



DAILY NEWSWATCH

MARKET REVIEW

Malaysian equities extended their downward trend on Monday, as market uncertainty persisted amid ongoing US debt ceiling negotiations. Market breadth was negative with 304 gainers and 547 losers. All sectors ended in red with the telco sector being the top loser declining by -1.11%. NESTLE (4707) was the top gainer surging by RM0.50 or +0.4%. The FBMKLCI declined by -0.39% to 1417.37.

We expect Malaysian equities to rise following signs of recovery in regional markets.

ECONOMICS

- **Argentina** implements emergency measures to combat soaring inflation and preserve currency reserves.
- **United State** government prepares for critical debt-ceiling talks

COMPANY

- **Globetronics (7022)** reveals next-gen sensors targeting smartphones & IoT manufacturers.
- **Tomei (7230)** proposes acquisition of pawnbroker JP to expand business
- **MGRC (0155)** partners with Toticell for product distribution in Bangladesh
- **CapitaLand Malaysia Trust (5180)** to acquire logistics warehouse in Shah Alam for RM39.7mil
- **Skyworld Development** receives approval for Main Market listing on Bursa Malaysia

EXPRESSO FOR THE DAY

- **Technical Watch – Solarvest (0215)** – Entry Price RM0.94, Target Price RM1.03, Stop Loss RM0.80, Support RM0.89, Resistance RM0.95
- **Technical Watch – SFPTEch (0251)** – Entry Price RM2.55, Target Price RM2.81, Stop Loss RM2.18, Support RM2.42, Resistance RM2.68

Local		(%)
FBMKLCI	1,417.37	(0.4)
Volume (mil)	2,662.19	(2.9)
Value (RM'mil)	1,410.64	(20.6)
Gainers	304	
Losers	547	
Unchanged	417	

Foreign		(%)
Dow Jones	33,348.6	0.1
Nasdaq CI	12,365.2	0.7
S&P 500	4,136.3	0.3
FTSE 100	7,777.7	0.3
Nikkei 225	29,626.3	0.8
Shanghai CI	3,310.7	1.2
HSI	19,971.1	1.8
STI	3,214.7	0.2

Most Active	RM	Chg
VSOLAR	0.005	0.000
JADEM	0.265	(0.005)
BSLCORP	0.050	0.005
REVENUE	0.315	(0.010)
WIDAD	0.425	0.005

Top Gainer	RM	Chg
NESTLE	135.000	0.500
AJI	14.820	0.220
NSOP	3.600	0.200
PPB	16.400	0.180
SFPTECH	2.550	0.140

Top Loser	RM	Chg
PEIDAG	21.720	(0.400)
HAPSENG	4.530	(0.210)
YNHPROP	4.820	(0.180)
HEIM	28.040	(0.160)
AEONCR	11.780	(0.100)

Other Stats		(%)
USD/MYR	4.50	0.38
USD/RMB	6.95	(0.11)
Brent (USD/barrel)	75.47	1.75
Gold (USD/troy oz)	2,016.53	0.28
CPO (RM/metric t)	3,809.0	(1.23)

**DAILY NEWSWATCH****ECONOMICS**

ARGENTINA: Argentina has introduced emergency measures, including a 600-basis point interest rate hike bringing the rate up to 97%, to address its skyrocketing inflation rate and protect its foreign currency reserves. Despite price controls and regular rate increases, inflation has continued to accelerate, raising concerns of a return to hyperinflation. The government faces the challenge of balancing inflation control with the preservation of scarce reserves and stabilizing the currency, all while navigating negotiations with the International Monetary Fund and upcoming elections. (Reuters)

UNITED STATES: President Joe Biden and Republican House Speaker Kevin McCarthy are engaged in critical debt-ceiling negotiations as the US government faces a looming funding shortfall. Republican demands for spending cuts in exchange for raising the debt limit have slowed progress, raising concerns of a potential default and its adverse impact on the economy. Investor and consumer worries are growing as the negotiations unfold. (Reuters)

COMPANY

Globetronics Technology Bhd (7022) plans to introduce advanced light and gesture sensors for mass production, aiming to cater to smartphone and wearable IoT device manufacturers. The company anticipates continued portfolio expansion into various sectors, such as automotive, networking, augmented virtual reality, and wearable devices, while also venturing into miniaturized optical assembly services. (The Star)

