



**DAILY NEWSWATCH**

**MARKET REVIEW**

Malaysian stocks continued their decline as investors remained cautious. Market breadth was negative with 499 losers versus 343 gainers. The utilities sector was the top percentage loser decreasing by 0.75%, while the plantation sector was the top percentage gainer increasing by 0.70%. Panasonic Manufacturing Malaysia (3719) was the top loser declining by RM0.62 or 2.64%. The FBM KLCI dipped by 0.31% to 1,397.50.

We expect Malaysian equities to trend lower in the short-term as the sell-off in global equities show no signs of abating.

**ECONOMICS**

- **Malaysia's PPI** eases further to 6.8% in August
- **Palm** recovers after five days on stronger soyoil, export data optimism
- **Vietnamese economy** posts double-digit growth on manufacturing

**COMPANY**

- **Berjaya Corp's (3395)** JV firm plans RM1 bn bond sale — MARC
- **Gamuda's (5398)** 4Q net profit up 20% amid stronger construction and property earnings
- **Hiap Teck's (5072)** 4Q net profit tumbles 59.53% on lower profit margin despite revenue jump
- **Scientex's (4731)** 4QFY22 profit slips 12% amid record revenue, declares five sen final dividend

**EXPRESSO FOR THE DAY**

- **Technical Watch – Computer Forms (8044)** – Entry Price RM1.93, Target Price RM2.12, Stop Loss RM1.65, Support RM1.83 Resistance RM1.93
- **Technical Watch – Allianz (1163)** – Entry Price RM13.30, Target Price RM14.63, Stop Loss RM11.37, Support RM12.64, Resistance RM13.39

Local		(%)
<b>FBMKLCI</b>	1,397.50	(0.3)
<b>Volume (mil)</b>	2,277.02	6.2
<b>Value (RM'mil)</b>	1,860.93	(9.5)
<b>Gainers</b>	343	
<b>Losers</b>	499	
<b>Unchanged</b>	412	

Foreign		(%)
<b>Dow Jones</b>	29,225.6	(1.5)
<b>Nasdaq CI</b>	10,737.5	(2.8)
<b>S&amp;P 500</b>	3,640.5	(2.1)
<b>FTSE 100</b>	6,881.6	(1.8)
<b>Nikkei 225</b>	26,422.1	0.9
<b>Shanghai CI</b>	3,041.2	(0.1)
<b>HSI</b>	17,165.9	(0.5)
<b>STI</b>	3,115.1	(0.0)

Most Active	RM	Chg
<b>TOPGLOV</b>	0.585	(0.005)
<b>PTRB</b>	0.435	0.020
<b>VELESTO</b>	0.110	(0.005)
<b>NWP</b>	0.245	0.000
<b>MYEG</b>	0.855	0.020

Top Gainer	RM	Chg
<b>NESTLE</b>	131.900	1.200
<b>CFM</b>	1.930	0.440
<b>F&amp;N</b>	21.500	0.420
<b>HSI-HKH</b>	1.950	0.410
<b>DLADY</b>	31.000	0.400

Top Loser	RM	Chg
<b>PANAMY</b>	22.880	(0.620)
<b>PEIDAG</b>	20.840	(0.360)
<b>SP500-H13</b>	3.010	(0.260)
<b>HARISON</b>	6.310	(0.230)
<b>SCIPACK</b>	2.180	(0.170)

Other Stats		(%)
<b>USD/MYR</b>	4.64	0.23
<b>USD/RMB</b>	7.13	(1.05)
<b>Brent (USD/barrel)</b>	88.49	(0.93)
<b>Gold (USD/troy oz)</b>	1,660.54	0.03
<b>CPO (RM/metric t)</b>	3,307.5	0.99



## DAILY NEWSWATCH

### ECONOMICS

**Malaysia's producer price index (PPI)** for local production eased further to 6.8% in August compared to 7.6% in the previous month, the Department of Statistics Malaysia (DOSM) said. (The Edge)

**Malaysian palm oil** futures rose on Thursday (Sept 29), after plunging to a near 20-month low in the previous session, as gains in rival oils and expectations for solid export data boosted sentiment. (The Edge)

**Vietnam's economy** posted a double-digit growth for the third quarter, helped by a rebound in manufacturing and a lower base in the year-ago period. (The Edge)

### COMPANY

Chailease Berjaya Credit Sdn Bhd (CBC), a joint venture between Taiwan-based Chailease Holding Co Ltd and **Berjaya Corp Bhd (3395)**, is planning a RM1 bn bond sale as CBC expands its financing operations for new motorcycles, Malaysian Rating Corp Bhd said on Thursday (Sept 29). (The Edge)

**Gamuda Bhd's (5398)** net profit increased 19.89% to RM255.24m for 4QFY22, from RM212.88m a year earlier, on the back of improved earnings in the construction and property divisions.

