



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks fell in line with the rout in global equity markets. Market breadth was negative with 540 losers versus 278 gainers. Every sector finished in the red with the technology sector being the top percentage loser decreasing by 1.26%. Nestle (Malaysia) Berhad (4707) was the top loser declining by RM0.70 or 0.55%. The FBM KLCI decreased by 0.99% to 1,424.98.

We expect Malaysian equities to fall in the short-term due to extreme pessimism for risk assets.

ECONOMICS

- Weakening crude oil, soybean oil prices pressure **CPO** futures to close lower
- **Ringgit** extends downtrend on Sept 23, goes down to 4.57 against US dollar

COMPANY

- Hong Leong Bank chairman Quek Leng Chan emerges as substantial unitholder in **AME REIT (5307)**
- **Axis REIT (5106)** to acquire industrial facility in Kapar for RM41m
- **Ecofirst (3557)** to acquire remaining stake in firm that owns KL land earmarked for development
- **Salcon (8567)** secures RM210m contract from PAAB
- **Seremban Engineering (5163)** bags RM72m sub-contract work

EXPRESSO FOR THE DAY

- **Technical Watch – Heineken (3255)** – Entry Price RM23.50, Target Price RM25.85, Stop Loss RM20.09, Support RM22.33 Resistance RM22.99
- **Technical Watch – Bonia (9288)** – Entry Price RM2.04, Target Price RM2.24, Stop Loss RM1.74, Support RM1.94, Resistance RM2.45

Local		(%)
FBMKLCI	1,424.98	(1.0)
Volume (mil)	1,843.68	(14.9)
Value (RM'mil)	1,574.50	(6.2)
Gainers	278	
Losers	540	
Unchanged	378	

Foreign		(%)
Dow Jones	29,590.4	(1.6)
Nasdaq CI	10,867.9	(1.8)
S&P 500	3,693.2	(1.7)
FTSE 100	7,018.6	(2.0)
Nikkei 225	27,153.8	(0.6)
Shanghai CI	3,088.4	(0.7)
HSI	17,933.3	(1.2)
STI	3,227.1	(1.1)

Most Active	RM	Chg
TOPGLOV	0.650	0.020
SAPNRG	0.040	0.000
VELESTO	0.130	0.005
HSI-CJO	0.175	(0.050)
CYPARK	0.430	0.005

Top Gainer	RM	Chg
HSI-HKM	0.450	0.250
SP500-H13	2.790	0.240
HSI-HEQ	0.455	0.185
HEIM	23.500	0.180
MULPHA	2.280	0.180

Top Loser	RM	Chg
NESTLE	127.700	(0.700)
KLK	21.640	(0.340)
PANAMY	23.560	(0.320)
HAPSENG	6.130	(0.300)
PETGAS	16.420	(0.300)

Other Stats		(%)
USD/MYR	4.58	0.24
USD/RMB	7.13	0.71
Brent (USD/barrel)	86.15	(4.76)
Gold (USD/troy oz)	1,643.94	(1.63)
CPO (RM/metric t)	3,754.0	(0.69)



DAILY NEWSWATCH

ECONOMICS

Crude palm oil futures contracts on Bursa Malaysia Derivatives ended lower on Friday pressured by weakening crude oil and soybean oil prices, a dealer said. (The Edge)

The ringgit continued to weaken against the US dollar, breaching the 4.57 level as the greenback continued to strengthen after the latest interest rate hike by the American central bank. Lower oil prices also weighed on the local currency. (The Edge)

COMPANY

Malaysia's second richest man, Tan Sri Quek Leng Chan, has emerged as a substantial unitholder in **AME Real Estate Investment Trust (5307)** after acquiring 29.1 million shares in the REIT over two days. (The Edge)

Axis Real Estate Investment Trust (5106) is acquiring an industrial facility located in Kapar, Klang for RM41m cash. (The Edge)

Property developer **EcoFirst Consolidated Bhd (3557)** has proposed to acquire the remaining 49% stake in a subsidiary that owns 4.18 acres of land in Sungai Besi for RM78.4m. (The Edge)

