



DAILY NEWSWATCH

MARKET REVIEW

Malaysian equities were dragged down into red again as investors remain on the cautious side from the decline on Wall Street stocks yesterday. Market breadth was negative with 179 gainers against 878 losers. All sectors ended in red yesterday with the energy sector being the top loser declining by -3.348%, followed by the industrial products & services sector at -2.34% and the financial services sector at -2.17%. SCIPACK (8125) was the top gainer surging by RM0.08 or +3.4%. The FBM KLCI fell by -1.97% to 1393.83.

We expect Malaysian stocks to recover following rallies on Wall Street last night.

ECONOMICS

• UK poised to remove import tariffs on Malaysian palm oil — FT COMPANY

- **Managepay Systems (0156)** signs precious metals trading deal with StoneX APAC
- **Meta** to cut 10,000 jobs in second round of layoffs
- **Maybank (1155)** introduces financing solution for EV, hybrid users
- **Steel Hawk (03049)** bags system maintenance contracts from Petronas Carigali
- **F&N (3689)** seals exclusive rights for Nestlé's Bear Brand sterilised milk in Cambodia

EXPRESSO FOR THE DAY

- **Technical Watch – TimedotCom (5031)** – Entry Price RM5.43, Target Price RM5.97, Stop Loss RM4.67, Support RM5.19, Resistance RM5.76
- **Technical Watch – Hextar Global (5151)** – Entry Price RM2.05, Target Price RM2.26, Stop Loss RM1.75, Support RM1.95, Resistance RM2.25

Local		(%)
FBMKLCI	1,393.83	(2.0)
Volume (mil)	3,377.93	(3.4)
Value (RM'mil)	2,502.43	16.2
Gainers	179	
Losers	878	
Unchanged	297	

Foreign		(%)
Dow Jones	32,155.4	1.1
Nasdaq CI	11,428.2	2.1
S&P 500	3,919.3	1.6
FTSE 100	7,637.1	1.2
Nikkei 225	27,266.6	(2.2)
Shanghai CI	3,245.3	(0.7)
HSI	19,523.5	(2.3)
STI	3,169.5	(0.1)

Most Active	RM	
MYEG	0.770	(0.005)
BSLCORP	0.050	(0.010)
VINVEST	0.225	0.000
EATECH	0.175	(0.115)
PBANK	3.880	(0.130)

Top Gainer	RM	Chg
SCIPACK	2.450	0.080
HEXTAR	2.050	0.070
KKB	1.460	0.070
KNUSFOR	0.590	0.050
LSH	0.650	0.050

Top Loser	RM	Chg
NESTLE	134.900	(0.700)
HEIM	28.680	(0.420)
CARLSBG	21.600	(0.300)
HLBANK	19.960	(0.260)
CFM	1.150	(0.250)

Other Stats		(%)
USD/MYR	4.48	(0.23)
USD/RMB	6.88	0.37
Brent (USD/barrel)	78.32	(4.11)
Gold (USD/troy oz)	1,903.88	(0.51)
CPO (RM/metric t)	4,152.0	(2.33)

**DAILY NEWSWATCH****ECONOMICS**

The UK government is planning to eliminate import tariffs on palm oil from Malaysia, the price of joining an Asia-Pacific trade deal, the Financial Times (FT) reported on Tuesday, citing people involved in the talks. Malaysia has successfully demanded Britain cut its palm oil tariffs, which currently range up to 12%, to zero immediately on entering the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), the FT said. (The Edge)

COMPANY

Managepay Systems Bhd (0156) said a Singapore-based company, StoneX APAC Pte Ltd, has agreed to extend various precious metals trading facilities to its wholly owned subsidiary ManagePay Innovation Sdn Bhd (MISB). This, it said, will enable MISB to provide end-to-end collateral service handling for the sale and purchase of precious metals such as gold bullion, including storage, to the QuicKredit lending platform. (The Edge)

Meta Platforms said on Tuesday it would cut 10,000 jobs, the first Big Tech company to announce a second round of mass layoffs as the industry braces for a deep economic downturn. Meta shares jumped 6% on the news. The widely anticipated job cuts are part of a wider restructuring that will also see the company scrap hiring plans for 5,000 openings, cancel lower-priority projects and flatten layers of middle management. (The Edge)

Steel Hawk Bhd (03049) has secured two contracts from Petronas Carigali Sdn Bhd to provide pig trap system maintenance for a tenure of one year, with an additional one-year extension option. Steel Hawk said its wholly owned subsidiary Steel Hawk Engineering Sdn Bhd obtained the contracts from Petronas Carigali, the wholly owned exploration arm of Petroliam Nasional Bhd (Petronas), on Feb 27. (The Edge)