**Hiap Teck Venture Bhd (5072)** recorded a net profit of RM24.48m for 4QFY22, a 59.53% drop from RM60.48m in the same quarter last year amid lower profit margin for its downstream operating subsidiaries as a result of the higher cost of goods sold and the write-down of inventories to net realisable value. (The Edge)

**Scientex Bhd's (4731)** net profit slipped 12.4% to RM124.98m in 4QFY22 from RM142.65m, hit by higher tax and interest expenses amid margin compression in its property segment. (The Edge)

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## Computer Forms (Malaysia) Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: CFM MK | KLSE Stock Code: 8044

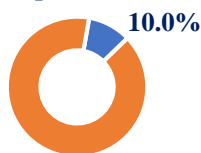
**Main Market**  
**Industrial Products & Services**  
**Subsector – Industrial Services**  
**Current Price: RM1.93**  
**Target Price: RM2.12**

### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by a marubozu with a strong momentum on the stock (RSI >90).

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: 0**  
**Sells: 0**

### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
<b>P/E</b>	48.6	48.6	63.9
<b>P/B</b>	2.4	2.0	1.5
<b>P/CF</b>	30.3	27.6	93.1
<b>P/S</b>	4.6	3.7	2.6

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

### Company Overview

Computer Forms (Malaysia) Berhad prints and distributes computer forms, stock forms, and specialized forms. Through its subsidiaries, the Company also manufactures and distributes plastic cards, computer systems cards, and card printers. Computer Forms prints and supplies exercise books and magazines, and packaging materials.



**Ronnie Tan**  
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Entry Price	RM1.93
Market Cap (m)	RM453.6
<b>52w high</b>	RM1.93
<b>52w low</b>	RM0.52
Stop Loss	RM1.65
Immediate Support	RM1.83
Immediate Resistance	RM1.93 (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)	73,700.0



# Allianz Malaysia Berhad

## Technical Watch - "BUY on Potential Upside"

Bloomberg: ALLZ MK | KLSE Stock Code: 1163

Main Market  
Financial Services  
Subsector – Insurance

Current Price: RM13.30

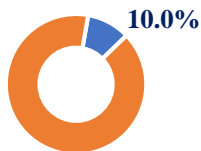
Target Price: RM14.63

### 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 >55).

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: 4**

**Holds: 1**

**Sells: 0**

### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	4.8	5.6	6.1
P/BV	0.8	0.8	0.8
P/CF	4.8	5.3	17.0
P/S	0.4	0.4	0.5

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

### Company Overview

Allianz Malaysia Berhad underwrites all classes of general insurance. Through its subsidiaries, the Company underwrites life insurance and investment linked business. Malaysia British Assurance also provides insurance broking and nominee services.



Ronnie Tan

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Entry Price	RM13.30
Market Cap (m)	RM2,366.9
<b>52w high</b>	RM13.40
<b>52w low</b>	RM12.18
Stop Loss	RM11.37
Immediate Support	RM12.64
Immediate Resistance	RM13.39 (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)	51,104.8



