



**DAILY NEWSWATCH**

**MARKET REVIEW**

Bargain hunting lifted the FBM KLCI despite a decline in the broader market. Market breadth was negative with 676 losers versus 217 gainers. The industrial products & services sector was the top percentage loser falling by 1.51%, while the telecommunications & media sector was the top percentage gainer rising by 1.30%. Malaysian Pacific Industries (3867) was a major loser declining by RM0.90 or 2.98%. The FBM KLCI increased by 0.35% to 1,554.58.

We expect Malaysian equities to trade sideways following the recent volatility.

**ECONOMICS**

- **Malaysia's** April CPO inventory rises 17.4% m-o-m — MPOB
- **Malaysia** may cut palm oil export tax by half amid global supply crisis

**COMPANY**

- **Frontken's (0128)** 1Q earnings rise 15.71% y-o-y to RM26.51m on significant growth in semiconductor business
- **Hartalega (5168)** hit by Cukai Makmur, posts first-ever quarterly loss
- **Mesiniaga (5011)** inks RM59.6m deal with Telekom Malaysia
- **SLP Resources (7248)** 1Q net profit down 25.12% yoy to RM4.51m on cost hike
- **Xin Hwa (5267)** to diversify into precision machining business by acquiring 79% stake in Micron

**EXPRESSO FOR THE DAY**

- **Technical Watch – Senheng (5305)** – Entry Price RM0.80, Target Price RM0.88, Stop Loss RM0.68, Support RM0.78, Resistance RM0.89
- **Technical Watch – Jtiasa (4383)** – Entry Price RM0.98, Target Price RM1.08, Stop Loss RM0.84, Support RM0.91, Resistance RM1.25

Local	Close	(%)
<b>FBMKLCI</b>	1,554.58	0.3
<b>Volume (mil)</b>	2,753	(14.5)
<b>Value (RMmil)</b>	2,258	11.0
<b>Gainers</b>	217	
<b>Losers</b>	676	
<b>Unchanged</b>	384	

Foreign		(%)
<b>Dow Jones</b>	32,160.7	(0.3)
<b>Nasdaq CI</b>	11,737.7	1.0
<b>S&amp;P 500</b>	4,001.1	0.2
<b>FTSE 100</b>	7,243.2	0.4
<b>Nikkei 225</b>	26,167.1	(0.6)
<b>Shanghai CI</b>	3,035.8	1.1
<b>HSI</b>	19,633.7	(1.8)
<b>STI</b>	3,234.2	(1.2)

Most Active	RM	Chg
<b>SERBADK</b>	0.075	(0.035)
<b>AGES-OR</b>	0.005	0.000
<b>DNEX</b>	1.000	0.000
<b>HIBISCS</b>	1.350	(0.020)
<b>TAWIN</b>	0.135	0.005

Top Gainer	RM	Chg
<b>NESTLE</b>	131.900	0.500
<b>PPB</b>	16.660	0.280
<b>FANG-1XI</b>	1.840	0.270
<b>HSI-HA3</b>	2.630	0.250
<b>BYD-H4</b>	0.770	0.245

Top Loser	RM	Chg
<b>PMBTECH-LA</b>	16.500	(1.900)
<b>MPI</b>	29.300	(0.900)
<b>KLK</b>	26.800	(0.500)
<b>FANG-2XL</b>	7.420	(0.360)
<b>MSC</b>	3.890	(0.360)

Other Stats		(%)
<b>USD/MYR</b>	4.38	(0.04)
<b>USD/RMB</b>	6.73	0.06
<b>Brent (USD/barrel)</b>	102.46	(3.28)
<b>Gold (USD/troy oz)</b>	1,838.27	(0.86)
<b>CPO (RM/metric t)</b>	6,992.0	(0.85)



**DAILY NEWSWATCH**

**ECONOMICS**

**Malaysia's crude palm oil inventory** grew to 891,779 tonnes in April 2022, up 17.4% from the 759,732 tonnes recorded in March, on higher production, according to the Malaysian Palm Oil Board. (The Edge)

**Malaysia's commodities ministry** has proposed cutting the export tax on palm oil by as much as half to help fill a global edible oil shortage and grow the market share of the world's second-largest palm oil producer. (The Edge)

**COMPANY**

**Frontken Corp Bhd's (0128)** net profit for 1QFY22 jumped 15.71% to RM26.51 m from RM22.91 m in the same period a year earlier. (The Edge)

