



DAILY NEWSWATCH

MARKET REVIEW

The FBM KLCI dipped due to the lackluster performance of select blue chip counters. Market breadth was positive with 521 gainers versus 430 losers. The technology sector was the top percentage gainer leaping by 1.28% following strong gains for the Nasdaq in Tuesday's trading session. The utilities sector was the top percentage loser falling by 0.86%. Malaysia Airports Holdings Berhad (5014) was the top gainer surging by RM0.50 or 7.75% on optimism over the reopening of Malaysia's international borders. The FBM KLCI dipped by 0.01% to 1,583.22.

We expect Malaysian stocks to decline following losses on Wall Street overnight.

ECONOMICS

- **BNM:** Stress test shows banks remain well buffered against credit risks
- **BNM** to make digital banking licence announcement upon completion of legal process
- **Monetary policy** to remain accommodative to support recovery and ensure price stability — BNM governor

COMPANY

- **Pharmaniaga (7081)** signs MoU to distribute products in UAE
- **PMB Technology (7172)** inks MOU for potential acquisition of Sabah land for new silicon plant
- **T7 Global (7228)** lands manpower services contract from Petronas

EXPRESSO FOR THE DAY

- **Technical Watch – Capital A (5099)** – Entry Price RM0.75, Target Price RM0.83, Stop Loss RM0.64, Support RM0.71, Resistance RM0.84
- **Technical Watch – Nylex (4944)** – Entry Price RM0.45, Target Price RM0.50, Stop Loss RM0.38, Support RM0.43, Resistance RM0.64

Local	Close	(%)
FBMKLCI	1,583.22	(0.0)
Volume (mil)	3,400.7	30.3
Value (RMmil)	2,160.5	9.6
Gainers	521	
Losers	430	
Unchanged	419	

Foreign		(%)
Dow Jones	35,228.8	(0.2)
Nasdaq CI	14,442.3	(1.2)
S&P 500	4,602.5	(0.6)
FTSE 100	7,578.8	0.6
Nikkei 225	28,027.3	(0.8)
Shanghai CI	3,266.6	2.0
HSI	22,232.0	1.4
STI	3,442.6	0.3

Most Active	RM	Chg
MTRONIC	0.015	0.000
CAPITALA	0.750	0.070
PHB	0.005	0.000
BSLCORP	0.190	0.020
MYEG	1.020	0.040

Top Gainer	RM	Chg
AIRPORT	6.950	0.500
AEONCR	14.820	0.380
VITROX	8.050	0.240
BKAWAN	26.360	0.240
BONIA	2.070	0.230

Top Loser	RM	Chg
IHS046000824	101.500	(1.000)
NESTLE	134.500	(0.500)
HEIM	22.040	(0.460)
PETGAS	16.540	(0.280)
PETDAG	20.500	(0.200)

Other Stats		(%)
USD/MYR	4.20	(0.22)
USD/RMB	6.35	(0.26)
Brent (USD/barrel)	113.45	2.92
Gold (USD/troy oz)	1,932.87	0.70



DAILY NEWSWATCH

ECONOMICS

Bank Negara Malaysia said its updated stress test continued to affirm the resilience of capital buffers of banks to withstand potential losses under severe macroeconomic and financial shocks, while sustaining support for an economic recovery. (The Edge)

Comments: We are bullish on the financial services sector due to the attractive dividend yields of certain of the banks. We also think that certain of the bank stocks will serve as a good recovery play.

Bank Negara Malaysia governor Tan Sri Nor Shamsiah Mohd Yunus said on Wednesday (March 30) the central bank will announce in the near future its decision on the award of up to five digital bank licences in Malaysia to successful applicants upon completion of the legal process. (The Edge)

Bank Negara Malaysia said its current monetary policy stance is appropriate and will continue to remain accommodative moving forward to support recovery and ensure price stability, given the prevailing economic outlook, growth and inflation for 2022. (The Edge)

COMPANY

Pharmaniaga Bhd (7081) has proposed to distribute its products in the United Arab Emirates (UAE) via a health service provider there. (The Edge)

PMB Technology Bhd (7172) has entered into a memorandum of understanding with Sabah Oil & Gas Development Corp Sdn Bhd for the potential sublease or sale of 200 acres of land at the Sipitang Oil and Gas Industrial Park in Sabah and development of a new silicon metal production plant there. (The Edge)

T7 Global Bhd (7228) has secured a contract from Petroliam Nasional Bhd for the provision of third-party professional and support services. (The Edge)



Capital A Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: CAPITALA MK | KLSE Stock Code: 5099

Main Market Consumer

Subsector – Travel, Leisure

Current Price : RM0.75

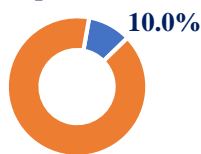
Target Price : RM0.83

Investment Highlights

On a trend reversal, the stock is currently trading above the MA20. We think that there is a potential reversal supported by a bullish marubozu, rising momentum on the stock (RSI > 45), 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	4.4	7.1
P/B	1.4	0.9	0.8
P/CF	28.5	8.4	9.6
P/S	1.6	1.0	0.8

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

Company Overview

Capital A Berhad provides airline operating services. The Company operates scheduled domestic and international flights, as well as provides air transportation and air cargo services. Capital A also engages in tour operating business and leasing aircrafts to customers worldwide.