Salcon Bhd (8567) announced on Friday (Sept 23) that its wholly owned subsidiary Salcon Engineering Bhd has been awarded Package 3 for the design and construction of a residual conveyance and disposal system for the Langat 2 water treatment plant by Pengurusan Aset Air Bhd. (The Edge)

Seremban Engineering Bhd (5163) has bagged a subcontract work worth RM72m from MIE Industrial Sdn Bhd, to supply, fabricate, and install steel structures for a factory project in Seremban. (The Edge)



Heineken Malaysia Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: HEIM MK | KLSE Stock Code: 3255

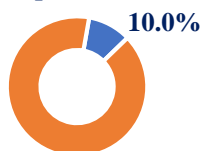
Main Market
Consumer Products & Services
Subsector – Food & Beverages
Current Price: RM23.50
Target Price: RM25.85

Investment Highlights

On a downtrend, the stock is currently trading below the MA20. We think there is a potential upside supported by a marubozu with a rising momentum on the stock (RSI >45).

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: 10
Holds: 1
Sells: 1

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	32.6	28.2	24.7
P/B	19.3	19.3	16.1
P/CF	25.0	22.8	20.0
P/S	3.6	3.4	3.1

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

Company Overview

Heineken Malaysia Berhad produces, packages, markets and distributes beer under the Guinness Stout, Anchor Special Beer, Anchor Pilsener Beer, Lion Stout, Anchor Beer, Anchor Ice Beer, Tiger Beer, Heineken Beer, Anglia Shandy, and Malta. Through its subsidiaries, the Company also has operation in property holding and land development.



Ronnie Tan
 ronnie-tan@mersec.com.my

Entry Price	RM23.50
Market Cap (m)	RM7,099.3
52w high	RM25.26
52w low	RM19.78
Stop Loss	RM20.09
Immediate Support	RM22.33
Immediate Resistance	RM24.99 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Rising Momentum
Volume (4-Weeks Average)	273,462.4



Bonia Corporation Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: BON MK | KLSE Stock Code: 9288

Main Market
Consumer Products & Services
Subsector – Personal Goods

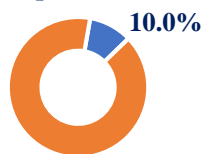
Current Price: RM2.04
Target Price: RM2.24

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think that there is a potential upside supported by a marubozu coupled with a strong momentum on the stock (RSI >65).

With lower volatility as seen from a contracting bollinger band, we think that prices could potentially trade with lower 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: 0
Sells: 1

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	26.0	17.0	14.6
P/BV	0.7	0.6	0.9
P/CF	3.2	3.8	6.5
P/S	0.9	0.6	0.6

