



DAILY NEWSWATCH

MARKET REVIEW

Bursa Malaysia rebounded from earlier declines and closed with a mixed performance today due to late buying in specific sectors such as financial services, telecommunications, and media, despite subdued market sentiments across the regional stock exchanges. Market breadth was positive with 575 gainers and 404 losers. The property sector was the top gainer increasing by +2.16%, while the plantation sector was the top loser declining by -0.19%. HEXTECH (5136) was the top gainer surging by RM0.54 or +1.94%. The FBMKLCI declined by -0.01% to 1,457.00.

ECONOMICS

- Concerns over **China's debt-ridden property sector** impact Asian markets
- Russian rouble** hits weakest point in almost 17 months, surpassing 100 per U.S. dollar

COMPANY

- Sime Darby (4197)** to acquire Cavpower Group for A\$500mil in cash
- Berjaya Food (5196)** to introduce South Korean bakery chain Paris Baguette in the Philippines
- Harn Len Corp (7501)** and Jutawan Enterprise partner to explore collaboration in pineapple plantation sector
- Coraza (0240)** to acquire freehold industrial land in Nibong Tebal for RM17.69mil

EXPRESSO FOR THE DAY

- Technical Watch – Eco World (8206)** – Entry Price RM1.07, Target Price RM1.18, Stop Loss RM0.91, Support RM1.02, Resistance RM1.14
- Technical Watch – Dayang (5141)** – Entry Price RM1.50, Target Price RM1.65, Stop Loss RM1.28, Support RM1.43, Resistance RM1.55

Local	Close	(%)
FBMKLCI	1,457.00	(0.01)
Volume (mil)	3,532.27	20.1
Value (RM'mil)	1,889.29	1.4
Gainers	575	
Losers	404	
Unchanged	378	

Foreign		(%)
Dow Jones	35,307.6	0.1
Nasdaq CI	13,788.3	1.1
S&P 500	4,489.7	0.6
FTSE 100	7,507.2	(0.2)
Nikkei 225	32,318.6	N/A
Shanghai CI	3,178.4	(0.3)
HSI	18,773.6	(1.6)
STI	3,247.7	(1.4)

Most Active	RM	Chg
SAPNRG	0.055	(0.005)
CLASSITA	0.085	(0.005)
UEMS	0.565	0.020
ASB	0.145	(0.025)
MRCB	0.405	0.015

Top Gainer	RM	Chg
HEXTECH	28.420	0.540
NESTLE	132.500	0.500
UMW	4.530	0.260
PETDAG	22.880	0.240
ALLIANZ	15.500	0.200

Top Loser	RM	Chg
HLCAP	5.480	(0.360)
PPB	16.200	(0.360)
MPI	27.700	(0.300)
HEIM	25.900	(0.260)
HLFG	18.420	(0.180)

Other Stats		(%)
USD/MYR	4.63	0.60
USD/RMB	7.26	0.25
WTI (USD/barrel)	86.16	(0.69)
Gold (USD/troy oz)	1,905.33	(0.35)
CPO (RM/metric t)	3,747.0	0.00

**DAILY NEWSWATCH****ECONOMICS**

Concerns over **China's debt-ridden property sector** have impacted Asian markets, causing a 1.1% drop in Chinese blue chips and a slide in the yuan, despite efforts from the PBOC. China's consumer prices fell due to previous volatility in pork prices, while core inflation doubled to 0.8% y/y, prompting focus on upcoming retail sales data and its potential impact on markets and the Federal Reserve's stance, as Treasury yields rise. (Reuters)

Russia's rouble has hit its weakest point in almost 17 months, surpassing 100 per U.S. dollar. President Vladimir Putin's economic adviser, Maxim Oreshkin, criticised the central bank's loose monetary policy for the rouble's 30% year-to-date decline, emphasising the need for a strong rouble and normalizing the situation. The central bank is expected to take action, possibly raising interest rates, as it grapples with the rouble's slide and its impact on inflation and economic growth. (Reuters)

COMPANY

Sime Darby Bhd's (4197) subsidiary, Sime Darby Industrial Australia Pty Ltd, has agreed to a A\$500 million cash deal to acquire Cavpower Group, a distributor of Caterpillar Inc equipment in South Australia and New South Wales. The acquisition aims to expand Sime Darby's industrial division into high-growth infrastructure and commodity areas, providing exposure to the extensive resources sector in South Australia. The transaction, which includes the purchase of Kuxton Pty Ltd and 98.9% of Kagera Pty Ltd, is set to be finalized in the coming weeks. (The Star)

