



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks rose yesterday despite decline on wall street stocks. Market breadth was positive with 423 gainers against 417 losers. The telecommunications & media sector was the top gainer leading by an increase of 1.07%, while the technology sector was the top loser declining by -0.36%. PETGAS (6033) was the top gainer increasing by RM0.32 or 1.9%. The FBM KLCI increased by 0.4% to 1,499.38.

We opine that Malaysian stocks will decline in the short term in line with regional market decline.

ECONOMICS

- **Asian bonds** in 2022 saw first foreign outflows in six years
- **Bank Negara** likely to hike OPR to 3% this Thursday, says Standard Chartered

COMPANY

- **Binasat's (0195)** unit bags RM18.4m subcontract job to build solar PV facility for **Sunview Group**
- **Ancom Nylex's (4758)** 2Q net profit jumps 70%
- **Econframe (0227)** plans to invest RM18.2m in aluminium glazing, glass products and facade systems business
- **Reservoir Link (0219)** secures RM17 mil contract to build large-scale PV plant in Kedah
- **Sunway Construction (5263)** secures RM218.7 mil PV plant construction project in Perak

EXPRESSO FOR THE DAY

- **Technical Watch – Bonia (9288)** – Entry Price RM2.62, Target Price RM2.88, Stop Loss RM2.24, Support RM2.49, Resistance RM2.53
- **Technical Watch – Axiata (6888)** – Entry Price RM3.05, Target Price RM3.36, Stop Loss RM2.61, Support RM2.90, Resistance RM3.10

Local		(%)
<b>FBMKLCI</b>	1,499.38	0.4
<b>Volume (mil)</b>	2,819.13	(28.1)
<b>Value (RM'mil)</b>	2,034.60	0.8
<b>Gainers</b>	423	
<b>Losers</b>	417	
<b>Unchanged</b>	432	

Foreign		(%)
<b>Dow Jones</b>	33,910.9	(1.1)
<b>Nasdaq CI</b>	11,095.1	(0.1)
<b>S&amp;P 500</b>	3,991.0	(0.2)
<b>FTSE 100</b>	7,851.0	(0.1)
<b>Nikkei 225</b>	26,236.3	1.6
<b>Shanghai CI</b>	3,224.2	(0.1)
<b>HSI</b>	21,557.6	(0.8)
<b>STI</b>	3,280.5	(0.1)

Most Active		RM
<b>KITACON</b>	0.750	0.070
<b>SERBADK</b>	0.020	0.005
<b>DNEX</b>	0.585	0.025
<b>NATGATE</b>	1.090	0.040
<b>SAPNRG</b>	0.050	0.000

Top Gainer		RM	Chg
<b>PETGAS</b>	17.380	0.320	
<b>HEIM</b>	26.780	0.280	
<b>RAPID</b>	16.260	0.280	
<b>CARLSBG</b>	23.660	0.180	
<b>DLADY</b>	29.920	0.160	

Top Loser		RM	Chg
<b>MPI</b>	32.500	(1.480)	
<b>F&amp;N</b>	23.800	(0.700)	
<b>HEXTECH</b>	24.520	0.580	
<b>AJI</b>	14.040	(0.180)	
<b>PETDAG</b>	22.260	(0.180)	

Other Stats		(%)
<b>USD/MYR</b>	4.32	(0.40)
<b>USD/RMB</b>	6.74	(0.56)
<b>Brent (USD/barrel)</b>	86.39	0.55
<b>Gold (USD/troy oz)</b>	1,910.10	0.01
<b>CPO (RM/metric t)</b>	3,811.5	(0.64)

**DAILY NEWSWATCH****ECONOMICS**

Standard Chartered (StanChart) **expects Bank Negara Malaysia (BNM) to increase the overnight policy rate (OPR) by 25 basis points to 3.0%** during its monetary policy meeting this coming Thursday, reversing the Covid-induced rate cuts. (The Edge)

**Asia ex-China bonds recorded net foreign outflows for the first time in six years in 2022**, as major central banks hiked their interest rates aggressively to tame inflationary pressures. Overseas investors sold a net US\$4.89 billion worth of bonds in India, Indonesia, Malaysia, South Korea and Thailand, marking their first-year net outflow since 2016, data from regulatory and bond market associations showed. (The Edge)

**COMPANY**

**Binasat Communications Bhd's (0195)** unit has secured an RM18.36 million subcontract work to build a large scale solar photovoltaic facility in Selangor for Fabulous Sunview Sdn Bhd, a wholly-owned unit of newly-listed Sunview Group Bhd. (The Edge)

**Ancom Nylex Bhd (4758)** posted a 70.23% rise in net profit to RM20.56 million for the second quarter ended Nov 30, 2022 (2QFY2023) from RM12.08 million in the same quarter last year. (The Edge)

