



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks rose last Friday with strength seen across most sectors. Market breadth was positive with 566 gainers versus 390 losers. The energy sector was the top percentage gainer surging by 2.50%, while the telecommunications & media sector was the top percentage loser declining by 0.50%. Petronas Dagangan (5681) was the top gainer leaping by RM1.12 or 5.43%. The FBM KLCI increased by 0.20% to 1,600.43.

We expect Malaysian equities to be volatile following the volatility in global equity markets during the Labour Day and Hari Raya holidays.

ECONOMICS

- **CPO futures** end higher as Indonesia's export ban continues to lift sentiment
- **EU targets Russian oil, banks** as Ukraine says Russian offensive intensifies
- **Wall Street** closes with sharp gains after Fed's interest rate hike

COMPANY

- **Ace-Market bound Cnnergz** sees better prospects amid border reopening
- **Gadang (9261)** wins RM90.4m subcontract works for Central Spine Road
- **Samaiden (0223)** bags solar power plant contract from Air Selangor subsidiary
- **Top Glove (7113)** expects raw material prices to rebound

EXPRESSO FOR THE DAY

- **Technical Watch – Genting Bhd (3182)** – Entry Price RM4.63, Target Price RM5.09, Stop Loss RM4.50, Support RM4.58, Resistance RM4.73
- **Technical Watch – SOP (5126)** – Entry Price RM6.90, Target Price RM7.59, Stop Loss RM6.52, Support RM6.75, Resistance RM7.21

Local	Close	(%)
FBMKLCI	1,600.43	0.2
Volume (mil)	2,818	13.2
Value (RM mil)	2,068	(5.8)
Gainers	566	
Losers	390	
Unchanged	448	

Foreign		(%)
Dow Jones	34,061.1	2.8
Nasdaq CI	12,964.9	3.2
S&P 500	4,300.2	3.0
FTSE 100	7,493.5	(0.9)
Nikkei 225	26,818.5	(0.1)
Shanghai CI	3,047.1	2.4
HSI	20,869.5	(1.1)
STI	3,349.3	(0.2)

Most Active	RM	Chg
PUC	0.075	(0.035)
TECHNAX	0.125	0.005
MNC	0.030	0.005
HSI-CQW	0.310	0.095
YTL	0.635	0.040

Top Gainer	RM	Chg
PEIDAG	21.740	1.120
HENGYUAN	5.810	0.600
TOCEAN	2.820	0.530
UIDPLT	15.700	0.480
DLADY	34.000	0.460

Top Loser	RM	Chg
NESTLE	133.200	(2.500)
FANG-2XL	7.840	(0.480)
HSI-HEB	1.780	(0.460)
HEIM	23.700	(0.400)
HSI-HA9	1.300	(0.330)

Other Stats		(%)
USD/MYR	4.35	(0.11)
USD/RMB	6.61	(0.27)
Brent (USD/barrel)	110.14	4.93
Gold (USD/troy oz)	1,881.22	0.70
CPO (RM/metric t)	7,468.5	3.54



DAILY NEWSWATCH

ECONOMICS

The crude palm oil futures contract on Bursa Malaysia Derivatives ended higher on Friday as Indonesia's palm oil export ban continued to lift market sentiment, said a dealer. (The Edge)

The EU proposed its toughest sanctions yet against Russia on Wednesday, including a phased oil embargo, as Kyiv said Moscow was intensifying its offensive in eastern Ukraine and close Russian ally Belarus announced large-scale army drills. (The Edge)

U.S. stocks ended sharply higher on Wednesday after the Federal Reserve delivered a widely expected interest-rate hike, and the S&P 500 recorded its biggest one-day percentage gain in nearly a year. (The Edge)

COMPANY

ACE-Market bound electronics manufacturing solution provider Cnergenz Bhd is optimistic on its prospect amid the reopening of borders after more than two years of closure due to the Covid-19 pandemic. (The Edge)

Gadang Holdings Bhd (9261) has secured subcontract works valued at RM90.4m for Central Spine Road, Pakej 2. (The Edge)

Samaiden Group Bhd (0223) announced on Friday (April 29) that its wholly-owned subsidiary Samaiden Sdn Bhd had accepted a letter of award from Air Selangor Holdings Bhd's wholly-owned subsidiary Heliosel Sdn Bhd for a planned RM32.88m development of a photovoltaic plant to convert sunlight to electricity at a water treatment plant in Selangor's Bestari Jaya town. (The Edge)

Top Glove Corp Bhd (7113), the world's largest rubber glove manufacturer by production capacity, said the price of crude oil-based nitrile or synthetic rubber is expected to reverse its downtrend in line with higher crude oil prices. (The Edge)



