



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks rose on bargain-hunting. Market breadth was positive with 530 gainers versus 370 losers. The REITs sector was the top percentage gainer leaping by 1.40%, while the utilities sector was the top percentage loser falling by 0.45%. PMB Technology Berhad (7172) was a major gainer surging by RM0.94 or 5.40%. The FBM KLCI increased by 0.26% to 1,587.36.

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

ECONOMICS

- **Magma** to bank on non-medical sector to spur glove demand
- **OPEC+** seen sticking to policy, ditches IEA data
- **United States** weighs largest ever draw from emergency oil reserve — sources

COMPANY

- **Astro (6399)** 4Q profit falls 24% to RM126m, pays 2.25 sen dividend
- China oil giant **CNOOC** plans US\$5.5bn Shanghai listing amid heightened geopolitical risks
- **Cypark's (5184)** 1Q net profit rises 6% y-o-y on lower tax expenses, but down 39% q-o-q
- **Maybank's (1155)** foreign shareholding tops 17% for the first time since August 2020

EXPRESSO FOR THE DAY

- **Technical Watch – Focus Lumber (5197)** – Entry Price RM1.47, Target Price RM1.62, Stop Loss RM1.26, Support RM1.40, Resistance RM1.65
- **Technical Watch – Mico (5001)** – Entry Price RM0.68, Target Price RM0.74, Stop Loss RM0.58, Support RM0.64, Resistance RM0.70

Local	Close	(%)
FBMKLCI	1,587.36	0.3
Volume (mil)	2,860.3	(15.9)
Value (RM mil)	2,362.6	9.4
Gainers	530	
Losers	370	
Unchanged	445	

Foreign		(%)
Dow Jones	34,678.4	(1.6)
Nasdaq CI	14,220.5	(1.5)
S&P 500	4,530.4	(1.6)
FTSE 100	7,515.7	(0.8)
Nikkei 225	27,821.4	(0.7)
Shanghai CI	3,252.2	(0.4)
HSI	21,996.9	(1.1)
STI	3,408.5	(1.0)

Most Active	RM	Chg
MTRONIC	0.020	0.005
DYNACIA-PA	0.060	0.000
TWL	0.070	0.005
CAPITALA	0.735	(0.015)
SMTRACK	0.080	0.005

Top Gainer	RM	Chg
PMBTECH-WA	15.300	1.100
PMBTECH	18.340	0.940
HEIM	22.480	0.440
AEONCR	15.120	0.300
YINSON	4.800	0.250

Top Loser	RM	Chg
NESTLE	133.600	(0.900)
GENP	8.550	(0.190)
HSI-HEB	1.520	(0.140)
HSI-CJC	1.190	(0.110)
MANULFE	2.300	(0.100)

Other Stats		(%)
USD/MYR	4.20	(0.01)
USD/RMB	6.34	(0.12)
Brent (USD/barrel)	107.91	(4.88)
Gold (USD/troy oz)	1,937.44	0.24



DAILY NEWSWATCH

ECONOMICS

The Malaysian Rubber Glove Manufacturers Association hopes that returning non-medical industries will drive future demand for gloves as Malaysia prepares to enter and progresses through the endemic stage from Friday (April 1) onwards. (The Edge)

OPEC and allies including Russia are expected to stick to plans for a modest May oil output increase on Thursday, as the group removed the International Energy Agency from its data sources in a sign a standoff with the West is hardening. (The Edge)

The Biden administration is considering releasing up to 180 million barrels of oil over several months from the Strategic Petroleum Reserve, four US sources said on Wednesday, as the White House tries to lower fuel prices. (The Edge)

COMPANY

Astro Malaysia Holdings Bhd's (6399) net profit for 4QFY22 fell 24.57% to RM126.59m from RM167.83m a year ago, due to higher license, copyright and royalty fees, staff related and financing costs. (The Edge)

CNOOC Ltd, China's top offshore oil and gas producer, plans to raise about 35 bn yuan (US\$5.5 bn or about RM23.21 bn) next month in what will likely be China's 10th biggest listing to fund oil and gas extraction as Beijing prioritises energy security amid rising geopolitical tensions. (The Edge)

Cypark Resources Bhd's (5184) net profit for 1QFY22 increased 5.56% to RM15.82m from RM14.98m in the same quarter last year, on lower recognition of deferred tax expenses. (The Edge)

Malayan Banking Bhd's (1155) foreign shareholding surpassed the 17% mark for the first time since Aug 28, 2020, according to the latest updates on its website. The bank's updates showed that its foreign shareholding had increased from 16.96% as at March 4, 2022 to 17.11% as at March 11, breaching the 17% mark for the first time since the figure of 17.05% as of Aug 28, 2020. (The Edge)



Focus Lumber Bhd

Technical Watch - "BUY on Potential Upside"

Bloomberg: FLB MK | KLSE Stock Code: 5197

Main Market
Industrial Products
Subsector – Wood Products

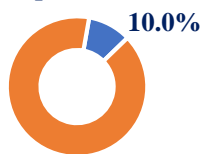
Current Price : RM1.47
Target Price : RM1.62

Investment Highlights

On a trend reversal, the stock is currently trading above the MA20. We think that there is a potential continuation supported by a bullish trend, strong momentum on the stock (RSI > 55), 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	8.9	9.6	6.9
P/B	0.5	0.6	0.7
P/CF	158.6	61.5	29.5
P/S	0.8	0.7	0.7

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

Company Overview

Focus Lumber Bhd produces building materials. The Company manufactures plywood, wood veneers, and laminated veneer lumber. Through a subsidiary, Focus generates electricity in a biomass fueled plant.



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Entry Price	RM1.47
Market Cap (m)	RM148.0
52w high	RM1.66
52w low	RM0.81
Stop Loss	RM1.26
Immediate Support	RM1.40
Immediate Resistance	RM1.65
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)	516,838.1



Mieco Chipboard Berhad

Technical Watch - "BUY on Potential Reversal"

Bloomberg: MIEC MK | KLSE Stock Code: 5001

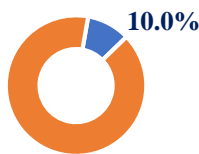
**Main Market
Industrial Products
Subsector – Wood Products****Current Price : RM0.68****Target Price : RM0.74**

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 > 55), 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	15.8	18.4	12.8
P/BV	1.1	0.9	0.7
P/CF	11.2	9.6	19.4
P/S	1.0	0.8	0.6

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

Company Overview

Mieco Chipboard Berhad is an investment holding company which manufactures chip boards. Through its subsidiaries, the Company sells and markets chipboard along with procuring, reforestation, harvesting, extracting, and supplying rubberwood.

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Entry Price	RM0.68
Market Cap (m)	RM675.0
52w high	RM0.70
52w low	RM0.41
Stop Loss	RM0.58
Immediate Support	RM0.64
Immediate Resistance	RM0.70
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)	1,830,057.1



TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
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



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