**Econframe Bhd (0227)** plans to expand its operations into the business of aluminium glazing, glass products and facade systems by acquiring a 65% equity interest in Lee & Yong Aluminium Sdn Bhd for RM17.2 million. (The Edge)

**Reservoir Link Energy Bhd (0219)** said its unit has clinched an engineering, procurement, construction and commissioning (EPCC) project from Solarvest Holding Bhd for an expected value of RM16.6 million upon completion. (The Edge)

**Sunway Construction Group Bhd (5263)** has won a RM218.76 million contract to build a 50 MW photovoltaic plant in Kampar district in Perak. The group's wholly-owned unit, Sunway Construction Sdn Bhd, received the letter of award from Gopeng Bhd's subsidiary GBS Suria Sdn Bhd, said SunCon in a bourse filing. (The Edge)

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## Bonia Corporation Berhad

### Technical Watch - “BUY on Potential Breakout”

Bloomberg: BON MK | KLSE Stock Code: 9288

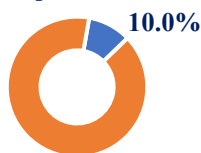
**Main Market**  
**Consumer Products & Services**  
**Subsector – Personal Goods**  
**Current Price: RM2.62**  
**Target Price: RM2.88**

#### 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 three white soldiers with a strong momentum on the stock (RSI >75).

An expanding Bollinger bands suggests higher volatility and higher potential upside 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: 2**  
**Holds: 0**  
**Sells: 1**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	20.2	14.2	11.9
P/B	0.7	0.5	0.7
P/CF	3.3	2.9	5.0
P/S	1.0	0.5	0.5

\*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**

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Entry Price	RM2.62
Market Cap (m)	RM525.1
<b>52w high</b>	RM2.73
<b>52w low</b>	RM1.02
Stop Loss	RM2.24
Immediate Support	RM2.49
Immediate Resistance	RM2.53 (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



## Axiata Group Bhd

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

Bloomberg: AXIATA MK | KLSE Stock Code: 6888

### Main Market Telecommunication & Medias Subsector – Telecom Svc Pvdr

Current Price: RM3.05

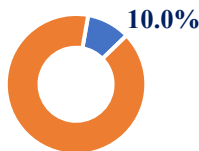
Target Price: RM3.36

#### 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 rising momentum on the stock (RSI >55).

An expanding Bollinger bands suggests higher volatility and higher potential upside moving forward. Trading within the 2SD, we project a 10% upside to the current price and expect EMA to hold and SMA to crossover moving forward.

#### Potential Upside



#### Bloomberg Analyst Ratings



**Buys: 11**  
**Holds: 7**  
**Sells: 2**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	76.2	59.7	42.3
P/BV	1.8	1.8	1.9
P/CF	3.6	4.5	6.2
P/S	1.2	1.3	1.8

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

#### Company Overview

Axiata Group Berhad is a telecommunication company. The Company's main activities is the establishment, maintenance, and provision of telecommunications and related services.



Ronnie Tan

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Entry Price	RM3.05
Market Cap (m)	RM27,990.6
<b>52w high</b>	RM3.95
<b>52w low</b>	RM2.32
Stop Loss	RM2.61
Immediate Support	RM2.90
Immediate Resistance	RM3.10 (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)	3,718,452.4