Ronnie Tan

ronnie-tan@mersec.com.my

016-564 7698

Entry Price	RM0.75
Market Cap (m)	RM3,121.3
52w high	RM1.33
52w low	RM0.54
Stop Loss	RM0.64
Immediate Support	RM0.71
Immediate Resistance	RM0.84
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)	18,054,807.5



Nylex Malaysia Berhad

Technical Watch - “BUY on Potential Reversal”

Bloomberg: NYL MK | KLSE Stock Code: 4944

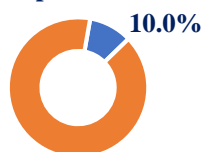
**Main Market
Industrial Products
Subsector – Chemicals****Current Price : RM0.45****Target Price : RM0.50**

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 > 30), 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

**Buy: 0****Hold: 0****Sell: 0**

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	6.7	8.9	8.5
P/BV	0.4	0.3	0.3
P/CF	2.2	3.3	3.7
P/S	0.1	0.1	0.1

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

Company Overview

Nylex (Malaysia) Berhad manufactures and sells vinyl-coated fabrics, calendared film and sheeting, and other plastic products such as geotextiles and prefabricated sub-soil drainage systems. The Company, through its subsidiaries, manufactures electrical engineering products, roofing products, glass wool insulation products, rotomolded bulk containers, and golf bags.

**Ronnie Tan**

ronnie-tan@mersec.com.my

016-564 7698

Entry Price	RM0.45
Market Cap (m)	RM80.7
52w high	RM1.88
52w low	RM0.17
Stop Loss	RM0.38
Immediate Support	RM0.43
Immediate Resistance	RM0.64
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)	5,209,993.0



TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
4/3/2022	SOP	5126	6.650	5.410	6.500	7.320	-2.7	-18.6	Stop Loss Triggered
4/3/2022	TSH	9095	1.700	1.660	1.600	1.870	-0.6	-2.4	-
7/3/2022	Lctitan	5284	2.350	2.200	2.590	2.200	0.9	-6.4	-
7/3/2022	Leonfuat	5232	0.835	0.790	0.920	0.815	-1.3	-5.4	-
8/3/2022	Tomei	7230	1.200	1.000	1.100	1.310	0.5	-16.7	Stop Loss Triggered
8/3/2022	Pohkong	5080	0.940	0.840	0.900	1.040	1.2	-10.6	-
9/3/2022	Coastal	5071	1.650	1.810	1.500	1.820	-1.6	9.7	TP Achieved
9/3/2022	Mcement	3794	2.150	2.390	2.000	2.400	0.0	11.2	TP Achieved
10/3/2022	Unisem	5005	2.550	3.160	2.400	2.800	-0.9	23.9	TP Achieved
10/3/2022	TSH	9095	1.700	1.660	1.600	1.870	-0.6	-2.4	-
10/3/2022	FLBHD	5197	1.390	1.410	1.300	1.530	0.7	1.4	-
10/3/2022	SAM	9822	4.180	4.740	4.100	4.600	-0.2	13.4	TP Achieved
14/3/2022	MYEG	0138	0.970	1.020	0.950	1.070	4.1	5.2	-
14/3/2022	MSM	5202	0.850	0.905	0.830	0.935	1.7	6.5	TP Achieved
15/3/2022	PUC	0007	0.130	0.125	0.120	0.145	4.2	-3.8	TP Achieved
15/3/2022	QL	7084	4.850	4.970	4.700	5.310	0.4	2.5	-
16/3/2022	Jtiasa	4383	0.920	0.940	0.900	1.010	-8.7	2.2	TP Achieved
16/3/2022	Bursa	1818	6.350	7.000	6.200	6.980	0.4	10.2	TP Achieved
17/3/2022	Hibiscus	5199	1.000	1.150	0.950	1.180	-1.7	15.0	TP Achieved
17/3/2022	Armada	5210	0.375	0.415	0.350	0.410	0.0	10.7	TP Achieved
18/3/2022	Senheng	5305	0.830	0.830	0.710	0.910	0.6	0.0	-
18/3/2022	FLBHD	5197	1.410	1.410	1.210	1.550	0.7	0.0	-
21/3/2022	TDM	2054	0.270	0.275	0.230	0.300	-1.8	1.9	-
21/3/2022	RSAWIT	5113	0.240	0.240	0.200	0.260	-2.0	0.0	-
22/3/2022	Greatec	0208	4.230	4.820	3.620	4.650	5.0	13.9	TP Achieved
22/3/2022	D&O	7204	4.280	4.530	3.660	4.710	0.4	5.8	TP Achieved
23/3/2022	Greatec	0208	4.410	4.820	3.770	4.850	5.0	9.3	TP Achieved
23/3/2022	Jtiasa	4383	1.010	0.940	0.860	1.110	-8.7	-6.9	-
24/3/2022	Unisem	5005	3.200	3.160	2.740	3.520	-0.9	-1.3	-
24/3/2022	Penta	7160	4.090	3.630	3.500	4.500	-0.5	-11.2	-
25/3/2022	Revenue	0200	1.650	1.520	1.410	1.820	-1.9	-7.9	-
25/3/2022	Jadem	7043	0.780	0.795	0.660	0.850	1.9	1.9	-
28/3/2022	Opcom	0035	0.800	0.825	0.680	0.870	0.6	3.1	-
28/3/2022	Tafi	7211	0.790	0.745	0.670	0.860	-3.2	-5.7	-
29/3/2022	NWP	5025	0.250	0.255	0.210	0.280	2.0	2.0	-
29/3/2022	Tanco	2429	0.320	0.345	0.270	0.350	11.3	7.8	-
30/3/2022	Senheng	5305	0.820	0.830	0.700	0.900	0.6	1.2	-
30/3/2022	BDB	6173	0.670	0.640	0.570	0.730	-4.5	-4.5	-
31/3/2022	CapitalA	5099	0.750	0.750	0.640	0.830	10.3	0.0	-
31/3/2022	Nylex	4944	0.450	0.450	0.380	0.500	12.5	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

