



DAILY NEWSWATCH

MARKET REVIEW

The FBM KLCI increased yesterday on bargain-hunting activity in select blue chip counters despite a decline in the broader market. Market breadth was negative with 530 losers versus 300 gainers. The technology sector was the top percentage loser plunging by 1.91% following steep losses in the Nasdaq last Friday, while the financial services sector was the top percentage gainer increasing by 0.36%. Malaysian Pacific Industries (3867) was the top loser declining by RM0.56 or 1.82%. The FBM KLCI rose by 0.23% to 1,469.22.

We expect Malaysian equities to trade sideways as investors wait for more information on the health of the global economy.

ECONOMICS

- **BOJ** board reshuffle brings in less dovish members
- **China** plans real estate fund worth up to US\$44bn for distressed sector — source
- **Ringgit** depreciates to weakest level against Singapore dollar at 3.2154

COMPANY

- **Ageson (7145)** says unaware of reason over sharp rise in share price, volume
- **Cepatwawasan (8982)** 2Q net profit up 66.91% to RM15.81m on higher FFB price
- **MGB (7595)** bags RM225m housing development job

EXPRESSO FOR THE DAY

- **Technical Watch – Padini (7052)** – Entry Price RM3.10, Target Price RM3.41, Stop Loss RM2.65, Support RM2.95, Resistance RM3.79
- **Technical Watch – Chin Hin (5273)** – Entry Price RM4.23, Target Price RM4.64, Stop Loss RM3.61, Support RM4.01, Resistance RM4.26

Local		(%)
FBMKLCI	1,469.22	0.2
Volume (mil)	2,014.62	(1.6)
Value (RM'mil)	1,119.20	(27.6)
Gainers	300	
Losers	530	
Unchanged	398	
Foreign		(%)
Dow Jones	31,990.0	0.3
Nasdaq CI	11,782.7	(0.4)
S&P 500	3,966.8	0.1
FTSE 100	7,306.3	0.4
Nikkei 225	27,699.3	(0.8)
Shanghai CI	3,250.4	(0.6)
HSI	20,562.9	(0.2)
STI	3,180.5	(0.0)
Most Active		RM Chg
MTRONIC-WB	0.040	(0.010)
DOLPHIN	0.030	(0.015)
TOPGLOV	0.995	0.000
MYEG	0.740	(0.030)
HSI-HB5	0.075	(0.055)
Top Gainer		RM Chg
CHINHIN	4.390	0.290
F&N	21.020	0.220
PETGAS	17.000	0.200
HLFG	18.900	0.200
HLBANK	20.580	0.180
Top Loser		RM Chg
MPI	30.240	(0.560)
FANG-2XL	7.210	(0.270)
VITROX	7.140	(0.260)
PANAMY	26.360	(0.240)
HLIND	8.760	(0.220)
Other Stats		(%)
USD/MYR	4.45	(0.01)
USD/RMB	6.75	(0.01)
Brent (USD/barrel)	105.15	1.89
Gold (USD/troy oz)	1,719.78	(0.45)
CPO (RM/metric t)	3,795.0	(0.67)



DAILY NEWSWATCH

ECONOMICS

The Bank of Japan's two new policymakers said on Monday the central bank needs an exit strategy from its massive stimulus, a sign the board's balance could tilt in favour of a withdrawal of governor Haruhiko Kuroda's radical monetary easing. (The Edge)

China will launch a real estate fund to help property developers resolve a crippling debt crisis, aiming for a war chest of up to 300 bn yuan (US\$44 bn) in a bid to restore confidence in the industry, according to a state bank official with direct knowledge of the matter. (The Edge)

The Ringgit depreciated to its weakest level against a strengthening Singapore dollar at 3.2154 on Monday (July 25) on the likelihood that the Singapore Central Bank will tighten monetary policy again in October if inflation pressures persist. (The Edge)

COMPANY

Ageson Bhd (7145), whose share price surged 67% in the last two weeks, told Bursa Malaysia that it is not aware of any corporate development relating to the group's business and affairs that would have caused the sharp rise in price and volume of the Company's shares recently. (The Edge)

Cepatwawasan Group Bhd's (8982) net profit for 2QFY22 rose 66.91% to RM15.81m from RM9.47m in the same period a year ago due to a substantial increase in average fresh fruit bunch (FFB) selling price which outweighed the impact of a decrease in its plantation segment's FFB production. (The Edge)

