



DAILY NEWSWATCH

MARKET REVIEW

The FBM KLCI was dragged into the red by weakness in select blue chip counters despite gains in the broader market. Market breadth was positive with 653 gainers versus 308 losers. The transportation & logistics sector was the top percentage gainer surging by 2.14%, while the health care sector was the top percentage loser declining by 1.17%. Transocean Holdings (7218) was the top gainer surging by RM0.63 or 29.72%. The FBM KLCI dipped by 0.13% to 1,596.79.

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

ECONOMICS

- **Higher commodity prices** a boon to Malaysia's current account balance — Fitch
- **Oil palm growers** to supply Europe amid sunflower oil shortage

COMPANY

- **AEON Credit (5139)** 4Q net profit tumbles to RM24m amid higher impairments, declares 20 sen dividends
- **Gamuda (5398), Litrak (6645), KPS (5843)** rally after Malaysian highway deal
- **Genting Malaysia (4715)** seeks shareholders' nod for share buy-back
- **Mah Sing's (8583)** M Arisa in Sentul 80% taken up

EXPRESSO FOR THE DAY

- **Technical Watch – Sedania (0178)** – Entry Price RM0.39, Target Price RM0.43, Stop Loss RM0.33, Support RM0.37, Resistance RM0.57
- **Technical Watch – Guh (3247)** – Entry Price RM0.54, Target Price RM0.59, Stop Loss RM0.46, Support RM0.51, Resistance RM0.59

Local	Close	(%)
FBMKLCI	1,596.79	(0.1)
Volume (mil)	3,873.7	14.5
Value (RMmil)	2,365.5	14.8
Gainers	653	
Losers	308	
Unchanged	416	

Foreign		(%)
Dow Jones	34,641.2	(0.8)
Nasdaq CI	14,204.2	(2.3)
S&P 500	4,525.1	(1.3)
FTSE 100	7,613.7	0.7
Nikkei 225	27,788.0	0.2
Shanghai CI	3,282.7	NA
HSI	22,502.3	NA
STI	3,445.0	0.8

Most Active	RM	Chg
KNM	0.190	0.005
DNEX	1.110	0.080
TWL	0.085	0.005
TECHNAX	0.085	0.005
MTRONIC	0.015	(0.005)

Top Gainer	RM	Chg
TOCEAN	2.750	0.630
MPI	37.120	0.600
LITRAK	4.550	0.520
PMBTECH-LA	18.480	0.380
FANG-2XL	12.900	0.360

Top Loser	RM	Chg
NESTLE	134.800	(2.200)
AEONCR	15.300	(0.400)
PMBTECH	18.260	(0.360)
BIPORT	5.000	(0.150)
CHHB	1.390	(0.120)

Other Stats		(%)
USD/MYR	4.21	(0.23)
USD/RMB	6.36	NA
Brent (USD/barrel)	106.64	(0.83)
Gold (USD/troy oz)	1,923.60	(0.47)
CPO (USD/metric t)	5,150.00	0.15



DAILY NEWSWATCH

ECONOMICS

Higher commodity prices caused by the Russia and Ukraine crisis will provide a boost to Malaysia's current account balance, according to Fitch Solution Country Risk & Industry Research. (The Edge)

Oil palm growing nations will continue to supply the tropical oil to Europe as consumers in the region switch to alternatives due to the shortage of sunflower oil, according to the Council of Palm Oil Producing Countries. (The Edge)

Comments: We expect CPO prices to remain at healthy levels in the short-term which should result in strong profitability at well-run plantation companies. However, investors should not be over exuberant as profits could come down significantly when CPO prices move lower to more normal levels in the longer-term.

