



**DAILY NEWSWATCH**

**MARKET REVIEW**

Malaysian stocks ended lower in line with weakness in major Asian equity markets. Market breadth was negative with 486 losers versus 364 gainers. The transportation & logistics sector was the top percentage loser falling by 0.98%, while the energy sector was the top percentage gainer increasing by 1.20%. Heineken Malaysia (3255) was the top loser decreasing by RM0.36 or 1.44%. The FBM KLCI dipped by 0.10% to 1,516.62.

We expect Malaysian stocks to stage a recovery in the short-term on improving risk sentiment.

**ECONOMICS**

- **Malaysia's July new car sales** volume jumps to 48,922 from 7,499 a year earlier — MAA

**COMPANY**

- **Agmo (0258)** makes strong ACE Market debut at 80 sen, notching a premium of 54 sen
- **Dialog's (7277)** 4Q net profit falls 15% on higher project cost, losses in some projects
- **Magnum (3859)** 2Q net profit jumps to RM26.4m as gaming sales continue to recover
- **MISC (3816)** books 2Q net loss of RM19m, pays seven sen dividend
- **SGX** reports FY22 earnings of S\$451.4m, up 1%; maintains full year dividend payout at 32 cents
- **S P Setia (8664)** secures sales of RM1.67 bn in 1HFY22

**EXPRESSO FOR THE DAY**

- **Technical Watch – CORAZA (0240)** – Entry Price RM0.83, Target Price RM0.91, Stop Loss RM0.71, Support RM0.78, Resistance RM0.84
- **Technical Watch – AMMB (1015)** – Entry Price RM4.07, Target Price RM4.48, Stop Loss RM3.48, Support RM3.87, Resistance RM4.08

| Local                 |          | (%)    |
|-----------------------|----------|--------|
| <b>FBMKLCI</b>        | 1,516.62 | (0.0)  |
| <b>Volume (mil)</b>   | 2,513.50 | 1.1    |
| <b>Value (RM'mil)</b> | 1,951.23 | (13.9) |
| <b>Gainers</b>        | 364      |        |
| <b>Losers</b>         | 486      |        |
| <b>Unchanged</b>      | 416      |        |

| Foreign            |          | (%)   |
|--------------------|----------|-------|
| <b>Dow Jones</b>   | 33,999.0 | 0.1   |
| <b>Nasdaq CI</b>   | 12,965.3 | 0.2   |
| <b>S&amp;P 500</b> | 4,283.7  | 0.2   |
| <b>FTSE 100</b>    | 7,541.9  | 0.3   |
| <b>Nikkei 225</b>  | 28,942.1 | (1.0) |
| <b>Shanghai CI</b> | 3,277.5  | (0.5) |
| <b>HSI</b>         | 19,763.9 | (0.8) |
| <b>STI</b>         | 3,273.5  | 0.3   |

| Most Active    | RM    | Chg   |
|----------------|-------|-------|
| <b>MTRONIC</b> | 0.050 | 0.0   |
| <b>CNERGEN</b> | 0.910 | 0.2   |
| <b>AGMO</b>    | 0.785 | -     |
| <b>HARTA</b>   | 1.800 | 0.1   |
| <b>PHB</b>     | 0.010 | (0.0) |

| Top Gainer     | RM     | Chg   |
|----------------|--------|-------|
| <b>KOTRA</b>   | 4.440  | 0.280 |
| <b>PETGAS</b>  | 17.300 | 0.280 |
| <b>MASTER</b>  | 1.880  | 0.210 |
| <b>SUNMOW</b>  | 0.950  | 0.200 |
| <b>CNERGEN</b> | 0.910  | 0.185 |

| Top Loser      | RM      | Chg     |
|----------------|---------|---------|
| <b>HEIM</b>    | 24.600  | (0.360) |
| <b>MISC</b>    | 6.870   | (0.350) |
| <b>NESTLE</b>  | 136.100 | (0.300) |
| <b>CHINHIN</b> | 2.420   | (0.210) |
| <b>ORIENT</b>  | 6.610   | (0.150) |

| Other Stats               |          | (%)    |
|---------------------------|----------|--------|
| <b>USD/MYR</b>            | 4.47     | 0.14   |
| <b>USD/RMB</b>            | 6.79     | 0.08   |
| <b>Brent (USD/barrel)</b> | 96.59    | 3.14   |
| <b>Gold (USD/troy oz)</b> | 1,758.61 | (0.18) |
| <b>CPO (RM/metric t)</b>  | 4,163.0  | (1.28) |



**DAILY NEWSWATCH**

**ECONOMICS**

**Malaysia's July new car sales** volume jumped to 48,922 units from 7,499 a year earlier, the Malaysian Automotive Association said on Thursday (Aug 18). (The Edge)