Tomei Consolidated Bhd (7230) plans to acquire a 100% stake in Pajak Gadai JP Sdn Bhd (JP) for RM3.8 million cash. The proposed acquisition aims to enable Tomei to expand its business into the pawnshop industry, complementing its existing jewelry business. (The Star)

Malaysian Genomics Resource Centre Bhd (0155) has signed a strategic cooperation agreement with Toticell Limited for the distribution of Malaysian Genomics' products in Bangladesh. The collaboration will focus on distributing cosmeceutical products, genetic screening tests, CAR T-cell therapy services, and other areas of mutual commercial interest, taking advantage of the growing economy and vast market opportunities in Bangladesh. (The Star)

Capitaland Malaysia Trust (5180) has entered into a sale and purchase agreement to acquire a freehold logistics warehouse in Shah Alam for RM39.7 million. Alongside the acquisition, a letter of offer has been executed with an international luxury fashion retailer for a 10-year lease, expected to generate an annual gross rental income of RM3.5 million and provide a stable income stream. (The Star)

Skyworld Development Bhd has obtained approval from the Securities Commission to list on the Main Market of Bursa Malaysia. The initial public offering (IPO) will include a public issue of 208 million new shares, representing around 20.8% of the company's enlarged issued share capital upon listing, with a portion allocated to the Malaysian public, directors, key management, employees, and institutional investors through private placement. Additionally, the IPO involves an offer for sale of 192 million existing shares, approximately 19.2% of the enlarged issued share capital, with a portion set aside for Bumiputera investors and institutional investors. (The Star)



Solarvest Holdings Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: SOLAR MK | KLSE Stock Code: 0215

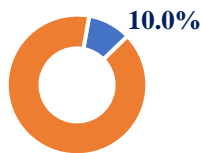
Main Market
Industrial Product & Services
Subsector – Industrial Services
Current Price: RM0.94
Target Price: RM1.03

Investment Highlights

On a downtrend, 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 >60).

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: 1
Holds: 2
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	46.9	47.4	47.4
P/B	3.8	4.5	4.5
P/CF	22.7	30.5	30.5
P/S	2.7	2.9	2.9

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

Company Overview

Solarvest Holdings Berhad operates as a holding company. The Company, through its subsidiaries, provides engineering, procurement, construction, commissioning, management, and operation and maintenance services for solar projects. Solarvest Holdings serves customers in Malaysia.



Entry Price	RM0.94
Market Cap (m)	RM627.5
52w high	RM1.17
52w low	RM0.63
Stop Loss	RM0.80
Immediate Support	RM0.89
Immediate Resistance	RM0.95 (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)	1,375,243.1



SFP Tech Holdings Berhad

Technical Watch - "BUY on Potential Reversal"

Bloomberg: SFPTECH MK | KLSE Stock Code: 0251

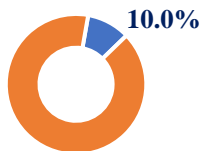
Main Market
Technology
Subsector – Semiconductors
Current Price: RM2.55
Target Price: RM2.81

Investment Highlights

On a downtrend, 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 >50).

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 to crossover and SMA to hold moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buy: 1
Holds: 2
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	62.6	62.6	62.6
P/BV	12.0	12.0	12.0
P/CF	77.8	77.8	77.8
P/S	23.3	23.3	23.3

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

Company Overview

SFP Tech Holdings Berhad operates as a holding company. The Company, through its subsidiaries, provides customized sheet metal fabrication, CNC machining, equipment automation assembly processes, and automated equipment solutions. SFP Tech Holdings serves customers worldwide.



Entry Price	RM2.55
Market Cap (m)	RM2,040.0
52w high	RM2.95
52w low	RM0.55
Stop Loss	RM2.18
Immediate Support	RM2.42
Immediate Resistance	RM2.68 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising Momentum
Volume (4-Weeks Average)	7,593,571.6