Genting Bhd

Technical Watch - “BUY on Potential Continuation”

Bloomberg: GENT MK | KLSE Stock Code: 3182

Main Market Consumer

Subsector – Leisure, Hospitality

Current Price: RM4.63

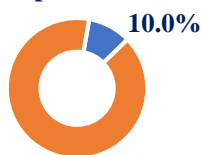
Target Price: RM5.09

Investment Highlights

Moving sideways, the stock is currently trading above the MA20, potentially testing its immediate resistance at the RM4.73 level before breaking out. We think that there is a potential continuation supported by a bullish marubozu, strong momentum on the stock (RSI > 50).

With lower volatility as seen from a contracting bollinger band, we think that prices could potentially trade with lower downside risk moving forward. Trading within 2SD, we project a 10% upside to the current price, with potential crossovers on the EMA and SMA going forward.

Potential Upside



Bloomberg Analyst Ratings



Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	11.6	13.2	16.3
P/B	0.5	0.6	0.9
P/CF	83.4	43.8	21.5
P/S	1.3	1.3	1.5

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

Company Overview

Genting Berhad is an investment holding company. The Company, through its subsidiaries, provides leisure and hospitality, gaming, and entertainment businesses. Genting also operates plantations, develops and manages property, provides tours and travel related services, manufactures and trades paper, explores oil and gas, and provides money lending services.



Ronnie Tan

ronnie-tan@mersec.com.my

016-564 7698

Entry Price	RM4.63
Market Cap (m)	RM17,828.2
52w high	RM5.40
52w low	RM4.30
Stop Loss	RM4.50
Immediate Support	RM4.58 (Half of the bullish candle on 29/04/2022)
Immediate Resistance	RM4.73 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	6,002,454.7



Sarawak Oil Palms Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: SOP MK | KLSE Stock Code: 5126

Main Market
Plantations
Subsector – Plantations

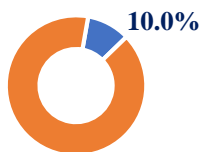
Current Price: RM6.90
Target Price: RM7.59

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, breaking out of its resistance at the RM6.70 level, coupled with strong momentum (RSI > 60), and higher volatility on the back of an expanding bollinger bands.

With higher volatility, we think that prices could potentially trade with more downside risk. Trading within 2SD, we project a 10% upside to the current price, with the potential to trade above R3 (RM7.27 level) of the Fibonacci projection.

Potential Upside



Bloomberg Analyst Ratings



Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	8.6	13.4	15.9
P/BV	0.9	0.8	1.2
P/CF	5.6	5.5	12.3
P/S	0.7	0.5	0.8

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

Company Overview

Sarawak Oil Palms Berhad and its subsidiaries cultivate oil palms and operate palm oil mill.



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

Entry Price	RM6.90
Market Cap (m)	RM3,991.0
52w high	RM7.22
52w low	RM3.30
Stop Loss	RM6.52
Immediate Support	RM6.75 (Half of the bullish candle on 29/04/2022)
Immediate Resistance	RM7.21 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	2,186,493.2



TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
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	3.720	3.000	3.860	1.4	6.0	-
5/4/2022	Siab	0241	0.250	0.215	0.210	0.270	2.4	-14.0	SL Triggered
5/4/2022	Tashin	0211	0.580	0.570	0.490	0.630	3.6	-1.7	-
6/4/2022	Sedania	0178	0.390	0.360	0.330	0.430	9.1	-7.7	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	1.780	1.440	1.850	1.1	6.0	-
7/4/2022	Wzsatu	7245	0.210	0.210	0.180	0.230	5.0	0.0	-
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	0.520	0.470	0.610	1.0	-5.5	-
11/4/2022	Senheng	5305	0.880	0.835	0.750	0.960	-1.2	-5.1	-
11/4/2022	Guh	3247	0.560	0.515	0.470	0.610	0.0	-8.0	-
12/4/2022	Tomei	7230	1.140	1.100	0.970	1.250	2.8	-3.5	-
12/4/2022	Poh Kong	5080	0.920	0.865	0.780	1.010	2.4	-6.0	-
13/4/2022	Epmb	7773	1.110	1.000	0.940	1.210	2.0	-9.9	SL Triggered
13/4/2022	Qes	0196	0.600	0.570	0.510	0.660	0.0	-5.0	-
14/4/2022	Pantech	5125	0.730	0.750	0.620	0.800	1.4	2.7	-
14/4/2022	Senheng	5305	0.860	0.835	0.740	0.950	-1.2	-2.9	-
15/4/2022	Armada	5210	0.450	0.430	0.380	0.500	1.2	-4.4	-
15/4/2022	Per maju	7080	0.100	0.095	0.090	0.110	5.6	-5.0	SL Triggered
18/4/2022	Subur	6904	2.000	2.400	1.710	2.200	1.3	20.0	TP Achieved
18/4/2022	Solarvest	0215	0.980	0.845	0.830	1.070	-1.2	-13.8	SL Triggered
20/4/2022	Technax	2739	0.110	0.125	0.090	0.120	4.2	13.6	TP Achieved
20/4/2022	Hexind	0161	0.380	0.375	0.320	0.420	-1.3	-1.3	-
21/4/2022	Greatec	0208	4.000	4.030	3.420	4.400	0.2	0.8	-
21/4/2022	Qes	0196	0.600	0.570	0.510	0.660	0.0	-5.0	-
22/4/2022	Pantech	5125	0.750	0.750	0.640	0.820	1.4	0.0	-
22/4/2022	Cimb	1023	5.140	5.200	4.390	5.650	0.2	1.2	-
25/4/2022	Ancom	0048	0.185	0.185	0.160	0.210	-2.6	0.0	-
25/4/2022	Mbsb	1171	0.660	0.640	0.560	0.720	0.0	-3.0	-
26/4/2022	Tdm	2054	0.320	0.305	0.270	0.350	1.7	-4.7	-
26/4/2022	Rsawit	5113	0.280	0.270	0.240	0.310	0.0	-3.6	-
27/4/2022	Caely	7154	0.450	0.380	0.380	0.490	1.3	-15.6	SL Triggered
27/4/2022	Greatec	0208	4.000	4.030	3.420	4.400	0.2	0.8	-
28/4/2022	Poh Huat	7088	1.530	1.550	1.310	1.680	2.6	1.3	-
28/4/2022	Hengyuan	4324	4.750	5.810	4.060	5.230	11.5	22.3	TP Achieved
29/4/2022	Dsonic	5216	0.580	0.565	0.490	0.630	-1.7	-2.6	-
29/4/2022	Padini	7052	3.380	3.430	2.890	3.720	1.5	1.5	-
5/5/2022	GentingBhd	3182	4.630	4.630	4.500	5.090	2.4	0.0	-
5/5/2022	SOP	5126	6.900	6.910	6.520	7.590	4.7	0.1	-

*TP=Target Price

**STOCK SELECTION BASED ON DIVIDEND YIELD**

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
AmFirst REIT	REIT	0.400	0.04	9.7
SHL Consolidated Bhd	Property	1.900	0.18	9.5
UOA REIT	REIT	1.150	0.09	7.5
British American Tobacco Malay	Consumer	12.900	0.95	7.4
Pharmaniaga Bhd	Consumer	0.730	0.05	7.3
Al-'Aqar Healthcare REIT	REIT	1.190	0.08	6.9
Magnum Bhd	Consumer	1.810	0.12	6.8
Uchi Technologies Bhd	Industrial	3.040	0.20	6.6
Amanahraya REIT	REIT	0.680	0.04	6.5
Malayan Banking Bhd	Finance	9.070	0.56	6.2
Tambun Indah Land Bhd	Property	0.900	0.05	5.8
Hong Leong Industries Bhd	Industrial	9.010	0.52	5.8
Matrix Concepts Holdings Bhd	Property	2.300	0.13	5.7
Malaysia Building Society Bhd	Finance	0.640	0.04	5.6
Capitaland Malaysia Trust	REIT	0.595	0.03	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	13.8	
Finance	8.7	13.0	11.5	12.4	12.6	10.2	
Property	2.0	13.8	5.0	10.8	5.0	11.2	
Plantation	34.6	94.6	12.8	44.1	12.8	17.8	
Consumer	2.2	25.6	2.5	19.5	2.5	17.0	
Technology	(26.2)	29.8	19.1	24.7	24.4	21.8	
Construction	9.8	22.2	14.7	18.1	14.7	11.8	
Energy	9.9	-	-	-	14.0	10.7	
Health care	(12.3)	52.6	7.2	29.9	7.2	24.3	
Ind Prod	3.6	38.6	12.1	24.1	12.1	10.3	
REIT	1.5	-	-	-	29.2	16.5	
Telco	(2.6)	25.8	25.1	25.4	25.8	19.2	
Transportations	2.4	-	-	-	-	17.0	
Utilities	2.6	-	-	-	14.9	13.0	

Source: Bloomberg

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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