



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks were mixed with 427 gainers versus 392 losers. The industrial products & services sector was the top percentage gainer leaping by 1.05%, while the construction sector was the top percentage loser falling by 1.20%. Dutch Lady Milk Industries (3026) was the top loser declining by RM1.68 or 5.22%. The FBM KLCI dipped by 0.15% to 1,410.87.

We expect Malaysian equities to be volatile in the short-term as investors across the globe become extremely fearful.

ECONOMICS

- **Bursa: Oil and gas sector** has highest percentage of 'buy' calls
- **World Bank** ups 2022 GDP growth forecast for Malaysia

COMPANY

- **Apollo Food (6432)** cautions of challenging operating environment as profit rises 19% q-o-q
- **Cosmos'** retail portion IPO oversubscribed by 58 times
- **PT Resources (0260)** ends with modest ACE Market debut despite high trading volume exceeding 100 million shares in first hour
- **Yinson (7293)** to establish sukuk wakalah programme of up to RM1 bn

EXPRESSO FOR THE DAY

- **Technical Watch – Chin Hin (5273)** – Entry Price RM2.92, Target Price RM3.21, Stop Loss RM2.50, Support RM2.69 Resistance RM2.71
- **Technical Watch – Hap Seng (3034)** – Entry Price RM6.40, Target Price RM7.04, Stop Loss RM5.47, Support RM6.08, Resistance RM7.09

Local		(%)
FBMKLCI	1,410.87	(0.2)
Volume (mil)	2,283.33	7.7
Value (RM'mil)	1,923.41	4.0
Gainers	427	
Losers	392	
Unchanged	406	

Foreign		(%)
Dow Jones	29,135.0	(0.4)
Nasdaq CI	10,829.5	0.2
S&P 500	3,647.3	(0.2)
FTSE 100	6,984.6	(0.5)
Nikkei 225	26,571.9	0.5
Shanghai CI	3,093.9	1.4
HSI	17,860.3	0.0
STI	3,165.5	(0.5)

Most Active	RM	Chg
PTRB	0.370	-
TOPGLOV	0.610	(0.025)
CSH	0.035	0.005
HSI-CJO	0.155	(0.010)
CNERGEN	1.120	0.100

Top Gainer	RM	Chg
NESTLE	130.000	2.200
PPB	16.460	0.540
HAPSENG	6.400	0.500
HEIM	23.780	0.400
PANAMY	23.200	0.380

Top Loser	RM	Chg
DLADY	30.520	(1.680)
F&N	21.560	(0.740)
HLBANK	20.260	(0.320)
KESM	6.720	(0.260)
BKAWAN	19.880	(0.200)

Other Stats		(%)
USD/MYR	4.61	0.16
USD/RMB	7.18	0.54
Brent (USD/barrel)	86.27	2.63
Gold (USD/troy oz)	1,628.90	0.40
CPO (RM/metric t)	3,472.5	0.20



DAILY NEWSWATCH

ECONOMICS

Bursa Malaysia said on Tuesday (Sept 27) **oil and gas stocks** tracked by its Energy Index have the highest percentage of "buy" calls from sell-side analysts at 94% among Bursa gauges. (The Edge)

The World Bank said on Tuesday (Sept 27) it had raised its 2022 economic growth forecast for Malaysia, as measured by gross domestic product, to 6.4% from 5.5% previously. (The Edge)

COMPANY

Snacks producer **Apollo Food Holdings Bhd's (6432)** net profit for 1QFY23 jumped 26 times year-on-year to RM4.56m, from RM172,000 a year ago, thanks to post-pandemic sales recovery. (The Edge)

ACE Market-bound **Cosmos Technology International Bhd** said the shares offered to the Malaysian public under its initial public offering have been oversubscribed by 58.01 times. (The Edge)

PT Resources Holdings Bhd (0260), which made its debut on the ACE Market on Tuesday (Sept 27), ended its first day of trading modestly despite a high trading volume. (The Edge)

