



DAILY NEWSWATCH

MARKET REVIEW

The FBM KLCI rose in line with strength in most major Asian equity indices yesterday. Market breadth was mixed with 415 gainers versus 385 losers. The transportation & logistics sector was the top percentage gainer leaping by 1.06%, while the energy sector was the only sector to finish in the red declining by 0.46%. Malaysian Pacific Industries (3867) was the top gainer increasing by RM0.38 or 1.31%. The FBM KLCI rose by 0.66% to 1,461.10.

We expect Malaysian stocks to decline following weakness on Wall Street overnight.

ECONOMICS

- **BNM: Malaysia's daily FX turnover** highest YTD as ringgit trades at weakest level against US dollar in 24 years
- **Malaysia's 1H palm product exports** reach RM71 bn
- **SERC** revises Malaysia's GDP forecast to 6.5% from 5.2%

COMPANY

- **AME REIT (5307)** makes modest debut on Bursa at RM1.14
- **AME REIT (5307)** eyeing to buy three more industrial properties from sponsor
- **Top Glove (7113)** closes final quarter of FY22 in the red with net loss of RM53m

EXPRESSO FOR THE DAY

- **Technical Watch – Chin Hin (5273)** – Entry Price RM2.78, Target Price RM3.06, Stop Loss RM2.38, Support RM2.64, Resistance RM2.69
- **Technical Watch – Thong Guan (7034)** – Entry Price RM2.72, Target Price RM2.99, Stop Loss RM2.33, Support RM2.58, Resistance RM2.66

Local		(%)
FBMKLCI	1,461.10	0.7
Volume (mil)	2,116.20	(3.2)
Value (RM'mil)	1,648.05	(6.5)
Gainers	415	
Losers	385	
Unchanged	427	

Foreign		(%)
Dow Jones	30,706.2	(1.0)
Nasdaq CI	11,425.1	(1.0)
S&P 500	3,855.9	(1.1)
FTSE 100	7,192.7	(0.6)
Nikkei 225	27,688.4	0.4
Shanghai CI	3,122.4	0.2
HSI	18,781.4	1.2
STI	3,266.9	0.3

Most Active	RM	Chg
BORNOIL	0.030	0.005
TOPGLOV	0.705	0.000
SNS	0.270	(0.025)
VELESTO	0.115	0.000
MTRONIC	0.020	0.000

Top Gainer	RM	Chg
MPI	29.480	0.380
PETDAG	21.680	0.320
CHINHIN	2.780	0.250
F&N	22.140	0.240
AEONCR	13.820	0.220

Top Loser	RM	Chg
PANAMY	24.500	(0.320)
HEIM	23.480	(0.220)
UTDPLT	14.660	(0.220)
HARISON	6.770	(0.200)
CARLSBG	22.680	(0.200)

Other Stats		(%)
USD/MYR	4.56	0.19
USD/RMB	7.02	0.19
Brent (USD/barrel)	90.62	(1.50)
Gold (USD/troy oz)	1,664.89	(0.65)
CPO (RM/metric t)	3,658.5	(2.27)



DAILY NEWSWATCH

ECONOMICS

Malaysia's daily foreign exchange turnover rose to its highest year-to-date figure of US\$17.98 bn (RM81.92 bn) on Monday (Sept 19), from US\$16.13 bn last Thursday, according to Bank Negara Malaysia's latest update as the ringgit depreciated to its weakest level in about 24 years against the US dollar at above 4.5000. (The Edge)

Malaysia's palm product export revenue increased significantly for the first six months of this year, totalling 14.05 million tonnes with a value of RM71.02 bn. (The Edge)

The Socio-Economic Research Centre (SERC) has revised upwards its gross domestic product growth projection for Malaysia to 6.5% from an initial 5.2%, following steady growth in 2Q22. (The Edge)

COMPANY

AME Real Estate Investment Trust (5307) made a modest debut on Tuesday (Sept 20), opening at RM1.14, 0.9% or one sen higher than its initial public offering price of RM1.13 on Bursa Malaysia. (The Edge)

AME Real Estate Investment Trust (5307), which debuted on Bursa Malaysia on Tuesday (Sept 20), has identified three more industrial properties for potential acquisition over the next 12 months from its sponsor AME Elite Consortium Bhd. (The Edge)

