



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks were mixed yesterday with 390 gainers versus 409 losers as investors waited on the side-lines for the Federal Reserve's interest rate decision. The energy sector was the top percentage gainer leaping by 1.32% as crude oil rose during the Bursa trading session, while the construction sector was the top percentage loser decreasing by 0.67%. Dutch Lady (3026) was the top gainer increasing by RM0.40 or 1.23%. The FBM KLCI declined by 0.38% to 1,463.69.

We expect Malaysian equities to fall following steep losses on Wall Street overnight driven by unfavourable data from Walmart.

ECONOMICS

- **Palm oil** prices to fall more due to distress selling by Indonesia — LMC International

COMPANY

- **Alibaba** seeks primary Hong Kong listing as US expulsion looms
- **Coinbase** faces SEC investigation on cryptocurrency listings
- **Globetronics (7022)** 2Q net profit up 79% but warns of challenging outlook ahead
- **Kossan (7153)** 2Q earnings tumble 96%, expects near-term glove oversupply
- **UMediC (0256)** debuts on ACE Market at 18 sen above IPO price

EXPRESSO FOR THE DAY

- **Technical Watch – Dayang (5141)** – Entry Price RM0.97, Target Price RM1.06, Stop Loss RM0.83, Support RM0.92, Resistance RM1.00
- **Technical Watch – Bonia (9288)** – Entry Price RM2.23, Target Price RM2.45, Stop Loss RM1.91, Support RM2.12, Resistance RM2.28

Local		(%)
FBMKLCI	1,463.69	(0.4)
Volume (mil)	2,410.91	19.7
Value (RM'mil)	1,222.16	9.2
Gainers	390	
Losers	409	
Unchanged	410	

Foreign		(%)
Dow Jones	31,761.5	(0.7)
Nasdaq CI	11,562.6	(1.9)
S&P 500	3,921.1	(1.2)
FTSE 100	7,306.3	(0.0)
Nikkei 225	27,655.2	(0.2)
Shanghai CI	3,277.4	0.8
HSI	20,905.9	1.7
STI	3,192.1	0.4

Most Active	RM	Chg
MTRONIC-WB	0.035	(0.005)
UMC	0.440	-
SERBADK	0.110	0.025
MYEG	0.755	0.015
ZENTECH	0.050	(0.005)

Top Gainer	RM	Chg
DLADY	33.000	0.400
KESM	7.100	0.400
MPI	30.500	0.260
HEIM	22.720	0.220
CHINHIN-CB	0.420	0.175

Top Loser	RM	Chg
NESTLE	134.100	(0.400)
PEIGAS	16.640	(0.360)
PEIDAG	22.500	(0.300)
BKAWAN	22.800	(0.200)
UTDPLT	14.280	(0.160)

Other Stats		(%)
USD/MYR	4.46	0.12
USD/RMB	6.76	0.19
Brent (USD/barrel)	104.40	(0.71)
Gold (USD/troy oz)	1,717.32	(0.14)
CPO (RM/metric t)	3,783.5	(0.97)



DAILY NEWSWATCH

ECONOMICS

Palm oil prices will weaken further in the short term due to softer demand and "distress selling" by top producer Indonesia, commodities consultancy LMC International forecast on Tuesday (July 26). (The Edge)

COMPANY

Alibaba Group Holding Ltd will seek a primary listing in Hong Kong, entrenching the financial hub's status as an alternative to US markets ahead of a potential exodus of Chinese companies from New York. (The Edge)

Coinbase Global Inc is facing a US probe into whether it improperly let Americans trade digital assets that should have been registered as securities, according to three people familiar with the matter. (The Edge)

Globetronics Technology Bhd's (7022) 2QFY22 net profit rose 79% to RM11.19m from RM6.25m a year ago, thanks to higher foreign exchange gains, while a better product mix led to slightly higher sales. (The Edge)

Kossan Rubber Industries Bhd (7153) saw its net profit plunge by 95.6% to RM45.99m in 2QFY22, down from RM1.06bn a year ago, on the back of lower revenue and average selling price for gloves. (The Edge)

UMediC Group Bhd (0256) opened 56.25% or an impressive 18 sen above its IPO price of 32 sen, upon its debut on the ACE Market of Bursa Malaysia on Tuesday (July 26). (The Edge)



Dayang Enterprise Holdings Bhd

Technical Watch - "BUY on Potential Upside"

Bloomberg: DEHB MK | KLSE Stock Code: 5141

Main Market

Energy

Subsector – Energy

Current Price: RM0.97

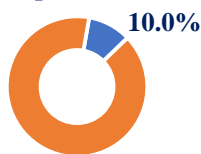
Target Price: RM1.06

Investment Highlights

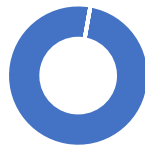
On a downtrend the stock is currently trading above the MA20. We think there is a potential upside supported by a bullish engulfing combined with a strong momentum on the stock (RSI > 55).