**Hartalega Holdings Bhd (5168)** posted its first-ever quarterly loss in the fourth quarter ended March 31, 2022, due mainly to the provision of the Prosperity Tax (Cukai Makmur). In a bourse filing on Tuesday (May 10), Hartalega posted a loss of RM197.9 m for the quarter versus net profit RM1.12 bn a year prior. (The Edge)

**Mesiniaga Bhd (5011)** has bagged a contract worth RM59.63 m from Telekom Malaysia Bhd to provide maintenance and support services for telecommunication cloud core data centre. (The Edge)

**SLP Resources Bhd (7248)** said on Tuesday (May 10) that its net profit for 1QFY22 fell 25.12% to RM4.51 m from RM6.03 m a year ago, due to costs hike in almost every aspect of operations which include materials cost, labour cost and utility cost. (The Edge)

**Xin Hwa Holdings Bhd (5267)** plans to diversify into the precision machining business after acquiring a 79% stake in Micron Metal Engineering Sdn Bhd (Micron) for RM19.75 million in a cash plus shares deal. (The Edge)

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## Senheng New Retail Berhad

Technical Watch - “BUY on Potential Reversal”

Bloomberg: SENHENG MK | KLSE Stock Code: 5305

Main Market  
Consumer  
Subsector – Retailers

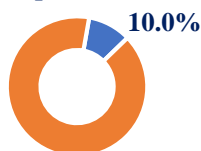
Current Price: RM0.80  
Target Price: RM0.88

### Investment Highlights

On a sideways trend, the stock is currently trading below the MA20, outside of the lower band (oversold) of the Bollinger bands. We think there is a potential reversal supported by a bullish hammer, rising momentum on the stock (RSI > 35).

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 crossover moving forward.

### Potential Upside



### Bloomberg Analyst Ratings



### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	0.2	0.2	0.2
P/B	5.3	5.3	5.3
P/CF	0.2	0.2	0.2
P/S	0.0	0.0	0.0

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

### Company Overview

Senheng New Retail Berhad operates as an e-commerce company. The Company retails consumer electrical and electronic products. Senheng New Retail serves customers worldwide.



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Entry Price	RM0.80
Market Cap (m)	RM1,200.0
52w high	RM1.04
52w low	RM0.77
Stop Loss	RM0.68
Immediate Support	RM0.78 (Previous low)
Immediate Resistance	RM0.89 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Rising Momentum
Volume (4-Weeks Average)	7,884,476.2



## Jaya Tiasa Holdings Bhd

### Technical Watch - "BUY on Potential Reversal"

Bloomberg: JT MK | KLSE Stock Code: 4383

### Main Market Plantation Subsector – Plantation

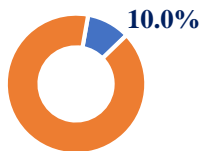
Current Price: RM0.98  
Target Price: RM1.08

#### Investment Highlights

On an uptrend, the stock is currently trading below the MA20, outside of the lower band (oversold) of the Bollinger bands. We think that there is a potential reversal supported by an inverted hammer, while we expect momentum to recover moving forward (RSI > 40).

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

#### Potential Upside



#### Bloomberg Analyst Ratings



Buy: 0  
Hold: 0  
Sell: 0

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	25.1	70.3	52.8
P/BV	1.7	1.5	1.3
P/CF	38.8	291.8	190.5
P/S	6.7	6.9	4.5

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

#### Company Overview

Jaya Tiasa Holdings Berhad is an investment holding company which provides management services, oil palm production, and extracts and trades timber logs. Through its subsidiaries, the Company manufactures and trades sawn timber, blockboard, plywood, veneer and related products. Jaya Tiasa also provides air transportation services and imports wood products.