Malayan Banking Bhd (1155) has introduced a first-of-its-kind integrated automobile financing solution for electric vehicle (EV) and hybrid customers covering various aspects of owning such a vehicle. This includes holistic financing solutions, insurance and takaful coverage and EV charging privileges. (The Edge)

Fraser & Neave Holdings Bhd (3689) has secured extended rights from Societe Des Produits Nestlé SA and Nestec SA (Nestlé) as the exclusive manufacturer and distributor of Nestlé's Bear Brand sterilised milk in Cambodia. In a statement on Tuesday (March 14), F&N said the group would now manufacture as well as distribute and market the milk products directly to end consumers in Cambodia, effective March 1, 2023 until 2037. (The Edge)



Time dotCom Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: TDC MK | KLSE Stock Code: 5031

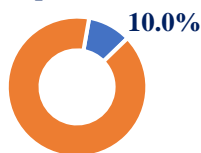
Main Market
Telecommunications & Media
Subsector –Telco Svc Pvdr
Current Price: RM5.43
Target Price: RM5.97

Investment Highlights

On an uptrend the stock is currently trading above the MA20. We think there is a potential upside supported by an inverted hammer with a recovering 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 and SMA to hold moving forward.

Potential Upside



Bloomberg Analyst Ratings



Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	20.1	18.2	13.5
P/B	2.5	2.1	1.7
P/CF	11.3	10.0	9.0
P/S	5.5	4.9	4.5

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

Company Overview

TIME dotCom Berhad through its subsidiaries, provides fixed-line telecommunication services such as data and voice, international bandwidth provision which includes submarine cable and data centre business.



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Entry Price	RM5.43
Market Cap (m)	RM10,038.6
52w high	RM5.95
52w low	RM3.89
Stop Loss	RM4.67
Immediate Support	RM5.19
Immediate Resistance	RM5.76 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Recovering Momentum
Volume (4-Weeks Average)	1,121,372.2



Hextar Global Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: HAL MK | KLSE Stock Code: 5151

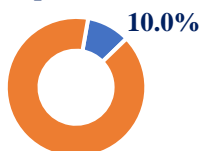
Main Market
Industrial Products & Services
Subsector –Chemicals
Current Price: RM2.05
Target Price: RM2.26

Investment Highlights

On a sideways, the stock is currently trading above the MA20. We think there is a potential upside supported by a morning star with a recovering 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 and SMA to hold moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 0
Holds: 2
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	47.2	52.0	42.6
P/BV	9.3	5.4	3.0
P/CF	154.9	87.6	57.0
P/S	4.2	2.5	1.8

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

Company Overview

Hextar Global Berhad provides agrochemical company. The Company offers pesticides, fertilizers, and other related specialty chemicals. Hextar Global serves customers worldwide.



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Entry Price	RM2.05
Market Cap (m)	RM2,635.8
52w high	RM2.52
52w low	RM1.38
Stop Loss	RM1.75
Immediate Support	RM1.95
Immediate Resistance	RM2.25 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Recovering Momentum
Volume (4-Weeks Average)	2,943,118.3



