



DAILY NEWSWATCH

MARKET REVIEW

Malaysian equities declined slightly as mixed performance were seen across regional markets. Market breadth was positive with 465 gainers against 380 losers. The energy sector was the top gainer increasing by +2.08%, while the telecommunications & media sector was the top loser declining by -0.36%. PETDAG (5681) was the top gainer surging by RM0.34 or +1.6%. The FBM KLCI declined by 0.06% to 1452.68.

We expect Malaysian stocks to remain volatile in the short term as investors take position ahead of Jeremy Powell’s testimony.

ECONOMICS

- **Global semicon sales fell 18.5%** y-o-y to US\$41.3 bil in January-SIA
- **Oil down on China outlook**, spotlight on Powell testimony

COMPANY

- **UMediC (0256)** 2Q profit up 45% q-o-q on higher demand for medical devices, consumables
- **Citaglobal (7245)** to develop jetty in Perlis; first phase contract sum is RM200m
- **Key ASIC (0143)** wins four contracts worth RM16 mil
- **Tesla & Amazon Web Services** investments to create high-quality jobs — Tengku Zafrul

EXPRESSO FOR THE DAY

- **Technical Watch – Coraza (0240)** – Entry Price RM1.02, Target Price RM1.12, Stop Loss RM0.87, Support RM0.97, Resistance RM1.15
- **Technical Watch – Signature (7246)** – Entry Price RM2. 65, Target Price RM2.92, Stop Loss RM2.27, Support RM2.52, Resistance RM2. 63

Local (%)		
FBMKLCI	1,452.70	(0.1)
Volume (mil)	2,837.00	5.6
Value (RM'mil)	1,785.50	(5.5)
Gainers	465	
Losers	380	
Unchanged	416	

Foreign (%)		
Dow Jones	33,431.4	0.1
Nasdaq CI	11,675.7	(0.1)
S&P 500	4,048.4	0.1
FTSE 100	7,929.8	(0.2)
Nikkei 225	28,327.8	1.1
Shanghai CI	3,322.0	(0.2)
HSI	20,603.2	0.2
STI	3,239.3	0.2

Most Active	RM	Chg
MINDA	0.130	0.045
VELESTO	0.240	0.025
MYEG	0.750	0.015
SAUDEE	0.040	0.000
VINVEST	0.230	0.000

Top Gainer	RM	Chg
PETDAG	21.200	0.340
MPI	29.820	0.320
HARISON	7.900	0.300
RAPID	17.480	0.280
PADINI	3.870	0.270

Top Loser	RM	Chg
PANAMY	22.760	(0.280)
HEXTECH	25.400	(0.160)
SAB	3.630	(0.150)
ALLIANZ	13.880	(0.140)
CFM	2.330	(0.120)

Other Stats (%)		
USD/MYR	4.48	0.02
USD/RMB	6.93	0.40
Brent (USD/barrel)	86.26	0.50
Gold (USD/troy oz)	1,846.89	(0.52)
CPO (RM/metric t)	4,324.5	1.71

**DAILY NEWSWATCH****ECONOMICS**

Global semiconductor industry sales fell 18.5% year-on-year in January to US\$41.3 billion from US\$50.7 billion a year earlier. In a statement last Friday (March 3), the U.S.-based Semiconductor Industry Association (SIA) said the figure was 5.2% lower than the December 2022 total of US\$43.6 billion. SIA president and CEO John Neuffer said despite record-high sales in 2022, the global semiconductor market cooled considerably during the second half of the year, and that trend continued during the first month of 2023. (The Edge)

Oil prices slipped yesterday after China set a lower-than-expected target for economic growth this year at around 5%, and as investors cautiously awaited U.S. Federal Reserve Chair Jerome Powell's testimony this week. Brent crude futures were trading down 53 cents, or 0.6%, at \$85.30 a barrel at 0735 GMT. U.S. West Texas Intermediate (WTI) crude futures were also down 0.6% at \$79.21. (The Star)

COMPANY

UMediC Group Bhd's (0256) net profit stood at RM2.91 million against its revenue of RM12.52 million for its second quarter ended Jan 31, 2023 (2QFY2023). For its first half of 2023 (1HFY2023), the group recorded a net profit of RM4.9 million on the back of RM23.83 million in revenue. The better results were due to higher demand for medical devices and consumables from public and private hospitals as well as healthcare service providers, it said. (The Edge)

Citaglobal Bhd (7245) said it has secured a contract for the development of a jetty project in Perlis, raising its orderbook to RM933.2 million from RM733.2 million. The group said its wholly owned subsidiary Citaglobal Engineering Services Sdn Bhd will undertake the Sanglang Integrated Jetty project for Mutiara Perlis Sdn Bhd. "The full development of the Sanglang project is divided into four phases. The contract sum of Phase 1A is RM200 million, while the contract sum for the other phases has yet to be determined. Citaglobal will first finalise the award to execute Phase 1A of this project," the group said in a statement. (The Edge)

Key ASIC Bhd (0143) clinched four turnkey application-specific integrated circuit (ASIC) design service contracts worth RM16 million over a three-year period. In a Bursa Malaysia filing on Monday (March 6), Key ASIC said the four contracts include two contracts from existing end customers. Another two are from new customers, including a Hong-Kong-based client. "In addition to the non-recurring engineering fees, the projects usually contribute to a multi-year revenue stream from the shipment of the wafers or chips," it said. (The Edge)

The two industry giants, **Tesla and Amazon Web Services (AWS)** proposed investments are expected to bring positive economic spillover to the country and create high-quality job opportunities, said Tengku Datuk Seri Zafrul Abdul Aziz.

