



**DAILY NEWSWATCH**

**MARKET REVIEW**

Malaysian stocks increased last Friday on rising investor optimism as the country reopens its international borders. Market breadth was positive with 554 gainers versus 406 losers. The health care sector was the top percentage gainer surging by 3.20% on the back of strength in glove counters, while the telecommunications & media sector was the top percentage loser declining by 0.65%. Nestle (Malaysia) Berhad (4707) was the top gainer rising by RM2.30 or 1.72% in line with strength in the general market. The FBM KLCI increased by 0.95% to 1,602.41.

We expect Malaysian stocks to trade sideways absent any new catalysts.

**ECONOMICS**

- **Border reopening:** Malaysia expects two million international arrivals this year, says minister
- **Foreign investors** emerge as net buyers as plantation sector leads gains in 1Q
- **NAPIC: Property market improved in 2021** but challenges remain

**COMPANY**

- **Minetech (7219)** lands RM4.4m construction job under Emerald 9 Cheras development
- **MYEG (0138)** strives to be regional leader in metaverse development
- **Pappajack (0242)** rises as much as one-third on maiden trading day
- **UEM Edgenta's (1368)** unit signs business exploration agreement to explore technological opportunities in Middle East

**EXPRESSO FOR THE DAY**

- **Technical Watch – E&O (3417)** – Entry Price RM0.57, Target Price RM0.63, Stop Loss RM0.49, Support RM0.54, Resistance RM0.27
- **Technical Watch – Gamuda (5398)** – Entry Price RM3.51, Target Price RM3.86, Stop Loss RM3.00, Support RM3.33, Resistance RM3.58

Local	Close	(%)
<b>FBMKLCI</b>	1,602.41	0.9
<b>Volume (mil)</b>	3,127.9	9.4
<b>Value (RM'mil)</b>	2,158.8	(8.6)
<b>Gainers</b>	554	
<b>Losers</b>	406	
<b>Unchanged</b>	419	

Foreign		(%)
<b>Dow Jones</b>	34,818.3	0.4
<b>Nasdaq CI</b>	14,261.5	0.3
<b>S&amp;P 500</b>	4,545.9	0.3
<b>FTSE 100</b>	7,537.9	0.3
<b>Nikkei 225</b>	27,666.0	(0.6)
<b>Shanghai CI</b>	3,282.7	0.9
<b>HSI</b>	22,039.6	0.2
<b>STI</b>	3,419.1	0.3

Most Active	RM	Chg
<b>PPJACK</b>	0.395	-
<b>MTRONIC</b>	0.020	0.000
<b>KNM</b>	0.180	0.025
<b>TWL</b>	0.080	0.010
<b>HEXIND</b>	0.345	0.030

Top Gainer	RM	Chg
<b>NESTLE</b>	135.900	2.300
<b>PETDAG</b>	20.980	0.560
<b>F&amp;N</b>	21.500	0.500
<b>COMPLET</b>	4.140	0.450
<b>AORB</b>	1.720	0.320

Top Loser	RM	Chg
<b>PMBTECH</b>	17.420	(0.920)
<b>PMBTECH-WA</b>	14.500	(0.800)
<b>BIPORT</b>	4.900	(0.300)
<b>VITROX</b>	8.000	(0.200)
<b>BKAWAN</b>	26.100	(0.200)

Other Stats		(%)
<b>USD/MYR</b>	4.21	0.20
<b>USD/RMB</b>	6.36	0.36
<b>Brent (USD/barrel)</b>	104.39	(3.26)
<b>Gold (USD/troy oz)</b>	1,925.68	(0.61)



**DAILY NEWSWATCH**

**ECONOMICS**

**Malaysia expects to attract two million international tourist arrivals** this year with RM8.6bn in tourism receipts following the reopening of the country's borders, said Tourism, Arts and Culture Minister Datuk Seri Nancy Shukri. (The Edge)

**Foreign institutional, retail and local retail investors have emerged as the largest net buyers in Malaysian equities** with a combined net value of almost RM6.89 bn invested (as at March 30), contributing to a meagre 1.27% or 38.31 points year-to-date gain in the domestic benchmark index FBM KLCI, which closed in the green at 1,587.36 points on the last day of the first quarter in 2022. (The Edge)

