



**DAILY NEWSWATCH**

**MARKET REVIEW**

Malaysian stocks closed slightly lower on Wednesday due to a global decline in shares caused by a lack of positive catalysts for buying, compounded by the ongoing unresolved debt ceiling saga. Market breadth was negative with 311 gainers and 542 losers. All sectors ended in red with the health care sector being the top loser declining by -1.48%. HEXTECH (5136) was the top gainer surging by RM0.36 or +1.5%. The FBMKLCI declined by -0.14% to 1409.62.

We expect Malaysian equities to remain in decline in lockstep with sell-off in global equities.

**ECONOMICS**

- **US** money market fund assets hit record highs despite debt-ceiling fears
- **European** shares slump 1% as debt ceiling concerns rise

**COMPANY**

- **CelcomDigi (6947)** reports strong Q1 performance following merger, eyes 5G expansion
- **Apex Healthcare (7090)** Q1 net profit soars 54% amid strong demand
- **Sunway (5211)** reports 3.76% rise in Q1 Net Profit, cautiously optimistic amid economic risks
- **MISC (3816)** reports 62.83% increase in 1QFY2023 net profit driven by petroleum shipping Segment
- **Uzma (7250)** secures gas lift valve contract from Petronas Carigali

**EXPRESSO FOR THE DAY**

- **Technical Watch – AirAsiaX (5238)** – Entry Price RM2.00, Target Price RM2.20, Stop Loss RM1.71, Support RM1.90, Resistance RM1.92
- **Technical Watch – Hextar Global (5151)** – Entry Price RM0.74, Target Price RM0.81, Stop Loss RM0.63, Support RM0.70, Resistance RM0.79

Local		(%)
<b>FBMKLCI</b>	1,409.62	(0.1)
<b>Volume (mil)</b>	2,548.68	3.6
<b>Value (RM'mil)</b>	1,697.77	2.5
<b>Gainers</b>	311	
<b>Losers</b>	542	
<b>Unchanged</b>	395	

Foreign		(%)
<b>Dow Jones</b>	33,055.5	(0.8)
<b>Nasdaq CI</b>	12,560.3	(0.6)
<b>S&amp;P 500</b>	4,145.6	(0.7)
<b>FTSE 100</b>	7,763.0	(1.7)
<b>Nikkei 225</b>	30,640.0	(0.9)
<b>Shanghai CI</b>	3,220.3	(1.3)
<b>HSI</b>	19,288.4	(1.6)
<b>STI</b>	3,211.9	(0.1)

Most Active	RM	Chg
<b>SAPNRG</b>	0.035	0.000
<b>BAHVEST</b>	0.190	0.030
<b>BSLCORP</b>	0.040	(0.010)
<b>TANCO</b>	0.550	0.005
<b>JADEM</b>	0.220	(0.015)

Top Gainer	RM	Chg
<b>HEXTECH</b>	24.860	0.360
<b>HLFG</b>	17.720	0.220
<b>BLDPLNT</b>	10.320	0.140
<b>AAX</b>	2.000	0.100
<b>INARI</b>	2.250	0.100

Top Loser	RM	Chg
<b>HEIM</b>	26.520	(0.520)
<b>AJI</b>	14.200	(0.340)
<b>F&amp;N</b>	26.220	(0.340)
<b>RAPID</b>	20.120	(0.340)
<b>HLBANK</b>	19.480	(0.320)

Other Stats		(%)
<b>USD/MYR</b>	4.58	0.46
<b>USD/RMB</b>	7.06	0.07
<b>Brent (USD/barrel)</b>	77.71	1.98
<b>Gold (USD/troy oz)</b>	1,973.41	(0.91)
<b>CPO (RM/metric t)</b>	3,610.5	(1.90)

**DAILY NEWSWATCH****ECONOMICS**

**US:** Despite concerns about the U.S. debt ceiling, money market funds have reached a new record high of \$5.8 trillion as investors seek short-term debt securities for yield. These funds have seen significant inflows of \$614.8 billion so far this year, including \$48 billion in the past week alone. Higher interest rates and the desire to avoid bank failures have contributed to the popularity of money market funds, and investors are also avoiding exposure to Treasury bills maturing in June. (Reuters)

**EUROPE:** European stock markets experienced a fresh wave of selling as concerns over the U.S. debt ceiling negotiations, higher UK core inflation, and losses in luxury stocks dampened risk sentiment. The STOXX 600 index dropped 1.1% to reach a three-week low, with all regional markets in negative territory. Real estate and luxury stocks were hit particularly hard, while Embracer, a Swedish gaming group, saw a significant decline after a failed strategic partnership and a downward revision of its full-year forecast. (The Edge)

**COMPANY**

**CelcomDigi Bhd (6947)**, formed through the merger of Celcom Axiata Bhd and Digi.Com Bhd, reported a 34.63% increase in net profit to RM317.92 million in Q1FY2023. Revenue growth, foreign exchange gains, and a healthy free cash flow of RM696 million contributed to the positive results. The company declared a first interim dividend of 3.2 sen per share and remains focused on integration efforts to provide improved offerings to its 20.2 million customers. CelcomDigi is optimistic about the potential of 5G and aims to enhance both its 4G and 5G networks. (The Edge)