The International Trade and Industry Minister said Tesla's decision to invest here was based on Malaysia's strong electrical and electronics (E&E) ecosystem to support the manufacture of electric vehicles (EVs). He noted that Malaysia is the seventh largest producer in the E&E and semiconductor sector, which supplies vital components in EV manufacturing. (The Edge)



Coraza Integrated Technology Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: CORAZA MK | KLSE Stock Code: 0240

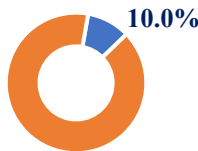
Ace Market
Industrial Product & Services
Subsector – Indstrl Engineering
Current Price: RM1.02
Target Price: RM1.12

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 rising momentum on the stock (RSI >55).

A contracting Bollinger bands suggests lower volatility and lower 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: 1
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	18.5	18.5	18.5
P/B	6.8	6.8	6.8
P/CF	1469.3	1469.3	1469.3
P/S	2.2	2.2	2.2

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

Company Overview

Coraza Integrated Technology Berhad is a metal fabricating company. The Company specializes in fabrication of sheet metal, precision engineering, and electro-mechanical assembly, such as cutting, bending, welding, milling, turning, and tapping. Coraza Integrated Technology serves customers globally.



Ronnie Tan

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Entry Price	RM1.02
Market Cap (m)	RM437.8
52w high	RM1.16
52w low	RM0.51
Stop Loss	RM0.87
Immediate Support	RM0.97
Immediate Resistance	RM1.15 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising Momentum
Volume (4-Weeks Average)	8,189,381.0



Signature International Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: SIGN MK | KLSE Stock Code: 7246

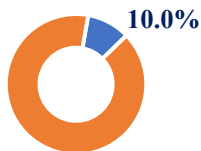
Main Market
Consumer Products & Services
Subsector – Household Goods
Current Price: RM2.65
Target Price: RM2.92

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 >60).

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: 0
Holds: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	26.9	30.6	17.5
P/BV	1.8	1.1	1.1
P/CF	186.1	43.1	23.7
P/S	2.2	1.2	1.1

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

Company Overview

Signature International Bhd is a holding company. The Company, through its subsidiaries, offers design, marketing and distribution of kitchen systems, wardrobe systems and built-in kitchen appliances.



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Entry Price	RM2.65
Market Cap (m)	RM768.1
52w high	RM3.35
52w low	RM1.17
Stop Loss	RM2.27
Immediate Support	RM2.52
Immediate Resistance	RM2.63 (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)	1,278,540.5



