



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks fell yesterday in line with weakness in global equity markets. Market breadth was broadly negative with 780 losers versus 164 gainers. Every sector finished in the red with the energy sector being the top percentage loser plunging by 4.25% following the steep fall in crude oil prices last Friday. Kuala Lumpur Kepong (2445) was the top loser declining by RM1.16 or 5.36% in line with the sell-off in plantation counters. The FBM KLCI decreased by 0.84% to 1,413.04.

We expect Malaysian equities to remain volatile in the short-term amid fears of a global recession.

ECONOMICS

- **Asian currencies** plumb multi-year lows as safe-haven demand lifts US dollar
- **Bursa's Energy Index** falls the most after oil prices plunged to eight-month low
- **Energy, inflation crises** risk pushing big economies into recession — OECD

COMPANY

- **Computer Forms (8044)** partners Thailand's Energy Absolute to sell, produce EVs in Malaysia
- **Favelle Favco (7229)** bags six contracts worth RM130.8m
- **Paramount (1724)** sells rest of stake in education biz for lower price tag of RM120m
- **Perak Transit (0186)** signs 20-year deal with TNB, GSPARX to source solar energy

EXPRESSO FOR THE DAY

- **Technical Watch – Cnengenz (0246)** – Entry Price RM1.02, Target Price RM1.12, Stop Loss RM0.87, Support RM0.97 Resistance RM1.00
- **Technical Watch – F&N (3689)** – Entry Price RM22.30, Target Price RM24.53, Stop Loss RM19.07, Support RM21.19, Resistance RM23.20

Local		(%)
FBMKLCI	1,413.04	(0.8)
Volume (mil)	2,120.57	15.0
Value (RM'mil)	1,849.04	17.4
Gainers	164	
Losers	780	
Unchanged	321	

Foreign		(%)
Dow Jones	29,260.8	(1.1)
Nasdaq CI	10,802.9	(0.6)
S&P 500	3,655.0	(1.0)
FTSE 100	7,021.0	0.0
Nikkei 225	26,431.6	(2.7)
Shanghai CI	3,051.2	(1.2)
HSI	17,855.1	(0.4)
STI	3,182.0	(1.4)

Most Active	RM	Chg
VELESTO	0.120	(0.010)
TOPGLOV	0.635	(0.015)
HSI-CJO	0.165	(0.010)
TAWIN	0.050	(0.010)
PBBANK	4.280	(0.060)

Top Gainer	RM	Chg
DLADY	32.200	1.000
F&N	22.300	0.700
HSCEI-1XI	2.545	0.365
PPB	15.920	0.200
SP500-H13	2.980	0.190

Top Loser	RM	Chg
KLK	20.480	(1.160)
BKAWAN	20.080	(1.120)
PANAMY	22.820	(0.740)
UTDPLT	14.280	(0.360)
CARLSBG	22.100	(0.280)

Other Stats		(%)
USD/MYR	4.60	0.55
USD/RMB	7.14	0.12
Brent (USD/barrel)	84.06	(2.43)
Gold (USD/troy oz)	1,622.36	(1.31)
CPO (RM/metric t)	3,453.5	(7.87)



DAILY NEWSWATCH

ECONOMICS

Asian currencies and stocks fell on Monday (Sept 26), with most currencies hitting multi-year lows against the US dollar, as the US Federal Reserve's hawkish monetary policy stance stoked economic slowdown fears and raised the greenback's safe-haven appeal. (The Edge)

Bursa Malaysia's Energy Index, which tracks share prices of oil and gas related companies, had on Monday (Sept 26) fell more than 3%, the most among Bursa indices, after crude oil prices plunged about 5% to an eight-month low at below US\$80 a barrel last Friday (Sept 23). (The Edge)

Global economic growth is slowing more than was forecast a few months ago in the wake of Russia's invasion of Ukraine, as **energy and inflation crises** risk snowballing into recessions in major economies, the OECD said on Monday (Sept 26). (The Edge)

COMPANY

Computer Forms (Malaysia) Bhd (8044) has teamed up with Bangkok-listed Energy Absolute PCL to jointly produce and distribute electric vehicles (EVs) such as e-buses, e-cars, e-trains, e-bikes and e-boats as well as EV chargers in Malaysia, as it recognises that new opportunities emerge in the EV industry. (The Edge)

Crane manufacturer **Favelle Favco Bhd (7229)** has bagged six orders worth a combined RM130.8m from various customers, with delivery ranging from end of 2022 to second quarter of 2025. (The Edge)