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Entry Price	RM0.98
Market Cap (m)	RM948.6
52w high	RM1.25
52w low	RM0.56
Stop Loss	RM0.84
Immediate Support	RM0.91 (Previous low)
Immediate Resistance	RM1.25 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Weak Momentum
Volume (4-Weeks Average)	25,214,056.8



**TECHNICAL ANALYSIS SCOREBOARD**

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
8/4/2022	Smtrack	0169	0.100	0.070	0.080	0.110	0.0	-30.0	SL Triggered
8/4/2022	KAB	0193	0.550	0.500	0.470	0.610	0.0	-9.1	-
11/4/2022	Senheng	5305	0.880	0.800	0.750	0.960	0.6	-9.1	-
11/4/2022	Guh	3247	0.560	0.480	0.470	0.610	-1.0	-14.3	-
12/4/2022	Tomei	7230	1.140	1.040	0.970	1.250	-1.9	-8.8	-
12/4/2022	Poh Kong	5080	0.920	0.810	0.780	1.010	-1.2	-12.0	-
13/4/2022	Epmb	7773	1.110	0.930	0.940	1.210	-2.6	-16.2	SL Triggered
13/4/2022	Qes	0196	0.600	0.570	0.510	0.660	-1.7	-5.0	-
14/4/2022	Pantech	5125	0.730	0.675	0.620	0.800	-2.9	-7.5	-
14/4/2022	Senheng	5305	0.860	0.800	0.740	0.950	0.6	-7.0	-
15/4/2022	Armada	5210	0.450	0.420	0.380	0.500	0.0	-6.7	-
15/4/2022	Per maju	7080	0.100	0.085	0.090	0.110	-5.6	-15.0	SL Triggered
18/4/2022	Subur	6904	2.000	1.870	1.710	2.200	-2.1	-6.5	TP Achieved
18/4/2022	Solarvest	0215	0.980	0.765	0.830	1.070	-1.9	-21.9	SL Triggered
20/4/2022	Technax	2739	0.110	0.115	0.090	0.120	0.0	4.5	TP Achieved
20/4/2022	Hexind	0161	0.380	0.380	0.320	0.420	-3.8	0.0	-
21/4/2022	Greatec	0208	4.000	3.600	3.420	4.400	1.7	-10.0	-
21/4/2022	Qes	0196	0.600	0.570	0.510	0.660	-1.7	-5.0	-
22/4/2022	Pantech	5125	0.750	0.675	0.640	0.820	-2.9	-10.0	-
22/4/2022	Cimb	1023	5.140	5.080	4.390	5.650	-0.4	-1.2	-
25/4/2022	Ancom	0048	0.185	0.225	0.160	0.210	-2.2	21.6	TP Achieved
25/4/2022	Mbsb	1171	0.660	0.615	0.560	0.720	0.0	-6.8	-
26/4/2022	Tdm	2054	0.320	0.285	0.270	0.350	0.0	-10.9	-
26/4/2022	Rsawit	5113	0.280	0.240	0.240	0.310	-2.0	-14.3	-
27/4/2022	Caely	7154	0.450	0.375	0.380	0.490	0.0	-16.7	SL Triggered
27/4/2022	Greatec	0208	4.000	3.600	3.420	4.400	1.7	-10.0	-
28/4/2022	Poh Huat	7088	1.530	1.470	1.310	1.680	0.0	-3.9	-
28/4/2022	Hengyuan	4324	4.750	6.260	4.060	5.230	-6.4	31.8	TP Achieved
29/4/2022	Dsonic	5216	0.580	0.550	0.490	0.630	-2.7	-5.2	-
29/4/2022	Padini	7052	3.380	3.290	2.890	3.720	-0.6	-2.7	-
5/5/2022	GentingBhd	3182	4.630	4.570	4.500	5.090	0.0	-1.3	-
5/5/2022	SOP	5126	6.900	5.890	6.520	7.590	-4.4	-14.6	-
6/5/2022	SCGM	7247	2.340	2.300	2.000	2.810	NA	-1.7	-
6/5/2022	Sedania	0178	0.470	0.420	0.400	0.560	-4.5	-10.6	-
9/5/2022	Hibiscus	5199	1.400	1.320	1.200	1.680	-3.6	-5.7	-
9/5/2022	AHB	7315	0.220	0.215	0.180	0.260	0.0	-2.3	-
10/5/2022	Hengyuan	4324	6.730	6.260	5.750	8.080	-6.4	-7.0	-
10/5/2022	Jadem	7043	0.900	0.910	0.770	1.080	0.6	1.1	-
11/5/2022	Senheng	5305	0.800	0.800	0.680	0.880	0.6	0.0	-
11/5/2022	Jtiasa	4383	0.980	0.980	0.840	1.080	-2.0	0.0	-

\*TP=Target Price

**STOCK SELECTION BASED ON DIVIDEND YIELD**

<b>Company</b>	<b>Sector</b>	<b>Price RM</b>	<b>Dividend / Share RM</b>	<b>Dividend Yield (%)</b>
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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