Top Glove Corp Bhd (7113) closed the final quarter of its financial year ended Aug 31, 2022 in the red, as escalating costs as well as normalisation in demand and average selling prices for gloves ate into its earnings. (The Edge)



Chin Hin Group Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: CHIN MK | KLSE Stock Code: 5273

Main Market
Industrial Products & Services
Subsector – Building Materials

Current Price: RM2.78

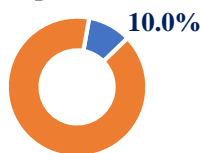
Target Price: RM3.06

Investment Highlights

On an uptrend, 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 >60).

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: 0
Holds: 1
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	45.9	29.9	27.2
P/B	3.3	2.0	1.9
P/CF	63.9	78.7	79.7
P/S	1.4	0.8	0.8

*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	RM2.78
Market Cap (m)	RM4,919.0
52w high	RM2.84
52w low	RM0.65
Stop Loss	RM2.38
Immediate Support	RM2.64
Immediate Resistance	RM2.69 (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)	1,737,864.5



Thong Guan Industries Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: TGI MK | KLSE Stock Code: 7034

Main Market
Industrial Products & Services
Subsector – Plantation

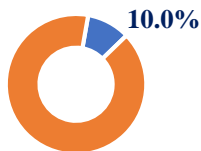
Current Price: RM2.72
Target Price: RM2.99

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential upside supported by a bullish marubozu coupled 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 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: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	11.9	10.3	9.6
P/BV	1.4	1.1	1.0
P/CF	25.1	17.0	12.1
P/S	0.9	0.7	0.5

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

Company Overview

Thong Guan Industries Berhad is an investment holding company. The Company, through its subsidiaries, trades plastic and paper products. Thong Guan also trades beverages including tea and coffee and machinery.



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Entry Price	RM2.72
Market Cap (m)	RM1,049.1
52w high	RM2.95
52w low	RM2.10
Stop Loss	RM2.33
Immediate Support	RM2.58
Immediate Resistance	RM2.66 (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)	503,976.2



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
22/8/2022	Pantech	5125	0.670	0.695	0.570	0.740	2.2	3.7	-
22/8/2022	Harbour	2062	1.170	1.220	1.000	1.290	0.0	4.3	TP Achieved
23/8/2022	Atech	5302	1.610	1.740	1.380	1.770	-0.6	8.1	-
23/8/2022	Hibiscus	5199	0.970	0.955	0.830	1.290	-1.5	-1.5	-
24/8/2022	PMB	7172	3.490	3.980	2.980	3.840	-2.0	14.0	TP Achieved
24/8/2022	DRBHicom	1619	1.400	1.540	1.200	1.540	-0.6	10.0	TP Achieved
25/8/2022	TexChem	8702	3.690	3.360	3.150	4.060	0.6	-8.9	-
25/8/2022	TNB	5347	8.780	8.800	7.510	9.660	1.3	0.2	-
26/8/2022	Scientex	4731	3.610	3.690	3.090	3.970	0.0	-1.6	-
26/8/2022	ChinHin	5273	2.540	2.780	2.170	2.790	9.9	0.7	-
29/8/2022	Pchem	5183	8.900	8.700	7.610	9.790	1.3	3	-
29/8/2022	MFCB	3069	3.600	3.480	3.080	3.900	2.1	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	24.500	22.830	29.370	-1.3	7.6	-
1/9/2022	PowerRoot	7237	1.960	1.950	1.680	2.160	0.0	9.9	-
2/9/2022	Padini	7052	3.370	3.290	2.880	3.710	-1.2	-2.4	-
2/9/2022	MPI	3867	34.480	29.480	29.480	37.930	1.3	-14.5	SL Triggered
5/9/2022	Jag	0024	0.350	0.345	0.290	0.380	0.0	-1.4	-
5/9/2022	Hexind	0161	0.390	0.385	0.330	0.430	0.0	-1.3	-
6/9/2022	PressMetal	3719	4.720	4.420	4.040	5.190	-0.2	-6.4	-
6/9/2022	DRBHicom	1619	1.550	1.540	1.330	1.710	-0.6	-0.6	-
8/9/2022	Yinson	7293	2.270	2.240	1.940	2.500	-1.3	-1.3	-
8/9/2022	PowerRoot	7237	2.120	1.950	1.790	2.330	0.0	-8.0	-
9/9/2022	GentingP	2291	6.170	6.380	5.740	7.500	0.8	3.4	-
9/9/2022	Misc	3816	7.130	6.980	6.100	7.840	-0.1	-2.1	-
12/9/2022	Atech	5302	1.680	1.740	1.440	1.850	-0.6	3.6	-
12/9/2022	QES	0196	0.530	0.500	0.450	0.580	1.0	-5.7	-
13/9/2022	Greatec	5819	3.670	3.440	3.140	4.040	0.6	-6.3	-
13/9/2022	Hong Leong Bank	0208	21.060	20.780	18.010	23.170	0.2	-1.3	-
14/9/2022	Signature	7246	1.790	1.710	1.530	1.970	-1.2	-4.5	-
14/9/2022	Cypark	5184	0.420	0.415	0.360	0.460	0.0	-1.2	-
15/9/2022	UMW Holdings	4588	3.190	3.120	2.730	3.510	0.3	-2.2	-
15/9/2022	PMBTech	7172	4.340	3.980	3.710	4.770	-2.0	-8.3	-
19/9/2022	Allianz	1163	13.300	13.380	11.370	14.630	0.0	0.6	-
19/9/2022	UchiTech	7100	3.330	3.360	2.850	3.660	1.5	0.9	-
20/9/2022	Hextar	5151	1.760	1.780	1.500	1.940	-0.6	1.1	-
20/9/2022	UnitedPlantations	2089	14.900	14.660	12.740	16.390	-1.5	-1.6	-
21/9/2022	ChinHin	5273	2.780	2.780	2.380	3.060	9.9	0.0	-
21/9/2022	ThongGuan	7034	2.720	2.720	2.330	2.990	4.2	0.0	-