Public transportation terminals operator **Perak Transit Bhd (0186)** has entered into 20-year agreements with Tenaga Nasional Bhd and GSPARX Sdn Bhd to source solar energy. (The Edge)

Paramount Corp Bhd (1724) is disposing of its remaining stake in education units Paramount Education Sdn Bhd, Sri KDU Klang Sdn Bhd and Sri KDU Sdn Bhd to XCL Education Malaysia Sdn Bhd for RM120m cash. (The Edge)



Cnergenz Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: CNERGEN MK | KLSE Stock Code: 0246

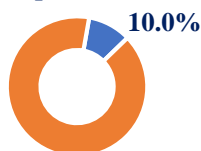
**Main Market
Technology
Subsector – Technology Equipmt
Current Price: RM1.02
Target Price: RM1.12**

Investment Highlights

On a uptrend, 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 >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 crossover moving forward.

Potential Upside



Bloomberg Analyst Ratings



**Buy: 1
Hold: 0
Sell: 0**

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	21.0	21.0	21.0
P/B	3.9	3.9	3.9
P/CF	11.2	11.2	11.2
P/S	1.8	1.8	1.8

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

Company Overview

Cnergenz Berhad operates as an investment holding company. The Company, through its subsidiaries, provides electronics manufacturing solutions, specializes in surface mount technology ("SMT") manufacturing solutions for the electronics and semiconductor industries ("E&S Industries").



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Entry Price	RM1.02
Market Cap (m)	RM508.0
52w high	RM1.07
52w low	RM0.45
Stop Loss	RM0.87
Immediate Support	RM0.97
Immediate Resistance	RM1.00 (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)	273,462.4



Fraser & Neave Holdings Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: FNVH MK | KLSE Stock Code: 3689

Main Market
Consumer Products & Services
Subsector – Food & Beverages

Current Price: RM22.30

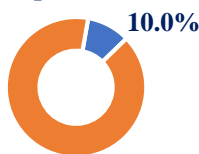
Target Price: RM24.53

Investment Highlights

On a trend reversal, 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 >50).

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: 6

Holds: 0

Sells: 0

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

Fraser & Neave Holdings Berhad is an investment holding company which provides management services. The Company, through its subsidiaries, manufactures and sells glass containers, soft drinks, and dairy products. Fraser & Neave also operates in property development and investment.



Ronnie Tan

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Entry Price	RM22.30
Market Cap (m)	RM8,179.2
52w high	RM28.82
52w low	RM19.24
Stop Loss	RM19.07
Immediate Support	RM21.19
Immediate Resistance	RM23.20 (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)	145,500.9



