



DAILY NEWSWATCH

MARKET REVIEW

Malaysian equities recovered yesterday after a week-long losing streak on the back of recoveries on Wall Street stocks yesterday. Market breadth was positive with 604 gainers against 289 losers. All sectors ended in green yesterday with the healthcare sector being the top gainer increasing by +1.7%, followed by the energy sector at +1.67% and the plantation sector at +0.83%. PANAMY(3719) was the top gainer surging by RM0.44 or +1.9%. The FBM KLCI rose by +0.73% to 1403.93.

We expect Malaysian stocks to remain volatile in the short term in line with instability of performances on Wall Street and regional markets.

ECONOMICS

- **Property transaction value** hit record RM179b in 2022 — Napic
- **Penang attracts RM13.7 bil approved manufacturing investments** in 2022

COMPANY

- **IHH Healthcare (5225)** invests undisclosed amount in Singapore's digital mental healthcare provider Intellect
- **Able Global (7167)** announces one sen dividend, to be paid on April 10
- **Favelle Favco (7229)** wins two contracts worth RM95 mil
- **Artroniq (0038)** wins US\$10 mil blockchain R&D contract from Cambodian bank
- **Haily (0237)** bags RM33 mil job to build houses in Johor, sees stronger year in 2023

EXPRESSO FOR THE DAY

- **Technical Watch – Ralco (7498)** – Entry Price RM1.06, Target Price RM1.17, Stop Loss RM0.91, Support RM1.01, Resistance RM1.22
- **Technical Watch – Cypark (5184)** – Entry Price RM0.83, Target Price RM0.91, Stop Loss RM0.71, Support RM0.78, Resistance RM1.20

Local		(%)
FBMKLCI	1,403.93	0.7
Volume (mil)	3,133.93	(7.2)
Value (RM'mil)	2,341.50	(6.4)
Gainers	604	
Losers	289	
Unchanged	383	

Foreign		(%)
Dow Jones	31,874.6	(0.9)
Nasdaq CI	11,434.1	0.1
S&P 500	3,891.9	(0.7)
FTSE 100	7,344.5	(3.8)
Nikkei 225	27,229.5	0.0
Shanghai CI	3,263.3	0.6
HSI	19,539.9	1.5
STI	3,172.9	1.4

Most Active	RM	
HONGSENG	0.150	0.005
OPPSTAR	2.430	1.800
PBBANK	3.950	0.070
SMRT	0.515	0.050
JADEM	0.300	0.005

Top Gainer	RM	Chg
OPPSTAR	2.430	1.800
PANAMY	23.100	0.440
KOTRA	6.020	0.310
MPI	28.740	0.260
KESM	7.700	0.160

Top Loser	RM	Chg
F&N	25.800	(0.160)
DLADY	26.520	(0.100)
NESTLE	134.800	(0.100)
SCIENIX	3.510	(0.100)
KLUANG	3.630	(0.080)

Other Stats		(%)
USD/MYR	4.48	0.00
USD/RMB	6.91	0.48
Brent (USD/barrel)	73.69	(4.85)
Gold (USD/troy oz)	1,919.83	0.77
CPO (RM/metric t)	4,154.5	0.06

**DAILY NEWSWATCH****ECONOMICS**

Malaysia's total property transaction value hit RM179.07 billion in 2022, the highest-ever value recorded by the National Property Information Centre (Napic) since 2001. Last year's transaction value was 23.6% year-on-year (y-o-y) higher than RM144.87 billion posted for 2021. As for total transactions, the 2022 tally also saw double-digit growth, increasing by 29.5% y-o-y to 389,000, from 300,497 transactions in 2021, Napic said in a statement in conjunction with the release of its Property Market Report 2022. (The Edge)

Penang has managed to clock up **RM13.7 billion in approved manufacturing investments** from January to December last year. In a statement, InvestPenang said this showed that the state continued to attract active participation from both new and existing investors due to its established reputation with 50 years of industrial success. "The state received RM9.7 billion (71%) in foreign direct investments (FDI) and RM4 billion (29%) in domestic direct investments (DDI) for manufacturing in 2022. (The Edge)

COMPANY

IHH Healthcare Bhd (5225) has made a strategic investment in Singapore's digital mental health company Intellect at an undisclosed price, aiming to further expand the hospital operator's offerings to its customers. As a strategic investor, IHH will co-develop and customise digital mental health programmes with Intellect for its patients, corporate clients, and staff, according to a joint statement on Wednesday (March 15). (The Edge)

Able Global Bhd (7167) announced its single tier fourth interim dividend of one sen per share for its financial year ended Dec 31, 2022 (FY2022), to be paid on April 10. Its ex-date is on March 29 and the entitlement date is on March 30, said the group in its filing. (The Edge)

Favelle Favco Bhd (7229) has secured two contracts with a combined value of about RM95 million. One of them is a contract for the supply of a tower crane, awarded to FFB's subsidiary Kroll Cranes A/S by Samsung Heavy Industries Co Ltd. The crane is expected to be delivered by the second quarter of 2024, according to FFB's bourse filing. (The Edge)