**Apex Healthcare Bhd (7090)** reported a 54% rise in Q1 net profit to RM24.28 million, driven by strong demand for healthcare products, but expressed concerns about sustaining this level of demand due to slowing economic growth and global uncertainties. The company continues to invest in new initiatives and is constructing a manufacturing campus to improve operational efficiencies. Apex Healthcare's share price remained unchanged at RM4.16, with a year-to-date gain of 18.2%. (The Edge)

**Sunway Bhd's (5211)** first quarter net profit increased by 3.76% to RM141.64 million, driven by higher contributions from the property investment and healthcare segments, which offset lower profits from other segments. The company reported a quarterly revenue of RM1.26 billion, up 13.6% year-on-year, mainly due to increased contributions from all business segments except construction and others. (The Edge)

**MISC Bhd (3816)** recorded a 62.83% rise in net profit to RM612.9 million in the first quarter of 2023, attributed to its petroleum and product shipping segment and higher share of profit from joint ventures. Revenue also increased by 7.36% to RM3.08 billion. The company declared a first interim dividend of seven sen per share. (The Edge)

**Uzma Bhd (7250)** has secured a contract from Petronas Carigali Sdn Bhd (PCSB) for the provision of gas lift valve and insert strings equipment, accessories, and services for PCSB's offshore wells in East and West Malaysia. The contract's value was not disclosed, but Uzma expects it to have a positive impact on its earnings and net assets per share until its expiration in 2026. (The Edge)

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## AirAsia X Berhad

### Technical Watch - "BUY on Potential Upside"

Bloomberg: AAX MK | KLSE Stock Code: 5238

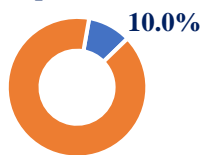
**Main Market**  
**Consumer Products & Services**  
**Subsector – Travel, Leisure & H**  
**Current Price: RM2.00**  
**Target Price: RM2.20**

#### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by three white soldiers with a strong momentum on the stock (RSI >80).

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	0.0	10.1	18.9
P/B	N/A	1.8	1.8
P/CF	8.0	5.5	4.9
P/S	1.1	0.6	0.5

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

#### Company Overview

AirAsia X Berhad is a long-haul, low-cost airline based in Malaysia. The Company is an affiliate carrier of the AirAsia Group. AirAsia X offers flights on the Airbus A330-300 aircraft on routes beyond 4 hours flight duration across Asia Pacific and the Middle East.



Entry Price	RM2.00
Market Cap (m)	RM829.6
<b>52w high</b>	RM2.02
<b>52w low</b>	RM0.36
Stop Loss	RM1.71
Immediate Support	RM1.90
Immediate Resistance	RM1.92 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	805,475.6



## Hextar Global Berhad

### Technical Watch - "BUY on Potential Upside"

Bloomberg: HAL MK | KLSE Stock Code: 5151

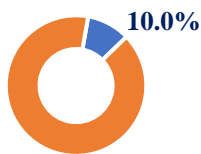
**Main Market**  
**Industrial Products & Services**  
**Subsector – Industrials**  
**Current Price: RM0.74**  
**Target Price: RM0.81**

#### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by a marubozu with a strong momentum on the stock (RSI >70).

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



**Buy: 0**  
**Hold: 2**  
**Sell: 0**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
<b>P/E</b>	50.2	52.5	43.9
<b>P/BV</b>	10.0	6.0	3.4
<b>P/CF</b>	54.2	35.2	26.8
<b>P/S</b>	4.4	2.8	1.9

\*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.



Entry Price	RM0.74
Market Cap (m)	RM2,899.5
<b>52w high</b>	RM0.84
<b>52w low</b>	RM0.48
Stop Loss	RM0.63
Immediate Support	RM0.70
Immediate Resistance	RM0.79 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	1,273,458.0



