



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks fell yesterday in line with weakness in Asian equity markets. Market breadth was negative with 601 losers versus 315 gainers. The plantation sector was the top percentage loser plunging by 1.87%, while the REIT sector was the only sector to finish in the green. Malaysian Pacific Industries (3867) was the top loser declining by RM0.56 or 1.69% in line with weakness in the general market. The FBM KLCI decreased by 0.93% to 1,509.71.

We expect Malaysian equities to fall following steep losses on Wall Street overnight.

ECONOMICS

- **DOSM: Malaysia's unemployment rate** dips below 4% for first time since Covid-19 outbreak
- **Palm oil prices** to weaken to RM4,000 per tonne by 4Q, says analyst Mistry

COMPANY

- **Kerjaya Prospek (7161)** eyes RM1.5 bn order book in FY22; inks framework agreement with Samsung C&T
- **Protasco (5070)** receives RM171.84m contract extension for road maintenance work in Terengganu
- **TNB (5347)** touches nearly nine-year low of RM8.79 amid market sell-off
- **Top Glove (7113)** 3Q net profit slumps 83% q-o-q and 99% y-o-y to RM15.3m

EXPRESSO FOR THE DAY

- **Technical Watch – Westport Holding (5246)** – Entry Price RM3.65, Target Price RM4.02, Stop Loss RM3.12, Support RM3.47, Resistance RM4.10
- **Technical Watch – KFIMA (6491)** – Entry Price RM2.81, Target Price RM3.09, Stop Loss RM2.40, Support RM2.67, Resistance RM2.74

Local	Close	(%)
FBMKLCI	1,509.71	(0.9)
Volume (mil)	2,885	(11.5)
Value (RM'mil)	2,060	4.9
Gainers	315	
Losers	601	
Unchanged	394	
Foreign		(%)
Dow Jones	32,272.8	(1.9)
Nasdaq CI	11,754.2	(2.7)
S&P 500	4,017.8	(2.4)
FTSE 100	7,476.2	(1.5)
Nikkei 225	28,246.5	0.0
Shanghai CI	3,239.0	(0.8)
HSI	21,869.1	(0.7)
STI	3,209.6	(0.5)
Most Active	RM	Chg
YEWLEE	0.305	0.015
DYNACIA	0.145	0.000
EAH	0.010	(0.005)
LGMS	0.715	(0.130)
GPACKET	0.070	(0.005)
Top Gainer	RM	Chg
DIN045801028	102.500	1.000
PEIDAG	21.720	0.620
RAPID	12.460	0.280
PEIRONM	7.340	0.180
CCB	2.750	0.150
Top Loser	RM	Chg
MPI	32.640	(0.560)
BKAWAN	26.840	(0.480)
KLK	25.140	(0.320)
HSI-HEF	0.300	(0.280)
QL	4.950	(0.250)
Other Stats		(%)
USD/MYR	4.39	(0.03)
USD/RMB	6.69	0.13
Brent (USD/barrel)	123.07	(0.41)
Gold (USD/troy oz)	1,847.95	(0.29)
CPO (RM/metric t)	6,746.5	(0.10)



DAILY NEWSWATCH

ECONOMICS

Malaysia's unemployment rate dipped to 3.9% in April 2022 from 4.1% a month earlier due to the increase in the country's employment numbers while the unemployment figure declined as economic activities flourished due to the reopening of the country's borders in tandem with its transition to the Covid-19 endemic phase on April 1, 2022 from pandemic previously, according to the Department of Statistics Malaysia on Thursday (June 9, 2022). (The Edge)

Crude palm oil prices are expected to weaken to RM4,000 per tonne by 4Q22, driven by an increase of CPO production in Indonesia and dampened demand for vegetable oils, said Godrej International Ltd director and edible oil analyst Dorab Mistry. (The Edge)

COMPANY

With its initial order book target of RM1.2 bn about to be reached, **Kerjaya Prospek Group Bhd (7161)** has increased its order book target for the financial year ending December 31, 2022 to match its FY19's RM1.5 bn. (The Edge)

Protasco Bhd's (5070) 70%-owned subsidiary Permint Granide-HCM Sdn Bhd has been awarded a contract extension for maintenance of minor roads in Terengganu for RM171.84m, its Bursa Malaysia filing showed on Thursday (June 9). (The Edge)

Shares in **Tenaga Nasional Bhd (5347)** slumped to a nine-year low on Thursday (June 9), amid broad-based selling pressure, which caused the benchmark FBM KLCI to close nearly 1% lower. (The Edge)

Top Glove Corp Bhd (7113) saw its net profit for 3QFY22 slump 82.53% quarter-on-quarter to RM15.29 m, from RM87.55 m in the preceding quarter as the group continued to be battered by the effect of the normalisation in terms of demand and average selling prices for gloves following the transition into endemic from pandemic. (The Edge)