*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
 ronnie-tan@mersec.com.my

Entry Price	RM2.04
Market Cap (m)	RM408.9
52w high	RM2.73
52w low	RM0.78
Stop Loss	RM1.74
Immediate Support	RM1.94
Immediate Resistance	RM2.45 (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
25/8/2022	TexChem	8702	3.690	3.280	3.150	4.060	-1.2	-11.1	-
25/8/2022	TNB	5347	8.780	8.700	7.510	9.660	-0.9	-0.9	-
26/8/2022	Scientex	4731	3.610	3.600	3.090	3.970	-1.1	-1.6	-
26/8/2022	ChinHin	5273	2.540	2.790	2.170	2.790	-2.1	0.7	-
29/8/2022	Pchem	5183	8.900	8.350	7.610	9.790	-1.8	3	-
29/8/2022	MFCB	3069	3.600	3.440	3.080	3.900	0.0	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	23.560	22.830	29.370	-1.3	7.6	-
1/9/2022	PowerRoot	7237	1.960	1.980	1.680	2.160	0.0	9.9	-
2/9/2022	Padini	7052	3.370	3.300	2.880	3.710	0.6	-2.1	-
2/9/2022	MPI	3867	34.480	28.900	29.480	37.930	-0.8	-16.2	SL Triggered
5/9/2022	Jag	0024	0.350	0.335	0.290	0.380	-1.5	-4.3	-
5/9/2022	Hexind	0161	0.390	0.390	0.330	0.430	-1.3	0.0	-
6/9/2022	PressMetal	3719	4.720	4.010	4.040	5.190	-0.2	-15.0	SL Triggered
6/9/2022	DRBHiCom	1619	1.550	1.400	1.330	1.710	-0.7	-9.7	-
8/9/2022	Yinson	7293	2.270	2.260	1.940	2.500	-1.7	-0.4	-
8/9/2022	PowerRoot	7237	2.120	1.980	1.790	2.330	0.0	-6.6	-
9/9/2022	GentingP	2291	6.170	6.160	5.740	7.500	-1.0	-0.2	-
9/9/2022	Misc	3816	7.130	6.960	6.100	7.840	-1.3	-2.4	-
12/9/2022	Atech	5302	1.680	1.850	1.440	1.850	0.5	10.1	-
12/9/2022	QES	0196	0.530	0.500	0.450	0.580	-2.0	-5.7	-
13/9/2022	Greatec	5819	3.670	3.320	3.140	4.040	-2.1	-9.5	-
13/9/2022	Hong Leong Bank	0208	21.060	20.680	18.010	23.170	0.1	-1.8	-
14/9/2022	Signature	7246	1.790	1.740	1.530	1.970	-1.7	-2.8	-
14/9/2022	Cypark	5184	0.420	0.430	0.360	0.460	1.2	2.4	-
15/9/2022	UMW Holdings	4588	3.190	3.090	2.730	3.510	0.0	-3.1	-
15/9/2022	PMBTech	7172	4.340	3.980	3.710	4.770	-0.5	-8.3	-
19/9/2022	Allianz	1163	13.300	13.200	11.370	14.630	0.0	-0.8	-
19/9/2022	UchiTech	7100	3.330	3.270	2.850	3.660	-2.1	-1.8	-
20/9/2022	Hextar	5151	1.760	1.750	1.500	1.940	-1.1	-0.6	-
20/9/2022	UnitedPlantations	2089	14.900	14.640	12.740	16.390	0.0	-1.7	-
21/9/2022	ChinHin	5273	2.780	2.790	2.380	3.060	-2.1	0.4	-
21/9/2022	ThongGuan	7034	2.720	2.690	2.330	2.990	-1.8	-1.1	-
22/9/2022	Hextar	5163	4.070	4.090	4.070	4.480	1.0	0.5	-
22/9/2022	HongLeongIndustries	3301	9.190	N/A	7.860	10.110	N/A	N/A	-
23/9/2022	Petgas	6033	16.720	16.420	14.300	18.390	-1.8	-1.8	-
23/9/2022	ChinHin	5273	2.850	2.790	2.440	3.140	-2.1	-2.1	-
26/9/2022	Heineken	3255	23.500	16.420	20.090	25.850	-1.8	-30.1	-
26/9/2022	Bonia	9288	2.040	2.790	1.740	2.240	-2.1	36.8	-

*TP=Target Price



STOCK SELECTION BASED ON DIVIDEND YIELD

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
AmFirst REIT	REIT	0.365	0.04	10.6
SHL Consolidated Bhd	Property	1.930	0.18	9.3
YTL Hospitality REIT	REIT	0.905	0.08	8.4
British American Tobacco Malay	Consumer	10.260	0.86	8.4
UOA REIT	REIT	1.110	0.09	7.7
Capitaland Malaysia Trust	REIT	0.530	0.04	7.2
Al-'Aqar Healthcare REIT	REIT	1.220	0.09	7.1
Tambun Indah Land Bhd	Property	0.815	0.06	7.0
Pharmaniaga Bhd	Consumer	0.560	0.04	6.6
Malayan Banking Bhd	Finance	8.690	0.56	6.5
YTL Power International Bhd	Utilities	0.715	0.05	6.4
Uchi Technologies Bhd	Industrial	3.270	0.21	6.4
Sunway REIT	REIT	1.390	0.09	6.1
Pavilion REIT	REIT	1.250	0.08	6.0
Malaysia Building Society Bhd	Finance	0.600	0.03	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	(9.1)	21.3	14.9	17.5	14.9	12.4	
Finance	4.5	13.0	11.5	12.4	12.5	7.0	
Property	(9.8)	13.8	10.5	11.9	10.5	9.3	
Plantation	3.2	94.6	8.4	43.2	8.4	13.4	
Consumer	(4.0)	25.6	17.6	22.6	17.6	15.8	
Technology	(35.8)	29.8	19.1	24.1	21.2	19.9	
Construction	0.4	22.2	9.7	17.1	9.7	12.5	
Energy	1.2	-	-	-	7.3	9.0	
Health care	(36.4)	52.6	14.0	33.3	14.0	22.3	
Ind Prod	(15.1)	38.6	9.6	23.6	9.6	11.5	
REIT	(2.6)	-	-	-	23.7	15.2	
Telco	(11.7)	25.3	25.1	25.2	25.3	17.4	
Transportations	(6.1)	-	-	-	-	16.6	
Utilities	(1.3)	-	-	-	12.3	12.4	

