



DAILY NEWSWATCH

MARKET REVIEW

Malaysian equities rose yesterday on the back of selected heavyweight counters in the plantation sector. Market breadth was negative with 415 gainers against 466 losers. The plantation sector was the top gainer increasing by +1.91%, while the utilities sector was the top loser declining by -0.34%. Ajinomoto Malaysia (2658) was the top gainer surging by RM0.56 or +4.0%. The FBM KLCI rose by 0.41% to 1458.67.

We expect Malaysian stocks to decline in tandem with the weak performance of Wall Street stocks overnight.

ECONOMICS

- **Oil steady** as supply worries offset China demand uncertainty

COMPANY

- **KPJ Healthcare (5878)** successfully prices RM555 mil sustainability sukuk
- **Solarvest consortium (0215)** bags EPCC project for Philippines rural solar programme
- **Cape EMS (5311)** posts 40% rise in quarterly net profit ahead of listing
- **Teladan Setia (0230)** buys Negeri Sembilan land for RM24.1 mil
- ACE Market-bound **Oppstar (0275)** shares oversubscribed by 77.05 times

EXPRESSO FOR THE DAY

- **Technical Watch – IHH (5225)** – Entry Price RM5.95, Target Price RM6.55, Stop Loss RM5.09, Support RM5.65, Resistance RM6.10
- **Technical Watch – Dialog (7277)** – Entry Price RM2.40, Target Price RM2.64, Stop Loss RM2.05, Support RM2.28, Resistance RM2.59

Local		(%)
FBMKLCI	1,458.70	0.4
Volume (mil)	2,988.40	5.3
Value (RM'mil)	1,898.00	6.3
Gainers	415	
Losers	466	
Unchanged	424	

Foreign		(%)
Dow Jones	32,856.5	(1.7)
Nasdaq CI	11,530.3	(1.2)
S&P 500	3,986.4	(1.5)
FTSE 100	7,919.5	(0.1)
Nikkei 225	28,309.2	0.3
Shanghai CI	3,285.1	(1.1)
HSI	20,534.5	(0.3)
STI	3,245.3	0.2

Most Active	RM	Chg
MINDA	0.125	(0.005)
HONGSENG	0.145	0.005
PICORP	0.140	(0.105)
CAPITALA	0.770	0.030
SMTRACK	0.045	0.000

Top Gainer	RM	Chg
KLK	21.620	0.460
PERTAMA	2.200	0.330
AYER	7.100	0.310
BKAWAN	21.760	0.220
PETDAG	21.420	0.220

Top Loser	RM	Chg
DLADY	28.380	(0.480)
CFM	2.120	(0.210)
RAPID	17.300	(0.180)
HLFG	18.180	(0.160)
CARLSBG	22.380	(0.120)

Other Stats		(%)
USD/MYR	4.47	(0.13)
USD/RMB	6.97	0.50
Brent (USD/barrel)	83.29	(3.35)
Gold (USD/troy oz)	1,813.45	(1.81)
CPO (RM/metric t)	4,249.5	1.71

**DAILY NEWSWATCH****ECONOMICS**

Oil prices were little changed on Tuesday, after rising for the past five sessions, as concerns about limited spare capacity in the market and uncertainty over Russian supplies offset mixed oil data from top crude importer China. (The Star)

COMPANY

KPJ Healthcare Bhd (5878) has successfully priced its inaugural RM555 million sustainability sukuk offering under its RM3 billion sukuk wakalah programme. In a statement, KPJ Healthcare said the offering via its wholly owned subsidiary Point Zone (M) Sdn Bhd marks a pioneering issuance by a private healthcare provider in Malaysia and the Asean region. (The Edge)

Solarvest Holdings Bhd (0215) in a consortium with Edward Marcs Philippines Inc has been appointed the engineering, procurement, construction, and commissioning (EPCC) solutions provider for a one-megawatt peak ground-mounted solar development in General Santos in Mindanao Island, Philippines. The project which falls under the Rural Network Solar programme, is owned by NPC subsidiary South Cotabato II Electric Cooperative, Inc (Socoteco II), a non-profit electric cooperative (EC) of NPC to construct electricity distribution systems in rural areas. (The Star)

Cape EMS Bhd (5311), which is slated to list on the Main Market of Bursa Malaysia on Friday (March 10), has reported a 40.42% climb in net profit for the fourth quarter ended Dec 31, 2022 (4QFY2022) to RM8.93 million from RM6.36 million a year earlier, on the back of increased sales of higher margin products. The electronics manufacturing services (EMS) provider's revenue rose 17.34% to RM118.2 million from RM100.74 million in 4QFY2021, driven by higher sales from wireless communication equipment and e-cigarettes. (The Edge)