**The Malaysian property market** performance improved y-o-y in 2021 but total transactions remain below pre-pandemic levels recorded in 2019, according to the National Property Information Centre. (The Edge)

**COMPANY**

**Minetech Resources Bhd (7219)** has secured a RM4.4m contract from GLM Emerald Square (Cheras) Sdn Bhd for the construction of external infrastructural and associated works for the Emerald 9 Cheras development in Selangor. (The Edge)

**MYEG Services Bhd (0138)** is striving to become one of the leading players in the development of a metaverse ecosystem via its investment in the next generation of technologies. (The Edge)

**Pappajack Bhd (0242)**, which debuted on the ACE Market of Bursa Malaysia on Friday (April 1), rose to a high of 40 sen — a 10 sen or 33.33% premium over its initial public offering price of 30 sen. (The Edge)

**UEM Edgenta Bhd's (1368)** wholly-owned subsidiary Operon Middle East has inked a business exploration agreement with Byte Blanket FZE and Disrupt-X DMCC to identify potential technological collaborations in supporting sustainable smart cities and introduce digital solutions in the Middle East market. (The Edge)

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## Eastern and Oriental Berhad

### Technical Watch - "BUY on Potential Reversal"

Bloomberg: EAST MK | KLSE Stock Code: 3417

### Main Market

### Property

### Subsector – Property

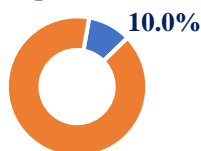
**Current Price : RM0.570****Target Price : RM0.630**

#### 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 engulfing, 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)
<b>P/E</b>	N/A	20.5	24.4
<b>P/B</b>	0.4	0.7	1.0
<b>P/CF</b>	N/A	29.5	40.4
<b>P/S</b>	2.6	2.1	3.0

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

#### Company Overview

Eastern and Oriental Berhad is an investment holding company. The Company through its subsidiaries, operates in property development, investment, and management. Eastern & Oriental also provides hotel catering and management.

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Entry Price	RM0.57
Market Cap (m)	RM827.2
<b>52w high</b>	RM0.78
<b>52w low</b>	RM0.50
Stop Loss	RM0.49
Immediate Support	RM0.54
Immediate Resistance	RM0.27
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	Strong Momentum
Volume (4-Weeks Average)	286,754.9



## Gamuda Berhad

### Technical Watch - “BUY on Potential Upside”

Bloomberg: GAM MK | KLSE Stock Code: 5398

Main Market  
Construction  
Subsector – Construction

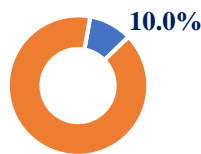
Current Price : RM3.51  
Target Price : RM3.86

#### 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 trend, strong momentum (RSI > 65), 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: 14**  
**Holds: 4**  
**Sells: 1**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
<b>P/E</b>	19.4	16.8	15.3
<b>P/BV</b>	0.9	1.1	1.3
<b>P/CF</b>	6.7	61.4	104.4
<b>P/S</b>	2.2	2.3	3.1

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

#### Company Overview

Gamuda Berhad is an investment holding and civil engineering construction company. Through its subsidiaries, the Company provides earthwork construction, manufactures and supplies road surfacing materials, and operates quarry and road laying projects. Gamuda also has operation in hiring and rental of plant and machinery, develops properties, and manufactures and sells paper.



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Entry Price	RM3.51
Market Cap (m)	RM8,964.3
<b>52w high</b>	RM3.74
<b>52w low</b>	RM2.60
Stop Loss	RM3.00
Immediate Support	RM3.33
Immediate Resistance	RM3.58
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	Strong Momentum
Volume (4-Weeks Average)	4,773,363.7



