



**DAILY NEWSWATCH**

**MARKET REVIEW**

Malaysian shares fell yesterday as Wall Street stocks fell as investors weighed the consequences of US interest rate hikes on market. Market breadth was negative with 314 gainers against 536 losers. The telecommunication sector was the top gainer increasing by +2.67%, while most sector ended in red with the consumer products & services sector being the top loser declining by -1.02%. Heineken Malaysia (3255) was the top gainer surging by RM0.28 or +1.0%. The FBM KLCI fell by -0.28% to 1454.66.

We expect Malaysian stocks to decline slightly in line with weaknesses across regional markets in Asia

**ECONOMICS**

- **Palm oil prices** to trade between RM4,000-5,000 per tonne until Aug, says analyst Mistry

**COMPANY**

- **Sunview (0262)** partners Kulim Technology Park for solar PV projects for two years
- **Perodua's** production, sales maintain double digit growth in 2M2023
- **Sime Darby Plantation Bhd (4197)** plans to employ 100% local workers by the end of 2027

**EXPRESSO FOR THE DAY**

- **Technical Watch – UMEDIC (0256)** – Entry Price RM0.87, Target Price RM0.96, Stop Loss RM0.74, Support RM0.83, Resistance RM0.86
- **Technical Watch – Telekom (4863)** – Entry Price RM5.02, Target Price RM5.52, Stop Loss RM4.29, Support RM4.77, Resistance RM5.25

**INVESTMENT HIGHLIGHT**

- **ANCOM NYLEX (4758)** – Price RM0.87, Target Price RM1.18, Recommend - **Hold**

Local		(%)
<b>FBMKLCI</b>	1,454.70	(0.3)
<b>Volume (mil)</b>	2,819.10	(5.7)
<b>Value (RM'mil)</b>	1,974.30	4.0
<b>Gainers</b>	314	
<b>Losers</b>	536	
<b>Unchanged</b>	413	

Foreign		(%)
<b>Dow Jones</b>	32,798.5	(0.2)
<b>Nasdaq CI</b>	11,576.0	0.4
<b>S&amp;P 500</b>	3,993.0	0.2
<b>FTSE 100</b>	7,929.9	0.1
<b>Nikkei 225</b>	28,444.2	0.5
<b>Shanghai CI</b>	3,283.2	(0.1)
<b>HSI</b>	20,051.3	(2.4)
<b>STI</b>	3,226.9	(0.6)

Most Active	RM	Chg
<b>ICON</b>	0.095	0.000
<b>TOPGLOV</b>	0.675	(0.020)
<b>VELESTO</b>	0.240	0.000
<b>PHARMA</b>	0.335	0.025
<b>MINDA</b>	0.130	0.005

Top Gainer	RM	Chg
<b>HEIM</b>	29.080	0.280
<b>HLFG</b>	18.380	0.200
<b>PERTAMA</b>	2.400	0.200
<b>GAMUDA</b>	4.330	0.130
<b>MASTER</b>	2.800	0.100

Top Loser	RM	Chg
<b>MPI</b>	29.200	(0.800)
<b>NESTLE</b>	134.000	(0.700)
<b>DLADY</b>	27.600	(0.680)
<b>PPB</b>	16.860	(0.640)
<b>CFM</b>	1.490	(0.630)

Other Stats		(%)
<b>USD/MYR</b>	4.52	1.18
<b>USD/RMB</b>	6.96	(0.10)
<b>Brent (USD/barrel)</b>	82.54	(0.90)
<b>Gold (USD/troy oz)</b>	1,814.32	0.05
<b>CPO (RM/metric t)</b>	4,305.5	1.32

**DAILY NEWSWATCH****ECONOMICS**

**Crude palm oil (CPO) futures** contracts on Bursa Malaysia Derivatives (BMD) **are projected to trade between RM4,000 and RM5,000 per tonne** from the present until August, according to Godrej International Ltd director and edible oil analyst Dorab Mistry. He warned that weather is going to be the biggest factor affecting prices. (The Star)

**COMPANY**

**Sunview Group Bhd (0262)**, through its wholly-owned subsidiary Fabulous Sunview Sdn Bhd, has formed a strategic business alliance agreement with Kulim Technology Park Corp Bhd. The agreement pertains to promoting and developing potential rooftop and large-scale solar photovoltaic (PV) projects in Kulim Hi-Tech Park (KHTP) for two years from March 8, said the group in its Bursa Malaysia filing. The group will also be placing two electric vehicle charging stations at KHTP Business Car Park and Sunview's signage on the rooftop of KHTP Business Centre building. Sunview will act as a technical partner in providing services such as the installation of solar PV panels, system mechanical and electrical installation, and operations and management services. (The Edge)

