



**DAILY NEWSWATCH**

**MARKET REVIEW**

Malaysian equities declined yesterday in line with weakness in most Asian markets and in lockstep with the sell-off on Wall Street on Tuesday. Market breadth was negative with 645 losers versus 300 gainers. The industrial products & services sector was the top percentage loser falling by 1.89%, while the REIT and construction sectors were the only sectors to end the trading session on a positive note. Batu Kawan (1899) was a major loser decreasing by RM0.54 or 1.86%. The FBM KLCI declined by 0.67% to 1,585.98.

We expect Malaysian stocks to be flat with investors staying on the sidelines as we approach the long weekend for the Hari Raya celebrations.

**ECONOMICS**

- **Palm oil** rallies 10% as market prepares for Indonesia export ban

**COMPANY**

- **CapitaLand Malaysia Trust (5180)** NPI jumps 45% in 1QFY22, announces 0.95 sen DPU
- **IGB REIT (5227)** 1Q net property income rises nearly 73% to RM107.7m, declares 2.51 sen DPU
- **Kossan Rubber (7153)** 1Q net profit tumbles 91% to RM90m as glove demand, ASP normalise
- **Petronas Gas (6033)** earmarks RM1.4bn capex for 2022, third LNG storage tank expected by year end
- **Unisem (5005)** 1Q net profit rises 11.6% to RM50.69m on higher sales volume
- **Vitrox (0097)** 1Q net profit jumps 63% to RM50m, declares 3.33 sen dividend

**EXPRESSO FOR THE DAY**

- **Technical Watch – Poh Huat (7088)** – Entry Price RM1.53, Target Price RM1.68, Stop Loss RM1.31, Support RM1.45, Resistance RM1.57
- **Technical Watch – Hengyuan (4324)** – Entry Price RM4.75, Target Price RM5.23, Stop Loss RM4.06, Support RM4.51, Resistance RM4.97

Local	Close	(%)
<b>FBMKLCI</b>	1,585.98	(0.7)
<b>Volume (mil)</b>	2,213	(1.7)
<b>Value (RM mil)</b>	1,897	(1.4)
<b>Gainers</b>	300	
<b>Losers</b>	645	
<b>Unchanged</b>	425	

Foreign		(%)
<b>Dow Jones</b>	33,301.9	0.2
<b>Nasdaq CI</b>	12,488.9	(0.0)
<b>S&amp;P 500</b>	4,184.0	0.2
<b>FTSE 100</b>	7,425.6	0.5
<b>Nikkei 225</b>	26,386.6	(1.2)
<b>Shanghai CI</b>	2,958.3	2.5
<b>HSI</b>	19,946.4	0.1
<b>STI</b>	3,320.7	(0.0)

Most Active	RM	Chg
<b>CHEETAH</b>	0.205	0.030
<b>VISIONE</b>	0.105	0.010
<b>TECHNAX</b>	0.110	0.000
<b>VISIONE-WE</b>	0.020	0.005
<b>DNEX</b>	1.020	0.000

Top Gainer	RM	Chg
<b>DIN045801028</b>	104.000	1.790
<b>HSI-HEJ</b>	1.870	0.350
<b>MYCRON-WA</b>	0.650	0.245
<b>TEXCHEM</b>	2.780	0.220
<b>SP500-H11</b>	1.150	0.190

Top Loser	RM	Chg
<b>FANG-2XL</b>	7.860	(0.700)
<b>BKAWAN</b>	28.520	(0.540)
<b>MPI</b>	30.500	(0.500)
<b>PCHEM</b>	9.920	(0.300)
<b>UTDPLT</b>	16.600	(0.300)

Other Stats		(%)
<b>USD/MYR</b>	4.36	0.06
<b>USD/RMB</b>	6.56	0.06
<b>Brent (USD/barrel)</b>	105.32	0.31
<b>Gold (USD/troy oz)</b>	1,886.10	(1.02)
<b>CPO (RM/metric t)</b>	7,149.5	1.01



**DAILY NEWSWATCH**

**ECONOMICS**

**Palm oil** jumped 10% while rival soybean oil hit a fresh record high as traders prepare for the start of Indonesia's export halt. (The Edge)

**COMPANY**

**CapitaLand Malaysia Trust (5180)** posted a 45% rise in net property income to RM36.1m for 1QFY22, from RM24.9m in the previous year corresponding quarter, on the back of a gradual reopening of more economic sectors. (The Edge)

**IGB Real Estate Investment Trust (5227)**, which owns the Mid Valley Megamall and The Gardens Mall, announced that its net property income for 1QFY22 soared 72.7% to RM107.71m from RM62.38m. (The Edge)

**Kossan Rubber Industries Bhd (7153)** posted a 91% plunge in net profit to RM90.1m in 1QFY22 from RM1.04bn a year ago as demand for gloves and their average selling price normalised following greater control of Covid-19 infections worldwide. (The Edge)