**TECHNICAL ANALYSIS SCOREBOARD**

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
8/3/2022	Tomei	7230	1.200	1.020	1.100	1.310	-1.0	-15.0	Stop Loss Triggered
8/3/2022	Pohkong	5080	0.940	0.850	0.900	1.040	0.6	-9.6	-
9/3/2022	Coastal	5071	1.650	1.900	1.500	1.820	3.3	15.2	TP Achieved
9/3/2022	Mcement	3794	2.150	2.410	2.000	2.400	0.0	12.1	TP Achieved
10/3/2022	Unisem	5005	2.550	3.120	2.400	2.800	-0.6	22.4	TP Achieved
10/3/2022	TSH	9095	1.700	1.630	1.600	1.870	-3.0	-4.1	-
10/3/2022	FLBHD	5197	1.390	1.480	1.300	1.530	2.8	6.5	-
10/3/2022	SAM	9822	4.180	4.750	4.100	4.600	0.0	13.6	TP Achieved
14/3/2022	MYEG	0138	0.970	1.010	0.950	1.070	-1.0	4.1	-
14/3/2022	MSM	5202	0.850	0.950	0.830	0.935	1.1	11.8	TP Achieved
15/3/2022	PUC	0007	0.130	0.125	0.120	0.145	0.0	-3.8	TP Achieved
15/3/2022	QL	7084	4.850	5.130	4.700	5.310	2.2	5.8	-
16/3/2022	Jtiasa	4383	0.920	0.935	0.900	1.010	-1.6	1.6	TP Achieved
16/3/2022	Bursa	1818	6.350	7.090	6.200	6.980	0.3	11.7	TP Achieved
17/3/2022	Hibiscus	5199	1.000	1.130	0.950	1.180	-1.7	13.0	TP Achieved
17/3/2022	Armada	5210	0.375	0.415	0.350	0.410	1.2	10.7	TP Achieved
18/3/2022	Senheng	5305	0.830	0.820	0.710	0.910	1.2	-1.2	-
18/3/2022	FLBHD	5197	1.410	1.480	1.210	1.550	2.8	5.0	-
21/3/2022	TDM	2054	0.270	0.280	0.230	0.300	1.8	3.7	-
21/3/2022	RSAWIT	5113	0.240	0.235	0.200	0.260	-2.1	-2.1	-
22/3/2022	Greatec	0208	4.230	4.710	3.620	4.650	-0.6	11.3	TP Achieved
22/3/2022	D&O	7204	4.280	4.530	3.660	4.710	0.7	5.8	TP Achieved
23/3/2022	Greatec	0208	4.410	4.710	3.770	4.850	-0.6	6.8	TP Achieved
23/3/2022	Jtiasa	4383	1.010	0.935	0.860	1.110	-1.6	-7.4	-
24/3/2022	Unisem	5005	3.200	3.120	2.740	3.520	-0.6	-2.5	-
24/3/2022	Penta	7160	4.090	3.750	3.500	4.500	-0.5	-8.3	-
25/3/2022	Revenue	0200	1.650	1.530	1.410	1.820	1.3	-7.3	-
25/3/2022	Jadem	7043	0.780	0.810	0.660	0.850	1.3	3.8	-
28/3/2022	Opcom	0035	0.800	0.895	0.680	0.870	8.5	11.9	TP Achieved
28/3/2022	Tafi	7211	0.790	0.745	0.670	0.860	0.0	-5.7	-
29/3/2022	NWP	5025	0.250	0.265	0.210	0.280	3.9	6.0	-
29/3/2022	Tanco	2429	0.320	0.345	0.270	0.350	-1.4	7.8	-
30/3/2022	Senheng	5305	0.820	0.820	0.700	0.900	1.2	0.0	-
30/3/2022	BDB	6173	0.670	0.620	0.570	0.730	-4.6	-7.5	-
31/3/2022	CapitalA	5099	0.750	0.725	0.640	0.830	-1.4	-3.3	-
31/3/2022	Nylex	4944	0.450	0.440	0.380	0.500	2.3	-2.2	-
1/4/2022	Focus	5197	1.470	1.480	1.260	1.650	2.8	0.7	-
1/4/2022	Mieco	5001	0.680	0.650	0.580	0.700	-1.5	-4.4	-
4/4/2022	Brahims	9474	0.570	0.570	0.490	0.630	8.6	0.0	-
4/4/2022	Gamuda	5398	3.510	3.490	3.000	3.860	0.9	-0.6	-

\*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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