**COMPANY**

**Agmo Holdings Bhd (0258)** made a strong debut on the ACE Market of Bursa Malaysia on Thursday (Aug 18) at 80 sen, notching a premium of 54 sen, 207.7% higher than its initial public offering price of 26 sen. (The Edge)

**Dialog Group Bhd's (7277)** net profit fell 14.65% to RM118.25m for 4QFY22, from RM138.54m a year earlier, on higher project cost and losses in some of the projects under both its local downstream and international businesses. (The Edge)

**Magnum Bhd's (3859)** net profit for 2QFY22 jumped to RM26.4m, over 12 times the RM2.05m it made in the same period last year, as it recorded better sales under its gaming division. (The Edge)

**MISC Bhd (3816)** slipped into the red, with a net loss of RM19.1m, for 2QFY22, against a net profit of RM538.8m for the same quarter last year, amid higher impairment losses on non-current assets and finance costs, as well as its share of losses from joint ventures. (The Edge)

**The Singapore Exchange** has reported earnings of S\$451.4m for its FY22 ended June, up 1% over the preceding year's S\$445.4m. (The Edge)

**S P Setia Bhd (8664)** net profit for 2QFY22 rose 6.95% to RM80.09m from RM74.81m a year earlier, on the back of a revenue of RM1.02 bn versus RM1.08 bn previously. (The Edge)

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## Coraza Integrated Technology Berhad

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

Bloomberg: CORAZA MK | KLSE Stock Code: 0240

Main Market  
Industrial Products & Services  
Subsector – Indstrl Engineering

Current Price: RM0.83

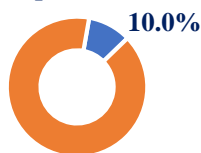
Target Price: RM0.91

#### Investment Highlights

On a sideways, the stock is currently trading above the MA20. We think there is a potential upside supported by a bullish engulfing with a 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 the 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: 4**  
**Holds: 0**  
**Sells: 0**

#### Fundamentals

|      | 2Y Avg (x) | 5Y Avg (x) | 10Y Avg (x) |
|------|------------|------------|-------------|
| P/E  | 16.4       | 16.4       | 16.4        |
| P/B  | 6.9        | 6.9        | 6.9         |
| P/CF | 1667.9     | 1667.9     | 1667.9      |
| P/S  | 2.0        | 2.0        | 2.0         |

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

#### Company Overview

Coraza Integrated Technology Berhad is a metal fabricating company. The Company specializes in fabrication of sheet metal, precision engineering, and electro-mechanical assembly, such as cutting, bending, welding, milling, turning, and tapping. Coraza Integrated Technology serves customers globally.



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|                            |                                 |
|----------------------------|---------------------------------|
| Entry Price                | RM0.83                          |
| Market Cap (m)             | RM353.4                         |
| 52w high                   | RM0.98                          |
| 52w low                    | RM0.51                          |
| Stop Loss                  | RM0.71                          |
| Immediate Support          | RM0.78                          |
| Immediate Resistance       | RM0.84 (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)   | 8,189,381.0                     |



# AMMB Holdings Berhad

## Technical Watch - "BUY on Potential Upside"

Bloomberg: AMM MK | KLSE Stock Code: 1015

Main Market  
Financial Services  
Subsector – Banking

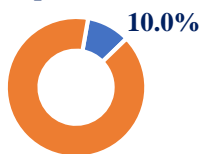
Current Price: RM4.07  
Target Price: RM4.48

### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential upside supported by bullish engulfing 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: 10**  
**Holds: 5**  
**Sells: 0**

### Fundamentals

|      | 2Y Avg (x) | 5Y Avg (x) | 10Y Avg (x) |
|------|------------|------------|-------------|
| P/E  | 7.9        | 8.2        | 8.5         |
| P/BV | 0.6        | 0.6        | 0.8         |
| P/CF | 3.1        | 3.0        | 5.7         |
| P/S  | 1.6        | 1.6        | 1.8         |

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

### Company Overview

AMMB Holdings Berhad is an investment holding company. The Company, through its subsidiaries, provides merchant and commercial banking, retail financing, stock and futures broking, and investment advisory. AMMB also underwrites general insurance, provides asset and unit trust management, and nominee services.