**Petronas Gas Bhd (6033)** plans to set aside some RM1.4bn in capital expenditure for the current year, compared with RM1.2bn last year, as it expects a step-up in maintenance activities for major projects announced last year, in line with its growth aspirations. (The Edge)

**Unisem (M) Bhd's (5005)** net profit for the first quarter ended March 31, 2022 rose 11.63% year-on-year to RM50.69m from RM45.41m, driven by higher sales volume as well as improvement in average selling prices. (The Edge)

**Vitrox Corporation Bhd's (0097)** net profit in 1QFY22 jumped by almost 63% to RM50.02m from RM30.7m a year ago, underpinned by higher revenue and stronger US dollar. (The Edge)

---



## Poh Huat Resources Holdings

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

Bloomberg: PHR MK | KLSE Stock Code: 7088

## Main Market Consumer

### Subsector – Household Goods

Current Price: RM1.53

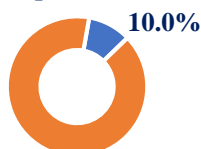
Target Price: RM1.68

#### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential continuation after breaking out of its resistance at the RM1.53 level, supported by strong momentum on the stock (RSI > 65), and higher volatility on the back of an expanding bollinger bands.

With higher volatility, we think that prices could potentially trade with higher 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	7.6	6.3	5.6
P/B	0.8	0.9	0.8
P/CF	10.1	7.1	5.9
P/S	0.5	0.5	0.4

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

#### Company Overview

Poh Huat Resources Holdings Berhad is an investment holding company. The Company, through its subsidiaries, manufactures and trades furniture and parts.



Ronnie Tan

ronnie-tan@mersec.com.my

016-564 7698

Entry Price	RM1.53
Market Cap (m)	RM405.4
52w high	RM1.62
52w low	RM1.31
Stop Loss	RM1.31
Immediate Support	RM1.45
Immediate Resistance	RM1.57
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)	140,752.4



## Hengyuan Refining Company Berhad

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

Bloomberg: HYR MK | KLSE Stock Code: 4324

**Main Market  
Energy  
Subsector – Oil & Gas Products**

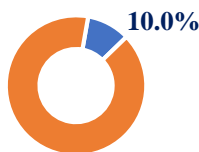
**Current Price: RM4.75  
Target Price: RM5.23**

#### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential continuation after breaking out of its resistance at the RM4.65 level, supported by a strong momentum (RSI > 75), and higher volatility on the back of an expanding 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)
<b>P/E</b>	10.0	17.0	13.7
<b>P/BV</b>	0.6	0.9	1.3
<b>P/CF</b>	4.9	5.0	13.3
<b>P/S</b>	0.1	0.2	0.1

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

#### Company Overview

Hengyuan Refining Company Berhad (HRC) refines and manufactures petroleum products. The Company offers products such as liquefied petroleum gas (LPG), naphtha, gasoline, gasoil, and jet kerosene. HRC serves customers in Malaysia.



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

Entry Price	RM4.75
Market Cap (m)	RM1,425.0
<b>52w high</b>	RM5.95
<b>52w low</b>	RM3.65
Stop Loss	RM4.06
Immediate Support	RM4.51
Immediate Resistance	RM4.97
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	Strong Momentum
Volume (4-Weeks Average)	8,166,936.2