Berjaya Food Bhd (5196) has signed a master franchise agreement, through its subsidiary Berjaya Food (International) Sdn Bhd, to introduce South Korean bakery chain Paris Baguette in the Philippines. The agreement, made with Paris Baguette's Singapore branch, will lead to the opening of the first store in Q4 2023, with more locations planned in key Philippine cities. BFood International and Middle Trade will operate the Paris Baguette stores under Paris Baguette Philippines Inc, marking a continuation of the bakery's successful expansion. (The Edge)

Harn Len Corp Bhd (7501) has formed a partnership with Jutawan Enterprise to explore collaboration in the pineapple plantation sector. The deal will enable Harn Len to engage in pineapple development and management, benefiting from Jutawan's significant presence in local pineapple exports. This move aligns with Harn Len's growth strategy and could accelerate income generation due to the shorter crop life cycle of pineapple plantations compared to oil palm plantations. (The Star)

Coraza Integrated Technology Bhd's (0240) subsidiary, Coraza Systems Malaysia Sdn Bhd, is set to purchase a freehold industrial land with offices and factories in Nibong Tebal, Pulau Pinang, from Huhtamaki Foodservice Malaysia Sdn Bhd for RM17.69 million. The acquisition will be funded through a combination of internally generated funds and bank borrowings. The move is expected to enhance Coraza Group's manufacturing capabilities, eliminate the need for additional leased plants, and streamline overall operations. (The Star)



Eco World Development Group Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: ECW MK | KLSE Stock Code: 8206

Main Market

Property

Subsector – Property

Current Price: RM1.07

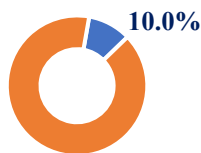
Target Price: RM1.18

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 > 80).

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



Buy: 7
Hold: 0
Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	11.9	11.8	27.4
P/B	0.4	0.4	0.9
P/CF	2.7	5.7	12.7
P/S	1.0	0.9	1.4

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

Company Overview

Eco World Development Group Berhad operates as a real estate development company. The Company develops townships, integrated commercial properties, high-rise apartments, and business parks. Eco World Development Group serves clients worldwide.



Entry Price	RM1.07
Market Cap (m)	RM3,150.5
52w high	RM1.08
52w low	RM0.55
Stop Loss	RM0.91
Immediate Support	RM1.02
Immediate Resistance	RM1.14 (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)	2,672,457.1



Dayang Enterprise Holdings Berhad

Technical Watch - “BUY on Potential Continuation”

Bloomberg: DEHB MK| KLSE Stock Code: 5141

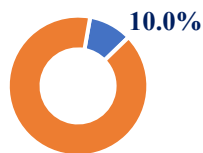
Main Market
Energy
Subsector – Energy Infra.
Current Price: RM1.50
Target Price: RM1.65

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: 6
Holds: 1
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	98.6	53.4	36.0
P/BV	0.9	0.9	1.2
P/CF	6.7	5.1	7.2
P/S	1.5	1.5	1.7

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

Company Overview

Dayang Enterprise Holdings Bhd., through its subsidiaries, provides offshore maintenance services. The Company also offers minor fabrication operations, offshore hook-ups, and commissioning and chartering of marine vessels to the oil and gas industry.



Entry Price	RM1.50
Market Cap (m)	RM1,736.7
52w high	RM1.55
52w low	RM0.97
Stop Loss	RM1.28
Immediate Support	RM1.43
Immediate Resistance	RM1.55 (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)	3,330,369.3