Westport Holdings Berhad

Technical Watch - “BUY on Potential Reversal”

Bloomberg: WPRTS MK | KLSE Stock Code: 5246

Main Market Transportation & Logistics Subsector – T & Logistics

Current Price: RM3.65

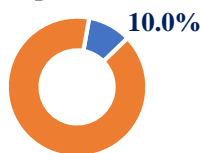
Target Price: RM4.02

Investment Highlights

On a downtrend, the stock is currently trading below the MA20. We think there is a potential reversal supported by a bullish inverted hammer, and a rising momentum on the stock (RSI > 40).

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 the 2SD, we project a 10% upside to the current price, expect EMA and SMA to crossover moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 10

Holds: 9

Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	20.3	21.0	22.3
P/B	4.9	5.3	6.0
P/CF	13.6	14.3	15.8
P/S	7.1	7.0	7.3

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

Company Overview

Westports Holdings Berhad provides port services. The Company offers container and cargo services, marine services, rental services, and other ancillary services. Westports provides its services to the import and export industries.



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Entry Price	RM3.65
Market Cap (m)	RM12,446.5
52w high	RM4.74
52w low	RM3.45
Stop Loss	RM3.12
Immediate Support	RM3.47
Immediate Resistance	RM4.10 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising Momentum
Volume (4-Weeks Average)	1,197,056.5



Kumpulan FIMA Bhd

Technical Watch - “BUY on Potential Continuation”

Bloomberg: FIMA MK | KLSE Stock Code: 6491

Main Market Industrial Products & Services Subsector–Diversified Industrial

Current Price: RM2.81

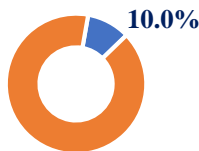
Target Price: RM3.09

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential continuation from the immediate resistance at the RM2.74 level, supported by a bullish marubozu, coupled with a rising momentum on the stock (RSI > 75).

With higher volatility as seen from an expanding bollinger band, 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 and SMA to hold moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buy: 0

Hold: 0

Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	10.9	13.6	11.6
P/BV	0.7	0.6	0.7
P/CF	4.0	9.8	7.7
P/S	1.0	1.0	1.0

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

Company Overview

Kumpulan Fima Berhad is an investment holding company. Through its subsidiaries, the Company operates pineapple estate, processes, and cans pineapple, and cultivates tropical fruits. Kumpulan Fima also has operation in cattle farming, provides transportation services, and trades securities and confidential documents.



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Entry Price	RM2.81
Market Cap (m)	RM775.8
52w high	RM2.82
52w low	RM1.87
Stop Loss	RM2.40
Immediate Support	RM2.67
Immediate Resistance	RM2.74 (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)	128,547.6