**Perusahaan Otomobil Kedua Sdn Bhd (Perodua)**, its suppliers and dealers were on overdrive in the first two months of 2023 (2M2023), as both production and sales recorded double-digit growth. Production grew by 32.95% to 51,134 units year-on-year from 38,460 units in 2M2022, and sales increased by 33% to 46,385 vehicles from 34,865 vehicles previously. In a statement on Wednesday (March 8), the carmaker attributed its performance to improved efficiency in terms of production, better financing facilities for Perodua dealers, and greater communication both within the ecosystem, as well as with its customers. (The Edge)

**Sime Darby Plantation Bhd (4197)**, plans to employ 100% local workers by the end of 2027 with a minimum wage of RM3,000. According to SDP's group managing director Mohamad Helmy Othman Basha, this move would help the plantation company reduce its dependency on foreign workers and propel it towards increasing mechanisation and automation on the ground. "The end game is to reduce manpower as much as possible. For Malaysia, we want to recruit our locals. We want to have 100% local workers. I know it's a lofty target, but it is where we are moving by the end of 2027 with a minimum wage of RM3,000." (The Edge)

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## UMedic Group Berhad

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

Bloomberg: UMC MK | KLSE Stock Code: 0256

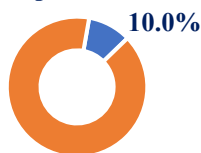
**Ace Market  
Health Care  
Subsector –Health Care Eq&Svc  
Current Price: RM0.87  
Target Price: RM0.96**

#### Investment Highlights

On an uptrend 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 >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: 1  
Holds: 0  
Sells: 0**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	37.9	37.9	37.9
P/B	4.8	4.8	4.8
P/CF	N/A	N/A	N/A
P/S	6.5	6.5	6.5

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

#### Company Overview

Umedic Group Berhad operates as an integrated healthcare supply chain company. The Company offers resuscitation care, patient monitoring systems, oxygen therapy and suction, life-support equipment, and ultrasound solutions. Umedic Group serves customers in Malaysia.



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Entry Price	RM0.87
Market Cap (m)	RM325.3
<b>52w high</b>	RM0.91
<b>52w low</b>	RM0.43
Stop Loss	RM0.74
Immediate Support	RM0.83
Immediate Resistance	RM0.86 (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)	N/A



## Telekom Malaysia Berhad

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

Bloomberg: T MK | KLSE Stock Code: 4863

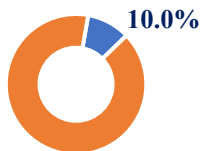
**Main Market**  
**Telecommunications & Media**  
**Subsector – Telco Svc Provider**  
**Current Price: RM5.02**  
**Target Price: RM5.52**

#### Investment Highlights

On adowntrend, the stock is currently trading below the MA20. We think there is a potential reversal supported by a marubozu with a rising momentum on the stock (RSI >45).

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: 1**  
**Sells: 2**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	19.3	24.5	23.5
P/BV	2.7	2.2	2.4
P/CF	6.2	5.2	5.8
P/S	1.8	1.4	1.5

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

#### Company Overview

Telekom Malaysia Berhad establishes, provides, and maintains telecommunication and related services. Through its subsidiaries, the Company provides payphone network, mobile telecommunication, public telephone, and leasing of optical fiber telecommunication system services. Telekom also manages and operates Kuala Lumpur Tower and provides intelligent security services.



**Ronnie Tan**

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Entry Price	RM5.02
Market Cap (m)	RM19,186.3
<b>52w high</b>	RM6.10
<b>52w low</b>	RM4.69
Stop Loss	RM4.29
Immediate Support	RM4.77
Immediate Resistance	RM5.25 (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)	2,775,809.4