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 to hold and SMA to crossover moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 3
Holds: 0
Sells: 0

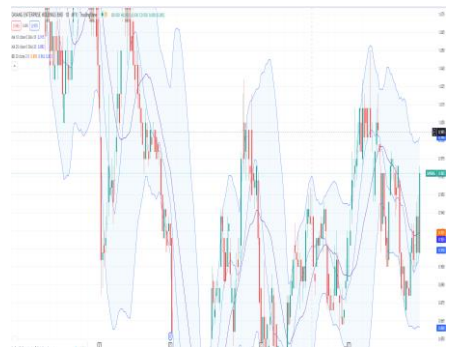
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	138.9	62.5	34.6
P/B	0.8	0.9	1.3
P/CF	3.8	4.1	7.7
P/S	1.6	1.4	1.9

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

Company Overview

Dayang Enterprise Holdings Bhd., through its subsidiaries, provides offshore maintenance services. The Company also offers minor fabrication operations, offshore hook-ups, and commissioning and chartering of marine vessels to the oil and gas industry.



Ronnie Tan

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Entry Price	RM0.97
Market Cap (m)	RM1,117.2
52w high	RM1.20
52w low	RM0.77
Stop Loss	RM0.83
Immediate Support	RM0.92
Immediate Resistance	RM1.00 (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)	7,579,961.9



Bonia Corporation Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: BON MK | KLSE Stock Code: 9288

Main Market
Consumer Products & Services
Subsector – Personal Goods

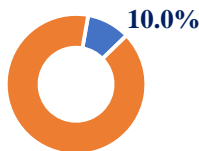
Current Price: RM2.23
Target Price: RM2.45

Investment Highlights

On an uptrend, 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 > 55).

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: 3
Holds: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	26.0	15.6	12.6
P/BV	0.6	0.5	0.7
P/CF	3.0	3.4	5.3
P/S	0.8	0.5	0.5

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

Company Overview

Bonia Corporation Berhad operates as an investment holding and management company. The Company designs, manufactures, retails, and wholesales leather goods, menswear, watches, eyewear, and other accessories, as well as develops and invests in properties. Bonia Corporation serves customers worldwide.



Ronnie Tan
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Entry Price	RM2.23
Market Cap (m)	RM446.9
52w high	RM2.86
52w low	RM0.80
Stop Loss	RM1.91
Immediate Support	RM2.12
Immediate Resistance	RM2.28 (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)	904,067.7