**TECHNICAL ANALYSIS SCOREBOARD**

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
31/3/2022	Capital A	5099	0.750	0.700	0.640	0.830	-0.7	-6.7	-
31/3/2022	Nylex	4944	0.450	0.335	0.380	0.500	-4.3	-25.6	SL Triggered
1/4/2022	Focus	5197	1.470	1.610	1.260	1.650	5.2	9.5	TP Achieved
1/4/2022	Mieco	5001	0.680	0.710	0.580	0.700	-4.7	4.4	TP Achieved
4/4/2022	E&O	9474	0.570	0.540	0.490	0.630	0.9	-5.3	-
4/4/2022	Gamuda	5398	3.510	3.620	3.000	3.860	0.6	3.1	-
5/4/2022	Siab	0241	0.250	0.210	0.210	0.270	-4.5	-16.0	-
5/4/2022	Tashin	0211	0.580	0.545	0.490	0.630	-0.9	-6.0	-
6/4/2022	Sedania	0178	0.390	0.325	0.330	0.430	-4.4	-16.7	-
6/4/2022	Guh	3247	0.540	0.510	0.460	0.590	-1.9	-5.6	-
7/4/2022	Kawan	7216	1.680	1.750	1.440	1.850	0.6	4.2	-
7/4/2022	Wzsatu	7245	0.210	0.200	0.180	0.230	-2.4	-4.8	-
8/4/2022	Smtrack	0169	0.100	0.075	0.080	0.110	-6.3	-25.0	SL Triggered
8/4/2022	KAB	0193	0.550	0.505	0.470	0.610	-1.0	-8.2	-
11/4/2022	Senheng	5305	0.880	0.840	0.750	0.960	-0.6	-4.5	-
11/4/2022	Guh	3247	0.560	0.510	0.470	0.610	-1.9	-8.9	-
12/4/2022	Tomei	7230	1.140	1.070	0.970	1.250	0.9	-6.1	-
12/4/2022	Poh Kong	5080	0.920	0.845	0.780	1.010	-1.2	-8.2	-
13/4/2022	Epmb	7773	1.110	0.975	0.940	1.210	-4.4	-12.2	-
13/4/2022	Qes	0196	0.600	0.555	0.510	0.660	-4.3	-7.5	-
14/4/2022	Pantech	5125	0.730	0.755	0.620	0.800	0.7	3.4	-
14/4/2022	Senheng	5305	0.860	0.840	0.740	0.950	-0.6	-2.3	-
15/4/2022	Armada	5210	0.450	0.410	0.380	0.500	-2.4	-8.9	-
15/4/2022	Per maju	7080	0.100	0.090	0.090	0.110	0.0	-10.0	SL Triggered
18/4/2022	Subur	6904	2.000	2.350	1.710	2.200	-1.3	17.5	TP Achieved
18/4/2022	Solarvest	0215	0.980	0.810	0.830	1.070	-2.4	-17.3	SL Triggered
20/4/2022	Technax	2739	0.110	0.110	0.090	0.120	0.0	0.0	-
20/4/2022	Hexind	0161	0.380	0.355	0.320	0.420	-5.3	-6.6	-
21/4/2022	Greatec	0208	4.000	3.860	3.420	4.400	-3.5	-3.5	-
21/4/2022	Qes	0196	0.600	0.555	0.510	0.660	-4.3	-7.5	-
22/4/2022	Pantech	5125	0.750	0.755	0.640	0.820	0.7	0.7	-
22/4/2022	Cimb	1023	5.140	5.160	4.390	5.650	-0.8	0.4	-
25/4/2022	Ancom	0048	0.185	0.185	0.160	0.210	-2.6	0.0	-
25/4/2022	Mbsb	1171	0.660	0.625	0.560	0.720	-2.3	-5.3	-
26/4/2022	Tdm	2054	0.320	0.295	0.270	0.350	-4.8	-7.8	-
26/4/2022	Rsawit	5113	0.280	0.265	0.240	0.310	-3.6	-5.4	-
27/4/2022	Caely	7154	0.450	0.410	0.380	0.490	-2.4	-8.9	-
27/4/2022	Greatec	0208	4.000	3.860	3.420	4.400	-3.5	-3.5	-
28/4/2022	Poh Huat	7088	1.530	1.520	1.310	1.680	3.4	-0.7	-
28/4/2022	Hengyuan	4324	4.750	4.750	4.060	5.230	1.9	0.0	-

\*TP=Target Price

**STOCK SELECTION BASED ON DIVIDEND YIELD**

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
SHL Consolidated Bhd	Property	1.950	0.18	9.2
British American Tobacco Malay	Consumer	12.700	0.96	7.6
UOA REIT	REIT	1.140	0.09	7.6
Pharmaniaga Bhd	Consumer	0.740	0.05	7.2
Al-'Aqar Healthcare REIT	REIT	1.170	0.08	7.0
Magnum Bhd	Consumer	1.860	0.12	6.6
Amanahraya REIT	REIT	0.680	0.04	6.5
Uchi Technologies Bhd	Industrial	3.080	0.20	6.5
Tambun Indah Land Bhd	Property	0.820	0.05	6.3
Malayan Banking Bhd	Finance	8.840	0.56	6.3
Hong Leong Industries Bhd	Industrial	9.000	0.52	5.8
Malaysia Building Society Bhd	Finance	0.630	0.04	5.7
Matrix Concepts Holdings Bhd	Property	2.310	0.13	5.6
AmFirst REIT	REIT	0.390	0.02	5.6
Capitaland Malaysia Trust	REIT	0.575	0.03	5.4

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	1.3	21.3	14.6	17.4	14.6	13.7	
Finance	8.1	13.0	11.5	12.4	12.5	10.2	
Property	1.7	13.8	5.0	10.8	5.0	11.2	
Plantation	32.5	94.6	12.6	44.1	12.6	17.5	
Consumer	0.9	25.6	2.4	19.5	2.4	16.9	
Technology	(28.3)	29.8	19.1	24.6	23.9	20.9	
Construction	7.3	22.2	14.4	18.0	14.4	11.5	
Energy	5.3	-	-	-	13.4	10.5	
Health care	(12.3)	52.6	6.8	29.7	6.8	24.2	
Ind Prod	1.7	38.6	11.7	24.0	11.7	10.2	
REIT	(0.5)	-	-	-	30.4	16.2	
Telco	(1.7)	25.6	25.1	25.4	25.6	19.4	
Transportations	1.7	-	-	-	-	16.7	
Utilities	0.7	-	-	-	14.6	12.8	

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](http://www.mercurysecurities.com.my)

Email: [mercurykl@mersec.com.my](mailto:mercurykl@mersec.com.my)