Yinson Holdings Bhd (7293) has made a lodgement with the Securities Commission Malaysia for the establishment of a perpetual sukuk wakalah programme of up to RM1 bn. (The Edge)



Chin Hin Group Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: CHIN MK | KLSE Stock Code: 5273

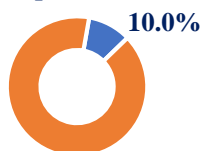
Main Market
Industrial Products & Services
Subsector – Building Materials
Current Price: RM2.92
Target Price: RM3.21

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 >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 crossover 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	46.1	30.1	27.3
P/B	3.4	2.0	1.9
P/CF	63.9	78.7	79.7
P/S	1.5	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	RM2.92
Market Cap (m)	RM5,166.7
52w high	RM2.94
52w low	RM0.66
Stop Loss	RM2.50
Immediate Support	RM2.69
Immediate Resistance	RM2.71 (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



Hap Seng Consolidated Berhad

Technical Watch - "BUY on Potential Reversal"

Bloomberg: HAP MK | KLSE Stock Code: 3034

Main Market
Industrial Products & Services
Subsector – Diversified Ind

Current Price: RM6.40

Target Price: RM7.04

Investment Highlights

On a trend reversal, the stock is currently trading below the MA20. We think that there is a potential reversal supported by a bullish engulfing coupled with a rising momentum on the stock (RSI >35).

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 crossover 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	22.3	23.2	18.3
P/BV	2.6	3.0	3.1
P/CF	13.3	49.3	38.7
P/S	3.2	3.6	3.1

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

Company Overview

Hap Seng Consolidated Berhad is an investment holding company. The Company, through its subsidiaries, operates oil palm and cocoa plantations, trades heavy equipment and motor vehicles, fabricates and sells commercial trailers and tankers, provides leasing and money lending, and manufactures agricultural fertilizers, agro-chemicals, building materials, and plantation supplies.



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Entry Price	RM6.40
Market Cap (m)	RM15,933.9
52w high	RM8.30
52w low	RM5.90
Stop Loss	RM5.47
Immediate Support	RM6.08
Immediate Resistance	RM7.09 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Rising Momentum
Volume (4-Weeks Average)	1,329,794.2



