



DAILY NEWSWATCH

MARKET REVIEW

Malaysian equities rose after a three-day declining streak as investors took profit ahead of the general election. Market breadth was on the negative side with 315 gainers versus 522 losers. The financial sector was the top percentage gainer leading by an increase of 0.54%, while healthcare sector was the losing sector declining by 2.89%. PETDAG (5681) was the top gainer increasing by RM0.50 or 2.3%. The FBM KLCI improved by 0.06% to 1,449.32.

We anticipate that Malaysian stocks will stabilize as cautious investors await the result of the general election.

ECONOMICS

- **Wall St falls** on mixed economic data, Fed official's hawkish view
- IMF chief says **trade divide could cost global economy** US\$1.4 tril

COMPANY

- **Dayang Enterprise (5141)** 3Q net profit surges on increased work orders
- **Inari (0166)** reports steady 1Q net profit, declares 2.6 sen dividend
- **Country Heights (5738)** buys office tower for RM44 mil via public auction
- **KESM (9334)** posts fourth straight quarterly loss, 1Q revenue down 23%
- **Formosa Prosonic (9172)** 3Q net profit gains 77% on higher sales and forex gains

EXPRESSO FOR THE DAY

- **Technical Watch – Allianz (1163)** – Entry Price RM13.40, Target Price RM14.74, Stop Loss RM11.46, Support RM12.73, Resistance RM13.41
- **Technical Watch – Bermaz Auto (5248)** – Entry Price RM2.13, Target Price RM1.94, Stop Loss RM1.66, Support RM1.84, Resistance RM2.00

Local (%)		
FBMKLCI	1,450.50	(0.9)
Volume (mil)	2,781.50	(0.5)
Value (RM'mil)	1,677.20	7.1
Gainers	332	
Losers	541	
Unchanged	376	
Foreign (%)		
Dow Jones	33,592.9	0.2
Nasdaq CI	11,358.4	1.4
S&P 500	3,991.7	0.9
FTSE 100	7,369.4	(0.2)
Nikkei 225	27,757.6	0.1
Shanghai CI	3,134.1	1.6
HSI	18,343.1	4.1
STI	3,275.3	0.4
Most Active RM Chg		
ASB	0.140	0.005
TOPGLOV	1.020	0.060
HSI-HKS	0.275	(0.040)
TECHNAX	0.030	0.005
ICON	0.145	0.010
Top Gainer RM Chg		
BLDPLNT	9.610	0.580
IMASPRO	5.600	0.500
SIGN	2.980	0.360
PETDAG	21.940	0.300
CHINHIN	3.370	0.220
Top Loser RM Chg		
NESTLE	130.200	(1.400)
HEXTECH	15.400	(1.100)
HSI-HE7	1.350	(0.480)
MPI	25.760	(0.420)
HEIM	24.580	(0.320)
Other Stats (%)		
USD/MYR	4.59	(1.14)
USD/RMB	7.05	(0.33)
Brent (USD/barrel)	93.86	(2.97)
Gold (USD/troy oz)	1,778.39	0.43
CPO (RM/metric t)	4,004.5	(4.03)



**DAILY NEWSWATCH**

**ECONOMICS**

**US stock indexes fell** on Thursday as mixed economic data and hawkish comments from a Federal Reserve official fueled concerns that the central bank may not ease its aggressive policy tightening. (The Edge)

The rise of **trade barriers against China** and other countries over the past year **could cost the global economy US\$1.4 trillion**, on top of the severe damage being done by the war in Ukraine, the head of the International Monetary Fund said. (The Edge)

**COMPANY**

**Dayang Enterprise Holdings Bhd's (5141)** third quarter net profit surged 178.67% to RM52.9 million, from RM18.98 million a year earlier, mainly driven by increased work orders and contracts from oil majors. (The Edge)

**Inari Amertron Bhd's (0166)** net profit eased 0.63% to RM106.25 million for 1QFY23, from RM106.93 million a year earlier, amid comparatively lower loading volume offset by favourable movement in foreign exchange. (The Edge)

**Country Heights Holdings Bhd (5738)** said it was successful in its bid at a public auction to acquire a 10-storey office tower at the Mines Resort City for RM44.1 million. (The Edge)

**KESM Industries Bhd (9334)** posted a net loss of RM1.54 million for the first quarter ended 1QFY23 compared to a net profit of RM7.52 million a year earlier, on lower interest income, absence of fair value gain on investment securities and higher finance costs. (The Edge)

Electronic manufacturer **Formosa Prosonic Industries Bhd (9172)** saw its 3Q net profit rise 77.18% to RM44.24 million from RM24.97 million a year earlier, supported by higher sales and gain on foreign exchange. (The Edge)

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## Allianz Malaysia Berhad

### Technical Watch - "BUY on Potential Breakout"

Bloomberg: ALLZ MK | KLSE Stock Code: 1163

**Main Market**  
**Financial Services**  
**Subsector – Insurance**  
**Current Price: RM13.40**  
**Target Price: RM14.74**

#### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential breakout of the resistance supported by a bullish engulfing with a strong momentum on the stock (RSI >60).