Teladan Setia Group Bhd (0230) is acquiring freehold land in Negeri Sembilan for RM24.12 million in cash. The land, measuring 70,020 sq m, is planned for mixed development, said Teladan Setia in a bourse filing on March 7 (Tuesday). "This proposed acquisition is in line with our strategy of replenishing our land bank at locations with strong growth potential and to scale up our property development activities to generate long-term sustainable income," it added. (The Edge)

Oppstar Bhd's (0275) initial public offering (IPO) has been oversubscribed by 77.05 times by the Malaysian public ahead of its listing on the ACE Market of Bursa Malaysia on March 15. The 31.81 million IPO shares made available for the Malaysian public received a total of 39,103 applications for 2.48 billion IPO shares, valued at RM1.56 billion, representing an overall oversubscription rate of 77.05 times, said Oppstar in a statement on Tuesday (March 7). (The Edge)



IHH Healthcare Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: IHH MK | KLSE Stock Code: 5225

Main Market Health Care

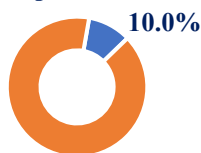
Subsector –Health Care Providers
Current Price: RM5.95
Target Price: RM6.55

Investment Highlights

On a sideways the stock is currently trading above the MA20. We think there is a potential upside supported by a bullish engulfing with a rising momentum on the stock (RSI >50).

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: 20
Holds: 2
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	41.2	127.4	88.5
P/B	2.3	2.2	2.1
P/CF	17.3	20.2	23.9
P/S	3.3	3.5	4.3

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

Company Overview

IHH Healthcare Bhd provides healthcare services. The Company operates hospitals as well as medical centers, clinics and ancillary healthcare businesses across multiple countries, including Singapore, Malaysia, Turkey, The Peoples Republic of China, India, Hong Kong, Vietnam, Macedonia and Brunei.



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Entry Price	RM5.95
Market Cap (m)	RM52,396.0
52w high	RM6.76
52w low	RM5.44
Stop Loss	RM5.09
Immediate Support	RM5.65
Immediate Resistance	RM6.10 (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)	4,554,131.5



Dialog Group Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: DLG MK | KLSE Stock Code: 7277

Main Market

Energy

Subsector – Energy Infra, Eq, Sv

Current Price: RM2.40

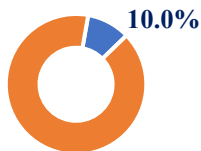
Target Price: RM2.64

Investment Highlights

On a trend reversal, the stock is currently trading below the MA20. We think there is a potential continuation supported by a marubozu with a rising momentum on the stock (RSI >50).

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: 10

Holds: 4

Sells: 2

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	26.8	30.6	30.3
P/BV	2.7	3.9	3.9
P/CF	29.0	36.6	33.2
P/S	7.2	7.3	5.2

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

Company Overview

Dialog Group Berhad operates as a holding company. The Company, through its subsidiaries, provides engineering, procurement, fabrication, construction, maintenance, operations, and project management services. Dialog Group also owns upstream fields, as well as retails petroleum to oil, gas, and petrochemical industries. Dialog Group serves customers worldwide.

Ronnie Tan

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Entry Price	RM2.40
Market Cap (m)	RM13,542.2
52w high	RM2.81
52w low	RM1.71
Stop Loss	RM2.05
Immediate Support	RM2.28
Immediate Resistance	RM2.59 (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)	6,090,579.1