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
8/2/2023	Tasco	5140	1.020	0.910	0.870	1.120	1.1	-10.8	SL Triggered
8/2/2023	MiTech	5286	1.600	2.030	1.370	1.760	-0.5	26.9	TP Achieved
9/2/2023	Bonia	9288	2.790	2.470	2.390	3.070	2.9	-11.5	SL Triggered
9/2/2023	Solarvest	0215	1.160	0.950	0.990	1.280	2.7	-18.1	SL Triggered
10/2/2023	Ajiya	7609	1.880	1.650	1.610	2.070	1.2	-12.2	SL Triggered
10/2/2023	Sunview	0262	0.870	0.840	0.740	0.960	9.1	-3.4	SL Triggered
13/2/2023	EG	8907	0.760	1.270	0.650	0.830	3.3	67.1	TP Achieved
13/2/2023	PublicBank	1295	4.200	4.100	3.590	4.620	-1.0	-2.4	-
14/2/2023	Unisem	5005	3.270	3.080	2.800	3.600	0.7	-5.8	SL Triggered
14/2/2023	PowerRoot	7237	1.990	2.130	1.700	2.190	0.0	7.0	TP Achieved
15/2/2023	MRDIY	4731	3.600	3.670	3.08	3.96	0.0	1.9	-
15/2/2023	Volcano	8869	5.250	5.150	4.49	5.78	0.4	-1.9	-
16/2/2023	MRDIY	4832	1.860	1.670	1.590	2.050	0.6	-10.2	SL Triggered
16/2/2023	Volcano	9896	0.860	0.805	0.730	0.940	0.0	-6.4	SL Triggered
17/2/2023	MISC	3816	7.480	7.430	6.400	8.230	0.5	-0.7	-
17/2/2023	Nylex(M)	4944	0.630	0.555	0.540	0.690	0.0	-11.9	SL Triggered
20/2/2023	Keihin	7199	2.800	1.930	2.390	3.080	1.0	-31.1	SL Triggered
20/2/2023	Atech	5302	2.950	3.090	2.520	3.250	0.3	4.7	-
21/2/2023	Supermax	7106	0.830	0.780	0.640	0.910	0.6	-6.0	SL Triggered
21/2/2023	VS Industry	6963	0.925	0.870	0.790	1.020	1.2	-5.9	-
22/2/2023	MPI	3867	29.920	29.820	25.580	32.910	1.1	-0.3	-
22/2/2023	PICORP	7201	0.330	0.245	0.290	0.370	-18.3	-25.8	SL Triggered
23/2/2023	JayaTiasa	4383	0.720	0.740	0.620	0.790	0.7	2.8	-
23/2/2023	Hextech	5136	27.300	25.400	23.340	30.030	-0.6	-7.0	-
24/2/2023	FocusPoint	0157	1.430	1.380	1.220	1.570	5.3	-3.5	-
24/2/2023	Genetec	0104	2.790	2.880	2.650	3.070	-0.3	3.2	-
27/2/2023	MFCB	3069	3.700	3.580	3.160	4.070	0.0	-3.2	-
27/2/2023	PIE	7095	3.270	3.500	2.800	3.600	2.3	7.0	-
28/2/2023	FarmFresh	5306	1.570	1.560	1.340	1.730	-0.6	-0.6	-
28/2/2023	CMS	2852	1.340	1.240	1.150	1.470	0.0	-7.5	SL Triggered
1/3/2023	MISC	3816	7.560	7.430	6.460	8.320	0.5	-1.7	-
1/3/2023	CIMB	1023	5.610	5.590	4.800	6.170	0.0	-0.4	-
2/3/2023	D&O	7204	4.690	4.550	4.010	5.160	0.2	-3.0	-
2/3/2023	Dufu	7233	2.150	2.170	1.840	2.370	2.4	0.9	-
3/3/2023	ECA	0267	1.050	1.080	0.900	1.160	1.9	2.9	-
3/3/2023	Axiata	6888	3.210	3.130	2.740	3.530	-1.9	-2.5	-
6/3/2023	CitaGlobal	7245	1.520	1.580	1.300	1.670	3.9	3.9	-
6/3/2023	UMWH	4588	3.900	3.830	3.330	4.290	-1.8	-1.8	-
7/3/2023	Coraza	0240	1.020	1.020	5.360	0.870	7.9	0.0	-
7/3/2023	Signature	7246	2.650	2.650	2.270	2.920	3.1	0.0	-

*SL= Stop Loss

*TP=Target Price



STOCK SELECTION BASED ON DIVIDEND YIELD

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
Pharmaniaga Bhd	Consumer	0.285	0.04	13.7
SHL Consolidated Bhd	Property	1.940	0.18	9.3
British American Tobacco Malay	Consumer	11.060	0.97	8.7
YTL Hospitality REIT	REIT	1.000	0.08	8.0
UOA REIT	REIT	1.130	0.09	7.6
Magnum Bhd	Consumer	1.210	0.09	7.2
Tambun Indah Land Bhd	Property	0.840	0.06	7.1
Malayan Banking Bhd	Finance	8.690	0.62	7.1
Capitaland Malaysia Trust	REIT	0.530	0.04	7.0
AmFirst REIT	REIT	0.335	0.02	6.8
YTL Power International Bhd	Utilities	0.780	0.05	6.4
Matrix Concepts Holdings Bhd	Property	1.490	0.10	6.4
Sunway REIT	REIT	1.570	0.10	6.4
Amanahraya REIT	REIT	0.565	0.04	6.2
Hong Leong Industries Bhd	Industrial	9.000	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	(2.9)	18.2	14.5	16.9	14.5	12.3	
Finance	(2.4)	13.5	10.7	12.5	10.7	9.2	
Property	7.4	16.1	7.4	11.1	8.9	N/A	
Plantation	(2.9)	95.5	8.2	35.6	8.2	15.6	
Consumer	(0.5)	25.0	19.7	22.4	19.7	15.3	
Technology	1.0	31.3	22.5	26.2	23.1	21.2	
Construction	6.0	21.8	9.0	17.4	9.0	13.2	
Energy	14.7	-	-	-	11.7	9.6	
Health care	(6.9)	36.1	28.4	32.2	28.4	25.7	
Ind Prod	(2.0)	31.6	12.4	21.4	12.4	12.9	
REIT	3.7	-	-	-	N/A	N/A	
Telco	1.1	25.5	19.8	22.6	25.5	19.8	
Transportations	8.3	-	-	-	-	14.3	
Utilities	2.1	-	-	-	13.5	12.4	

Source: Bloomberg

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