COMPANY

AEON Credit Service (M) Bhd's (5139) net profit for 4QFY22 dropped 79.44% to RM23.38m from RM113.72m reported in the previous year's corresponding quarter, underpinned by higher impairment losses on financing receivables and lower bad debt recoveries. (The Edge)

Shares of **Gamuda Bhd (5398)**, **Lingkar Trans Kota Holdings Bhd (6645)** and **Kumpulan Perangsang Selangor Bhd (5843)** climbed on Tuesday (April 5) after the Malaysian government offered to take over the companies' highway concessionaires worth RM5.5 bn in enterprise value in a bid to maintain toll rates. (The Edge)

Genting Malaysia Bhd (4715) is seeking its shareholders' approval to buy back its own shares in the upcoming annual general meeting. (The Edge)

Mah Sing Group Bhd's (8583) M Arisa in Sentul has achieved a take-up rate of 80% when it was launched during the Covid-19 pandemic. (The Edge)



Sedania Innovator Bhd

Technical Watch - "BUY on Potential Breakout"

Bloomberg: SDNA MK | KLSE Stock Code: 0178

Ace Market
Telecommunications & Media
Subsector – Telco Equipment

Current Price : RM0.39

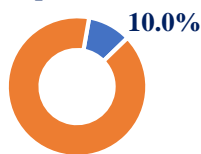
Target Price : RM0.43

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think that there is a potential breakout from the descending triangle, supported by strong momentum on the stock (RSI > 55), and lower volatility on the back of an contracting bollinger bands.

With lower volatility, we think that prices could potentially trade with lower 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	265.9	113.1	106.7
P/B	4.1	2.6	2.3
P/CF	612.2	372.0	232.6
P/S	4.3	3.3	4.0

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

Company Overview

Sedania Innovator Bhd provides ancillary services to mobile subscribers.



Ronnie Tan

ronnie-tan@mersec.com.my

016-564 7698

Entry Price	RM0.39
Market Cap (m)	RM135.4
52w high	RM1.77
52w low	RM0.15
Stop Loss	RM0.33
Immediate Support	RM0.37
Immediate Resistance	RM0.57
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	Strong Momentum
Volume (4-Weeks Average)	5,079,704.8



GUH Holdings Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: GUH MK | KLSE Stock Code: 3247

**Main Market
Industrial Products
Subsector – Industrial Materials**

Current Price : RM0.54

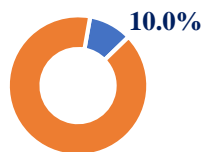
Target Price : RM0.59

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think that there is a potential continuation supported by a bullish marubozu, strong momentum (RSI > 60), 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



Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	31.7	31.4	17.7
P/BV	0.3	0.3	0.4
P/CF	10.0	9.9	9.3
P/S	0.5	0.5	0.7

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

Company Overview

GUH Holdings Berhad is an investment holding company. The Company, through its subsidiaries, manufactures and sells printed and hybrid circuit boards, precision shutters, and center hubs for microfloppy disks. GUH Holdings also develops and invests in property and trades electrical goods and appliances.



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

Entry Price	RM0.54
Market Cap (m)	RM149.9
52w high	RM0.80
52w low	RM0.38
Stop Loss	RM0.46
Immediate Support	RM0.51
Immediate Resistance	RM0.59
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)	1,092,083.8



TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
9/3/2022	Coastal	5071	1.650	1.930	1.500	1.820	1.6	17.0	TP Achieved
9/3/2022	Mcement	3794	2.150	2.460	2.000	2.400	2.1	14.4	TP Achieved
10/3/2022	Unisem	5005	2.550	3.110	2.400	2.800	-0.3	22.0	TP Achieved
10/3/2022	TSH	9095	1.700	1.660	1.600	1.870	1.8	-2.4	-
10/3/2022	FLBHD	5197	1.390	1.460	1.300	1.530	-1.4	5.0	-
10/3/2022	SAM	9822	4.180	4.710	4.100	4.600	-0.8	12.7	TP Achieved
14/3/2022	MYEG	0138	0.970	1.020	0.950	1.070	1.0	5.2	-
14/3/2022	MSM	5202	0.850	1.000	0.830	0.935	5.3	17.6	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	5.200	4.700	5.310	1.4	7.2	-
16/3/2022	Jtiasa	4383	0.920	0.965	0.900	1.010	3.2	4.9	TP Achieved
16/3/2022	Bursa	1818	6.350	7.140	6.200	6.980	0.7	12.4	TP Achieved
17/3/2022	Hibiscus	5199	1.000	1.190	0.950	1.180	5.3	19.0	TP Achieved
17/3/2022	Armada	5210	0.375	0.410	0.350	0.410	-1.2	9.3	TP Achieved
18/3/2022	Senheng	5305	0.830	0.820	0.710	0.910	0.0	-1.2	-
18/3/2022	FLBHD	5197	1.410	1.460	1.210	1.550	-1.4	3.5	-
21/3/2022	TDM	2054	0.270	0.280	0.230	0.300	0.0	3.7	-
21/3/2022	RSAWIT	5113	0.240	0.240	0.200	0.260	2.1	0.0	-
22/3/2022	Greatec	0208	4.230	4.640	3.620	4.650	-1.5	9.7	TP Achieved
22/3/2022	D&O	7204	4.280	4.520	3.660	4.710	-0.2	5.6	TP Achieved
23/3/2022	Greatec	0208	4.410	4.640	3.770	4.850	-1.5	5.2	TP Achieved
23/3/2022	Jtiasa	4383	1.010	0.965	0.860	1.110	3.2	-4.5	-
24/3/2022	Unisem	5005	3.200	3.110	2.740	3.520	-0.3	-2.8	-
24/3/2022	Penta	7160	4.090	3.770	3.500	4.500	0.5	-7.8	-
25/3/2022	Revenue	0200	1.650	1.500	1.410	1.820	-2.0	-9.1	-
25/3/2022	Jadem	7043	0.780	0.815	0.660	0.850	0.6	4.5	-
28/3/2022	Opcom	0035	0.800	0.970	0.680	0.870	8.4	21.3	TP Achieved
28/3/2022	Tafi	7211	0.790	0.730	0.670	0.860	-2.0	-7.6	-
29/3/2022	NWP	5025	0.250	0.260	0.210	0.280	-1.9	4.0	-
29/3/2022	Tanco	2429	0.320	0.345	0.270	0.350	0.0	7.8	-
30/3/2022	Senheng	5305	0.820	0.820	0.700	0.900	0.0	0.0	-
30/3/2022	BDB	6173	0.670	0.605	0.570	0.730	-2.4	-9.7	-
31/3/2022	CapitalA	5099	0.750	0.725	0.640	0.830	0.0	-3.3	-
31/3/2022	Nylex	4944	0.450	0.430	0.380	0.500	-2.3	-4.4	-
1/4/2022	Focus	5197	1.470	1.460	1.260	1.650	-1.4	-0.7	-
1/4/2022	Mieco	5001	0.680	0.665	0.580	0.700	2.3	-2.2	-
4/4/2022	Brahims	9474	0.570	0.550	0.490	0.630	-3.5	-3.5	-
4/4/2022	Gamuda	5398	3.510	NA	3.000	3.860	NA	NA	-
5/4/2022	Siab	0241	0.250	0.250	0.210	0.270	13.6	0.0	-
5/4/2022	Tashin	0211	0.580	0.575	0.490	0.630	3.6	-0.9	-

*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	2.0	21.3	14.7	17.4	14.7	13.9	
Finance	8.1	13.0	11.5	12.4	12.4	10.2	
Property	2.8	13.8	5.0	10.8	5.0	11.3	
Plantation	23.3	94.6	11.7	43.9	11.7	16.7	
Consumer	1.3	25.6	20.0	23.0	20.0	17.0	
Technology	(19.9)	30.2	19.1	25.9	30.2	23.5	
Construction	6.9	22.2	14.4	18.0	14.4	11.5	
Energy	3.5	-	-	-	13.6	10.9	
Health care	(6.5)	52.6	7.2	29.9	7.2	25.9	
Ind Prod	2.2	38.6	11.7	24.0	11.7	10.5	
REIT	(0.6)	-	-	-	30.3	16.3	
Telco	0.1	26.1	25.1	25.6	26.1	19.7	
Transportations	0.4	-	-	-	-	16.8	
Utilities	(0.2)	-	-	-	14.5	12.7	

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