



**DAILY NEWSWATCH**

**MARKET REVIEW**

Malaysian stocks staged a strong rebound yesterday in line with strength in Asian equity markets. Market breadth was positive with 584 gainers versus 354 losers. The technology sector was the top percentage gainer surging by 2.01% on bargain hunting following the recent sell-off. The health care and telecommunications & media sectors were the only sectors to finish in the red. Nestle (Malaysia) Berhad (4707) was the top gainer rising by RM2.40 or 1.80% in line with strength in the general market.

We expect Malaysian equities to increase following strong gains on Wall Street overnight.

**ECONOMICS**

- **OPEC+** likely to raise June output by 432,000 bpd, sources say
- **Ringgit** easier at close on April 28 as investors continue to assess inflation impact
- **Wall Street** ends sharply higher, lifted by Meta and Apple

**COMPANY**

- **Bursa Malaysia (1818)** 1Q net profit falls to RM67.97m on lower operating revenue
- **Lotte Chemical Titan (5284)** 1Q net profit down 76% on-year as feedstock cost rises with crude oil prices
- **Pavilion REIT (5212)** says 1Q net property income up 60%, declares 2.21 sen DPU
- **Unitrade** to debut on Bursa's ACE Market June 14

**EXPRESSO FOR THE DAY**

- **Technical Watch – Dsonic (5216)** – Entry Price RM0.58, Target Price RM0.63, Stop Loss RM0.49, Support RM0.55, Resistance RM0.58
- **Technical Watch – Padini (7052)** – Entry Price RM3.38, Target Price RM3.72, Stop Loss RM2.89, Support RM3.21, Resistance RM3.50

Local	Close	(%)
<b>FBMKLCI</b>	1,597.31	0.7
<b>Volume (mil)</b>	2,489	12.5
<b>Value (RM mil)</b>	2,194	15.7
<b>Gainers</b>	584	
<b>Losers</b>	354	
<b>Unchanged</b>	436	

Foreign		(%)
<b>Dow Jones</b>	33,916.4	1.8
<b>Nasdaq CI</b>	12,871.5	3.1
<b>S&amp;P 500</b>	4,287.5	2.5
<b>FTSE 100</b>	7,509.2	1.1
<b>Nikkei 225</b>	26,847.9	1.7
<b>Shanghai CI</b>	2,975.5	0.6
<b>HSI</b>	20,276.2	1.7
<b>STI</b>	3,335.1	0.4

Most Active	RM	Chg
<b>MNHLDG</b>	0.235	-
<b>TECHNAX</b>	0.120	0.010
<b>ANZO</b>	0.015	(0.020)
<b>TANCO</b>	0.340	0.035
<b>SAPNRG</b>	0.035	0.000

Top Gainer	RM	Chg
<b>NESTLE</b>	135.700	2.400
<b>MPI</b>	31.440	0.940
<b>CARLSBG</b>	22.380	0.640
<b>HEIM</b>	24.100	0.600
<b>PMBTECH-WA</b>	3.290	0.490

Top Loser	RM	Chg
<b>DIN045801028</b>	103.000	(1.000)
<b>UTDPLT</b>	15.220	(0.520)
<b>PEIDAG</b>	20.620	(0.320)
<b>F&amp;N</b>	22.800	(0.200)
<b>HSI-HB6</b>	1.420	(0.150)

Other Stats		(%)
<b>USD/MYR</b>	4.36	0.13
<b>USD/RMB</b>	6.63	1.00
<b>Brent (USD/barrel)</b>	107.59	2.16
<b>Gold (USD/troy oz)</b>	1,894.45	0.44
<b>CPO (RM/metric t)</b>	7,213.0	1.91



**DAILY NEWSWATCH**

**ECONOMICS**

**OPEC+** is likely to stick to its existing deal and agree another 432,000 barrel per day oil output increase for June when it meets on May 5, six sources from the producer group told Reuters on Thursday. (The Edge)

**The Ringgit** ended lower on Thursday (April 28), as investors continued to move funds to safe haven on prolonged volatility amid more hawkish central banks following rising inflation. (The Edge)