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 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: 4**  
**Holds: 1**  
**Sells: 0**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
<b>P/E</b>	4.6	5.0	5.2
<b>P/B</b>	0.7	0.8	0.7
<b>P/CF</b>	4.4	4.6	13.5
<b>P/S</b>	0.4	0.4	0.4

\*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	RM13.40
Market Cap (m)	RM2,384.8
<b>52w high</b>	RM13.42
<b>52w low</b>	RM12.18
Stop Loss	RM11.46
Immediate Support	RM12.73
Immediate Resistance	RM13.41
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)	51,104.8



## Bermaz Auto Berhad

### Technical Watch - "BUY on Potential Upside"

Bloomberg: BAUTO MK | KLSE Stock Code: 5248

Main Market  
Consumer Product & Services  
Subsector - Automotive

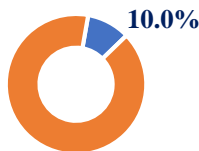
Current Price: RM1.94  
Target Price: RM2.13

#### Investment Highlights

On an uptrend, the stock is currently trading below the MA20. We think that there is a potential upside supported by a bullish engulfing 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 crossover moving forward.

#### Potential Upside



#### Bloomberg Analyst Ratings



**Buys: 10**  
**Holds: 4**  
**Sells: 0**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
<b>P/E</b>	14.5	13.7	12.4
<b>P/BV</b>	3.1	3.6	3.6
<b>P/CF</b>	8.0	9.2	11.9
<b>P/S</b>	0.8	0.9	0.9

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

#### Company Overview

Bermaz Auto Bhd markets and distributes passenger vehicles and vehicle parts. The company also provides servicing of motor vehicles.



**Ronnie Tan**  
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Entry Price	RM1.94
Market Cap (m)	RM2,253.5
<b>52w high</b>	RM2.00
<b>52w low</b>	RM1.45
Stop Loss	RM1.66
Immediate Support	RM1.84
Immediate Resistance	RM2.00 (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)	1,964,245.7