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
19/12/2022	IHH	5225	5.900	5.990	5.040	6.490	0.3	1.5	-
19/12/2022	Gamuda	5398	3.700	3.950	3.160	4.070	0.5	6.8	-
20/12/2022	HLFG	1082	18.780	18.940	16.060	20.660	0.2	0.9	-
20/12/2022	SEQB	9822	4.860	4.850	4.160	5.350	-1.0	-0.2	-
21/12/2022	KeinHing	7199	2.050	2.140	1.750	2.260	2.9	4.4	TP Achieved
21/12/2022	Maybank	1155	8.780	8.780	7.510	9.660	0.0	0.0	-
22/12/2022	GenP	2291	6.040	6.040	5.160	6.640	0.2	0.0	-
22/12/2022	Scomnet	0001	1.670	1.600	1.430	1.840	0.0	-4.2	-
23/12/2022	7-Eleven	2289	1.990	1.970	1.700	2.190	1.0	-1.0	SL Triggered
23/12/2022	RHBBank	4579	5.740	5.720	4.910	6.310	-0.7	-0.3	-
27/12/2022	SuperMax	7106	0.910	0.850	0.780	1.000	1.2	-6.6	-
27/12/2022	GenP	2291	6.400	6.040	5.470	7.040	0.2	-5.6	-
28/12/2022	BIMB	5258	2.730	2.500	2.330	3.000	0.0	-8.4	-
28/12/2022	Allianz	1163	14.200	14.700	12.140	15.620	0.5	3.5	-
29/12/2022	SMI	4375	0.610	1.070	0.520	0.670	0.9	75.4	TP Achieved
29/12/2022	RHBBank	1066	5.750	5.720	4.920	6.330	-0.7	-0.5	-
30/12/2022	Bonia	9288	2.270	2.620	1.940	2.500	3.6	15.4	TP Achieved
30/12/2022	PetDag	5681	23.000	22.260	19.670	25.300	-0.8	-3.2	-
3/1/2023	Atech	5302	1.990	2.170	1.700	2.190	0.9	9.0	-
3/1/2023	Pentamaster	7160	4.570	5.040	3.910	5.030	1.0	10.3	TP Achieved
4/1/2023	AbleGlobal	7167	1.450	1.450	1.240	1.600	0.0	0.0	-
4/1/2023	Tomei	7230	1.120	1.120	0.960	1.230	-0.9	0.0	-
5/1/2023	CFM	8044	2.900	2.790	2.480	3.190	-2.4	-3.8	-
5/1/2023	HapSeng	3034	6.590	7.000	5.630	7.250	0.1	6.2	-
6/1/2023	UMW	4588	3.630	3.780	3.100	3.990	-0.5	4.1	-
6/1/2023	Digi	6947	3.960	4.280	3.390	4.360	3.1	8.1	-
9/1/2023	AeonCredit	5139	12.780	12.960	10.930	14.060	-0.3	1.4	-
9/1/2023	Dialog	7277	2.580	2.580	2.210	2.840	2.0	0.0	-
10/1/2023	KYM	8362	0.600	0.600	0.510	0.660	3.4	0.0	-
10/1/2023	AncomNylex	4758	1.140	1.180	0.970	1.250	-0.8	3.5	-
11/1/2023	Padini	7052	3.550	3.760	3.040	3.910	2.5	5.9	-
11/1/2023	MBM	5983	3.450	3.410	2.950	3.800	-1.2	-1.2	-
12/1/2023	Unisem	5005	2.920	2.960	2.500	3.210	-2.3	1.4	-
12/1/2023	Frontken	0128	3.310	3.340	2.830	3.640	0.3	0.9	-
13/1/2023	PressMetal	8869	5.080	5.300	4.340	5.590	1.9	4.3	-
13/1/2023	7-Eleven	5250	1.900	1.970	1.620	2.090	1.0	3.7	-
16/1/2023	Padini	1631	3.670	3.760	3.140	4.040	2.5	2.5	-
16/1/2023	Pentamaster	1988	4.990	5.040	4.270	5.490	1.0	1.0	-
17/1/2023	Bonia	9288	2.620	2.620	2.240	2.880	3.6	0.0	-
17/1/2023	Axiata	6888	3.050	3.050	2.610	3.360	3.0	0.0	-

\*SL= Stop Loss

\*TP=Target Price



## STOCK SELECTION BASED ON DIVIDEND YIELD

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
SHL Consolidated Bhd	Property	1.800	0.18	10.0
RCE Capital Bhd	Finance	1.800	0.18	10.0
YTL Hospitality REIT	REIT	0.925	0.08	8.4
British American Tobacco Malay	Consumer	11.840	0.91	7.7
UOA REIT	REIT	1.170	0.09	7.4
Uchi Technologies Bhd	Industrial	3.170	0.23	7.3
Tambun Indah Land Bhd	Property	0.800	0.06	7.3
Capitaland Malaysia Trust	REIT	0.545	0.04	7.2
Matrix Concepts Holdings Bhd	Property	1.500	0.10	6.9
Al-'Aqar Healthcare REIT	REIT	1.260	0.08	6.5
YTL Power International Bhd	Utilities	0.730	0.05	6.3
Pavilion REIT	REIT	1.240	0.08	6.3
Malayan Banking Bhd	Finance	8.780	0.55	6.3
AmFirst REIT	REIT	0.365	0.02	6.2
Hong Leong Industries Bhd	Industrial	9.040	0.55	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	(0.1)	21.3	14.8	17.5	14.8	12.6	
Finance	0.4	13.0	11.5	12.3	11.9	9.5	
Property	2.4	13.8	8.6	11.5	8.6	8.6	
Plantation	(2.6)	94.6	9.1	43.4	9.1	16.0	
Consumer	2.0	25.6	14.9	22.0	14.9	15.3	
Technology	5.4	29.8	7.3	21.3	7.3	21.3	
Construction	3.1	22.2	9.9	17.1	9.9	11.6	
Energy	5.8	-	-	-	9.4	11.2	
Health care	(2.7)	52.6	25.2	38.9	25.2	24.7	
Ind Prod	2.8	38.6	10.3	23.7	10.3	12.2	
REIT	3.6	-	-	-	20.7	15.1	
Telco	(0.6)	25.1	22.8	24.0	22.8	17.3	
Transportations	7.1	-	-	-	-	16.0	
Utilities	(0.5)	-	-	-	12.9	12.0	

Source: Bloomberg



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