MGB Bhd (7595) — the construction arm of LBS Bina Group Bhd — has secured an RM225.03m contract from Akitek Akiprima Sdn Bhd for a housing development project in Bandar Putra Permai, Petaling, Selangor. (The Edge)



Padini Holdings Bhd

Technical Watch - “BUY on Potential Reversal”

Bloomberg: PAD MK | KLSE Stock Code: 7052

Main Market
Consumer
Subsector – Retailers

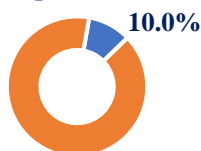
Current Price: RM3.10
Target Price: RM3.41

Investment Highlights

On a downtrend the stock is currently trading above the MA20. We think there is a potential reversal supported by a bullish engulfing combined with a strong momentum on the stock (RSI > 50).

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

Potential Upside



Bloomberg Analyst Ratings



Buys: 7
Holds: 2
Sells: 1

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	46.8	28.1	19.2
P/B	2.3	3.2	2.9
P/CF	17.7	15.7	12.1
P/S	1.8	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.



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Entry Price	RM3.10
Market Cap (m)	RM2,039.5
52w high	RM3.79
52w low	RM2.63
Stop Loss	RM2.65
Immediate Support	RM2.95
Immediate Resistance	RM3.79 (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)	997,175.8



Chin Hin Group Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: CHIN MK | KLSE Stock Code: 5273

Main Market
Industrial Products
Subsector – Building Materials

Current Price: RM4.23

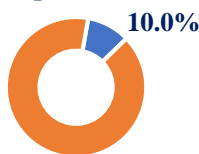
Target Price: RM4.64

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think that there is a potential upside supported by bullish marubozu coupled with a strong momentum on the stock (RSI > 70).

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 and expect EMA and SMA to hold moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 0

Holds: 1

Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	45.3	28.5	26.1
P/BV	2.8	1.8	1.7
P/CF	19.2	55.8	58.0
P/S	1.2	0.7	0.7

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

Company Overview

Chin Hin Group Berhad provides building materials and services. The Company offers steel mesh reinforcement, metal roofing systems, aerated autoclaved cement block, fire-rated doors, pre-cast concrete products, and cement. Chin Hin Group serves construction and building industries in Malaysia.



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Entry Price	RM4.22
Market Cap (m)	RM3,733.5
52w high	RM4.25
52w low	RM1.28
Stop Loss	RM3.61
Immediate Support	RM4.01
Immediate Resistance	RM4.26 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	1,737,864.5