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
29/8/2022	Pchem	5183	8.900	8.350	7.610	9.790	0.4	3	-
29/8/2022	MFCB	3069	3.600	3.360	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	23.200	22.830	29.370	1.7	7.6	-
1/9/2022	PowerRoot	7237	1.960	1.980	1.680	2.160	2.6	9.9	-
2/9/2022	Padini	7052	3.370	3.130	2.880	3.710	-3.4	-7.1	-
2/9/2022	MPI	3867	34.480	29.000	29.480	37.930	1.0	-15.9	SL Triggered
5/9/2022	Jag	0024	0.350	0.340	0.290	0.380	1.5	-2.9	-
5/9/2022	Hexind	0161	0.390	0.405	0.330	0.430	5.2	3.8	-
6/9/2022	PressMetal	3719	4.720	4.000	4.040	5.190	0.3	-15.3	SL Triggered
6/9/2022	DRBHicom	1619	1.550	1.330	1.330	1.710	-2.2	-14.2	-
8/9/2022	Yinson	7293	2.270	2.110	1.940	2.500	-1.9	-7.0	-
8/9/2022	PowerRoot	7237	2.120	1.980	1.790	2.330	2.6	-6.6	-
9/9/2022	GentingP	2291	6.170	5.870	5.740	7.500	-2.7	-4.9	-
9/9/2022	Misc	3816	7.130	6.880	6.100	7.840	-1.0	-3.5	-
12/9/2022	Atech	5302	1.680	1.890	1.440	1.850	3.8	12.5	-
12/9/2022	QES	0196	0.530	0.485	0.450	0.580	0.0	-8.5	-
13/9/2022	Greatec	5819	3.670	3.280	3.140	4.040	1.9	-10.6	SL Triggered
13/9/2022	Hong Leong Bank	0208	21.060	20.260	18.010	23.170	-1.6	-3.8	-
14/9/2022	Signature	7246	1.790	1.810	1.530	1.970	4.0	1.1	-
14/9/2022	Cypark	5184	0.420	0.415	0.360	0.460	-2.4	-1.2	-
15/9/2022	UMW Holdings	4588	3.190	2.990	2.730	3.510	-0.3	-6.3	-
15/9/2022	PMBTech	7172	4.340	4.030	3.710	4.770	3.1	-7.1	-
19/9/2022	Allianz	1163	13.300	13.220	11.370	14.630	-0.6	-0.6	-
19/9/2022	UchiTech	7100	3.330	3.270	2.850	3.660	-0.3	-1.8	-
20/9/2022	Hextar	5151	1.760	1.780	1.500	1.940	0.0	1.1	-
20/9/2022	UnitedPlantations	2089	14.900	14.340	12.740	16.390	0.4	-3.8	-
21/9/2022	ChinHin	5273	2.780	2.920	2.380	3.060	5.8	5.0	-
21/9/2022	ThongGuan	7034	2.720	2.620	2.330	2.990	2.3	-3.7	-
22/9/2022	Hextar	5163	4.070	4.070	4.070	4.480	-0.7	0.0	-
22/9/2022	HongLeongIndustries	3301	9.190	9.040	7.860	10.110	0.3	-1.6	-
23/9/2022	Petgas	6033	16.720	16.440	14.300	18.390	1.1	-1.7	-
23/9/2022	ChinHin	5273	2.850	2.920	2.440	3.140	5.8	2.5	-
26/9/2022	Heineken	3255	23.500	16.440	20.090	25.850	1.1	-30.0	-
26/9/2022	Bonia	9288	2.040	2.920	1.740	2.240	5.8	43.1	TP Achieved
27/9/2022	Cnenergiz	0246	1.020	1.120	0.870	1.120	9.8	9.8	-
27/9/2022	F&N	3689	22.300	21.560	19.070	24.530	-3.3	-3.3	-
28/9/2022	ChinHin	5273	2.920	2.920	2.500	3.210	5.8	0.0	-
28/9/2022	HapSeng	3034	6.400	6.400	5.470	7.040	8.5	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	1.930	0.18	9.3
British American Tobacco Malay	Consumer	10.140	0.86	8.5
YTL Hospitality REIT	REIT	0.915	0.08	8.3
UOA REIT	REIT	1.110	0.09	7.7
Tambun Indah Land Bhd	Property	0.775	0.06	7.4
Capitaland Malaysia Trust	REIT	0.540	0.04	7.0
Pharmaniaga Bhd	Consumer	0.545	0.04	6.8
Al-'Aqar Healthcare REIT	REIT	1.210	0.08	6.8
YTL Power International Bhd	Utilities	0.695	0.05	6.6
Malayan Banking Bhd	Finance	8.570	0.56	6.6
Uchi Technologies Bhd	Industrial	3.270	0.21	6.4
Sunway REIT	REIT	1.380	0.08	6.2
UOA Development Bhd	Property	1.640	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	(10.0)	21.3	14.7	17.4	14.7	12.3	
Finance	2.5	13.0	11.5	12.4	12.3	6.9	
Property	(11.5)	13.8	10.3	11.9	10.3	9.0	
Plantation	0.4	94.6	8.1	43.2	8.1	13.1	
Consumer	(3.8)	25.6	17.6	22.6	17.6	15.9	
Technology	(36.2)	29.8	19.1	24.0	21.1	19.7	
Construction	(1.3)	22.2	9.5	17.1	9.5	12.3	
Energy	(2.4)	-	-	-	7.1	8.7	
Health care	(37.1)	52.6	13.6	33.1	13.6	21.6	
Ind Prod	(15.3)	38.6	9.6	23.6	9.6	11.4	
REIT	(3.3)	-	-	-	23.5	15.1	
Telco	(12.5)	25.1	25.0	25.0	25.0	17.3	
Transportations	(8.0)	-	-	-	-	16.3	
Utilities	(2.9)	-	-	-	12.1	12.2	

Source: Bloomberg

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