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
9/2/2023	Bonia	9288	2.790	2.460	2.390	3.070	-0.4	-11.8	SL Triggered
9/2/2023	Solarvest	0215	1.160	0.955	0.990	1.280	0.5	-17.7	SL Triggered
10/2/2023	Ajiya	7609	1.880	1.670	1.610	2.070	1.2	-11.2	SL Triggered
10/2/2023	Sunview	0262	0.870	0.825	0.740	0.960	-1.8	-5.2	SL Triggered
13/2/2023	EG	8907	0.760	1.340	0.650	0.830	5.5	76.3	TP Achieved
13/2/2023	PublicBank	1295	4.200	4.130	3.590	4.620	0.7	-1.7	-
14/2/2023	Unisem	5005	3.270	3.020	2.800	3.600	-1.9	-7.6	SL Triggered
14/2/2023	PowerRoot	7237	1.990	2.150	1.700	2.190	0.9	8.0	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	5.210	4.49	5.78	1.2	-0.8	-
16/2/2023	MRDIY	4832	1.860	1.700	1.590	2.050	1.8	-8.6	SL Triggered
16/2/2023	Volcano	9896	0.860	0.800	0.730	0.940	-0.6	-7.0	SL Triggered
17/2/2023	MISC	3816	7.480	7.400	6.400	8.230	-0.4	-1.1	-
17/2/2023	Nylex(M)	4944	0.630	0.570	0.540	0.690	2.7	-9.5	SL Triggered
20/2/2023	Keihin	7199	2.800	1.900	2.390	3.080	-1.6	-32.1	SL Triggered
20/2/2023	Atech	5302	2.950	2.990	2.520	3.250	-3.2	1.4	-
21/2/2023	Supermax	7106	0.830	0.770	0.640	0.910	-1.3	-7.2	SL Triggered
21/2/2023	VS Industry	6963	0.925	0.870	0.790	1.020	0.0	-5.9	-
22/2/2023	MPI	3867	29.920	30.000	25.580	32.910	0.6	0.3	-
22/2/2023	PICORP	7201	0.330	0.140	0.290	0.370	-42.9	-57.6	SL Triggered
23/2/2023	JayaTiasa	4383	0.720	0.730	0.620	0.790	-1.4	1.4	-
23/2/2023	Hextech	5136	27.300	25.360	23.340	30.030	-0.2	-7.1	-
24/2/2023	FocusPoint	0157	1.430	1.380	1.220	1.570	0.0	-3.5	-
24/2/2023	Genetec	0104	2.790	2.880	2.650	3.070	0.0	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	3.490	2.800	3.600	-0.3	6.7	-
28/2/2023	FarmFresh	5306	1.570	1.570	1.340	1.730	0.6	0.0	-
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	7.400	6.460	8.320	-0.4	-2.1	-
1/3/2023	CIMB	1023	5.610	5.550	4.800	6.170	-0.7	-1.1	-
2/3/2023	D&O	7204	4.690	4.560	4.010	5.160	0.2	-2.8	-
2/3/2023	Dufu	7233	2.150	2.150	1.840	2.370	-0.9	0.0	-
3/3/2023	ECA	0267	1.050	1.050	0.900	1.160	-2.8	0.0	-
3/3/2023	Axiata	6888	3.210	3.170	2.740	3.530	1.3	-1.2	-
6/3/2023	CitaGlobal	7245	1.520	1.530	1.300	1.670	-3.2	0.7	-
6/3/2023	UMWH	4588	3.900	3.800	3.330	4.290	-0.8	-2.6	-
7/3/2023	Coraza	0240	1.020	1.000	5.360	0.870	-2.0	-2.0	-
7/3/2023	Signature	7246	2.650	2.640	2.270	2.920	-0.4	-0.4	-
8/3/2023	IHH	5225	5.950	5.950	5.090	6.550	1.0	0.0	-
8/3/2023	Dialog	7277	2.400	2.400	2.050	4.970	3.9	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	0.310	0.04	12.6
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	0.845	0.06	7.1
Malayan Banking Bhd	Finance	8.680	0.62	7.1
Capitaland Malaysia Trust	REIT	0.530	0.04	7.0
AmFirst REIT	REIT	0.340	0.02	6.7
YTL Power International Bhd	Utilities	0.780	0.05	6.4
Sunway REIT	REIT	1.560	0.10	6.4
Matrix Concepts Holdings Bhd	Property	1.490	0.10	6.4
Amanahraya REIT	REIT	0.560	0.04	6.3
Pavilion REIT	REIT	1.350	0.08	6.2

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	(2.5)	18.2	14.6	16.9	14.6	12.3	
Finance	(2.3)	13.5	10.8	12.5	10.8	9.2	
Property	8.0	16.1	7.4	11.1	9.0	N/A	
Plantation	(1.1)	95.5	8.4	35.6	8.4	15.9	
Consumer	(0.3)	25.0	19.6	22.4	19.6	15.4	
Technology	0.8	31.3	22.5	26.1	22.7	21.1	
Construction	7.2	21.8	9.1	17.4	9.1	13.3	
Energy	15.3	-	-	-	11.2	9.7	
Health care	(7.1)	36.1	22.2	29.1	22.2	25.6	
Ind Prod	(2.2)	31.6	12.5	21.5	12.5	12.8	
REIT	3.4	-	-	-	N/A	N/A	
Telco	1.5	25.6	19.8	22.7	25.6	19.9	
Transportations	8.5	-	-	-	-	14.3	
Utilities	1.7	-	-	-	13.4	12.3	

Source: Bloomberg



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