**Disclaimers**

This report is prepared primarily for the use of Mercury Securities' clients in Malaysia and not for publication purposes, notwithstanding its public dissemination via external financial information providers such as Bloomberg LP. This report should not be reproduced, altered in any way, transmitted to, copied, or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Mercury Securities. Mercury Securities, companies and individuals related to it accept no liability whatsoever for the actions of third parties in this respect.

This research report is prepared for general circulation and for information purposes, only and under no circumstances, should it be considered or intended as an offer to sell or a solicitation of an offer to buy the stocks or securities referred to in the report. Investors should note that the price, values or fundamentals of any securities may fluctuate over time. Past performance of any securities may not be an accurate guide to its future performance.

This report is not intended to provide personal investment advice and does not take into account the investment objectives, financial situation and risk appetite of persons who may receive or read this report. Investors are advised to trade at their own absolute discretion, and to seek financial, legal and other pertinent professional advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

Any information, views, opinions, recommendations, and advice in this report are given in good faith but without any legal responsibility or liability to Mercury Securities and connected parties. Information contained in this report has been obtained from public sources believed to be reliable, but such sources are not independently verified by Mercury Securities and consequently no representation is made as to the accuracy or completeness of this information, and it should not be relied upon as such. The views, recommendations and opinions in this research report are our own as of the date hereof and are subject to change without prior notice.

Mercury Securities expressly disclaims any obligation to update or revise any views, recommendations, forward looking statements, and forecasts in a timely manner to reflect new information, events, or circumstances after the date of this report publication or to reflect the occurrence of unanticipated events. Our views and recommendations are based on our own analysis of publicly available information. A subject company's fundamentals and prospects are subject to various risks and uncertainties that could cause its actual performance to differ from our opinion.

As such, Mercury Securities and its directors, officers, associates, connected parties and employees shall not be liable for any direct, indirect, or consequential losses or damages that may arise from the use of or reliance on this research report.

Disclosures

Mercury Securities Sdn Bhd Registration No. 198401000672 (113193-W) is a Participating Organisation of Bursa Malaysia Securities Berhad and a principal holding a Capital Markets Services Licence ("CMSL") issued by the Securities Commission ("SC") of Malaysia. Its research analysts hold a Capital Markets Services Representative's Licence ("CMSRL"). Principals holding a CMSL and representatives holding a CMSRL are regulated by SC in accordance with the Capital Markets and Services Act 2007 ("CMSA").

Mercury Securities, companies or individuals connected with it may have used research material before publication and may have positions in or may be materially interested in any stocks or securities in the markets mentioned. Some of the subject companies covered by Mercury Securities for research purposes may be a client of Mercury Securities in the past, current or may be a potential client in the future. Possible business dealings may include, but is not limited to share trading, market making, underwriting, corporate finance and corporate advisory services.

Published and 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

Email: mercurykl@mersec.com.my