



DAILY NEWSWATCH

MARKET REVIEW

Despite a challenging external environment, Bursa Malaysia concluded Wednesday's trading session on a positive note. The main index finished the day at its highest point of the day, driven by strong foreign buying support, especially in the heavyweight stocks. Market breadth was positive with 430 gainers and 417 losers. The financial services sector was the top gainer increasing by +0.68%, while the property sector was the top loser declining by -0.55%. PETGAS (6033) was the top gainer surging by RM0.16 or +0.93%. The FBMKLCI rose by +0.76% to 1,462.03.

ECONOMICS

- **Malaysia's wholesale and retail trade** grows 4.3% YoY in June 2023
- **China's consumer sector** experiences deflation in July, factory-gate prices continue to decline

COMPANY

- **Maxis (6012)** posts healthy net profit of RM330mil in Q2 FY2023
- **Hup Seng (5024)** posts strong profit growth in Q2 2023, recommends interim dividend
- **Perdana Petroleum (7108)** secures RM21.9mil contracts for AHTS vessels from Petronas Carigali
- **Reservoir Link Energy (0219)** selected as solar power producer by Malaysia's Energy Commission

EXPRESSO FOR THE DAY

- **Technical Watch – Takaful (6139)** – Entry Price RM3.46, Target Price RM3.81, Stop Loss RM2.96, Support RM3.29, Resistance RM3.70
- **Technical Watch – PLS (9695)** – Entry Price RM1.00, Target Price RM1.10, Stop Loss RM0.86 Support RM0.95, Resistance RM1.18

Local	Close	(%)
FBMKLCI	1,462.03	0.76
Volume (mil)	3,166.18	(0.1)
Value (RM'mil)	2,188.77	28.0
Gainers	430	
Losers	417	
Unchanged	449	

Foreign		(%)
Dow Jones	35,314.5	(0.5)
Nasdaq CI	13,884.3	(1.2)
S&P 500	4,499.4	(0.7)
FTSE 100	7,527.4	0.8
Nikkei 225	32,377.3	(0.5)
Shanghai CI	3,260.6	(0.5)
HSI	19,184.2	0.3
STI	3,313.8	#VALUE!

Most Active	RM	Chg
SAPNRG	0.055	0.000
TOPGLOV	0.880	(0.005)
UEMS	0.525	0.005
VELESTO	0.230	(0.010)
WIDAD	0.435	0.000

Top Gainer	RM	Chg
PETGAS	17.340	0.160
PIE	2.790	0.140
PEIDAG	22.800	0.120
SUNMOW	1.300	0.100
UMW	4.190	0.090

Top Loser	RM	Chg
UTDPLT	15.700	(0.100)
PECCA	0.965	(0.075)
SHANG	2.630	(0.070)
PPB	16.800	(0.060)
UCHITEC	3.450	(0.040)

Other Stats		(%)
USD/MYR	4.58	(0.22)
USD/RMB	7.22	(0.11)
WTI (USD/barrel)	86.17	1.60
Gold (USD/troy oz)	1,925.68	(0.56)
CPO (RM/metric t)	3,688.0	(2.91)

Research Team

research@mersec.com.my

**DAILY NEWSWATCH****ECONOMICS**

In June 2023, **Malaysia's wholesale and retail trade** achieved a 4.3% year-on-year increase in monthly sales value, reaching RM138.5 billion, as reported by the Department of Statistics Malaysia (DoSM). This growth was primarily driven by a 5.8% rise in the retail trade sub-sector, amounting to RM59.4 billion, while wholesale trade expanded by 3.1% to RM62.4 billion and motor vehicles increased by 3.4% to RM16.7 billion. Despite a 0.3% month-on-month uptick in sales value, the volume index exhibited a year-on-year growth of 3.1%, across all sub-sectors. (The Star)

China's consumer sector has experienced deflation in July, while factory-gate prices have continued to decline, raising concerns about the need for more direct policy stimulus to revive demand. The consumer price index (CPI) dropped by 0.3% year-on-year in July, marking the first decline since February 2021. Factory-gate prices, indicated by the producer price index (PPI), have fallen for the tenth consecutive month, down by 4.4%, contributing to concerns about China's slower economic rebound and its impact on global demand and commodity prices. (Reuters)

COMPANY

Maxis Bhd (6012) posted a net profit of RM330mil for the quarter ended June 30, 2023, an improvement from RM322mil in the previous corresponding quarter. The telco's performance was driven by the discontinuation of the Prosperity Tax in 2023, which offset higher amortisation costs from the spectrum awarded in 2022. Maxis declared an interim dividend of four sen per share for a year-to-date payout of eight sen per share. (The Star)

Hup Seng Industries Bhd's (5024) net profit for the second quarter ended June 30, 2023 rose almost threefold to RM8.7 million from RM3.04 million a year ago. Revenue for the quarter also increased by 10.5% to RM81.5 million from RM73.8 million. The company is prioritizing the maintenance of market share and product competitiveness to boost the popularity of its biscuits in the food industry, recommending an interim single-tier dividend of 1 sen per ordinary share. (The Star)