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|                            |                                 |
|----------------------------|---------------------------------|
| Entry Price                | RM4.07                          |
| Market Cap (m)             | RM13,487.4                      |
| <b>52w high</b>            | RM4.14                          |
| <b>52w low</b>             | RM2.86                          |
| Stop Loss                  | RM3.48                          |
| Immediate Support          | RM3.87                          |
| Immediate Resistance       | RM4.08 (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)   | 3,962,669.9                     |



## TECHNICAL ANALYSIS SCOREBOARD

| Date      | Stock       | Code | Entry (RM) | Prev Close (RM) | Stop Loss (RM) | TP (RM) | Day Change (%) | Gain/Loss from TP (%) | Remark      |
|-----------|-------------|------|------------|-----------------|----------------|---------|----------------|-----------------------|-------------|
| 22/7/2022 | Vitrox      | 0097 | 7.470      | 7.400           | 6.390          | 8.220   | -1.3           | -0.9                  | -           |
| 22/7/2022 | Panamy      | 3719 | 26.680     | 26.900          | 22.810         | 29.350  | 1.3            | 0.8                   | -           |
| 25/7/2022 | Lctitan     | 5284 | 2.050      | 1.760           | 1.750          | 2.260   | 1.7            | -14.1                 | -           |
| 25/7/2022 | Maybank     | 1155 | 8.810      | 8.970           | 7.530          | 9.690   | 0.0            | 1.8                   | -           |
| 26/7/2022 | Padini      | 7052 | 3.100      | 3.270           | 2.650          | 3.410   | 3.2            | 5.5                   | -           |
| 26/7/2022 | Chin Hin    | 5273 | 4.230      | 2.635           | 3.610          | 4.640   | 3.1            | -37.7                 | TP Achieved |
| 27/7/2022 | Dayang      | 5141 | 0.970      | 0.980           | 0.830          | 1.060   | 0.5            | 1.0                   | -           |
| 27/7/2022 | Bonia       | 9288 | 2.230      | 2.400           | 1.910          | 2.450   | -2.0           | 7.6                   | -           |
| 28/7/2022 | AEONCR      | 5139 | 14.480     | 14.080          | 12.380         | 15.930  | 0.7            | -2.8                  | -           |
| 28/7/2022 | BerjayaFood | 5196 | 3.980      | 4.200           | 3.400          | 4.380   | -3.2           | 5.5                   | -           |
| 29/7/2022 | Axiata      | 6888 | 2.850      | 3.100           | 2.440          | 3.140   | 0.6            | 8.8                   | -           |
| 29/7/2022 | SAM         | 9822 | 3.500      | 4.400           | 2.990          | 3.850   | -1.6           | 25.7                  | TP Achieved |
| 1/8/2022  | Unisem      | 5005 | 3.000      | 2.990           | 2.570          | 3.300   | -1.3           | -0.3                  | -           |
| 1/8/2022  | TNB         | 5347 | 8.260      | 8.870           | 7.060          | 9.090   | -0.2           | 7.4                   | -           |
| 2/8/2022  | KLK         | 2445 | 22.540     | 23.000          | 19.270         | 24.790  | 2.4            | 2.0                   | -           |
| 2/8/2022  | F&N         | 3689 | 22.020     | 22.800          | 18.830         | 24.240  | -0.8           | 3.5                   | -           |
| 3/8/2022  | Heineken    | 3255 | 22.540     | 24.960          | 20.180         | 26.070  | -0.2           | 10.7                  | TP Achieved |
| 3/8/2022  | HarnLen     | 7501 | 1.640      | 1.760           | 1.400          | 1.800   | 0.6            | 7.3                   | -           |
| 4/8/2022  | Vitrox      | 0097 | 7.790      | 7.400           | 6.660          | 8.570   | -1.3           | -5.0                  | -           |
| 4/8/2022  | Axiata      | 6888 | 2.950      | 3.100           | 2.520          | 3.250   | 0.6            | 5.1                   | -           |
| 8/8/2022  | Harrison    | 5008 | 5.750      | N/A             | 4.920          | 6.330   | N/A            | N/A                   | -           |
| 8/8/2022  | Hextar      | 5151 | 1.670      | 1.650           | 1.430          | 1.840   | -0.6           | -1.2                  | -           |
| 9/8/2022  | DKSH        | 5908 | 4.330      | 4.200           | 3.640          | 4.760   | -2.3           | -3.0                  | -           |
| 9/8/2022  | BIG         | 7008 | 0.760      | 0.830           | 0.710          | 0.840   | -1.2           | 9.2                   | TP Achieved |
| 10/8/2022 | Signature   | 7246 | 1.500      | 1.440           | 1.270          | 1.640   | -3.4           | -4.0                  | -           |
| 10/8/2022 | PetGas      | 6033 | 17.280     | 17.020          | 14.790         | 19.030  | -1.6           | -1.5                  | -           |
| 11/8/2022 | TexChem     | 8702 | 3.150      | 3.660           | 2.690          | 3.470   | -1.6           | 16.2                  | TP Achieved |
| 11/8/2022 | SimePlt     | 5285 | 4.510      | 4.680           | 3.860          | 4.960   | -0.2           | 3.8                   | -           |
| 12/8/2022 | SAM         | 9822 | 4.590      | 4.400           | 2.750          | 5.050   | -1.6           | -4.1                  | -           |
| 12/8/2022 | Heineken    | 3255 | 24.440     | 24.960          | 20.900         | 26.880  | -0.2           | 2.1                   | -           |
| 15/8/2022 | Kobay       | 6971 | 3.220      | 2.990           | 2.750          | 3.540   | -2.3           | -7.1                  | -           |
| 15/8/2022 | Guan        | 5102 | 2.410      | 2.520           | 2.060          | 2.650   | 2.9            | 4.6                   | -           |
| 16/8/2022 | Signature   | 7246 | 1.520      | 1.440           | 1.300          | 1.670   | -3.4           | -5.3                  | -           |
| 16/8/2022 | Carlsberg   | 2836 | 24.040     | 24.000          | 20.550         | 26.440  | 0.0            | -0.2                  | -           |
| 17/8/2022 | Digi        | 6947 | 3.860      | 3.790           | 3.300          | 4.250   | -1.8           | -1.8                  | -           |
| 17/8/2022 | Bonia       | 9288 | 2.450      | 2.400           | 2.090          | 2.700   | -2.0           | -2.0                  | -           |
| 18/8/2022 | KLK         | 2445 | 23.000     | 23.000          | 19.670         | 25.300  | 2.4            | 0.0                   | -           |
| 18/8/2022 | SKP         | 7155 | 1.730      | 1.730           | 1.480          | 1.900   | 5.5            | 0.0                   | -           |
| 19/8/2022 | CORAZA      | 0240 | 0.830      | 0.755           | 0.710          | 0.910   | -7.4           | -9.0                  | -           |
| 19/8/2022 | AMMB        | 1015 | 4.070      | 3.990           | 3.480          | 4.480   | -0.7           | -2.0                  | -           |