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
13/4/2023	Sunview	0262	0.870	0.675	0.740	0.960	2.3	-22.4	SL Triggered
13/4/2023	SFPTech	0251	2.630	2.550	2.260	2.870	5.8	-3.0	-
14/4/2023	SMRT	0117	0.550	0.645	0.470	0.600	-0.8	17.3	TP Achieved
14/4/2023	MYEG	0138	0.880	0.790	0.750	0.960	-1.3	-10.2	SL Triggered
17/4/2023	Pentamster	7160	5.050	4.740	4.320	5.560	-2.1	-6.1	-
17/4/2023	Kelington	0151	1.490	1.400	1.370	1.640	-3.4	-6.0	-
18/4/2023	YTLPower	6742	1.050	1.100	0.900	1.160	0.0	4.8	-
18/4/2023	Padini	7052	4.090	3.950	3.500	4.500	0.0	-3.4	-
19/4/2023	Comintel	7195	0.930	0.890	0.790	1.020	0.6	-4.3	-
19/4/2023	Pharmaniaga	7081	0.380	0.380	0.320	0.410	0.0	0.0	-
20/4/2023	Malakof	5264	0.740	0.680	0.630	0.810	0.7	-8.1	-
20/4/2023	Solution	0093	0.265	0.205	0.230	0.290	-4.7	-22.6	SL Triggered
25/4/2023	PressMetal	8869	5.200	4.790	4.450	5.720	-1.4	-7.9	-
25/4/2023	PJBUMI	7163	0.740	1.510	0.630	0.810	-1.3	104.1	TP Achieved
26/4/2023	Infoline	0253	0.870	0.785	0.740	0.960	-0.6	-9.8	-
26/4/2023	Menang	1694	0.880	0.965	0.750	0.970	4.9	9.7	TP Achieved
27/4/2023	Ranhill	5272	0.640	0.575	0.540	0.700	-2.5	-10.2	SL Triggered
27/4/2023	YongTai	7066	0.325	0.375	0.280	0.360	5.6	15.4	TP Achieved
28/4/2023	Pelikan	5231	0.820	0.815	0.700	0.900	-0.6	-0.6	SL Triggered
28/4/2023	Tanco	2429	0.540	0.520	0.460	0.590	3.0	-3.7	SL Triggered
2/5/2023	Microlink	0126	0.925	0.910	0.790	1.020	-1.1	-1.6	-
2/5/2023	KYM	8362	0.555	0.495	0.470	0.610	-1.0	-10.8	SL Triggered
3/5/2023	GentingM	4715	2.780	2.680	2.380	3.060	-1.5	-3.6	-
3/5/2023	Inari	0166	2.360	2.160	2.020	2.600	-2.7	-8.5	-
5/5/2023	Ctos	4383	1.450	1.420	1.240	1.600	0.7	-2.1	-
5/5/2023	Tropicana	8932	1.420	1.330	1.300	1.560	0.8	-6.3	-
8/5/2023	Opcom	0035	0.750	0.785	0.640	0.830	0.6	4.7	-
8/5/2023	SimeDarbyPlt	5285	4.410	4.380	3.770	4.850	-1.8	-0.7	-
9/5/2023	Westports	5246	3.600	3.560	3.080	3.960	1.7	-1.1	-
9/5/2023	Telekom	4863	5.070	5.020	4.330	5.580	-0.6	-1.0	-
10/5/2023	Gamuda	5398	4.180	4.150	3.570	4.600	1.0	-0.7	-
10/5/2023	Seal	4286	0.440	0.405	0.380	0.480	-1.2	-8.0	-
11/5/2023	Padini	7052	4.010	3.950	3.430	4.410	0.0	-1.5	-
11/5/2023	PowerRoot	7237	2.220	2.110	1.900	2.440	-4.5	-5.0	-
12/5/2023	GenP	2291	6.050	6.000	5.170	6.660	-0.3	-0.8	-
12/5/2023	ECA	0267	0.810	0.800	0.690	0.890	3.2	-1.2	-
15/5/2023	Globetronic	7022	1.120	1.120	0.960	1.230	0.0	0.0	-
15/5/2023	ITMAX	5309	1.440	1.430	1.230	1.580	-0.7	-0.7	-
16/5/2023	Solarvest	0215	0.940	0.940	0.800	1.030	8.7	0.0	-
16/5/2023	SFPTech	0251	2.550	2.550	2.180	2.810	5.8	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	0.380	0.05	13.2
SHL Consolidated Bhd	Property	1.860	0.18	9.7
AmFirst REIT	REIT	0.335	0.03	9.3
British American Tobacco Malay	Consumer	10.620	0.97	9.1
Magnum Bhd	Consumer	1.040	0.09	8.4
YTL Hospitality REIT	REIT	0.945	0.08	8.0
Capitaland Malaysia Trust	REIT	0.510	0.04	8.0
UOA REIT	REIT	1.120	0.09	7.7
Malayan Banking Bhd	Finance	8.690	0.60	6.9
Tambun Indah Land Bhd	Property	0.880	0.06	6.8
Matrix Concepts Holdings Bhd	Property	1.420	0.10	6.7
Amanahraya REIT	REIT	0.545	0.04	6.5
Al-'Aqar Healthcare REIT	REIT	1.240	0.08	6.4
Pavilion REIT	REIT	1.300	0.08	6.2
IGB REIT	REIT	1.700	0.11	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	(5.2)	18.2	14.0	16.8	14.0	12.3	
Finance	(6.1)	13.5	10.3	12.5	10.3	8.9	
Property	7.9	16.1	9.2	12.1	9.2	N/A	
Plantation	(2.7)	95.5	8.3	35.6	8.3	16.5	
Consumer	(2.4)	24.3	17.3	21.2	17.3	14.9	
Technology	(7.8)	27.8	20.0	24.2	20.0	19.8	
Construction	5.3	21.8	9.3	17.5	9.3	11.5	
Energy	6.6	-	-	-	9.4	9.1	
Health care	3.4	36.1	22.2	29.1	22.2	28.7	
Ind Prod	(8.8)	24.9	10.8	18.3	10.8	12.2	
REIT	2.6	-	-	-	N/A	N/A	
Telco	4.1	28.5	19.8	24.1	28.5	20.6	
Transportations	4.2	-	-	-	-	14.2	
Utilities	8.8	-	-	-	12.3	13.2	

