



DAILY NEWSWATCH

MARKET REVIEW

Malaysian equities moved higher last Friday in line with strength in global equity markets. Market breadth was positive with 456 gainers versus 336 losers. The technology sector was the top percentage gainer rising by 0.84%, while the REIT sector was the top percentage loser decreasing by 0.61%. Fraser & Neave Holdings (3689) was a major gainer increasing by RM0.24 or 1.1%. The FBM KLCI inched 0.12% higher to 1,496.53.

We expect Malaysian equities to rise following strong gains on Wall Street last Friday.

ECONOMICS

- Lagarde says **ECB** cannot offer liquidity to energy firms
- **Malaysia's economy** to record stronger growth in 3Q, says Zafrul
- **Oil** rises 4% on supply threats, still set for weekly drop

COMPANY

- **Destini (7212)** wins RM164m MRO contract for 10 electric trains run by KTMB
- **HeiTech Padu (5028)** bags RM67m maintenance contract from Mindef
- **IHH (5225)** says talks for planned acquisition of Ramsay Sime Darby for RM5.67 bn ended with no agreement
- **Oriental Holdings (4006)** to build RM150m medical centre in Johor

EXPRESSO FOR THE DAY

- **Technical Watch – Yinson (7172)** – Entry Price RM2.27, Target Price RM2.50, Stop Loss RM1.94, Support RM2.16, Resistance RM2.31
- **Technical Watch – Power Root (7237)** – Entry Price RM2.12, Target Price RM2.33, Stop Loss RM1.79, Support RM1.99, Resistance RM2.01

Local		(%)
FBMKLCI	1,496.53	0.1
Volume (mil)	2,358.34	(1.4)
Value (RM'mil)	1,484.17	(20.3)
Gainers	456	
Losers	336	
Unchanged	407	

Foreign		(%)
Dow Jones	32,151.7	1.2
Nasdaq CI	12,112.3	2.1
S&P 500	4,067.4	1.5
FTSE 100	7,351.1	1.2
Nikkei 225	28,214.8	0.5
Shanghai CI	3,262.1	0.8
HSI	19,362.3	2.7
STI	3,263.0	0.9

Most Active	RM	Chg
MTRONIC	0.035	(0.010)
TANCO-WC	0.120	0.055
CNERGEN	1.020	0.110
TAWIN	0.060	(0.005)
TANCO	0.285	0.025

Top Gainer	RM	Chg
DIN045801028	102.500	0.500
FANG-2XL	6.920	0.350
F&N	22.500	0.240
KOTRA	4.200	0.200
MI	1.320	0.190

Top Loser	RM	Chg
NESTLE	131.900	(1.000)
PEIDAG	21.580	(0.300)
HSI-HEI	0.745	(0.230)
CARLSBG	22.900	(0.200)
HSI-HE3	1.300	(0.200)

Other Stats		(%)
USD/MYR	4.50	(0.10)
USD/RMB	6.93	(0.45)
Brent (USD/barrel)	92.84	4.14
Gold (USD/troy oz)	1,716.83	0.49
CPO (RM/metric t)	3,623.0	(1.09)



DAILY NEWSWATCH

ECONOMICS

European Central Bank president Christine Lagarde has ruled out providing short-term financing lines to struggling energy firms — saying that is the job of European Union governments. (The Edge)

The government is optimistic that the economy in the third quarter of this year will show stronger growth based on current positive economic indicators. (The Edge)

Oil prices rose about 4% on Friday (Sept 9), supported by real and threatened cuts to supply, although futures posted a second weekly decline as aggressive interest rate hikes and China's Covid-19 curbs weighed on the demand outlook. (The Edge)

COMPANY

Destini Bhd (7212) said the group has won another maintenance, repair and overhaul contract worth RM163.61m from the Ministry of Transport. (The Edge)

HeiTech Padu Bhd (5028) has bagged a RM66.84m contract from the Ministry of Defence (Mindef) for the maintenance of tactical operational flight trainer, computer based training, facility and enhance training aid system in the Sukhoi 30-MKM simulator building. (The Edge)

IHH Healthcare Bhd (5225) said its discussions with Sime Darby Holdings Bhd and Ramsay Health Care — for IHH's proposed acquisition of 100% of Ramsay Sime Darby Health Care Sdn Bhd — had concluded without a binding agreement. (The Edge)

Conglomerate **Oriental Holdings Bhd (4006)** will be investing RM150m to build a new hospital, called the Oriental Medical Segamat, in Johor. (The Edge)