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
20/10/2022	PChem	5183	8.850	8.620	7.580	9.750	0.0	-2.6	-
20/10/2022	SimeDarbyPlt	5285	4.410	4.310	3.770	4.850	-1.6	-2.3	-
21/10/2022	BAT	4162	10.140	10.240	8.670	11.150	0.0	1.0	-
21/10/2022	Bursa	1818	6.280	6.400	5.370	6.910	0.0	1.9	-
25/10/2022	PIE	7095	2.420	2.560	2.070	2.670	-1.2	5.8	TP Achieved
25/10/2022	Ambank	1015	4.150	3.980	3.550	4.570	1.0	-4.1	-
26/10/2022	KLK	2445	22.420	21.420	19.170	24.660	-0.9	-4.5	-
26/10/2022	HapSeng	3034	6.080	6.500	5.200	6.690	0.6	6.9	-
27/10/2022	AeonCR	5139	13.300	12.660	11.370	14.630	0.5	-4.8	-
27/10/2022	Vitrox	0097	7.260	6.980	6.210	7.990	-1.1	-3.9	-
31/10/2022	GasMsia	5209	3.410	3.400	2.920	3.750	0.6	-0.3	-
31/10/2022	Hexind	0161	0.600	0.530	0.130	0.650	0.0	-11.7	TP Achieved
1/11/2022	PetDag	5681	21.680	22.820	18.540	23.850	1.5	5.3	-
1/11/2022	Dialog	7277	2.060	2.100	1.760	2.270	1.0	1.9	-
2/11/2022	ShinYing	5173	0.890	0.740	0.760	0.980	-3.9	-16.9	SL Triggered
2/11/2022	UMW	4588	3.470	3.340	2.970	3.820	2.5	-3.7	-
3/11/2022	PetDag	5681	22.200	22.820	18.980	24.420	1.5	2.8	-
3/11/2022	SKP	7155	1.670	1.620	1.430	1.840	-1.8	-3.0	-
4/11/2022	Unisem	5005	2.780	2.610	2.380	3.060	1.6	-6.1	SL Triggered
4/11/2022	Carlsberg	2836	22.240	23.200	19.020	24.460	-0.1	4.3	-
7/11/2022	Inari	0166	2.560	2.580	2.190	2.820	-1.1	0.8	-
7/11/2022	QLRes	7084	5.340	5.450	4.570	5.870	-0.9	2.1	-
8/11/2022	GenP	2291	6.280	6.450	5.370	6.910	0.0	2.7	-
8/11/2022	Digi	6947	3.880	3.870	3.320	4.270	0.5	-0.3	-
9/11/2022	Jentayu	5673	0.670	0.685	0.570	0.730	0.7	2.2	-
9/11/2022	Telekom	4863	5.450	5.350	4.660	6.000	-1.7	-1.8	-
10/11/2022	Tropicana	5401	1.380	1.320	1.180	1.520	-2.9	-4.3	-
10/11/2022	PMBTech	7172	4.050	4.210	3.460	4.460	-1.2	4.0	-
11/11/2022	GasMsia	5209	3.390	3.400	2.900	3.730	0.6	0.3	-
11/11/2022	ChinHin	5273	2.990	3.380	2.560	3.290	0.3	13.0	TP Achieved
14/11/2022	MPI	5401	26.100	26.100	22.320	28.710	0.4	0.0	-
14/11/2022	Greatech	0208	3.910	3.730	3.340	4.300	-2.9	-4.6	-
15/11/2022	Ajaya	7609	1.490	1.530	1.270	1.640	-1.3	2.7	-
15/11/2022	Affin	5185	2.350	2.340	2.010	2.590	-0.8	-0.4	-
16/11/2022	BerjayaFood	5196	1.050	1.020	0.900	1.160	-1.9	-2.9	-
16/11/2022	MSC	5916	1.700	1.730	1.450	1.870	2.4	1.8	-
17/11/2022	Genetech	0104	2.420	2.410	2.070	2.660	-0.4	-0.4	-
17/11/2022	TNB	5347	8.480	8.380	7.250	9.330	-1.2	-1.2	-
21/11/2022	Allianz	1163	13.400	13.400	11.460	14.740	0.9	0.0	-
21/11/2022	BermazAuto	5248	1.940	1.940	1.660	2.130	2.1	0.0	-

\*SL= Stop Loss

\*TP=Target Price



## STOCK SELECTION BASED ON DIVIDEND YIELD

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
AmFirst REIT	REIT	0.375	0.04	10.3
SHL Consolidated Bhd	Property	1.720	0.18	10.5
British American Tobacco Malay	Consumer	10.240	0.88	8.6
YTL Hospitality REIT	REIT	0.890	0.08	8.5
Tambun Indah Land Bhd	Property	0.715	0.06	8.0
UOA REIT	REIT	1.130	0.09	7.6
Capitaland Malaysia Trust	REIT	0.540	0.04	7.2
YTL Power International Bhd	Utilities	0.665	0.05	6.9
Pharmaniaga Bhd	Consumer	0.545	0.04	6.8
Al-'Aqar Healthcare REIT	REIT	1.220	0.08	6.7
Malayan Banking Bhd	Finance	8.560	0.57	6.7
Uchi Technologies Bhd	Industrial	3.230	0.21	6.5
Pavilion REIT	REIT	1.210	0.08	6.4
Sunway REIT	REIT	1.400	0.09	6.1
Matrix Concepts Holdings Bhd	Property	1.450	0.09	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	(7.5)	21.3	15.4	17.6	15.4	12.7	
Finance	3.9	13.0	11.5	12.4	12.5	9.5	
Property	(11.6)	13.8	10.0	11.8	10.0	8.7	
Plantation	5.0	94.6	8.5	43.3	8.5	14.1	
Consumer	(1.7)	25.6	17.6	22.6	17.6	16.1	
Technology	(39.4)	29.8	19.1	23.7	19.7	19.2	
Construction	(5.0)	22.2	9.6	17.1	9.6	11.3	
Energy	2.8	-	-	-	7.2	8.7	
Health care	(28.6)	52.6	19.3	35.9	19.3	24.3	
Ind Prod	(11.9)	38.6	10.0	23.7	10.0	12.4	
REIT	(3.8)	-	-	-	20.0	15.0	
Telco	(10.6)	26.1	25.1	25.6	26.1	18.0	
Transportations	(7.4)	-	-	-	-	16.3	
Utilities	(5.4)	-	-	-	12.2	11.9	

Source: Bloomberg

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