Artroniq Bhd (0038) has accepted a letter of award from Cambodian-based Panda Commercial Bank PLC for a research and development (R&D) blockchain based financial services contract valued at US\$10 million (RM44.8 million). The contract is for a period of two years, starting from March 15 this year to March 31, 2025. The award pertains to the development of basic blockchains, functional API, web and mobile related solutions applicable for Panda Bank, according to an Artroniq bourse filing. (The Edge)

Haily Group Bhd (0237) has secured a RM32.67 million contract to build 186 units of single-storey terrace houses in Bandar Putra Kulai, Johor. The group said the contract was awarded to its wholly owned subsidiary Haily Construction Sdn Bhd by JYP Architects Sdn Bhd on behalf of Nice Frontier Sdn Bhd, a member of the IOI Properties Group Bhd. The construction is expected to be completed in 15 months or by June 26, 2024, Haily said in a Bursa Malaysia filing. (The Edge)



Ralco Corporation Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: RALC MK | KLSE Stock Code: 7498

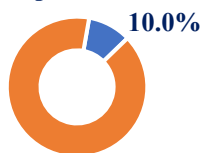
Main Market
Industrial Products & Services
Subsector – Chemicals
Current Price: RM1.06
Target Price: RM1.17

Investment Highlights

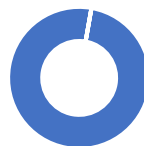
On a sideways the stock is currently trading above the MA20. We think there is a potential upside supported by a bullish engulfing with a recovering momentum on the stock (RSI >55).

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



Buys: 0
Holds: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	60.6	129.4	83.6
P/B	1.1	0.9	0.9
P/CF	21.3	14.1	12.3
P/S	0.9	0.7	0.5

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

Company Overview

Ralco Corporation Berhad is an investment holding company. The Company, through its subsidiaries, manufactures and trades plastic bottles, containers, boxes, and crates. Ralco Corporation also has operation in property holding.



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Entry Price	RM1.06
Market Cap (m)	RM53.8
52w high	RM1.32
52w low	RM0.53
Stop Loss	RM0.91
Immediate Support	RM1.01
Immediate Resistance	RM1.22 (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)	222,966.7



Cypark Resources Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: CYP MK | KLSE Stock Code: 5184

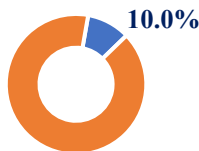
Main Market
Industrial Products & Services
Subsector – Industrial Services
Current Price: RM0.83
Target Price: RM0.91

Investment Highlights

On a downtrend, the stock is currently trading below the MA20. We think there is a potential reversal supported by a bullish engulfing with a rising momentum on the stock (RSI >40).

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 crossover moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 2
Holds: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	7.2	8.0	9.0
P/BV	0.4	0.7	1.0
P/CF	N/A	N/A	46.5
P/S	1.1	1.6	1.6

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

Company Overview

Cypark Resources Bhd offers environmental remediation and landscaping services. The Company assesses and remediates neglected, degraded and contaminated land, maintains recreational fields and children's playgrounds, and offers commercial landscaping services.



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Entry Price	RM0.83
Market Cap (m)	RM639.0
52w high	RM1.23
52w low	RM0.28
Stop Loss	RM0.71
Immediate Support	RM0.78
Immediate Resistance	RM1.20 (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)	598,354.9