Yinson Holdings Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: YNS MK | KLSE Stock Code: 7293

Main Market
Energy
Subsector – Energy Infra

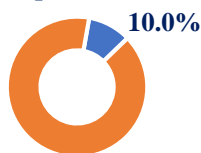
Current Price: RM2.27
Target Price: RM2.50

Investment Highlights

On a trend reversal, the stock is currently trading above the MA20. We think there is a potential upside supported by a bullish marubozu 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 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: 11
Holds: 0
Sells: 0

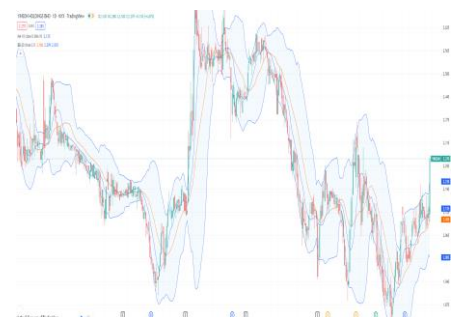
Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	15.3	19.8	17.1
P/B	1.4	1.5	1.7
P/CF	N/A	12.9	75.8
P/S	1.3	3.3	3.5

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

Company Overview

Yinson Holdings Berhad operates as an investment holding company. The Company, through its subsidiaries, provides integrated offshore production and support services through chartering arrangement of its floating production storage and offloading and floating storage and offloading facilities.



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Entry Price	RM2.27
Market Cap (m)	RM6,595.2
52w high	RM2.76
52w low	RM1.83
Stop Loss	RM1.94
Immediate Support	RM2.16
Immediate Resistance	RM2.31 (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)	1,348,215.0



Power Root Berhad

Technical Watch - "BUY on Potential Breakout"

Bloomberg: PWRT MK | KLSE Stock Code: 7237

Main Market
Consumer Products & Services
Subsector – Food & Beverages

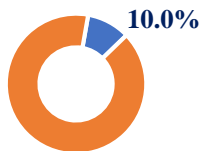
Current Price: RM2.06
Target Price: RM2.33

Investment Highlights

On a trend reversal, the stock is currently trading above the MA20. We think that there is a potential breakout of resistance supported by a bullish marubozu coupled with a strong 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 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: 2
Holds: 2
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	27.9	25.4	17.2
P/BV	2.5	2.5	2.2
P/CF	19.9	18.3	14.3
P/S	1.9	1.7	1.4

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

Company Overview

Power Root Bhd bottles beverages. The Company produces ready-to-drink coffee, tea, and energy drinks.



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Entry Price	RM2.09
Market Cap (m)	RM869.4
52w high	RM2.14
52w low	RM1.24
Stop Loss	RM1.79
Immediate Support	RM1.99
Immediate Resistance	RM2.01 (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)	212,014.3



