



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks fell in line with the sell-off in global equity markets. Market breadth was negative with 768 losers versus 274 gainers. The plantation sector was the top percentage loser declining by 2.63%, while the REIT sector was the only sector to finish in the green. Kuala Lumpur Kepong (2445) was a major loser decreasing by RM0.90 or 3.11% in line with weakness in plantation counters. The FBM KLCI fell by 1.18% to 1,564.34.

We expect global equity markets to remain volatile in the short-term on inflation fears.

ECONOMICS

- **Big oil** spends on investors, not output, prolonging crude crunch
- **CPO** futures continue downtrend on rising supply, possible lifting of Indonesia palm oil export ban
- **Oil** gains 1.5%, posts another weekly rise on supply concerns

COMPANY

- **Favelle Favco (7229)** secures RM55m purchase orders
- **Focus Point (0157)** eyes Main Market transfer by year end
- **Matang (0189)** to raise RM22.59m from private placement

EXPRESSO FOR THE DAY

- **Technical Watch – SCGM (7247)** – Entry Price RM2.34, Target Price RM2.81, Stop Loss RM2.00, Support RM2.22, Resistance RM2.43
- **Technical Watch – Sedania (0178)** – Entry Price RM0.47, Target Price RM0.56, Stop Loss RM0.40, Support RM0.45, Resistance RM0.57

Local	Close	(%)
FBMKLCI	1,564.34	(1.2)
Volume (mil)	3,109	15.9
Value (RM mil)	2,438	2.5
Gainers	274	
Losers	768	
Unchanged	367	

Foreign		(%)
Dow Jones	32,899.4	(0.3)
Nasdaq CI	12,144.7	(1.4)
S&P 500	4,123.3	(0.6)
FTSE 100	7,387.9	(1.5)
Nikkei 225	27,003.6	0.7
Shanghai CI	3,001.6	(2.2)
HSI	20,002.0	(3.8)
STI	3,291.9	(1.5)

Most Active	RM	Chg
XOX	0.015	(0.005)
AT	0.015	0.000
TECHNAX	0.120	0.000
PUC	0.060	0.000
MTRONIC	0.015	(0.005)

Top Gainer	RM	Chg
NESTLE	131.800	0.600
FAVCO	3.170	0.590
HSI-HA6	1.080	0.405
NDX-HI	1.130	0.310
SP500-H13	2.300	0.280

Top Loser	RM	Chg
FANG-2XL	8.040	(0.960)
KLK	28.000	(0.900)
BKAWAN	28.260	(0.740)
MPI	30.080	(0.740)
DIN045801028	102.300	(0.700)

Other Stats		(%)
USD/MYR	4.37	0.40
USD/RMB	6.67	0.16
Brent (USD/barrel)	112.39	1.34
Gold (USD/troy oz)	1,883.81	0.35
CPO (RM/metric t)	7,094.5	(5.02)



DAILY NEWSWATCH

ECONOMICS

Big Oil is raking in historic amounts of cash, but the windfall isn't being invested in new production to help displace Russian oil and gas. Instead, executives are rewarding shareholders — setting the world up for an even tighter energy market in the years ahead. (The Edge)

The crude palm oil futures contract on Bursa Malaysia Derivatives continued its downtrend, ending lower on Friday amid expectations of an imminent cancellation of Indonesia's palm oil export ban. (The Edge)

Oil prices rose nearly 1.5% on Friday, posting a second straight weekly increase as impending European Union sanctions on Russian oil raised the prospect of tighter supply and had traders shrugging off worries about global economic growth. (The Edge)

COMPANY

Favelle Favco Bhd (7229), which on Thursday (May 5) declared a bumper dividend of 85 sen, announced on Friday (May 6) that it secured an aggregate amount of orders worth RM55m between Feb 22, 2022, and May 6, 2022. (The Edge)

Focus Point Holdings Bhd (0157) has proposed the transfer of its listing to the Main Market of Bursa Malaysia, as it has met the profit test of the Securities Commission Malaysia's Equity Guidelines. (The Edge)