TECHNICAL ANALYSIS SCOREBOARD

Recommendation Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
12/5/2022	Maybank	1155	9.080	8.830	7.760	9.990	-0.1	-2.8	-
12/5/2022	Genp	2291	8.390	7.200	7.170	9.230	-1.4	-14.2	-
13/5/2022	Hengyuan	4324	6.860	6.180	5.870	7.550	-1.0	-9.9	-
13/5/2022	Sedania	0178	0.450	0.490	0.380	0.500	7.7	8.9	SL Triggered
17/5/2022	MPI	3867	31.60	32.560	27.02	34.76	-1.9	3.0	-
17/5/2022	Siab	0241	0.200	0.185	0.170	0.220	0.0	-7.5	-
18/5/2022	Sapura	5218	0.070	0.045	0.060	0.080	0.0	-35.7	TP Achieved
18/5/2022	Dsonic	5216	0.570	0.560	0.490	0.630	-2.6	-1.8	-
19/5/2022	GentingBhd	3182	4.620	5.200	3.950	5.080	-2.6	12.6	-
19/5/2022	Penta	7160	3.690	3.750	3.150	4.060	-2.1	1.6	-
20/5/2022	GentingBhd	3182	4.880	5.200	4.650	5.350	-2.6	6.6	-
20/5/2022	Hengyuan	4324	7.230	6.180	6.180	7.950	-1.0	-14.5	SL Triggered
23/5/2022	Caely	7154	0.410	0.380	0.350	0.450	-2.6	-7.3	-
23/5/2022	Flbhd	5197	1.520	1.410	1.300	1.670	-0.7	-7.2	-
24/5/2022	GentingBhd	3182	4.900	5.200	4.190	5.390	-2.6	6.1	-
24/5/2022	GOB	1147	0.310	0.290	0.260	0.340	-9.4	-6.5	SL Triggered
25/5/2022	Tambun	5191	1.020	0.940	0.870	1.120	0.5	-7.8	-
25/5/2022	SCGM	7247	2.400	2.360	2.050	2.640	0.4	-1.7	-
26/5/2022	Genetec	0104	2.390	2.310	2.040	2.630	-2.5	-3.3	-
26/5/2022	Bumi	5210	0.440	0.445	0.380	0.480	-1.1	1.1	-
27/5/2022	Choobee	5797	2.360	2.190	2.020	2.600	0.0	-7.2	-
27/5/2022	EPMB	7773	1.100	1.010	0.940	1.210	-1.0	-8.2	-
30/5/2022	Jag	0024	0.390	0.360	0.320	0.430	2.9	-7.7	-
30/5/2022	Padini	7052	3.200	3.580	2.800	3.520	-1.4	11.9	-
31/5/2022	Hexind	0161	0.320	0.355	0.270	0.350	0.0	10.9	-
31/5/2022	Myeg	0138	0.890	0.910	0.760	0.980	-0.5	2.2	-
1/6/2022	PIE	7095	3.050	3.310	2.610	3.360	-1.5	8.5	-
1/6/2022	Hextar	5151	1.670	1.550	1.430	1.840	-3.7	-7.2	-
2/6/2022	GentingBhd	3182	5.200	5.200	4.450	5.720	-2.6	0.0	-
2/6/2022	Scientex	4731	3.710	3.620	3.170	4.080	0.6	-2.4	-
3/6/2022	Guan	5102	2.610	2.540	2.219	2.880	-1.2	-2.7	-
3/6/2022	Inari	0166	2.810	2.760	2.400	3.090	0.0	-1.8	-
7/6/2022	Sedania	0178	0.460	0.490	0.390	0.500	7.7	6.5	-
7/6/2022	Jtiasa	4383	0.760	0.735	0.650	0.830	-0.7	-3.3	-
8/6/2022	AEON	6599	1.530	1.540	1.310	1.680	-1.3	0.7	-
8/6/2022	Bonia	9288	2.700	2.640	2.310	2.870	-1.9	-2.2	-
9/6/2022	F&N	3689	22.550	20.520	17.530	20.500	0.1	-9.0	-
9/6/2022	PIE	7095	3.700	3.310	2.870	3.360	-1.5	-10.5	-
10/6/2022	Westports	5246	3.650	3.650	3.120	4.020	3.4	0.0	-
10/6/2022	KFIMA	6491	2.810	2.810	2.400	3.090	4.1	0.0	-

*TP=Target Price

**STOCK SELECTION BASED ON DIVIDEND YIELD**

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
AmFirst REIT	REIT	0.390	0.04	9.9
SHL Consolidated Bhd	Property	1.980	0.18	9.1
British American Tobacco Malay	Consumer	12.100	0.91	7.5
UOA REIT	REIT	1.180	0.09	7.3
Al-'Aqar Healthcare REIT	REIT	1.220	0.09	7.1
Pharmaniaga Bhd	Consumer	0.635	0.05	7.2
Uchi Technologies Bhd	Industrial	3.100	0.20	6.5
Amanahraya REIT	REIT	0.650	0.04	6.8
Malayan Banking Bhd	Finance	8.810	0.56	6.3
Matrix Concepts Holdings Bhd	Property	2.450	0.14	5.8
Capitaland Malaysia Trust	REIT	0.585	0.03	5.8
Magnum Bhd	Consumer	1.760	0.10	5.8
Malaysia Building Society Bhd	Finance	0.600	0.03	5.8
Hong Leong Industries Bhd	Industrial	8.860	0.52	5.9
Globetronics Technology BHD	Technology	1.270	0.07	5.2

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	(3.4)	21.3	14.5	17.4	14.5	13.1	
Finance	6.3	13.0	11.5	12.5	12.7	10.0	
Property	(4.9)	13.8	11.2	12.4	13.0	10.3	
Plantation	17.6	94.6	9.9	43.5	9.9	14.4	
Consumer	0.4	25.6	12.1	21.5	12.1	17.3	
Technology	(29.2)	29.8	19.1	24.4	23.2	22.0	
Construction	5.1	22.2	15.2	18.2	15.2	11.8	
Energy	14.7	-	-	-	11.7	10.1	
Health care	(20.9)	52.6	7.9	30.2	7.9	22.6	
Ind Prod	(4.0)	38.6	10.6	23.8	10.6	11.6	
REIT	3.5	-	-	-	28.6	16.4	
Telco	(9.3)	25.1	22.9	24.0	22.9	17.0	
Transportations	(0.4)	-	-	-	-	16.9	
Utilities	0.6	-	-	-	15.2	12.9	

Source: Bloomberg

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