**Wall Street** ended sharply higher on Thursday after a strong quarterly report from Meta Platforms lifted beaten down technology and growth stocks and offset worries about the U.S. economy's contraction in the first quarter. (The Edge)

**COMPANY**

**Bursa Malaysia Bhd's (1818)** net profit for 1QFY22 dropped 44.01% to RM67.97m from RM121.39m a year earlier, due to lower operating revenue primarily caused by a decline in securities trading revenue. (The Edge)

**Lotte Chemical Titan Holding Bhd (5284)** reported on Thursday (April 28) a 76% drop in first quarter net profit to RM104m from RM440m a year earlier as the petrochemicals manufacturer contended with a 64% increase in feedstock cost that is highly correlated with crude oil prices, which have climbed past US\$100 a barrel due to Russia-Ukraine conflict. (The Edge)

**Pavilion Real Estate Investment Trust (5212)** said its net property income rose 59.7% to RM93.99m for 1QFY22, from RM58.8m a year ago. (The Edge)

**Unitrade Industries Bhd**, which is set to be listed on Bursa Malaysia's ACE Market on June 14, plans to raise RM100m from its initial public offering. (The Edge)

---



# Datasonic Group Berhad

## Technical Watch - "BUY on Potential Continuation"

Bloomberg: DSON MK | KLSE Stock Code: 5216

Main Market  
Technology  
Subsector – Digital Services

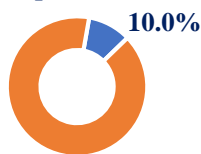
Current Price: RM0.58  
Target Price: RM0.63

### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential continuation supported by a morning star, strong momentum on the stock (RSI > 70), 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	81.9	40.2	30.5
P/B	5.2	4.6	5.2
P/CF	13.0	12.9	21.7
P/S	9.0	6.2	5.6

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

### Company Overview

Datasonic Group Bhd provides ICT Solutions. The Company's solutions include smart card personalization such as secure ID or chip-based credit/debit bank cards.



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

Entry Price	RM0.58
Market Cap (m)	RM1,647.0
52w high	RM0.63
52w low	RM0.40
Stop Loss	RM0.49
Immediate Support	RM0.55
Immediate Resistance	RM0.58
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)	9,486,557.1



## Padini Holdings Bhd

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

Bloomberg: PAD MK | KLSE Stock Code: 7052

**Main Market  
Consumer  
Subsector – Retailers**

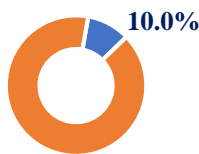
**Current Price: RM3.38  
Target Price: RM3.72**

#### 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 engulfing, strong momentum (RSI > 50), 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



**Buys: 6  
Holds: 3  
Sells: 1**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
<b>P/E</b>	46.4	28.1	19.2
<b>P/BV</b>	2.3	3.3	2.9
<b>P/CF</b>	17.8	16.2	12.4
<b>P/S</b>	1.7	1.6	1.4

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

#### Company Overview

Padini Holdings Berhad is an investment holding company. The Company, through its subsidiaries, manufactures and retails garments, shoes, ancillary products, and accessories.



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

Entry Price	RM3.38
Market Cap (m)	RM2,223.7
<b>52w high</b>	RM3.51
<b>52w low</b>	RM2.63
Stop Loss	RM2.89
Immediate Support	RM3.21
Immediate Resistance	RM3.50
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)	997,175.8



## TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
1/4/2022	Focus	5197	1.470	1.620	1.260	1.650	-0.6	10.2	TP Achieved
1/4/2022	Mieco	5001	0.680	0.710	0.580	0.700	0.7	4.4	TP Achieved
4/4/2022	E&O	9474	0.570	0.535	0.490	0.630	0.0	-6.1	-
4/4/2022	Gamuda	5398	3.510	3.670	3.000	3.860	1.9	4.6	-
5/4/2022	Siab	0241	0.250	0.210	0.210	0.270	-6.7	-16.0	SL Triggered
5/4/2022	Tashin	0211	0.580	0.550	0.490	0.630	0.0	-5.2	-
6/4/2022	Sedania	0178	0.390	0.330	0.330	0.430	0.0	-15.4	SL Triggered
6/4/2022	Guh	3247	0.540	0.515	0.460	0.590	0.0	-4.6	-
7/4/2022	Kawan	7216	1.680	1.760	1.440	1.850	0.0	4.8	-
7/4/2022	Wzsatu	7245	0.210	0.200	0.180	0.230	0.0	-4.8	-
8/4/2022	Smtrack	0169	0.100	0.080	0.080	0.110	0.0	-20.0	SL Triggered
8/4/2022	KAB	0193	0.550	0.515	0.470	0.610	1.0	-6.4	-
11/4/2022	Senheng	5305	0.880	0.845	0.750	0.960	0.6	-4.0	-
11/4/2022	Guh	3247	0.560	0.515	0.470	0.610	0.0	-8.0	-
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	0.0	-8.2	-
13/4/2022	Epmb	7773	1.110	0.980	0.940	1.210	0.0	-11.7	SL Triggered
13/4/2022	Qes	0196	0.600	0.570	0.510	0.660	0.9	-5.0	-
14/4/2022	Pantech	5125	0.730	0.740	0.620	0.800	-0.7	1.4	-
14/4/2022	Senheng	5305	0.860	0.845	0.740	0.950	0.6	-1.7	-
15/4/2022	Armada	5210	0.450	0.425	0.380	0.500	2.4	-5.6	-
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	2.370	1.710	2.200	-1.2	18.5	TP Achieved
18/4/2022	Solarvest	0215	0.980	0.855	0.830	1.070	4.9	-12.8	SL Triggered
20/4/2022	Technax	2739	0.110	0.120	0.090	0.120	9.1	9.1	TP Achieved
20/4/2022	Hexind	0161	0.380	0.380	0.320	0.420	7.0	0.0	-
21/4/2022	Greatec	0208	4.000	4.020	3.420	4.400	2.8	0.5	-
21/4/2022	Qes	0196	0.600	0.570	0.510	0.660	0.9	-5.0	-
22/4/2022	Pantech	5125	0.750	0.740	0.640	0.820	-0.7	-1.3	-
22/4/2022	Cimb	1023	5.140	5.190	4.390	5.650	0.8	1.0	-
25/4/2022	Ancom	0048	0.185	0.190	0.160	0.210	2.7	2.7	-
25/4/2022	Mbsb	1171	0.660	0.640	0.560	0.720	0.8	-3.0	-
26/4/2022	Tdm	2054	0.320	0.300	0.270	0.350	0.0	-6.3	-
26/4/2022	Rsawit	5113	0.280	0.270	0.240	0.310	-1.8	-3.6	-
27/4/2022	Caely	7154	0.450	0.375	0.380	0.490	-7.4	-16.7	SL Triggered
27/4/2022	Greatec	0208	4.000	4.020	3.420	4.400	2.8	0.5	-
28/4/2022	Poh Huat	7088	1.530	1.510	1.310	1.680	-1.3	-1.3	-
28/4/2022	Hengyuan	4324	4.750	5.210	4.060	5.230	8.3	9.7	TP Achieved
29/4/2022	Dsonic	5216	0.580	0.575	0.490	0.630	3.6	-0.9	-
29/4/2022	Padini	7052	3.380	3.380	2.890	3.720	5.0	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	1.9	21.3	14.6	17.4	14.6	13.8	
Finance	8.6	13.0	11.5	12.4	12.6	10.2	
Property	2.2	13.8	5.0	10.8	5.0	11.3	
Plantation	34.1	94.6	12.7	44.1	12.7	17.7	
Consumer	1.4	25.6	2.5	19.5	2.5	16.9	
Technology	(26.4)	29.8	19.1	24.7	24.3	21.5	
Construction	8.6	22.2	14.6	18.1	14.6	11.6	
Energy	7.2	-	-	-	13.7	10.5	
Health care	(12.5)	52.6	7.2	29.9	7.2	24.2	
Ind Prod	3.3	38.6	11.9	24.1	11.9	10.5	
REIT	1.1	-	-	-	29.8	16.5	
Telco	(2.1)	25.6	25.1	25.3	25.6	19.3	
Transportations	2.4	-	-	-	-	16.9	
Utilities	1.8	-	-	-	14.8	12.9	

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)