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
11/8/2022	TexChem	8702	3.150	3.280	2.690	3.470	0.0	4.1	TP Achieved
11/8/2022	SimePlt	5285	4.510	4.240	3.860	4.960	-0.9	-6.0	-
12/8/2022	SAM	9822	4.590	4.410	2.750	5.050	0.5	-3.9	-
12/8/2022	Heineken	3255	24.440	23.820	20.900	26.880	-0.4	-2.5	-
15/8/2022	Kobay	6971	3.220	2.660	2.750	3.540	-0.7	-17.4	SL Triggered
15/8/2022	Guan	5102	2.410	2.310	2.060	2.650	0.9	-4.1	-
16/8/2022	Signature	7246	1.520	1.680	1.300	1.670	-1.2	10.5	TP Achieved
16/8/2022	Carlsberg	2836	24.040	22.920	20.550	26.440	-0.4	-4.7	-
17/8/2022	Digi	6947	3.860	3.540	3.300	4.250	-1.4	-8.3	-
17/8/2022	Bonia	9288	2.450	2.220	2.090	2.700	-1.3	-9.4	-
18/8/2022	KLK	2445	23.000	22.340	19.670	25.300	-0.1	-2.9	-
18/8/2022	SKP	7155	1.730	1.680	1.480	1.900	-1.2	-2.9	-
19/8/2022	CORAZA	0240	0.830	0.745	0.710	0.910	0.0	-10.2	-
19/8/2022	AMMB	1015	4.070	4.060	3.480	4.480	0.5	-0.2	-
21/8/2022	Padini	7052	3.370	3.400	2.880	3.710	-0.9	0.9	-
21/8/2022	MPI	3867	34.480	29.300	29.480	37.930	-0.7	-15.0	SL Triggered
22/8/2022	Pantech	5125	0.670	0.695	0.570	0.740	1.5	3.7	-
22/8/2022	Harbour	2062	1.170	1.270	1.000	1.290	-3.1	8.5	TP Achieved
23/8/2022	Atech	5302	1.610	1.630	1.380	1.770	0.6	1.2	-
23/8/2022	Hibiscus	5199	0.970	1.010	0.830	1.290	-2.9	4.1	-
24/8/2022	PMB	7172	3.490	3.900	2.980	3.840	-2.3	11.7	TP Achieved
24/8/2022	DRBHicom	1619	1.400	1.560	1.200	1.540	-4.9	11.4	TP Achieved
25/8/2022	TexChem	8702	3.690	3.280	3.150	4.060	0.0	-11.1	-
25/8/2022	TNB	5347	8.780	8.770	7.510	9.660	2.3	-0.1	-
26/8/2022	Scientex	4731	3.610	3.600	3.090	3.970	0.3	-1.6	-
26/8/2022	ChinHin	5273	2.540	2.500	2.170	2.790	-0.4	0.7	-
29/8/2022	Pchem	5183	8.900	9.000	7.610	9.790	3.0	3	-
29/8/2022	MFCB	3069	3.600	3.490	3.080	3.900	0.3	5.3	-
30/8/2022	KLK	2445	22.82	8.9	7.61	24.66	2.4	3	-
30/8/2022	PetDag	5681	22.42	3.6	3.08	24.66	1.7	5.3	-
1/9/2022	PanaMY	3719	26.700	26.520	22.830	29.370	0.1	7.6	-
1/9/2022	PowerRoot	7237	1.960	2.120	1.680	2.160	6.0	9.9	-
2/9/2022	Padini	7052	3.370	3.400	2.880	3.710	-0.9	0.9	-
2/9/2022	MPI	3867	34.480	29.300	29.480	37.930	-0.7	-15.0	SL Triggered
5/9/2022	Jag	0024	0.350	0.340	0.290	0.380	0.0	-2.9	-
5/9/2022	Hexind	0161	0.390	0.420	0.330	0.430	2.4	7.7	-
6/9/2022	PressMetal	3719	4.720	4.990	4.040	5.190	4.0	5.7	-
6/9/2022	DRBHicom	1619	1.550	1.560	1.330	1.710	-4.9	0.6	-
8/9/2022	Yinson	7293	2.270	2.270	1.940	2.500	6.1	0.0	-
8/9/2022	PowerRoot	7237	2.120	2.120	1.790	2.330	6.0	0.0	-

*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	1.950	0.18	9.2
British American Tobacco Malay	Consumer	10.260	0.86	8.4
YTL Hospitality REIT	REIT	0.930	0.08	8.2
UOA REIT	REIT	1.140	0.09	7.5
Pharmaniaga Bhd	Consumer	0.570	0.04	7.0
Al-'Aqar Healthcare REIT	REIT	1.240	0.09	7.0
Capitaland Malaysia Trust	REIT	0.545	0.04	7.0
Tambun Indah Land Bhd	Property	0.830	0.06	6.9
Uchi Technologies Bhd	Industrial	3.260	0.21	6.4
Malayan Banking Bhd	Finance	8.940	0.56	6.2
YTL Power International Bhd	Utilities	0.755	0.05	6.1
Malaysia Building Society Bhd	Finance	0.595	0.04	5.9
Pavilion REIT	REIT	1.280	0.08	5.9
Sunway REIT	REIT	1.450	0.08	5.7

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	(4.6)	21.3	15.5	17.6	15.5	13.0	
Finance	7.6	13.0	11.5	12.5	12.9	7.2	
Property	(7.4)	13.8	10.8	12.0	10.8	9.8	
Plantation	7.3	94.6	8.7	43.3	8.7	13.7	
Consumer	(0.5)	25.6	18.2	22.7	18.2	16.3	
Technology	(34.9)	29.8	19.1	24.1	21.5	20.2	
Construction	2.6	22.2	9.9	17.1	9.9	12.2	
Energy	0.4	-	-	-	7.6	9.4	
Health care	(33.5)	52.6	13.2	32.9	13.2	22.1	
Ind Prod	(8.5)	38.6	10.4	23.7	10.4	11.7	
REIT	(0.2)	-	-	-	24.5	15.7	
Telco	(8.5)	26.2	25.1	25.6	26.2	18.1	
Transportations	(5.7)	-	-	-	-	16.5	
Utilities	1.1	-	-	-	12.8	12.7	

Source: Bloomberg

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