330)
Pmetal	6.020	(0.330)
His-HMZ	0.840	(0.240)

Other Stats		(%)
USD/MYR	4.22	0.32
USD/RMB	6.37	0.17
WTI (USD/barrel)	115.48	(0.12)
Gold (USD/troy oz)	1,921.14	(0.73)
CPO (USD/metric t)	6382.0	(7.45)



DAILY NEWSWATCH

ECONOMICS

The international reserves of Bank Negara Malaysia amounted to US\$115.2bn as at March 15, down 0.52% from US\$115.8bn as at Feb 28. (The Edge)

China Evergrande Group became the latest Chinese developer to warn that it would probably miss deadlines for reporting audited 2021 results due this month. (The Edge)

Comments: The issues with the property developers in China could re-emerge as a major source of volatility for Chinese and Hong Kong equities. Despite the volatility in the Chinese and Hong Kong markets, we opine that there are attractive opportunities in large cap Chinese tech stocks following their recent sell-off.

COMPANY

Farm Fresh Bhd (5306) made a strong debut on the main market on Tuesday (March 22) amid active trade, soaring as much as 51 sen or 37.78% to RM1.86 as compared to its initial public offering price of RM1.35. (The Edge)

Gagasan Solar, the first Securities Commission Malaysia-regulated solar fund, will be raising a total of RM200m to ensure that small and medium enterprises have greater accessibility to solar energy. (The Edge)

Kejuruteraan Asastera Bhd (0193) has inked five Rooftop Solar Power Generating System Construction and Power Purchase Agreements worth RM46.8m with an estimated aggregate capacity of 4,284 kilowatt-peak in Thailand. (The Edge)

Malaysia Airports Holdings Bhd's (5014) airport network continued to hold above the four million-mark since October 2021, with 4.7m passengers recorded for February 2022. This was a year-on-year increase of 186% from 1.6m in February 2021. (The Edge)



Jaya Tiasa Holdings Berhad

Technical Watch - “BUY on Potential Continuation”

Bloomberg: JT MK | KLSE Stock Code: 4383

Main Market Plantations

Subsector – Plantations

Current Price : RM1.01

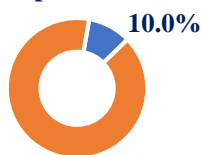
Target Price : RM1.11

Investment Highlights

On an uptrend, the stock is currently trading below the MA20. We think that there is a potential continuation 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



Buys: 1

Holds: 0

Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	20.2	46.8	38.7
P/B	0.6	0.5	0.8
P/CF	4.1	5.1	7.9
P/S	1.0	0.9	1.3

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

Company Overview

Jaya Tiasa Holdings Berhad is an investment holding company which provides management services, oil palm production, and extracts and trades timber logs. Through its subsidiaries, the Company manufactures and trades sawn timber, blockboard, plywood, veneer and related products. Jaya Tiasa also provides air transportation services and imports wood products..



Ronnie Tan

ronnie-tan@mersec.com.my

016-564 7698

Entry Price	RM1.01
Market Cap (m)	RM977.7
52w high	RM1.23
52w low	RM0.56
Stop Loss	RM0.86
Immediate Support	RM0.96
Immediate Resistance	RM1.03
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run, price trading on the lower band.
RSI	Rising Momentum
Volume (4-Weeks Average)	25,214,056.8



Greatech Technology Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: GREATEC MK | KLSE Stock Code: 0208

Main Market
Technology
Subsector – Tech Equipment

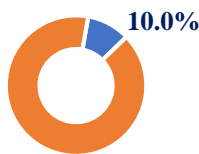
Current Price : RM4.41
Target Price : RM4.85

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential continuation to a trend reversal supported by a bullish marubozu, 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



Buys: 7
Holds: 1
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	57.4	54.7	54.7
P/BV	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

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



Ronnie Tan
ronnie-tan@mersec.com.my
016-564 7698

Entry Price	RM4.41
Market Cap (m)	RM5,521.9
52w high	RM7.60
52w low	RM2.81
Stop Loss	RM3.77
Immediate Support	RM4.19
Immediate Resistance	RM5.60
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run, price trading outside on the lower band.
RSI	Rising Momentum
Volume (4-Weeks Average)	8,166,936.2



TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
24/2/2022	Cuscapi	0051	0.415	0.360	0.395	0.455	0.0	-13.3	TP Achieved
24/2/2022	Jtiasa	4383	0.875	1.020	0.850	0.960	5.2	16.6	TP Achieved
25/2/2022	Armada	5210	0.520	0.425	0.500	0.570	4.9	-18.3	Stop Loss Triggered
25/2/2022	Tomei	7230	1.100	0.975	1.000	1.210	0.5	-11.4	TP Achieved
28/2/2022	Pantech	5125	0.630	0.665	0.610	0.690	-0.7	5.6	-
28/2/2022	SOP	5126	5.900	5.630	5.700	6.490	2.0	-4.6	TP Achieved
1/3/2022	SCGM	7247	2.050	2.130	1.900	2.250	0.0	3.9	-
1/3/2022	Dayang	5141	0.860	0.890	0.830	0.950	1.1	3.5	-
2/3/2022	Tafi	7211	0.755	0.720	0.735	0.830	-0.7	-4.6	-
2/3/2022	PIE	7095	2.780	3.060	2.950	3.050	0.7	10.1	TP Achieved
3/3/2022	Rsawit	5113	0.290	0.245	0.280	0.325	4.3	-15.5	Stop Loss Triggered
3/3/2022	TDM	2054	0.295	0.285	0.280	0.330	5.6	-3.4	-
4/3/2022	SOP	5126	6.650	5.630	6.500	7.320	2.0	-15.3	Stop Loss Triggered
4/3/2022	TSH	9095	1.700	1.650	1.600	1.870	3.8	-2.9	-
7/3/2022	Lctitan	5284	2.350	2.150	2.590	2.200	-0.5	-8.5	-
7/3/2022	Leonfuat	5232	0.835	0.810	0.920	0.815	1.3	-3.0	-
8/3/2022	Tomei	7230	1.200	0.975	1.100	1.310	0.5	-18.8	Stop Loss Triggered
8/3/2022	Pohkong	5080	0.940	0.825	0.900	1.040	0.6	-12.2	-
9/3/2022	Coastal	5071	1.650	1.850	1.500	1.820	-0.5	12.1	TP Achieved
9/3/2022	Mcement	3794	2.150	2.320	2.000	2.400	-2.1	7.9	TP Achieved
10/3/2022	Unisem	5005	2.550	3.090	2.400	2.800	0.7	21.2	TP Achieved
10/3/2022	TSH	9095	1.700	1.650	1.600	1.870	3.8	-2.9	-
10/3/2022	FLBHD	5197	1.390	1.400	1.300	1.530	-2.1	0.7	-
10/3/2022	SAM	9822	4.180	4.580	4.100	4.600	-1.3	9.6	TP Achieved
14/3/2022	MYEG	0138	0.970	0.970	0.950	1.070	-0.5	0.0	-
14/3/2022	MSM	5202	0.850	0.895	0.830	0.935	5.9	5.3	-
15/3/2022	PUC	0007	0.130	0.145	0.120	0.145	3.6	11.5	TP Achieved
15/3/2022	QL	7084	4.850	4.850	4.700	5.310	-1.0	0.0	-
16/3/2022	Jtiasa	4383	0.920	1.020	0.900	1.010	5.2	10.9	TP Achieved
16/3/2022	Bursa	1818	6.350	6.930	6.200	6.980	-1.3	9.1	TP Achieved
17/3/2022	Hibiscus	5199	1.000	1.200	0.950	1.180	1.7	20.0	TP Achieved
17/3/2022	Armada	5210	0.375	0.425	0.350	0.410	4.9	13.3	TP Achieved
18/3/2022	Senheng	5305	0.830	0.850	0.710	0.910	0.6	2.4	-
18/3/2022	FLBHD	5197	1.410	1.400	1.210	1.550	-2.1	-0.7	-
21/3/2022	TDM	2054	0.270	0.285	0.230	0.300	5.6	5.6	-
21/3/2022	RSAWIT	5113	0.240	0.245	0.200	0.260	4.3	2.1	-
22/3/2022	Greatec	0208	4.230	4.430	3.620	4.650	5.0	4.7	-
22/3/2022	D&O	7204	4.280	4.490	3.660	4.710	4.7	4.9	-
23/3/2022	Greatec	0208	4.410	4.430	3.770	4.850	5.0	0.5	-
23/3/2022	Jtiasa	4383	1.010	1.020	0.860	1.110	5.2	1.0	-

*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	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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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

Email: mercurykl@mersec.com.my