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
26/8/2022	Scientex	4731	3.610	3.530	3.090	3.970	-1.9	-1.6	-
26/8/2022	ChinHin	5273	2.540	2.760	2.170	2.790	-1.1	0.7	-
29/8/2022	Pchem	5183	8.900	8.320	7.610	9.790	-0.4	3	-
29/8/2022	MFCB	3069	3.600	3.350	3.080	3.900	-2.6	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	22.820	22.830	29.370	-3.1	7.6	-
1/9/2022	PowerRoot	7237	1.960	1.930	1.680	2.160	-2.5	9.9	-
2/9/2022	Padini	7052	3.370	3.240	2.880	3.710	-1.8	-3.9	-
2/9/2022	MPI	3867	34.480	28.700	29.480	37.930	-0.7	-16.8	SL Triggered
5/9/2022	Jag	0024	0.350	0.335	0.290	0.380	0.0	-4.3	-
5/9/2022	Hexind	0161	0.390	0.385	0.330	0.430	-1.3	-1.3	-
6/9/2022	PressMetal	3719	4.720	3.990	4.040	5.190	-0.5	-15.5	SL Triggered
6/9/2022	DRBHiCom	1619	1.550	1.360	1.330	1.710	-2.9	-12.3	-
8/9/2022	Yinson	7293	2.270	2.150	1.940	2.500	-4.9	-5.3	-
8/9/2022	PowerRoot	7237	2.120	1.930	1.790	2.330	-2.5	-9.0	-
9/9/2022	GentingP	2291	6.170	6.030	5.740	7.500	-2.1	-2.3	-
9/9/2022	Misc	3816	7.130	6.950	6.100	7.840	-0.1	-2.5	-
12/9/2022	Atech	5302	1.680	1.820	1.440	1.850	-1.6	8.3	-
12/9/2022	QES	0196	0.530	0.485	0.450	0.580	-3.0	-8.5	-
13/9/2022	Greatec	5819	3.670	3.220	3.140	4.040	-3.0	-12.3	SL Triggered
13/9/2022	Hong Leong Bank	0208	21.060	20.580	18.010	23.170	-0.5	-2.3	-
14/9/2022	Signature	7246	1.790	1.740	1.530	1.970	0.0	-2.8	-
14/9/2022	Cypark	5184	0.420	0.425	0.360	0.460	-1.2	1.2	-
15/9/2022	UMW Holdings	4588	3.190	3.000	2.730	3.510	-2.9	-6.0	-
15/9/2022	PMBTech	7172	4.340	3.910	3.710	4.770	-1.8	-9.9	-
19/9/2022	Allianz	1163	13.300	13.300	11.370	14.630	0.8	0.0	-
19/9/2022	UchiTech	7100	3.330	3.280	2.850	3.660	0.3	-1.5	-
20/9/2022	Hextar	5151	1.760	1.780	1.500	1.940	1.7	1.1	-
20/9/2022	UnitedPlantations	2089	14.900	14.280	12.740	16.390	-2.5	-4.2	-
21/9/2022	ChinHin	5273	2.780	2.760	2.380	3.060	-1.1	-0.7	-
21/9/2022	ThongGuan	7034	2.720	2.560	2.330	2.990	-4.8	-5.9	-
22/9/2022	Hextar	5163	4.070	4.100	4.070	4.480	0.2	0.7	-
22/9/2022	HongLeongIndustries	3301	9.190	9.010	7.860	10.110	N/A	-2.0	-
23/9/2022	Petgas	6033	16.720	16.260	14.300	18.390	-1.0	-2.8	-
23/9/2022	ChinHin	5273	2.850	2.760	2.440	3.140	-1.1	-3.2	-
26/9/2022	Heineken	3255	23.500	16.260	20.090	25.850	-1.0	-30.8	-
26/9/2022	Bonia	9288	2.040	2.760	1.740	2.240	-1.1	35.3	TP Achieved
27/9/2022	Cnenergy	0246	1.020	1.020	0.870	1.120	4.6	0.0	-
27/9/2022	F&N	3689	22.300	22.300	19.070	24.530	3.2	0.0	-

*TP=Target Price



STOCK SELECTION BASED ON DIVIDEND YIELD

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
AmFirst REIT	REIT	0.365	0.04	10.6
SHL Consolidated Bhd	Property	1.960	0.18	9.2
British American Tobacco Malay	Consumer	10.140	0.86	8.5
YTL Hospitality REIT	REIT	0.905	0.08	8.4
UOA REIT	REIT	1.110	0.09	7.7
Tambun Indah Land Bhd	Property	0.780	0.06	7.3
Capitaland Malaysia Trust	REIT	0.525	0.04	7.2
Al-'Aqar Healthcare REIT	REIT	1.210	0.08	6.8
Pharmaniaga Bhd	Consumer	0.550	0.04	6.7
YTL Power International Bhd	Utilities	0.695	0.05	6.6
Malayan Banking Bhd	Finance	8.590	0.56	6.6
Uchi Technologies Bhd	Industrial	3.280	0.21	6.4
Sunway REIT	REIT	1.390	0.09	6.1
UOA Development Bhd	Property	1.650	0.10	6.1
Pavilion REIT	REIT	1.240	0.07	6.0

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	(9.9)	21.3	14.8	17.5	14.8	12.3	
Finance	3.4	13.0	11.5	12.4	12.4	6.9	
Property	(11.4)	13.8	10.3	11.9	10.3	9.0	
Plantation	0.8	94.6	8.2	43.2	8.2	13.1	
Consumer	(4.5)	25.6	17.5	22.6	17.5	15.7	
Technology	(36.6)	29.8	19.1	24.0	20.9	19.6	
Construction	(0.1)	22.2	9.7	17.1	9.7	12.5	
Energy	(3.1)	-	-	-	7.1	8.6	
Health care	(37.1)	52.6	13.6	33.1	13.6	21.6	
Ind Prod	(16.2)	38.6	9.5	23.6	9.5	11.4	
REIT	(3.2)	-	-	-	23.5	15.1	
Telco	(12.5)	25.1	25.0	25.0	25.0	17.1	
Transportations	(7.6)	-	-	-	-	16.3	
Utilities	(2.6)	-	-	-	12.2	12.2	

Source: Bloomberg

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Published and printed by:

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