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
1/9/2022	PanaMY	3719	26.700	22.880	22.830	29.370	-2.6	7.6	-
1/9/2022	PowerRoot	7237	1.960	1.930	1.680	2.160	-1.0	9.9	-
2/9/2022	Padini	7052	3.370	3.180	2.880	3.710	1.0	-5.6	-
2/9/2022	MPI	3867	34.480	28.800	29.480	37.930	-0.3	-16.5	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	0.405	0.330	0.430	0.0	3.8	-
6/9/2022	PressMetal	3719	4.720	4.000	4.040	5.190	0.0	-15.3	SL Triggered
6/9/2022	DRBHicom	1619	1.550	1.280	1.330	1.710	-1.5	-17.4	SL Triggered
8/9/2022	Yinson	7293	2.270	2.120	1.940	2.500	0.0	-6.6	-
8/9/2022	PowerRoot	7237	2.120	1.930	1.790	2.330	-1.0	-9.0	-
9/9/2022	GentingP	2291	6.170	5.650	5.740	7.500	0.0	-8.4	-
9/9/2022	Misc	3816	7.130	6.900	6.100	7.840	1.5	-3.2	-
12/9/2022	Atech	5302	1.680	1.900	1.440	1.850	0.0	13.1	TP Achieved
12/9/2022	QES	0196	0.530	0.465	0.450	0.580	-1.1	-12.3	SL Triggered
13/9/2022	Greatec	5819	3.670	3.200	3.140	4.040	0.3	-12.8	SL Triggered
13/9/2022	Hong Leong Bank	0208	21.060	20.280	18.010	23.170	-0.8	-3.7	-
14/9/2022	Signature	7246	1.790	1.760	1.530	1.970	-1.7	-1.7	-
14/9/2022	Cypark	5184	0.420	0.430	0.360	0.460	7.5	2.4	-
15/9/2022	UMW Holdings	4588	3.190	3.050	2.730	3.510	2.0	-4.4	-
15/9/2022	PMBTech	7172	4.340	3.800	3.710	4.770	1.1	-12.4	-
19/9/2022	Allianz	1163	13.300	13.300	11.370	14.630	0.6	0.0	-
19/9/2022	UchiTech	7100	3.330	3.190	2.850	3.660	0.3	-4.2	-
20/9/2022	Hextar	5151	1.760	1.730	1.500	1.940	-3.4	-1.7	-
20/9/2022	UnitedPlantations	2089	14.900	14.360	12.740	16.390	0.4	-3.6	-
21/9/2022	ChinHin	5273	2.780	2.800	2.380	3.060	-1.4	0.7	-
21/9/2022	ThongGuan	7034	2.720	2.600	2.330	2.990	0.8	-4.4	-
22/9/2022	Hextar	5163	4.070	4.230	4.070	4.480	2.7	3.9	-
22/9/2022	HongLeongIndustries	3301	9.190	9.010	7.860	10.110	-0.7	-2.0	-
23/9/2022	Petgas	6033	16.720	16.400	14.300	18.390	-0.6	-1.9	-
23/9/2022	ChinHin	5273	2.850	2.800	2.440	3.140	-1.4	-1.8	-
26/9/2022	Heineken	3255	23.500	16.400	20.090	25.850	-0.6	-30.2	SL Triggered
26/9/2022	Bonia	9288	2.040	2.800	1.740	2.240	-1.4	37.3	TP Achieved
27/9/2022	Cnenergiz	0246	1.020	1.040	0.870	1.120	-3.7	2.0	-
27/9/2022	F&N	3689	22.300	21.500	19.070	24.530	2.0	-3.6	-
28/9/2022	ChinHin	5273	2.920	2.800	2.500	3.210	-1.4	-4.1	-
28/9/2022	HapSeng	3034	6.400	6.240	5.470	7.040	-0.6	-2.5	-
29/9/2022	PetDag	5681	21.200	20.840	18.130	23.320	-1.7	-1.7	-
29/9/2022	HongLeongBank	5819	20.440	20.280	17.480	22.480	-0.8	-0.8	-
30/9/2022	CompForm	8044	1.930	1.930	1.650	2.120	29.5	0.0	-
30/9/2022	Allianz	1163	13.300	13.300	11.370	14.630	0.6	0.0	-

\*TP=Target Price



## STOCK SELECTION BASED ON DIVIDEND YIELD

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
AmFirst REIT	REIT	0.360	0.04	10.7
SHL Consolidated Bhd	Property	1.930	0.18	9.3
British American Tobacco Malay	Consumer	10.180	0.86	8.4
YTL Hospitality REIT	REIT	0.900	0.08	8.4
UOA REIT	REIT	1.110	0.09	7.7
Tambun Indah Land Bhd	Property	0.755	0.06	7.5
Capitaland Malaysia Trust	REIT	0.535	0.04	7.1
Pharmaniaga Bhd	Consumer	0.525	0.04	7.0
Al-'Aqar Healthcare REIT	REIT	1.180	0.08	6.9
YTL Power International Bhd	Utilities	0.695	0.05	6.6
Malayan Banking Bhd	Finance	8.560	0.56	6.6
Uchi Technologies Bhd	Industrial	3.190	0.21	6.6
Sunway REIT	REIT	1.380	0.08	6.2
Malaysia Building Society Bhd	Finance	0.575	0.04	6.1
UOA Development Bhd	Property	1.650	0.10	6.1

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	(10.8)	21.3	14.6	17.4	14.6	12.2	
Finance	2.0	13.0	11.5	12.4	12.2	6.8	
Property	(12.5)	13.8	10.1	11.8	10.1	8.8	
Plantation	(0.7)	94.6	8.0	43.2	8.0	12.8	
Consumer	(4.2)	25.6	17.5	22.5	17.5	15.8	
Technology	(37.4)	29.8	19.1	23.9	20.6	19.4	
Construction	(2.3)	22.2	9.3	17.0	9.3	12.3	
Energy	(4.6)	-	-	-	7.0	8.6	
Health care	(37.4)	52.6	13.5	33.0	13.5	21.6	
Ind Prod	(16.2)	38.6	9.5	23.6	9.5	10.4	
REIT	(3.7)	-	-	-	23.4	15.1	
Telco	(13.2)	25.1	24.8	24.9	24.8	17.2	
Transportations	(9.4)	-	-	-	-	16.0	
Utilities	(4.6)	-	-	-	11.9	12.0	

Source: Bloomberg

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