



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks fell on profit-taking activities. Market breadth was negative with 525 losers versus 337 gainers. The technology sector was the top percentage loser falling by 2.52% as investors took profit following the recent rebound of the sector, while the REITs sector was the top percentage gainer rising by 0.35%. Malaysian Pacific Industries (3867) was the top loser declining by RM1.42 or 3.65%. The FBM KLCI decreased by 0.33% to 1,597.95.

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

ECONOMICS

- **CPO futures** end lower on March 28, tracking weaker CBOT soybean oil prices

COMPANY

- **Axiata's (6888)** foreign shareholding reached 11% in February, highest in 24 months
- **Barclays** hit by US\$590m loss on product sales blunder
- **Hextar Global (5151)** proposes to acquire 99.91% stake in Indonesian agrochemical company for RM10.2m
- **Sea** e-commerce unit Shopee to shut India operations
- **TSMC, Samsung** urge US to allow them into US\$52bn chip plan

EXPRESSO FOR THE DAY

- **Technical Watch – NWP (5025)** – Entry Price RM0.25, Target Price RM0.28, Stop Loss RM0.21, Support RM0.24, Resistance RM0.28
- **Technical Watch – Tanco (2429)** – Entry Price RM0.32, Target Price RM0.35, Stop Loss RM0.27, Support RM0.30, Resistance RM0.34

Local	Close	(%)
FBMKLCI	1,597.95	(0.3)
Volume (mil)	2,400.0	(13.8)
Value (RM mil)	1,890.8	(14.7)
Gainers	337	
Losers	525	
Unchanged	518	

Foreign		(%)
Dow Jones	34,955.9	0.3
Nasdaq CI	14,354.9	1.3
S&P 500	4,575.5	0.7
FTSE 100	7,473.1	(0.1)
Nikkei 225	27,943.9	(0.7)
Shanghai CI	3,214.5	0.1
HSI	21,685.0	1.3
STI	3,432.0	0.5

Most Active	RM	Chg
BSLCORP	0.185	(0.015)
HSI-HM2	0.205	(0.010)
PRLEXUS-WB	0.165	(0.020)
TANCO	0.320	0.080
HEXIND	0.320	0.025

Top Gainer	RM	Chg
BLDPLNT	9.410	0.310
COMPLET	3.450	0.180
PCHEM	9.780	0.180
HTPADU	1.190	0.170
ALLIANZ-PA	12.640	0.160

Top Loser	RM	Chg
MPI	37.480	(1.420)
PMBTECH-WA	14.200	(0.800)
PEIDAG	21.360	(0.640)
NESTLE	136.000	(0.600)
PMBTECH	17.260	(0.520)

Other Stats		(%)
USD/MYR	4.22	0.17
USD/RMB	6.37	0.09
WTI (USD/barrel)	112.48	(6.77)
Gold (USD/troy oz)	1,922.80	(1.81)
CPO (USD/metric t)	6688.5	4.80



DAILY NEWSWATCH

ECONOMICS

Crude palm oil futures contract on Bursa Malaysia Derivatives ended lower on Monday (March 28), tracking the weaker Chicago Board of Trade soybean oil prices, said a dealer. (The Edge)

COMPANY

Foreign holdings in **Axiata Group Bhd (6888)** reached the 11% threshold last month, the highest figure recorded by the multinational telecommunications company in two years since March 2020. (The Edge)

British bank **Barclays** disclosed on Monday an estimated £450m (US\$592m) loss on mishandled structured product sales and said this meant it would now delay a share buy-back. (The Edge)

Hextar Global Bhd (5151) has proposed to acquire 109,900 shares or a 99.91% equity interest in Indonesia-based agrochemical company PT Agro Sentosa Raya for RM10.2m. (The Edge)

Sea Ltd said on Monday it is withdrawing from India's retail market just months after starting operations there, the second pullback this month in an overseas expansion drive, as the loss-making firm faces a weak growth outlook. (The Edge)