Source: Bloomberg



Disclaimers

This report is prepared primarily for the use of Mercury Securities' clients in Malaysia and not for publication purposes, notwithstanding its public dissemination via external financial information providers such as Bloomberg LP. This report should not be reproduced, altered in any way, transmitted to, copied, or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Mercury Securities. Mercury Securities, companies and individuals related to it accept no liability whatsoever for the actions of third parties in this respect.

This research report is prepared for general circulation and for information purposes, only and under no circumstances, should it be considered or intended as an offer to sell or a solicitation of an offer to buy the stocks or securities referred to in the report. Investors should note that the price, values or fundamentals of any securities may fluctuate over time. Past performance of any securities may not be an accurate guide to its future performance.

This report is not intended to provide personal investment advice and does not take into account the investment objectives, financial situation and risk appetite of persons who may receive or read this report. Investors are advised to trade at their own absolute discretion, and to seek financial, legal and other pertinent professional advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

Any information, views, opinions, recommendations, and advice in this report are given in good faith but without any legal responsibility or liability to Mercury Securities and connected parties. Information contained in this report has been obtained from public sources believed to be reliable, but such sources are not independently verified by Mercury Securities and consequently no representation is made as to the accuracy or completeness of this information, and it should not be relied upon as such. The views, recommendations and opinions in this research report are our own as of the date hereof and are subject to change without prior notice.

Mercury Securities expressly disclaims any obligation to update or revise any views, recommendations, forward looking statements, and forecasts in a timely manner to reflect new information, events, or circumstances after the date of this report publication or to reflect the occurrence of unanticipated events. Our views and recommendations are based on our own analysis of publicly available information. A subject company's fundamentals and prospects are subject to various risks and uncertainties that could cause its actual performance to differ from our opinion.

As such, Mercury Securities and its directors, officers, associates, connected parties and employees shall not be liable for any direct, indirect, or consequential losses or damages that may arise from the use of or reliance on this research report.

Disclosures

Mercury Securities Sdn Bhd Registration No. 198401000672 (113193-W) is a Participating Organisation of Bursa Malaysia Securities Berhad and a principal holding a Capital Markets Services Licence ("CMSL") issued by the Securities Commission ("SC") of Malaysia. Its research analysts hold a Capital Markets Services Representative's Licence ("CMSRL"). Principals holding a CMSL and representatives holding a CMSRL are regulated by SC in accordance with the Capital Markets and Services Act 2007 ("CMSA").

Mercury Securities, companies or individuals connected with it may have used research material before publication and may have positions in or may be materially interested in any stocks or securities in the markets mentioned. Some of the subject companies covered by Mercury Securities for research purposes may be a client of Mercury Securities in the past, current or may be a potential client in the future. Possible business dealings may include, but is not limited to share trading, market making, underwriting, corporate finance and corporate advisory services.

Published and printed by:

MERCURY SECURITIES SDN BHD

Registration No. 198401000672 (**113193-W**)

L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur

Telephone: (603) - 6203 7227 Website: www.mercurysecurities.com.my

Email: mercurykl@mersec.com.my