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
17/2/2023	MISC	3816	7.480	7.160	6.400	8.230	-0.4	-4.3	-
17/2/2023	Nylex(M)	4944	0.630	0.445	0.540	0.690	3.5	-29.4	SL Triggered
20/2/2023	Keinhin	7199	2.800	1.710	2.390	3.080	1.2	-38.9	SL Triggered
20/2/2023	Atech	5302	2.950	2.950	2.520	3.250	1.7	0.0	-
21/2/2023	Supermax	7106	0.830	0.805	0.640	0.910	2.5	-3.0	SL Triggered
21/2/2023	VS Industry	6963	0.925	0.825	0.790	1.020	0.6	-10.8	SL Triggered
22/2/2023	MPI	3867	29.920	28.740	25.580	32.910	0.9	-3.9	-
22/2/2023	PICORP	7201	0.330	0.130	0.290	0.370	8.3	-60.6	SL Triggered
23/2/2023	JayaTiasa	4383	0.720	0.685	0.620	0.790	4.6	-4.9	-
23/2/2023	Hextech	5136	27.300	24.680	23.340	30.030	-0.1	-9.6	-
24/2/2023	FocusPoint	0157	1.430	1.370	1.220	1.570	-1.4	-4.2	-
24/2/2023	Genetec	0104	2.790	2.760	2.650	3.070	1.5	-1.1	-
27/2/2023	MFCB	3069	3.700	3.480	3.160	4.070	0.6	-5.9	-
27/2/2023	PIE	7095	3.270	3.440	2.800	3.600	0.0	5.2	-
28/2/2023	FarmFresh	5306	1.570	1.570	1.340	1.730	1.3	0.0	-
28/2/2023	CMS	2852	1.340	1.140	1.150	1.470	0.9	-14.9	SL Triggered
1/3/2023	MISC	3816	7.560	7.160	6.460	8.320	-0.4	-5.3	-
1/3/2023	CIMB	1023	5.610	5.230	4.800	6.170	1.2	-6.8	-
2/3/2023	D&O	7204	4.690	4.250	4.010	5.160	1.4	-9.4	SL Triggered
2/3/2023	Dufu	7233	2.150	2.130	1.840	2.370	2.9	-0.9	-
3/3/2023	ECA	0267	1.050	0.940	0.900	1.160	0.0	-10.5	SL Triggered
3/3/2023	Axiata	6888	3.210	2.990	2.740	3.530	1.4	-6.9	-
6/3/2023	CitaGlobal	7245	1.520	1.380	1.300	1.670	0.7	-9.2	-
6/3/2023	UMWH	4588	3.900	3.630	3.330	4.290	-1.9	-6.9	-
7/3/2023	Coraza	0240	1.020	0.895	5.360	0.870	5.9	-12.3	SL Triggered
7/3/2023	Signature	7246	2.650	2.370	2.270	2.920	1.7	-10.6	SL Triggered
8/3/2023	IHH	5225	5.950	5.890	5.090	6.550	0.0	-1.0	-
8/3/2023	Dialog	7277	2.400	2.350	2.050	4.970	2.2	-2.1	-
9/3/2023	Umedic	0256	0.870	0.775	0.740	0.960	3.3	-10.9	SL Triggered
9/3/2023	Telekom	4863	5.020	4.860	4.290	5.520	1.1	-3.2	-
10/3/2023	Kobay	6971	2.620	2.470	2.240	2.880	0.0	-5.7	-
10/3/2023	HLI	3301	9.080	9.000	7.760	9.990	0.4	-0.9	-
13/3/2023	AirAsiaX	5238	1.190	1.280	1.020	1.310	9.4	7.6	-
13/3/2023	Volcano	0232	0.880	1.020	0.750	0.970	-1.0	15.9	TP Achieved
14/3/2023	7-Eleven	5250	2.020	2.040	1.730	2.220	-0.5	1.0	-
14/3/2023	IOICorp	1961	3.840	3.800	3.330	4.290	1.3	-1.0	-
15/3/2023	Timedotcom	5031	5.430	5.500	4.670	5.970	1.3	1.3	-
15/3/2023	HextarGbl	5151	2.050	2.090	1.750	2.260	3.0	2.0	-
16/3/2023	Cypark	5184	0.830	0.825	0.710	0.910	9.3	-0.6	-
16/3/2023	Ralco	7498	1.060	1.060	0.910	1.170	7.1	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	0.290	0.04	13.4
SHL Consolidated Bhd	Property	1.800	0.18	10.0
British American Tobacco Malay	Consumer	10.720	0.97	9.0
YTL Hospitality REIT	REIT	0.940	0.08	8.5
Magnum Bhd	Consumer	1.130	0.09	7.7
UOA REIT	REIT	1.130	0.09	7.6
Capitaland Malaysia Trust	REIT	0.495	0.04	7.5
Malayan Banking Bhd	Finance	8.350	0.62	7.4
Tambun Indah Land Bhd	Property	0.830	0.06	7.2
AmFirst REIT	REIT	0.335	0.02	6.8
Matrix Concepts Holdings Bhd	Property	1.450	0.09	6.6
Sunway REIT	REIT	1.570	0.10	6.4
Amanahraya REIT	REIT	0.560	0.04	6.3
UOA Development Bhd	Property	1.610	0.10	6.2
Uchi Technologies Bhd	Industrial	3.230	0.20	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	(6.1)	18.2	14.0	16.8	14.0	11.9	
Finance	(6.2)	13.5	10.6	12.6	10.6	8.8	
Property	5.0	16.1	8.6	12.0	8.6	N/A	
Plantation	(5.1)	95.5	8.0	35.5	8.0	15.2	
Consumer	(3.2)	24.3	17.8	21.3	17.8	14.9	
Technology	(3.1)	27.8	21.7	24.6	21.7	20.4	
Construction	3.6	21.8	8.9	17.4	8.9	13.0	
Energy	8.0	-	-	-	10.6	9.2	
Health care	(7.2)	36.1	20.0	28.0	20.0	25.8	
Ind Prod	(6.7)	24.9	11.2	18.5	11.2	12.2	
REIT	2.2	-	-	-	N/A	N/A	
Telco	0.4	25.3	19.8	22.5	25.3	18.9	
Transportations	5.8	-	-	-	-	14.1	
Utilities	1.0	-	-	-	11.5	12.2	

Source: Bloomberg



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