Taiwan Semiconductor Manufacturing Co and **Samsung Electronics Co** urged the US to allow foreign companies to participate in a US\$52 bn federal programme aimed at boosting chip production on American soil. (The Edge)



NWP Holdings BHD

Technical Watch - "BUY on Potential Continuation"

Bloomberg: NWP MK | KLSE Stock Code: 5025

Main Market
Industrial Products
Subsector – Wood Products

Current Price : RM0.25

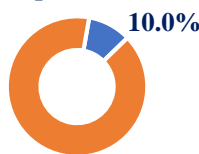
Target Price : RM0.28

Investment Highlights

On a trend reversal, the stock is currently trading below the MA20. We think that there is a potential continuation supported by a morning star, rising momentum on the stock (RSI > 50), and lower volatility on the back of a contracting bollinger bands.

With lower volatility, we think that prices could potentially trade higher with lesser 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	N/A	N/A	637.5
P/B	3.1	2.0	2.0
P/CF	N/A	58.1	232.0
P/S	10.1	5.4	6.0

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

Company Overview

NWP Holdings Berhad is an investment holding company. Through its subsidiaries, the Company manufactures a variety of timber products such as jambs, timber molding, laminated moldings, and timber flooring. NWP Holdings also trades sawn timber, provides timber treatment and kiln drying services, and develops properties and building.



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Entry Price	RM0.25
Market Cap (m)	RM131.6
52w high	RM0.40
52w low	RM0.15
Stop Loss	RM0.21
Immediate Support	RM0.24
Immediate Resistance	RM0.28
Moving Average (EMA)	Bullish
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)	25,233,733.3



Tanco Holdings Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: TANC MK | KLSE Stock Code: 2429

Main Market

Property

Subsector – Property

Current Price : RM0.32

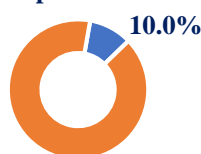
Target Price : RM0.35

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential continuation supported by a bullish marubozu, strong momentum (RSI > 80), 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	N/A	70.2	64.0
P/BV	1.1	0.7	0.4
P/CF	10.4	6.4	28.1
P/S	36.6	18.2	11.2

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

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.

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Entry Price	RM0.32
Market Cap (m)	RM547.9
52w high	RM0.34
52w low	RM0.05
Stop Loss	RM0.27
Immediate Support	RM0.30
Immediate Resistance	RM0.34
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)	6,796,301.4



TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
2/3/2022	Tafi	7211	0.755	0.790	0.735	0.830	-1.3	4.6	-
2/3/2022	PIE	7095	2.780	2.900	2.950	3.050	-3.3	4.3	TP Achieved
3/3/2022	Rsawit	5113	0.290	0.245	0.280	0.325	0.0	-15.5	Stop Loss Triggered
3/3/2022	TDM	2054	0.295	0.280	0.280	0.330	0.0	-5.1	-
4/3/2022	SOP	5126	6.650	5.670	6.500	7.320	-1.7	-14.7	Stop Loss Triggered
4/3/2022	TSH	9095	1.700	1.650	1.600	1.870	-1.8	-2.9	-
7/3/2022	Lctitan	5284	2.350	2.160	2.590	2.200	-0.9	-8.1	-
7/3/2022	Leonfuat	5232	0.835	0.810	0.920	0.815	0.6	-3.0	-
8/3/2022	Tomei	7230	1.200	0.995	1.100	1.310	-3.4	-17.1	Stop Loss Triggered
8/3/2022	Pohkong	5080	0.940	0.830	0.900	1.040	-3.5	-11.7	-
9/3/2022	Coastal	5071	1.650	1.800	1.500	1.820	-1.1	9.1	TP Achieved
9/3/2022	Mcement	3794	2.150	2.430	2.000	2.400	1.3	13.0	TP Achieved
10/3/2022	Unisem	5005	2.550	3.250	2.400	2.800	-2.7	27.5	TP Achieved
10/3/2022	TSH	9095	1.700	1.650	1.600	1.870	-1.8	-2.9	-
10/3/2022	FLBHD	5197	1.390	1.410	1.300	1.530	-1.4	1.4	-
10/3/2022	SAM	9822	4.180	4.740	4.100	4.600	-1.9	13.4	TP Achieved
14/3/2022	MYEG	0138	0.970	0.985	0.950	1.070	0.5	1.5	-
14/3/2022	MSM	5202	0.850	0.880	0.830	0.935	-2.8	3.5	TP Achieved
15/3/2022	PUC	0007	0.130	0.135	0.120	0.145	-3.6	3.8	TP Achieved
15/3/2022	QL	7084	4.850	4.950	4.700	5.310	0.6	2.1	-
16/3/2022	Jtiasa	4383	0.920	1.020	0.900	1.010	-3.8	10.9	TP Achieved
16/3/2022	Bursa	1818	6.350	6.820	6.200	6.980	-1.9	7.4	TP Achieved
17/3/2022	Hibiscus	5199	1.000	1.160	0.950	1.180	-3.3	16.0	TP Achieved
17/3/2022	Armada	5210	0.375	0.425	0.350	0.410	0.0	13.3	TP Achieved
18/3/2022	Senheng	5305	0.830	0.820	0.710	0.910	-3.0	-1.2	-
18/3/2022	FLBHD	5197	1.410	1.410	1.210	1.550	-1.4	0.0	-
21/3/2022	TDM	2054	0.270	0.280	0.230	0.300	0.0	3.7	-
21/3/2022	RSAWIT	5113	0.240	0.245	0.200	0.260	0.0	2.1	-
22/3/2022	Greatec	0208	4.230	4.750	3.620	4.650	-2.1	12.3	TP Achieved
22/3/2022	D&O	7204	4.280	4.550	3.660	4.710	-4.2	6.3	TP Achieved
23/3/2022	Greatec	0208	4.410	4.750	3.770	4.850	-2.1	7.7	TP Achieved
23/3/2022	Jtiasa	4383	1.010	1.020	0.860	1.110	-3.8	1.0	-
24/3/2022	Unisem	5005	3.200	3.250	2.740	3.520	-2.7	1.6	-
24/3/2022	Penta	7160	4.090	3.710	3.500	4.500	-5.6	-9.3	-
25/3/2022	Revenue	0200	1.650	1.620	1.410	1.820	-7.4	-1.8	-
25/3/2022	Jadem	7043	0.780	0.780	0.660	0.850	1.3	0.0	-
28/3/2022	Opcom	0035	0.800	0.800	0.680	0.870	1.3	0.0	-
28/3/2022	Tafi	7211	0.790	0.790	0.670	0.860	-1.3	0.0	-
29/3/2022	NWP	5025	0.250	0.245	0.210	0.280	6.5	-2.0	-
29/3/2022	Tanco	2429	0.320	0.320	0.270	0.350	33.3	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	2.1	21.3	14.7	17.4	14.7	13.9	
Finance	7.5	13.0	11.5	12.4	12.3	10.2	
Property	0.3	13.8	4.9	10.8	4.9	11.5	
Plantation	23.2	94.6	11.7	43.9	11.7	16.8	
Consumer	0.1	25.6	19.9	23.0	19.9	17.0	
Technology	(18.4)	30.8	19.1	26.0	30.8	23.9	
Construction	2.0	22.2	14.1	18.0	14.1	11.4	
Energy	2.7	-	-	-	13.9	10.5	
Health care	(9.4)	52.6	7.1	29.8	7.1	25.5	
Ind Prod	0.7	38.6	11.4	24.0	11.4	9.7	
REIT	(4.0)	-	-	-	29.2	15.6	
Telco	1.0	26.2	25.1	25.6	26.2	19.6	
Transportations	(3.3)	-	-	-	-	16.5	
Utilities	(1.8)	-	-	-	14.4	12.5	

Source: Bloomberg

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