\*TP=Target Price

**STOCK SELECTION BASED ON DIVIDEND YIELD**

| Company                        | Sector     | Price RM | Dividend / Share RM | Dividend Yield (%) |
|--------------------------------|------------|----------|---------------------|--------------------|
| AmFirst REIT                   | REIT       | 0.375    | 0.04                | 10.3               |
| SHL Consolidated Bhd           | Property   | 1.940    | 0.18                | 9.3                |
| YTL Hospitality REIT           | REIT       | 0.930    | 0.08                | 8.4                |
| British American Tobacco Malay | Consumer   | 10.360   | 0.86                | 8.3                |
| Al-Salam REIT                  | REIT       | 0.445    | 0.04                | 8.1                |
| UOA REIT                       | REIT       | 1.130    | 0.09                | 7.6                |
| Al-'Aqar Healthcare REIT       | REIT       | 1.210    | 0.09                | 7.2                |
| Capitaland Malaysia Trust      | REIT       | 0.545    | 0.04                | 7.0                |
| Amanahraya REIT                | REIT       | 0.660    | 0.04                | 6.7                |
| Pharmaniaga Bhd                | Consumer   | 0.655    | 0.04                | 6.4                |
| Uchi Technologies Bhd          | Industrial | 3.110    | 0.20                | 6.4                |
| Matrix Concepts Holdings Bhd   | Property   | 2.250    | 0.14                | 6.4                |
| Malayan Banking Bhd            | Finance    | 8.950    | 0.56                | 6.3                |
| Magnum Bhd                     | Consumer   | 1.670    | 0.10                | 6.1                |
| Malaysia Building Society Bhd  | Finance    | 0.595    | 0.04                | 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            | (3.3)      | 21.3              | 15.9      | 17.7 | 15.9 | 14.0    |            |
| Finance         | 8.0        | 13.0              | 11.5      | 12.5 | 12.9 | 7.7     |            |
| Property        | (8.3)      | 13.8              | 11.2      | 12.3 | 12.3 | 9.5     |            |
| Plantation      | 11.1       | 94.6              | 9.4       | 43.4 | 9.4  | 9.8     |            |
| Consumer        | 0.8        | 25.6              | 12.2      | 21.5 | 12.2 | 16.5    |            |
| Technology      | (31.4)     | 29.8              | 19.1      | 24.3 | 22.2 | 21.0    |            |
| Construction    | 3.8        | 22.2              | 14.5      | 18.1 | 14.5 | 11.6    |            |
| Energy          | (5.7)      | -                 | -         | -    | 10.1 | 8.7     |            |
| Health care     | (31.0)     | 52.6              | 12.2      | 32.4 | 12.2 | 22.9    |            |
| Ind Prod        | (9.8)      | 38.6              | 10.2      | 23.7 | 10.2 | 11.2    |            |
| REIT            | 1.6        | -                 | -         | -    | 25.2 | 16.0    |            |
| Telco           | (7.8)      | 25.2              | 25.1      | 25.1 | 25.2 | 18.5    |            |
| Transportations | (6.2)      | -                 | -         | -    | -    | 3.5     |            |
| Utilities       | 0.3        | -                 | -         | -    | 14.8 | 12.6    |            |

Source: Bloomberg

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