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
26/4/2023	Infoline	0253	0.870	0.730	0.740	0.960	-2.0	-16.1	SL Triggered
26/4/2023	Menang	1694	0.880	0.895	0.750	0.970	-3.2	1.7	TP Achieved
27/4/2023	Ranhill	5272	0.640	0.565	0.540	0.700	0.0	-11.7	SL Triggered
27/4/2023	YongTai	7066	0.325	0.395	0.280	0.360	-2.5	21.5	TP Achieved
28/4/2023	Pelikan	5231	0.820	0.810	0.700	0.900	1.9	-1.2	SL Triggered
28/4/2023	Tanco	2429	0.540	0.550	0.460	0.590	0.9	1.9	SL Triggered
2/5/2023	Microlink	0126	0.925	0.900	0.790	1.020	-0.6	-2.7	-
2/5/2023	KYM	8362	0.555	0.500	0.470	0.610	2.0	-9.9	SL Triggered
3/5/2023	GentingM	4715	2.780	2.630	2.380	3.060	-1.1	-5.4	-
3/5/2023	Inari	0166	2.360	2.250	2.020	2.600	4.7	-4.7	-
5/5/2023	Ctos	4383	1.450	1.400	1.240	1.600	-1.4	-3.4	-
5/5/2023	Tropicana	8932	1.420	1.280	1.300	1.560	-3.0	-9.9	-
8/5/2023	Opcom	0035	0.750	0.735	0.640	0.830	-0.7	-2.0	-
8/5/2023	SimeDarbyPlt	5285	4.410	4.410	3.770	4.850	-1.6	0.0	-
9/5/2023	Westports	5246	3.600	3.820	3.080	3.960	0.0	6.1	-
9/5/2023	Telekom	4863	5.070	5.090	4.330	5.580	2.0	0.4	-
10/5/2023	Gamuda	5398	4.180	4.130	3.570	4.600	-0.5	-1.2	-
10/5/2023	Seal	4286	0.440	0.410	0.380	0.480	2.5	-6.8	-
11/5/2023	Padini	7052	4.010	3.830	3.430	4.410	-1.5	-4.5	-
11/5/2023	PowerRoot	7237	2.220	2.050	1.900	2.440	-1.0	-7.7	-
12/5/2023	GenP	2291	6.050	6.060	5.170	6.660	0.8	0.2	-
12/5/2023	ECA	0267	0.810	0.700	0.690	0.890	-4.1	-13.6	-
15/5/2023	Globetronic	7022	1.120	1.110	0.960	1.230	-0.9	-0.9	-
15/5/2023	ITMAX	5309	1.440	1.380	1.230	1.580	-2.1	-4.2	-
16/5/2023	Solarvest	0215	0.940	1.010	0.800	1.030	1.5	7.4	-
16/5/2023	SFPTEch	0251	2.550	2.400	2.180	2.810	-0.4	-5.9	-
17/5/2023	Tenaga	5347	9.730	9.520	8.320	10.700	-0.4	-2.2	-
17/5/2023	AirasiaX	5238	1.690	2.000	1.440	1.860	5.3	18.3	TP Achieved
18/5/2023	Scientex	4731	3.400	3.360	2.910	3.740	0.3	-1.2	-
18/5/2023	YTL	4677	0.750	0.785	0.640	0.830	0.6	4.7	-
19/5/2023	TIME	5031	5.300	5.360	4.530	5.830	0.0	1.1	-
19/5/2023	Sunview	0262	0.750	0.700	0.640	0.820	-1.4	-6.7	-
22/5/2023	AEON	6599	1.300	1.330	1.110	1.430	0.0	2.3	-
22/5/2023	HALG	2062	1.300	1.250	1.110	1.430	-1.6	-3.8	-
23/5/2023	Tomei	7230	1.280	1.230	1.090	1.410	0.0	-3.9	-
23/5/2023	WahSeong	5142	0.920	0.875	0.790	1.010	2.3	-4.9	-
24/5/2023	Karex	5247	0.650	0.640	0.560	0.720	-1.5	-1.5	-
24/5/2023	Redtone	0032	0.605	0.580	0.520	0.670	-4.1	-4.1	-
25/5/2023	AirasiaX	5238	2.000	2.000	1.710	2.200	5.3	0.0	-
25/5/2023	HextarGbl	5151	0.740	0.740	0.610	0.810	8.8	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	0.375	0.05	13.3
SHL Consolidated Bhd	Property	1.860	0.18	9.7
AmFirst REIT	REIT	0.335	0.03	9.3
British American Tobacco Malay	Consumer	10.880	0.98	9.0
Capitaland Malaysia Trust	REIT	0.505	0.04	8.1
YTL Hospitality REIT	REIT	0.960	0.08	7.9
Magnum Bhd	Consumer	1.020	0.08	7.8
UOA REIT	REIT	1.120	0.09	7.7
Malayan Banking Bhd	Finance	8.570	0.60	7.0
Tambun Indah Land Bhd	Property	0.890	0.06	6.7
Matrix Concepts Holdings Bhd	Property	1.420	0.10	6.7
Amanahraya REIT	REIT	0.550	0.04	6.4
IGB REIT	REIT	1.650	0.10	6.4
Al-'Aqar Healthcare REIT	REIT	1.250	0.08	6.3
Sunway REIT	REIT	1.570	0.10	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	(5.4)	18.3	14.0	16.8	14.0	12.3	
Finance	(6.8)	13.5	10.3	12.4	10.3	8.9	
Property	7.2	16.1	7.4	11.2	9.1	N/A	
Plantation	(1.4)	95.5	8.4	35.6	8.4	16.7	
Consumer	(3.3)	25.0	17.2	22.0	17.2	14.8	
Technology	(9.4)	31.3	19.4	25.5	19.4	19.4	
Construction	4.6	21.8	9.1	17.5	9.1	11.4	
Energy	7.5	-	-	-	9.5	9.1	
Health care	10.8	36.1	23.9	30.0	23.9	30.2	
Ind Prod	(9.6)	31.6	10.7	21.1	10.7	12.3	
REIT	1.9	-	-	-	N/A	N/A	
Telco	1.8	27.8	19.8	23.8	27.8	20.1	
Transportations	5.3	-	-	-	-	14.7	
Utilities	11.3	-	-	-	12.6	13.5	

Source: Bloomberg

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