Matang Bhd (0189) plans to raise RM22.59m via a proposed private placement of up to 217.2 million shares or 10% of its total issued shares at an issue price to be determined later. (The Edge)



Hibiscus Petroleum Bhd

Technical Watch - "BUY on Potential Continuation"

Bloomberg: HIBI MK | KLSE Stock Code: 5199

Main Market
Energy

Subsector – Oil & Gas

Current Price: RM1.40

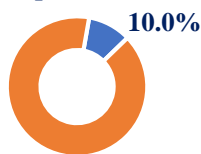
Target Price: RM1.68

Investment Highlights

On an uptrend, the stock is currently trading above the MA20, breaking out of its resistance at the RM1.38 level. We think there is a potential continuation supported by high oil prices, strong momentum on the stock (RSI > 65).

With higher volatility as seen from an expanding bollinger band, we think that prices could potentially trade with higher downside risk moving forward. Trading within 2SD, we project a 10% upside to the current price, expect EMA and SMA to hold moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 4
Holds: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	11.4	11.4	10.8
P/B	1.0	1.2	1.5
P/CF	5.8	13.1	18.5
P/S	1.7	2.3	22.0

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

Company Overview

Hibiscus Petroleum Berhad is an independent upstream exploration and production company that explores for oil and gas. The Company has operations in the Middle East, Norway and Oceania regions.



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Entry Price	RM1.40
Market Cap (m)	RM2,817.4
52w high	RM1.41
52w low	RM0.59
Stop Loss	RM1.20
Immediate Support	RM1.36
Immediate Resistance	RM1.41 (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)	88,020,757.1



AHB Holdings Bhd

Technical Watch - "BUY on Potential Continuation"

Bloomberg: AHBH MK | KLSE Stock Code: 7315

Main Market
Consumer Products
Subsector – Consumer Services

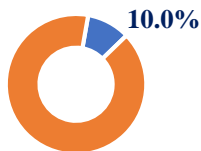
Current Price: RM0.22
Target Price: RM0.26

Investment Highlights

On a sideways trend, the stock is currently trading above the MA20, breaking out of our asymmetric triangle. We think that there is a potential continuation supported by a strong momentum (RSI > 65).

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, expect EMA to hold and SMA to potentially crossover moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 0

Holds: 0

Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	N/A	98.4	61.9
P/BV	1.5	1.0	0.7
P/CF	N/A	45.5	74.7
P/S	4.4	3.0	2.1

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

Company Overview

AHB Holdings Berhad is an investment holding company which provides management services. Through its subsidiaries, the Company manufactures and trades drafting equipment, office furniture, and specialized computer furniture.



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Entry Price	RM0.22
Market Cap (m)	RM80.4
52w high	RM0.30
52w low	RM0.11
Stop Loss	RM0.18
Immediate Support	RM0.20
Immediate Resistance	RM0.26 (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)	36,114,476.2



TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
6/4/2022	Sedania	0178	0.390	0.485	0.330	0.430	3.2	24.4	SL Triggered
6/4/2022	Guh	3247	0.540	0.500	0.460	0.590	-2.9	-7.4	-
7/4/2022	Kawan	7216	1.680	1.750	1.440	1.850	-2.2	4.2	-
7/4/2022	Wzsatu	7245	0.210	0.205	0.180	0.230	-2.4	-2.4	-
8/4/2022	Smtrack	0169	0.100	0.070	0.080	0.110	-6.7	-30.0	SL Triggered
8/4/2022	KAB	0193	0.550	0.510	0.470	0.610	-1.9	-7.3	-
11/4/2022	Senheng	5305	0.880	0.810	0.750	0.960	-1.8	-8.0	-
11/4/2022	Guh	3247	0.560	0.500	0.470	0.610	-2.9	-10.7	-
12/4/2022	Tomei	7230	1.140	1.080	0.970	1.250	-1.8	-5.3	-
12/4/2022	Poh Kong	5080	0.920	0.835	0.780	1.010	-2.9	-9.2	-
13/4/2022	Epmb	7773	1.110	0.980	0.940	1.210	1.6	-11.7	SL Triggered
13/4/2022	Qes	0196	0.600	0.580	0.510	0.660	-1.7	-3.3	-
14/4/2022	Pantech	5125	0.730	0.720	0.620	0.800	-3.4	-1.4	-
14/4/2022	Senheng	5305	0.860	0.810	0.740	0.950	-1.8	-5.8	-
15/4/2022	Armada	5210	0.450	0.430	0.380	0.500	-2.3	-4.4	-
15/4/2022	Permaju	7080	0.100	0.095	0.090	0.110	0.0	-5.0	SL Triggered
18/4/2022	Subur	6904	2.000	2.100	1.710	2.200	-3.7	5.0	TP Achieved
18/4/2022	Solarvest	0215	0.980	0.800	0.830	1.070	-4.8	-18.4	SL Triggered
20/4/2022	Technax	2739	0.110	0.120	0.090	0.120	0.0	9.1	TP Achieved
20/4/2022	Hexind	0161	0.380	0.390	0.320	0.420	-1.3	2.6	-
21/4/2022	Greatec	0208	4.000	3.710	3.420	4.400	-4.9	-7.3	-
21/4/2022	Qes	0196	0.600	0.580	0.510	0.660	-1.7	-3.3	-
22/4/2022	Pantech	5125	0.750	0.720	0.640	0.820	-3.4	-4.0	-
22/4/2022	Cimb	1023	5.140	5.120	4.390	5.650	0.2	-0.4	-
25/4/2022	Ancom	0048	0.185	0.215	0.160	0.210	-4.4	16.2	TP Achieved
25/4/2022	Mbsb	1171	0.660	0.635	0.560	0.720	-0.8	-3.8	-
26/4/2022	Tdm	2054	0.320	0.290	0.270	0.350	-1.7	-9.4	-
26/4/2022	Rsawit	5113	0.280	0.260	0.240	0.310	0.0	-7.1	-
27/4/2022	Caely	7154	0.450	0.375	0.380	0.490	-2.6	-16.7	SL Triggered
27/4/2022	Greatec	0208	4.000	3.710	3.420	4.400	-4.9	-7.3	-
28/4/2022	Poh Huat	7088	1.530	1.480	1.310	1.680	-1.3	-3.3	-
28/4/2022	Hengyuan	4324	4.750	6.340	4.060	5.230	-2.9	33.5	TP Achieved
29/4/2022	Dsonic	5216	0.580	0.575	0.490	0.630	0.0	-0.9	-
29/4/2022	Padini	7052	3.380	3.440	2.890	3.720	-0.3	1.8	-
5/5/2022	GentingBhd	3182	4.630	4.620	4.500	5.090	-1.3	-0.2	-
5/5/2022	SOP	5126	6.900	6.460	6.520	7.590	-1.5	-6.4	-
6/5/2022	SCGM	7247	2.340	2.380	2.000	2.810	1.7	1.7	-
6/5/2022	Sedania	0178	0.470	0.485	0.400	0.560	3.2	3.2	-
9/5/2022	Hibiscus	5199	1.400	1.400	1.200	1.680	3.7	0.0	-
9/5/2022	AHB	7315	0.220	0.215	0.180	0.260	7.5	-2.3	-

*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	(0.2)	21.3	14.3	17.4	14.3	13.5	
Finance	7.1	13.0	11.5	12.4	12.4	10.1	
Property	1.1	13.8	5.0	10.8	5.0	11.0	
Plantation	30.2	94.6	12.4	44.0	12.4	17.4	
Consumer	0.8	25.6	11.6	21.4	11.6	16.8	
Technology	(29.7)	29.8	19.1	24.4	23.1	20.7	
Construction	7.2	22.2	13.6	17.9	13.6	11.5	
Energy	13.1	-	-	-	14.5	11.0	
Health care	(13.9)	52.6	7.1	29.8	7.1	23.8	
Ind Prod	0.7	38.6	11.8	24.0	11.8	10.1	
REIT	2.4	-	-	-	29.4	16.5	
Telco	(5.1)	25.1	25.1	25.1	25.1	18.8	
Transportations	0.9	-	-	-	-	16.7	
Utilities	0.8	-	-	-	14.6	12.8	

Source: Bloomberg



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