Perdana Petroleum Bhd's (7108) subsidiary, Perdana Nautika Sdn Bhd, has secured two work orders from Petronas Carigali Sdn Bhd for the provision of anchor handling tug and supply (AHTS) vessels, amounting to RM21.9 million. The AHTS vessels will be utilized for various services in the Sarawak region, including assisting drilling rigs, offshore installations, towing, and anchor jobs. These contracts are expected to have a positive impact on Perdana Petroleum's earnings and net assets for the financial years 2023 and 2024. (The Star)

Reservoir Link Energy Bhd (0219), along with its consortium members Sumitomo Corp and Maqo Engineering Sdn Bhd, has been chosen as a solar power producer by Malaysia's Energy Commission under the Corporate Green Power Programme (CGPP). This consortium, which includes Reservoir Link Renewable Sdn Bhd, has been allocated a maximum export capacity of 30MW, joining 21 other selected applicants with a combined export capacity exceeding 560MW. Reservoir Link sees this as the start of increased renewable energy activities in Malaysia, aligning with the government's push for sustainable energy solutions. (The Star)



Syarikat Takaful Malaysia Keluarga Berhad

Technical Watch - "BUY on Potential Reversal"

Bloomberg: STMB MK | KLSE Stock Code: 6139

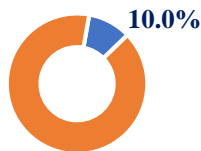
Main Market
Financial Services
Subsector – Insurance
Current Price: RM3.46
Target Price: RM3.81

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential reversal supported by a hammer with a strong momentum on the stock (RSI > 50).

Expanding Bollinger Bands suggest 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 cross moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 7
Holds: 1
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	7.9	9.5	11.2
P/B	1.7	2.4	2.7
P/CF	6.0	9.9	9.9
P/S	1.0	1.2	1.2

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

Company Overview

Syarikat Takaful Malaysia Keluarga Berhad operates as an Islamic insurance company. The Company provides covers and protection for contractor's and erection risks, machinery breakdown, foreign workers compensation, employer's liability, burglary, and group personal accident. Syarikat Takaful Malaysia Keluarga serves customers in Malaysia.



Entry Price	RM3.46
Market Cap (m)	RM2,897.1
52w high	RM3.70
52w low	RM3.15
Stop Loss	RM2.96
Immediate Support	RM3.29
Immediate Resistance	RM3.70 (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)	320,869.8



PLS Plantations Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: PLS MK | KLSE Stock Code: 9695

Main Market

Plantation

Subsector – Plantation

Current Price: RM1.00

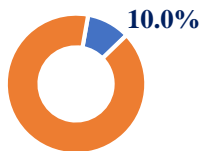
Target Price: RM1.10

Investment Highlights

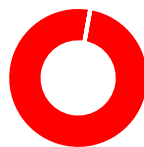
On an uptrend, the stock is currently trading above the MA20. We think there is a potential continuation supported by a marubozu with a strong momentum on the stock (RSI > 60).

Expanding Bollinger Bands suggest 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 cross 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	21.3	251.2	185.0
P/BV	1.4	1.5	1.4
P/CF	16.1	244.0	168.4
P/S	2.5	3.1	4.0

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

Company Overview

PLS Plantations Bhd provides civil engineering and construction works.



Entry Price	RM1.00
Market Cap (m)	RM439.6
52w high	RM1.18
52w low	RM0.73
Stop Loss	RM0.86
Immediate Support	RM0.95
Immediate Resistance	RM1.18 (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)	21,873.2