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
16/2/2023	MRDIY	4832	1.860	1.660	1.590	2.050	0.0	-10.8	SL Triggered
16/2/2023	Volcano	9896	0.860	1.030	0.730	0.940	-5.5	19.8	SL Triggered
17/2/2023	MISC	3816	7.480	7.190	6.400	8.230	-0.1	-3.9	-
17/2/2023	Nylex(M)	4944	0.630	0.430	0.540	0.690	-6.5	-31.7	SL Triggered
20/2/2023	Keinhin	7199	2.800	1.690	2.390	3.080	-2.9	-39.6	SL Triggered
20/2/2023	Atech	5302	2.950	2.900	2.520	3.250	-1.4	-1.7	-
21/2/2023	Supermax	7106	0.830	0.785	0.640	0.910	0.0	-5.4	SL Triggered
21/2/2023	VS Industry	6963	0.925	0.820	0.790	1.020	-3.5	-11.4	SL Triggered
22/2/2023	MPI	3867	29.920	28.480	25.580	32.910	-0.4	-4.8	-
22/2/2023	PICORP	7201	0.330	0.120	0.290	0.370	4.3	-63.6	SL Triggered
23/2/2023	JayaTiasa	4383	0.720	0.655	0.620	0.790	-3.0	-9.0	-
23/2/2023	Hextech	5136	27.300	24.700	23.340	30.030	-0.2	-9.5	-
24/2/2023	FocusPoint	0157	1.430	1.390	1.220	1.570	-0.7	-2.8	-
24/2/2023	Genetec	0104	2.790	2.720	2.650	3.070	-0.4	-2.5	-
27/2/2023	MFCB	3069	3.700	3.460	3.160	4.070	-2.8	-6.5	-
27/2/2023	PIE	7095	3.270	3.440	2.800	3.600	-1.7	5.2	-
28/2/2023	FarmFresh	5306	1.570	1.550	1.340	1.730	0.0	-1.3	-
28/2/2023	CMS	2852	1.340	1.130	1.150	1.470	-3.4	-15.7	SL Triggered
1/3/2023	MISC	3816	7.560	7.190	6.460	8.320	-0.1	-4.9	-
1/3/2023	CIMB	1023	5.610	5.170	4.800	6.170	-3.0	-7.8	-
2/3/2023	D&O	7204	4.690	4.190	4.010	5.160	-1.4	-10.7	SL Triggered
2/3/2023	Dufu	7233	2.150	2.070	1.840	2.370	-2.8	-3.7	-
3/3/2023	ECA	0267	1.050	0.940	0.900	1.160	-5.5	-10.5	SL Triggered
3/3/2023	Axiata	6888	3.210	2.950	2.740	3.530	-2.3	-8.1	-
6/3/2023	CitaGlobal	7245	1.520	1.370	1.300	1.670	-2.8	-9.9	-
6/3/2023	UMWH	4588	3.900	3.700	3.330	4.290	0.3	-5.1	-
7/3/2023	Coraza	0240	1.020	0.845	5.360	0.870	-5.6	-17.2	SL Triggered
7/3/2023	Signature	7246	2.650	2.330	2.270	2.920	-4.1	-12.1	SL Triggered
8/3/2023	IHH	5225	5.950	5.890	5.090	6.550	-1.3	-1.0	-
8/3/2023	Dialog	7277	2.400	2.300	2.050	4.970	-3.0	-4.2	-
9/3/2023	Umedic	0256	0.870	0.750	0.740	0.960	-5.7	-13.8	SL Triggered
9/3/2023	Telekom	4863	5.020	4.805	4.290	5.520	-0.4	-4.3	-
10/3/2023	Kobay	6971	2.620	2.470	2.240	2.880	-2.0	-5.7	-
10/3/2023	HLI	3301	9.080	8.960	7.760	9.990	-0.4	-1.3	-
13/3/2023	AirAsiaX	5238	1.190	1.170	1.020	1.310	-3.3	-1.7	-
13/3/2023	Volcano	0232	0.880	1.030	0.750	0.970	-5.5	17.0	TP Achieved
14/3/2023	7-Eleven	5250	2.020	2.050	1.730	2.220	1.5	1.5	-
14/3/2023	IOICorp	1961	3.840	3.750	3.330	4.290	-2.3	-2.3	-
15/3/2023	Timedotcom	5031	5.430	5.430	4.670	5.970	0.5	0.0	-
15/3/2023	HextarGbl	5151	2.050	2.030	1.750	2.260	3.5	-1.0	-

*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	1.800	0.18	10.0
British American Tobacco Malay	Consumer	10.500	0.96	9.2
YTL Hospitality REIT	REIT	0.935	0.08	8.6
Magnum Bhd	Consumer	1.100	0.09	7.9
UOA REIT	REIT	1.120	0.09	7.7
Capitaland Malaysia Trust	REIT	0.495	0.04	7.5
Malayan Banking Bhd	Finance	8.340	0.62	7.4
Tambun Indah Land Bhd	Property	0.820	0.06	7.3
AmFirst REIT	REIT	0.335	0.02	6.8
Matrix Concepts Holdings Bhd	Property	1.450	0.09	6.6
Sunway REIT	REIT	1.550	0.10	6.5
Amanahraya REIT	REIT	0.555	0.04	6.3
Pavilion REIT	REIT	1.340	0.08	6.3
Uchi Technologies Bhd	Industrial	3.200	0.20	6.3

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	(6.8)	18.2	14.1	16.8	14.1	12.0	
Finance	(6.8)	13.5	10.5	12.5	10.5	9.0	
Property	4.4	16.1	8.7	12.0	8.7	N/A	
Plantation	(5.9)	95.5	8.1	35.5	8.1	15.4	
Consumer	(3.6)	24.3	18.1	21.4	18.1	15.0	
Technology	(3.7)	27.8	21.8	24.6	21.8	20.5	
Construction	3.5	21.8	9.0	17.4	9.0	13.1	
Energy	6.2	-	-	-	10.7	9.3	
Health care	(8.7)	36.1	19.9	28.0	19.9	25.5	
Ind Prod	(7.3)	24.9	11.4	18.6	11.4	12.4	
REIT	1.6	-	-	-	N/A	N/A	
Telco	(0.1)	25.6	19.8	22.7	25.6	19.4	
Transportations	5.0	-	-	-	-	14.2	
Utilities	0.7	-	-	-	11.7	12.5	

Source: Bloomberg

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