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
27/6/2022	NESTLE	4707	133.900	134.500	114.480	147.290	-0.1	0.4	-
27/6/2022	HLFinancial	1082	18.620	18.900	15.920	20.480	1.1	1.5	-
28/6/2022	PPBGroup	4068	15.880	16.200	13.580	17.470	0.0	2.0	-
28/6/2022	PMBTech	7172	2.850	2.680	2.440	3.140	-0.7	-6.0	-
30/6/2022	Pantech	5125	0.640	0.600	0.540	0.700	0.8	-6.3	-
30/6/2022	QL	7084	5.350	5.200	4.570	5.890	-0.4	-2.8	-
1/7/2022	BerjayaFood	5196	4.080	3.780	3.490	4.490	-1.6	-7.4	-
1/7/2022	ShangRiLa	5517	3.280	3.340	2.800	3.610	1.2	1.8	-
4/7/2022	HarnLen	7501	1.310	1.440	1.120	1.440	-10.0	9.9	TP Achieved
4/7/2022	Scientex	4731	3.560	3.350	3.040	3.920	0.6	-5.9	-
5/7/2022	Boustead	2771	0.790	0.790	0.680	0.870	3.3	0.0	-
5/7/2022	TSH	9059	1.090	1.000	0.930	1.200	1.5	-8.3	-
6/7/2022	TimeDotCom	5031	4.420	4.500	3.780	4.850	0.2	1.8	-
6/7/2022	PowerRoot	7237	1.770	1.780	1.510	1.950	0.0	0.6	-
7/7/2022	CIMBGroup	1023	5.100	5.220	4.360	4.850	-0.6	2.4	-
7/7/2022	Inari	0166	2.580	2.720	2.210	1.950	-0.7	5.4	-
8/7/2022	AMMB	1015	3.850	3.890	3.290	4.240	-0.3	1.0	-
8/7/2022	Boustead	2771	0.830	0.790	0.710	0.910	3.3	-4.8	-
12/7/2022	PetDag	5681	21.900	22.800	18.720	24.090	-0.9	4.1	-
12/7/2022	PowerRoot	7237	1.850	1.780	1.580	2.040	0.0	-3.8	-
13/7/2022	PPBGroup	5681	16.000	16.200	13.680	17.600	0.0	1.3	-
13/7/2022	ChinHin	5273	3.370	4.390	2.880	3.710	7.1	30.3	TP Achieved
14/7/2022	PIE	7095	2.850	3.300	2.440	3.140	0.6	15.8	TP Achieved
14/7/2022	Nestle	4707	134.400	134.500	114.910	147.840	-0.1	0.1	-
15/7/2022	QLResources	7084	5.350	5.200	4.570	5.350	-0.4	-2.8	-
15/7/2022	HongLeongCapital	5274	5.780	6.200	4.940	5.970	0.0	7.3	-
18/7/2022	Frontken	0128	2.310	2.520	1.980	2.540	0.0	9.1	-
18/7/2022	Dufu	7233	2.640	2.950	2.260	2.900	1.4	11.7	TP Achieved
19/7/2022	PPBGroup	4065	16.380	16.200	14.000	18.020	0.0	-1.1	-
19/7/2022	Genetec	0104	2.070	2.260	1.770	2.280	0.4	9.2	-
21/7/2022	Bonia	9288	2.020	2.080	1.730	2.220	-2.8	3.0	-
21/7/2022	SKP	7155	1.560	1.590	1.330	1.720	1.9	1.9	-
22/7/2022	Vitrox	0097	7.470	7.140	6.390	8.220	-3.5	-4.4	-
22/7/2022	Panamy	3719	26.680	26.360	22.810	29.350	-0.9	-1.2	-
25/7/2022	Lctitan	5284	2.050	2.010	1.750	2.260	-2.0	-2.0	-
25/7/2022	Maybank	1155	8.810	8.800	7.530	9.690	-0.1	-0.1	-
26/7/2022	Padini	7052	3.100	3.100	2.650	3.410	1.3	0.0	-
26/7/2022	Chin Hin	5273	4.230	4.390	3.610	4.640	7.1	3.8	-
27/7/2022	Dayang	5141	0.970	0.910	0.830	1.060	-2.7	-6.2	-
27/7/2022	Bonia	9288	2.230	2.080	1.910	2.450	-2.8	-6.7	-

*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	1.920	0.18	9.4
Al-Salam REIT	REIT	0.450	0.04	8.0
British American Tobacco Malay	Consumer	10.860	0.86	8.0
UOA REIT	REIT	1.160	0.09	7.4
Al-'Aqar Healthcare REIT	REIT	1.220	0.09	7.1
Amanahraya REIT	REIT	0.635	0.04	7.0
Uchi Technologies Bhd	Industrial	3.010	0.20	6.6
Capitaland Malaysia Trust	REIT	0.580	0.04	6.6
Matrix Concepts Holdings Bhd	Property	2.200	0.14	6.5
Malayan Banking Bhd	Finance	8.770	0.56	6.4
Pharmaniaga Bhd	Consumer	0.665	0.04	6.3
Magnum Bhd	Consumer	1.620	0.10	6.3
Malaysia Building Society Bhd	Finance	0.580	0.04	6.0
Tambun Indah Land Bhd	Property	0.900	0.05	5.9

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	(6.7)	21.3	14.7	17.4	14.7	12.7	
Finance	5.8	13.0	11.5	12.4	12.7	9.8	
Property	(11.2)	13.8	11.2	12.2	12.1	9.2	
Plantation	4.2	94.6	8.8	43.3	8.8	7.7	
Consumer	(1.7)	25.6	12.0	21.4	12.0	16.9	
Technology	(36.0)	29.8	19.1	24.0	21.0	12.2	
Construction	1.2	22.2	14.1	18.0	14.1	11.6	
Energy	(8.7)	-	-	-	9.8	8.3	
Health care	(27.0)	52.6	9.1	30.8	9.1	23.4	
Ind Prod	(12.7)	38.6	9.7	23.6	9.7	11.4	
REIT	1.3	-	-	-	27.1	15.8	
Telco	(12.7)	25.1	23.4	24.2	23.4	17.0	
Transportations	(7.4)	-	-	-	-	16.0	
Utilities	(3.8)	-	-	-	14.6	12.4	

Source: Bloomberg

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