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
10/2/2023	Ajiya	7609	1.880	1.640	1.610	2.070	-1.8	-12.8	SL Triggered
10/2/2023	Sunview	0262	0.870	0.850	0.740	0.960	3.0	-2.3	SL Triggered
13/2/2023	EG	8907	0.760	1.320	0.650	0.830	-1.5	73.7	TP Achieved
13/2/2023	PublicBank	1295	4.200	4.110	3.590	4.620	-0.5	-2.1	-
14/2/2023	Unisem	5005	3.270	3.020	2.800	3.600	0.0	-7.6	SL Triggered
14/2/2023	PowerRoot	7237	1.990	2.100	1.700	2.190	-2.3	5.5	TP Achieved
15/2/2023	MRDIY	4731	3.600	3.600	3.08	3.96	-1.9	0.0	-
15/2/2023	Volcano	8869	5.250	5.200	4.49	5.78	-0.2	-1.0	-
16/2/2023	MRDIY	4832	1.860	1.690	1.590	2.050	-0.6	-9.1	SL Triggered
16/2/2023	Volcano	9896	0.860	0.810	0.730	0.940	1.3	-5.8	SL Triggered
17/2/2023	MISC	3816	7.480	7.400	6.400	8.230	0.0	-1.1	-
17/2/2023	Nylex(M)	4944	0.630	0.565	0.540	0.690	-0.9	-10.3	SL Triggered
20/2/2023	Keihin	7199	2.800	1.840	2.390	3.080	-3.2	-34.3	SL Triggered
20/2/2023	Atech	5302	2.950	3.040	2.520	3.250	1.7	3.1	-
21/2/2023	Supermax	7106	0.830	0.760	0.640	0.910	-1.3	-8.4	SL Triggered
21/2/2023	VS Industry	6963	0.925	0.860	0.790	1.020	-1.1	-7.0	-
22/2/2023	MPI	3867	29.920	29.200	25.580	32.910	-2.7	-2.4	-
22/2/2023	PICORP	7201	0.330	0.135	0.290	0.370	-3.6	-59.1	SL Triggered
23/2/2023	JayaTiasa	4383	0.720	0.720	0.620	0.790	-1.4	0.0	-
23/2/2023	Hextech	5136	27.300	24.800	23.340	30.030	-2.2	-9.2	-
24/2/2023	FocusPoint	0157	1.430	1.410	1.220	1.570	2.2	-1.4	-
24/2/2023	Genetec	0104	2.790	2.840	2.650	3.070	-1.4	1.8	-
27/2/2023	MFCB	3069	3.700	3.560	3.160	4.070	-0.6	-3.8	-
27/2/2023	PIE	7095	3.270	3.510	2.800	3.600	0.6	7.3	-
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	7.400	6.460	8.320	0.0	-2.1	-
1/3/2023	CIMB	1023	5.610	5.570	4.800	6.170	0.4	-0.7	-
2/3/2023	D&O	7204	4.690	4.530	4.010	5.160	-0.7	-3.4	-
2/3/2023	Dufu	7233	2.150	2.180	1.840	2.370	1.4	1.4	-
3/3/2023	ECA	0267	1.050	1.050	0.900	1.160	0.0	0.0	-
3/3/2023	Axiata	6888	3.210	3.130	2.740	3.530	-1.3	-2.5	-
6/3/2023	CitaGlobal	7245	1.520	1.490	1.300	1.670	-2.6	-2.0	-
6/3/2023	UMWH	4588	3.900	3.810	3.330	4.290	0.3	-2.3	-
7/3/2023	Coraza	0240	1.020	0.950	5.360	0.870	-5.0	-6.9	-
7/3/2023	Signature	7246	2.650	2.570	2.270	2.920	-2.7	-3.0	-
8/3/2023	IHH	5225	5.950	5.990	5.090	6.550	0.7	0.7	-
8/3/2023	Dialog	7277	2.400	2.380	2.050	4.970	-0.8	-0.8	-
9/3/2023	Umedic	0256	0.870	0.870	0.740	0.960	6.1	0.0	-
9/3/2023	Telekom	4863	5.020	5.020	4.290	5.520	1.4	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	0.335	0.04	11.6
SHL Consolidated Bhd	Property	1.850	0.18	9.7
British American Tobacco Malay	Consumer	10.680	0.97	9.0
YTL Hospitality REIT	REIT	0.970	0.08	8.2
UOA REIT	REIT	1.140	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	8.670	0.62	7.1
Capitaland Malaysia Trust	REIT	0.525	0.04	7.0
AmFirst REIT	REIT	0.340	0.02	6.7
Matrix Concepts Holdings Bhd	Property	1.480	0.10	6.4
Sunway REIT	REIT	1.590	0.10	6.3
Pavilion REIT	REIT	1.350	0.08	6.2
YTL Power International Bhd	Utilities	0.805	0.05	6.2
Hong Leong Industries Bhd	Industrial	8.970	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	(2.7)	18.2	14.5	16.9	14.5	12.3	
Finance	(2.4)	13.5	10.7	12.5	10.7	9.2	
Property	7.5	16.1	7.4	11.1	8.9	N/A	
Plantation	(2.1)	95.5	8.3	35.6	8.3	15.8	
Consumer	(1.3)	25.0	19.3	22.4	19.3	15.2	
Technology	0.0	31.3	22.5	26.1	22.6	21.0	
Construction	8.4	21.8	9.2	17.5	9.2	13.5	
Energy	14.7	-	-	-	11.2	9.7	
Health care	(7.1)	36.1	22.1	29.1	22.1	25.7	
Ind Prod	(2.5)	31.6	12.0	21.4	12.0	12.8	
REIT	3.7	-	-	-	N/A	N/A	
Telco	4.2	26.3	19.8	23.0	26.3	20.3	
Transportations	7.9	-	-	-	-	14.3	
Utilities	1.9	-	-	-	12.5	12.3	

Source: Bloomberg

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