Source: Bloomberg

**Disclaimers**

This report is prepared primarily for the use of Mercury Securities' clients in Malaysia and not for publication purposes, notwithstanding its public dissemination via external financial information providers such as Bloomberg LP. This report should not be reproduced, altered in any way, transmitted to, copied, or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Mercury Securities. Mercury Securities, companies and individuals related to it accept no liability whatsoever for the actions of third parties in this respect.

This research report is prepared for general circulation and for information purposes, only and under no circumstances, should it be considered or intended as an offer to sell or a solicitation of an offer to buy the stocks or securities referred to in the report. Investors should note that the price, values or fundamentals of any securities may fluctuate over time. Past performance of any securities may not be an accurate guide to its future performance.

This report is not intended to provide personal investment advice and does not take into account the investment objectives, financial situation and risk appetite of persons who may receive or read this report. Investors are advised to trade at their own absolute discretion, and to seek financial, legal and other pertinent professional advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

Any information, views, opinions, recommendations, and advice in this report are given in good faith but without any legal responsibility or liability to Mercury Securities and connected parties. Information contained in this report has been obtained from public sources believed to be reliable, but such sources are not independently verified by Mercury Securities and consequently no representation is made as to the accuracy or completeness of this information, and it should not be relied upon as such. The views, recommendations and opinions in this research report are our own as of the date hereof and are subject to change without prior notice.

Mercury Securities expressly disclaims any obligation to update or revise any views, recommendations, forward looking statements, and forecasts in a timely manner to reflect new information, events, or circumstances after the date of this report publication or to reflect the occurrence of unanticipated events. Our views and recommendations are based on our own analysis of publicly available information. A subject company's fundamentals and prospects are subject to various risks and uncertainties that could cause its actual performance to differ from our opinion.

As such, Mercury Securities and its directors, officers, associates, connected parties and employees shall not be liable for any direct, indirect, or consequential losses or damages that may arise from the use of or reliance on this research report.

Disclosures

Mercury Securities Sdn Bhd Registration No. 198401000672 (113193-W) is a Participating Organisation of Bursa Malaysia Securities Berhad and a principal holding a Capital Markets Services Licence ("CMSL") issued by the Securities Commission ("SC") of Malaysia. Its research analysts hold a Capital Markets Services Representative's Licence ("CMSRL"). Principals holding a CMSL and representatives holding a CMSRL are regulated by SC in accordance with the Capital Markets and Services Act 2007 ("CMSA").

Mercury Securities, companies or individuals connected with it may have used research material before publication and may have positions in or may be materially interested in any stocks or securities in the markets mentioned. Some of the subject companies covered by Mercury Securities for research purposes may be a client of Mercury Securities in the past, current or may be a potential client in the future. Possible business dealings may include, but is not limited to share trading, market making, underwriting, corporate finance and corporate advisory services.

Published and printed by:

MERCURY SECURITIES SDN BHD

Registration No. 198401000672 (113193-W)

L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur

Telephone: (603) - 6203 7227 Website: www.mercurysecurities.com.my

Email: mercurykl@mersec.com.my