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
18/7/2023	Inari	0166	3.110	3.100	2.660	3.420	0.6	-0.3	-
18/7/2023	SPToto	1562	1.500	1.490	1.280	1.650	-2.6	-0.7	-
20/7/2023	Aurelius	5302	2.450	2.580	2.090	2.700	-1.1	5.3	-
20/7/2023	Pentamaster	7160	5.370	5.380	4.590	5.910	-0.9	0.2	-
21/7/2023	IOI	1961	3.990	4.070	3.590	4.390	-0.2	2.0	-
21/7/2023	Ta Ann	5012	3.590	3.590	3.230	3.950	-1.4	0.0	-
24/7/2023	UOA Dev	5200	1.790	1.680	1.610	1.800	-0.6	-6.1	-
24/7/2023	MRCB	1651	0.400	0.405	0.360	0.410	3.8	1.3	-
25/7/2023	YBS	0025	0.720	0.695	0.650	0.790	2.2	-3.5	-
25/7/2023	XL	7121	0.850	0.835	0.770	0.940	-0.6	-1.8	-
26/7/2023	Telekom	4863	5.050	5.050	4.550	5.560	0.2	0.0	-
26/7/2023	Riverview	2542	3.680	3.300	3.310	4.040	4.8	-10.3	SL Triggered
27/7/2023	Press Metal	8869	5.000	4.920	4.500	5.500	-0.8	-1.6	-
27/7/2023	Tenaga	5347	9.590	9.800	8.630	10.550	0.0	2.2	-
28/7/2023	RHB	1066	5.680	5.700	5.110	6.250	0.9	0.4	-
28/7/2023	Public Bank	1295	4.110	4.150	3.700	4.520	-0.2	1.0	-
31/7/2023	Sunway Con	5263	1.750	1.780	1.580	1.930	2.3	1.7	-
31/7/2023	Suria	6521	1.300	1.410	1.170	1.430	-0.7	8.5	-
1/8/2023	Seal	4286	0.570	0.590	0.510	0.630	0.9	3.5	-
1/8/2023	MPI	3867	29.280	27.700	26.350	32.210	-1.1	-5.4	-
2/8/2023	Hua Yang	5062	0.335	0.365	0.290	0.370	7.4	9.0	-
2/8/2023	Ketjaya Prospek	7077	0.740	0.810	0.630	0.810	6.6	9.5	-
3/8/2023	Mentiga	5223	0.620	N/A	0.530	0.680	N/A	N/A	-
3/8/2023	Apollo	6432	4.510	4.800	3.860	4.960	1.266	6.4	-
4/8/2023	Wegmans	0197	0.230	0.200	0.220	0.250	0.000	-13.0	SL Triggered
4/8/2023	YTL Power	6742	1.460	1.570	1.250	1.610	3.289	7.5	-
7/8/2023	Pantech	5125	0.820	0.840	0.738	0.902	0.000	2.4	-
7/8/2023	CCK	7035	0.780	0.805	0.702	0.858	3.205	3.2	-
8/8/2023	WCE	3565	0.700	0.710	0.600	0.770	2.899	1.4	-
8/8/2023	Thriven	7889	0.150	0.115	0.120	0.160	-11.538	-23.3	SL Triggered
9/8/2023	Sime Darby	4197	2.220	2.160	1.900	2.440	-0.461	-2.7	-
9/8/2023	KLK	2445	23.360	23.000	19.970	25.696	-0.433	-1.5	-
10/8/2023	Takaful	6139	3.460	3.500	2.960	3.810	0.287	1.2	-
10/8/2023	PLS	9695	1.000	0.970	0.860	1.100	0.000	-3.0	-
11/8/2023	UCrest	0005	0.210	0.195	0.180	0.230	0.000	-7.1	-
11/8/2023	YNH Property	3158	5.080	5.100	4.340	5.590	0.990	0.4	-
14/8/2023	Umedic	0256	0.770	0.770	0.660	0.850	0.000	0.0	-
14/8/2023	SHH	7412	1.250	1.090	1.070	1.380	-12.800	-12.8	SL Triggered
15/8/2023	Eco World	8206	1.070	1.070	0.910	1.180	10.881	0.0	-
15/8/2023	Dayang	7412	1.500	1.500	1.280	1.650	3.448	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	5.40	0.71	13.07
YTL HOSPITALITY REIT	REITs	0.99	0.09	9.49
LII HEN INDUSTRIES BHD	CONSUMER	0.84	0.07	8.93
BONIA CORPORATION BHD	CONSUMER	1.73	0.15	8.67
TALIWORKS CORPORATION BHD	UTILITIES	0.81	0.07	8.45
MBM RESOURCES BHD	CONSUMER	3.49	0.29	8.45
HEKTAR REITS	REITs	0.63	0.05	8.10
UOA REITS	REITs	1.10	0.09	8.27
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.53	0.04	8.00
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	2.16	0.16	7.50
SENTRAL REIT	REITs	0.86	0.06	7.09
BRITISH AMERICAN TOBACCO (M)	CONSUMER	10.08	0.75	7.46

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