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
23/6/2022	TAFI	7211	0.490	0.420	0.420	0.540	-3.4	-14.3	SL Triggered
23/6/2022	ChinHin	5273	3.410	4.100	2.920	3.750	5.1	20.2	TP Achieved
24/6/2022	F&N	3689	20.480	20.800	17.510	22.530	-0.1	1.6	-
24/6/2022	UWC	5292	3.360	3.710	2.870	3.700	2.2	10.4	TP Achieved
27/6/2022	NESTLE	4707	133.900	134.600	114.480	147.290	0.1	0.5	-
27/6/2022	HLFinancial	1082	18.620	18.700	15.920	20.480	0.9	0.4	-
28/6/2022	PPBGroup	4068	15.880	16.200	13.580	17.470	0.5	2.0	-
28/6/2022	PMBTech	7172	2.850	2.700	2.440	3.140	0.7	-5.3	-
30/6/2022	Pantech	5125	0.640	0.595	0.540	0.700	0.0	-7.0	-
30/6/2022	QL	7084	5.350	5.220	4.570	5.890	0.0	-2.4	-
1/7/2022	BerjayaFood	5196	4.080	3.840	3.490	4.490	0.3	-5.9	-
1/7/2022	ShangRiLa	5517	3.280	3.300	2.800	3.610	1.5	0.6	-
4/7/2022	HarnLen	7501	1.310	1.600	1.120	1.440	9.6	22.1	TP Achieved
4/7/2022	Scientex	4731	3.560	3.330	3.040	3.920	1.5	-6.5	-
5/7/2022	Boustead	2771	0.790	0.765	0.680	0.870	0.0	-3.2	-
5/7/2022	TSH	9059	1.090	0.985	0.930	1.200	-3.4	-9.6	-
6/7/2022	TimeDotCom	5031	4.420	4.490	3.780	4.850	-1.5	1.6	-
6/7/2022	PowerRoot	7237	1.770	1.780	1.510	1.950	-0.6	0.6	-
7/7/2022	CIMBGroup	1023	5.100	5.250	4.360	4.850	1.7	2.9	-
7/7/2022	Inari	0166	2.580	2.740	2.210	1.950	1.5	6.2	-
8/7/2022	AMMB	1015	3.850	3.900	3.290	4.240	0.8	1.3	-
8/7/2022	Boustead	2771	0.830	0.765	0.710	0.910	0.0	-7.8	-
12/7/2022	PetDag	5681	21.900	23.000	18.720	24.090	0.0	5.0	-
12/7/2022	PowerRoot	7237	1.850	1.780	1.580	2.040	-0.6	-3.8	-
13/7/2022	PPBGroup	5681	16.000	16.200	13.680	17.600	0.5	1.3	-
13/7/2022	ChinHin	5273	3.370	4.100	2.880	3.710	5.1	21.7	TP Achieved
14/7/2022	PIE	7095	2.850	3.280	2.440	3.140	-0.3	15.1	TP Achieved
14/7/2022	Nestle	4707	134.400	134.600	114.910	147.840	0.1	0.1	-
15/7/2022	QLResources	7084	5.350	5.220	4.570	5.350	0.0	-2.4	-
15/7/2022	HongLeongCapital	5274	5.780	6.200	4.940	5.970	0.5	7.3	-
18/7/2022	Frontken	0128	2.310	2.520	1.980	2.540	2.4	9.1	-
18/7/2022	Dufu	7233	2.640	2.910	2.260	2.900	-1.4	10.2	TP Achieved
19/7/2022	PPBGroup	4065	16.380	16.200	14.000	18.020	0.5	-1.1	-
19/7/2022	Genetec	0104	2.070	2.250	1.770	2.280	5.6	8.7	-
21/7/2022	Bonia	9288	2.020	2.140	1.730	2.220	-6.1	5.9	-
21/7/2022	SKP	7155	1.560	1.560	1.330	1.720	0.0	0.0	-
22/7/2022	Vitrox	0097	7.470	7.400	6.390	8.220	-0.9	-0.9	-
22/7/2022	Panamy	3719	26.680	26.600	22.810	29.350	-0.3	-0.3	-
25/7/2022	Lctitan	5284	2.050	2.050	1.750	2.260	6.2	0.0	-
25/7/2022	Maybank	1155	8.810	8.810	7.530	9.690	1.3	0.0	-

*TP=Target Price

**STOCK SELECTION BASED ON DIVIDEND YIELD**

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
AmFirst REIT	REIT	0.385	0.04	10.0
SHL Consolidated Bhd	Property	1.850	0.18	9.7
British American Tobacco Malay	Consumer	10.500	0.88	8.4
Al-Salam REIT	REIT	0.480	0.04	7.5
UOA REIT	REIT	1.160	0.09	7.4
Al-'Aqar Healthcare REIT	REIT	1.210	0.09	7.2
Matrix Concepts Holdings Bhd	Property	2.000	0.14	7.2
Pharmaniaga Bhd	Consumer	0.635	0.04	7.1
Amanahraya REIT	REIT	0.640	0.04	6.9
Uchi Technologies Bhd	Industrial	3.010	0.20	6.6
Malayan Banking Bhd	Finance	8.580	0.56	6.5
Tambun Indah Land Bhd	Property	0.815	0.05	6.5
Malaysia Building Society Bhd	Finance	0.555	0.03	6.3
Magnum Bhd	Consumer	1.650	0.10	6.2
Hong Leong Industries Bhd	Industrial	8.570	0.52	6.1

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	(8.8)	21.3	14.4	17.4	14.4	12.4	
Finance	2.9	13.0	11.5	12.4	12.3	9.6	
Property	(13.0)	13.8	11.2	12.2	11.8	8.9	
Plantation	3.4	94.6	8.7	43.3	8.7	7.8	
Consumer	(2.8)	25.6	11.9	21.4	11.9	16.7	
Technology	(37.7)	29.8	19.1	23.9	20.4	11.8	
Construction	(0.2)	22.2	13.9	17.9	13.9	11.4	
Energy	(10.7)	-	-	-	9.5	8.1	
Health care	(28.9)	52.6	8.8	30.7	8.8	22.8	
Ind Prod	(16.3)	38.6	9.3	23.5	9.3	10.8	
REIT	0.2	-	-	-	27.1	15.7	
Telco	(14.1)	25.1	23.0	24.0	23.0	16.7	
Transportations	(9.4)	-	-	-	-	15.7	
Utilities	(5.4)	-	-	-	14.3	12.2	

Source: Bloomberg

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