*TP=Target Price



STOCK SELECTION BASED ON DIVIDEND YIELD

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
AmFirst REIT	REIT	0.370	0.04	10.4
SHL Consolidated Bhd	Property	1.930	0.18	9.3
YTL Hospitality REIT	REIT	0.910	0.08	8.4
British American Tobacco Malay	Consumer	10.320	0.86	8.3
UOA REIT	REIT	1.120	0.09	7.7
Al-'Aqar Healthcare REIT	REIT	1.210	0.09	7.2
Capitaland Malaysia Trust	REIT	0.540	0.04	7.0
Tambun Indah Land Bhd	Property	0.825	0.06	6.9
Pharmaniaga Bhd	Consumer	0.555	0.04	6.7
Malayan Banking Bhd	Finance	8.680	0.56	6.5
YTL Power International Bhd	Utilities	0.720	0.05	6.4
Uchi Technologies Bhd	Industrial	3.360	0.21	6.3
Sunway REIT	REIT	1.430	0.09	5.9
Pavilion REIT	REIT	1.270	0.08	5.9
Malaysia Building Society Bhd	Finance	0.605	0.04	5.8

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	(7.4)	21.3	15.0	17.5	15.0	12.7	
Finance	5.0	13.0	11.5	12.4	12.6	7.0	
Property	(8.9)	13.8	10.6	11.9	10.6	9.6	
Plantation	4.9	94.6	8.5	43.3	8.5	13.7	
Consumer	(2.4)	25.6	17.9	22.6	17.9	16.0	
Technology	(35.2)	29.8	19.1	24.1	21.4	20.3	
Construction	0.9	22.2	9.7	17.1	9.7	12.1	
Energy	3.2	-	-	-	7.8	9.6	
Health care	(34.8)	52.6	13.0	32.8	13.0	21.6	
Ind Prod	(12.0)	38.6	10.0	23.7	10.0	11.2	
REIT	(2.1)	-	-	-	24.0	15.4	
Telco	(9.5)	25.9	25.1	25.5	25.9	17.9	
Transportations	(7.1)	-	-	-	-	16.2	
Utilities	(0.1)	-	-	-	12.7	12.6	

Source: Bloomberg



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