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
13/7/2023	YNHProp	3158	5.050	N/A	4.320	5.560	N/A	N/A	-
13/7/2023	PJBumi	7162	1.110	1.000	0.950	1.220	5.3	-9.9	SL Triggered
14/7/2023	BankIslam	5258	2.090	2.130	1.990	2.300	-0.5	1.9	-
14/7/2023	UMW	4588	4.080	4.190	3.490	4.450	2.2	2.7	-
17/7/2023	Dufu	7233	2.110	1.830	1.800	2.320	-1.1	-13.3	SL Triggered
17/7/2023	D&O	7204	4.100	3.850	3.510	4.510	0.5	-6.1	-
18/7/2023	Inari	0166	3.110	3.110	2.660	3.420	2.3	0.0	-
18/7/2023	SPToto	1562	1.500	1.470	1.280	1.650	0.0	-2.0	-
20/7/2023	Aurelius	5302	2.450	2.520	2.090	2.700	-0.8	2.9	-
20/7/2023	Pentamaster	7160	5.370	5.400	4.590	5.910	0.6	0.6	-
21/7/2023	IOI	1961	3.990	4.170	3.590	4.390	1.7	4.5	-
21/7/2023	Ta Ann	5012	3.590	3.640	3.230	3.950	-0.3	1.4	-
24/7/2023	UOA Dev	5200	1.790	1.690	1.610	1.800	-1.2	-5.6	-
24/7/2023	MRCB	1651	0.400	0.385	0.360	0.410	0.0	-3.8	-
25/7/2023	YBS	0025	0.720	0.680	0.650	0.790	-1.4	-5.6	-
25/7/2023	XL	7121	0.850	0.850	0.770	0.940	-1.2	0.0	-
26/7/2023	Telekom	4863	5.050	5.120	4.550	5.560	1.2	1.4	-
26/7/2023	Riverview	2542	3.680	3.150	3.310	4.040	-0.6	-14.4	SL Triggered
27/7/2023	Press Metal	8869	5.000	5.020	4.500	5.500	0.4	0.4	-
27/7/2023	Tenaga	5347	9.590	9.640	8.630	10.550	0.4	0.5	-
28/7/2023	RHB	1066	5.680	5.710	5.110	6.250	0.5	0.5	-
28/7/2023	Public Bank	1295	4.110	4.170	3.700	4.520	0.7	1.5	-
31/7/2023	Sunway Con	5263	1.750	1.730	1.580	1.930	-1.7	-1.1	-
31/7/2023	Suria	6521	1.300	1.370	1.170	1.430	1.5	5.4	-
1/8/2023	Seal	4286	0.570	0.560	0.510	0.630	0.0	-1.8	-
1/8/2023	MPI	3867	29.280	28.300	26.350	32.210	-0.9	-3.3	-
2/8/2023	Hua Yang	5062	0.335	0.325	0.290	0.370	-1.5	-3.0	-
2/8/2023	Kerjaya Prospek	7077	0.740	0.775	0.630	0.810	5.4	4.7	-
3/8/2023	Mentiga	5223	0.620	0.580	0.530	0.680	-4.132	-6.5	-
3/8/2023	Apollo	6432	4.510	4.570	3.860	4.960	-2.350	1.3	-
4/8/2023	Wegmans	0197	0.230	0.210	0.220	0.250	-6.667	-8.7	-
4/8/2023	YTL Power	6742	1.460	1.530	1.250	1.610	-1.290	4.8	-
7/8/2023	Pantech	5125	0.820	0.825	0.738	0.902	-0.602	0.6	-
7/8/2023	CCK	7035	0.780	0.795	0.702	0.858	0.633	1.9	-
8/8/2023	WCE	3565	0.700	0.695	0.600	0.770	-1.418	-0.7	-
8/8/2023	Thriven	7889	0.150	0.130	0.120	0.160	0.000	-13.3	SL Triggered
9/8/2023	Sime Darby	4197	2.220	2.200	1.900	2.440	-0.901	-0.9	-
9/8/2023	KLK	2445	23.360	23.380	19.970	25.696	0.086	0.1	-
10/8/2023	Takaful	6139	3.460	3.460	2.960	3.810	1.170	0.0	-
10/8/2023	PLS	9695	1.000	1.000	0.860	1.100	5.263	0.0	-

*SL= Stop Loss

*TP=Target Price

**STOCK SELECTION BASED ON DIVIDEND YIELD**

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
TIME DOTCOM BHD	TELCO	5.39	0.71	13.10
YTL HOSPITALITY REIT	REITs	1.06	0.09	8.87
LII HEN INDUSTRIES BHD	CONSUMER	0.84	0.07	8.93
BONIA CORPORATION BHD	CONSUMER	1.74	0.15	8.62
TALIWORKS CORPORATION BHD	UTILITIES	0.80	0.07	8.50
MBM RESOURCES BHD	CONSUMER	3.44	0.29	8.58
HEKTAR REITS	REITs	0.62	0.05	8.29
UOA REITS	REITs	1.10	0.09	8.27
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.53	0.04	7.92
CAPITALAND MALAYSIA TRUST	REITs	0.54	0.04	7.85
BESHOM HOLDINGS BERHAD	CONSUMER	1.03	0.08	7.77
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.71
BERMAZ AUTO BERHAD	CONSUMER	2.09	0.16	7.75
SENTRAL REIT	REITs	0.84	0.06	7.62
BRITISH AMERICAN TOBACCO (M)	CONSUMER	10.12	0.75	7.43

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.

Index	Return (%)	Valuation P/E (X)					
		YTD	5 - Years			Current	1 Yr – Fwd
			High	Low	Avg		
KLCI	(7.1)	24.1	17.0	18.8	13.9	12.3	
Finance	(6.3)	13.0	9.9	12.3	9.9	9.0	
Property	9.3	25.1	7.4	11.1	8.9	N/A	
Plantation	(2.4)	95.5	10.5	36.0	10.5	16.7	
Consumer	(6.8)	22.5	15.7	21.6	15.7	14.8	
Technology	(2.8)	48.6	22.5	27.0	26.8	21.4	
Construction	8.0	36.8	9.5	17.5	9.5	11.1	
Energy	2.8	9.0	-	-	9.0	9.1	
Health care	(3.4)	36.1	22.0	29.0	22.0	27.3	
Ind Prod	(12.5)	24.9	12.6	21.5	12.6	N/A	
REIT	0.3	0.0	-	-	N/A	N/A	
Telco	(1.7)	32.4	19.8	26.1	32.4	20.2	
Transportations	5.0	27.5	-	-	11.8	13.8	
Utilities	13.8	17.8	-	-	13.9	12.8	

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.myEmail: mercurykl@mersec.com.my