

**DAILY NEWSWATCH****MARKET REVIEW**

Bursa Malaysia ended the day in the green on Wednesday, driven by a surge in late purchases of specific utility and financial services stocks. Market breadth was positive with 495 gainers and 468 losers. The construction sector was the top gainer increasing by +1.34%, while the technology sector was the top loser declining by -0.71%. NESTLE (4707) was the top gainer surging by RM0.40 or +0.30%. The FBMKLCI rose by +0.22% to 1,463.51.

**ECONOMICS**

- **UK inflation** falls to 6.8% in July, but core inflation remains high
- **China's property crisis** dampens economic momentum, prompts calls for policy support

**COMPANY**

- **Eversendai (5205)** secures RM188mil structural steel works in Saudi Arabia and India
- **Velesto Energy's (5243)** subsidiaries secure two contracts from two major O&G companies
- **Dialog's (7277)** FY2023 earnings increased to RM511 million, driven by higher revenue
- **UEM Sunrise (5148)** acquired first residential development site in Perth for RM66mil

**EXPRESSO FOR THE DAY**

- **Technical Watch – Malayan Cement (3794)** – Entry Price RM3.45, Target Price RM3.80, Stop Loss RM2.95, Support RM3.28, Resistance RM3.85
- **Technical Watch – Central Global (8052)** – Entry Price RM2.05, Target Price RM2.26, Stop Loss RM1.75, Support RM1.95, Resistance RM2.97

Local	Close	(%)
FBMKLCI	1,463.51	0.22
Volume (mil)	3,623.71	(6.4)
Value (RM'mil)	2,214.01	4.2
Gainers	495	
Losers	468	
Unchanged	446	

Foreign		(%)
Dow Jones	34,765.7	(0.5)
Nasdaq CI	13,474.6	(1.1)
S&P 500	4,404.3	(0.8)
FTSE 100	7,356.9	(0.4)
Nikkei 225	31,766.8	(1.5)
Shanghai CI	3,150.1	(0.8)
HSI	18,329.3	(1.4)
STI	3,213.6	(0.6)

Most Active	RM	Chg
UEMS	0.610	0.040
SAPNRG	0.055	0.000
MRCB	0.430	0.020
PESTECH	0.290	(0.025)
MYEG	0.815	0.020

Top Gainer	RM	Chg
NESTLE	132.300	0.400
TENAGA	9.990	0.100
NAIM	0.795	0.080
RCECAP	2.360	0.080
OSK	1.220	0.050

Top Loser	RM	Chg
PPB	16.040	(0.120)
SAM	4.830	(0.120)
TOCEAN	1.880	(0.120)
VOLCANO	1.040	(0.090)
PIE	2.820	(0.080)

Other Stats		(%)
USD/MYR	4.64	(0.14)
USD/RMB	7.30	0.14
WTI (USD/barrel)	83.45	(1.70)
Gold (USD/troy oz)	1,892.33	(0.54)
CPO (RM/metric t)	3,784.0	2.20



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**DAILY NEWSWATCH****ECONOMICS**

**UK inflation** eased as expected in July, reaching its lowest annual rate since February 2022, driven by falling gas and electricity prices, according to data from the Office for National Statistics (ONS). Despite the drop in headline inflation to 6.8% from June's 7.9%, core inflation, which excludes volatile food and energy prices, remained at 6.9%, and services inflation increased to 7.4%. The Bank of England (BoE) is closely monitoring these indicators, and the figures reinforce expectations of further interest rate hikes to control inflation. (Reuters)

Missed payments on investment products by a major Chinese trust firm, Zhongrong International Trust Co., along with declining home prices, are amplifying concerns that **China's ongoing property crisis** is rapidly dampening the country's fragile economic momentum. The shadow banking sector, with significant exposure to real estate, is facing defaults that could have far-reaching effects on individual investors who hold high-yield trust products, potentially damaging consumer confidence. The worsening property market, which has traditionally constituted a substantial portion of China's economy, coupled with the impact of COVID-19 measures, is prompting calls for stronger policy support and fiscal stimulus to counter the downward trajectory. (Reuters)

**COMPANY**

**Eversendai Corporation Bhd's (5205)** subsidiaries in Saudi Arabia and India have secured new projects worth RM188 million for structural steel works. The projects are highly complex and befitting the group's technical capabilities and track record. Eversendai is optimistic about the growth of the Saudi Arabian construction market and is in the process of expanding its presence there. (The Star)

**Velesto Energy Bhd's (5243)** subsidiaries have secured two contracts, one for a jack-up drilling rig and another for a hydraulic workover unit. The subsidiary Velesto Drilling Sdn Bhd obtained a contract worth US\$6.1 million from Jadestone Energy (Malaysia) Pte Ltd for a jack-up drilling rig, aimed at drilling four firm wells at the East Belumut field. Another sub-subsidiary, Velesto Workover Sdn Bhd, secured a project from ExxonMobil Exploration and Production Malaysia Inc (EMEPMI) for the provision of Gait 6 HWU and Services for the 2023/2024 workover and plug and abandonment program. (The Star)

**Dialog Group Bhd (7277)**, an integrated technical service provider, has affirmed its commitment to its long-term strategies, citing confidence in its structured business model to navigate economic uncertainties, oil price fluctuations, and currency movements. Despite challenges posed by the Covid-19 pandemic, supply chain disruptions, and geopolitical conflicts, Dialog reported quarterly growth in net profit of RM126.78mil from RM118.25 mil, while revenue grew to RM690.04mil from RM675.65mil a year earlier. The company emphasized its focus on completing committed projects, strengthening its competencies through technology investments, and maintaining a positive outlook for the upcoming financial year. (The Star)

**UEM Sunrise Bhd (5148)** has acquired Lots 1 and 2 of The Oval precincts at Subiaco East in Perth, Western Australia for A\$22.18mil (RM66.39mil), marking its first residential development site in the area. The upcoming mixed-use residential precinct will include two sleek towers with around 430 apartments, subject to development approval, and is expected to feature up to 12% affordable housing. This move reflects UEM Sunrise's expansion plans in Australia, with its CEO highlighting strong economic fundamentals, affordable housing options, and potential capital gains as driving factors behind the investment. (The Star)

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## Malayan Cement Berhad

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

Bloomberg: LMC MK | KLSE Stock Code: 3794

### Main Market

#### Industrial Products & Services

#### Subsector – Building Materials

Current Price: RM3.45

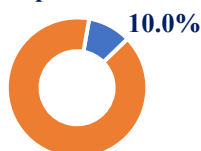
Target Price: RM3.80

### 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 hold moving forward.

### Potential Upside



### Bloomberg Analyst Ratings



**Buys: 6**  
**Holds: 0**  
**Sells: 0**

### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	65.0	83.0	79.9
P/B	0.7	0.8	1.5
P/CF	17.7	17.1	45.7
P/S	1.2	1.3	1.9

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

### Company Overview

Malayan Cement Berhad manufactures, sells, and distributes cement and clinker. The Company offers ready-mixed concrete, provides shipping services, leases vessels, and trades building materials. Malayan Cement serves customers in Malaysia.



Entry Price	RM3.45
Market Cap (m)	RM4,520.2
52w high	RM3.45
52w low	RM1.84
Stop Loss	RM2.95
Immediate Support	RM3.28
Immediate Resistance	RM3.85 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	318,650.1



## Central Global Berhad

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

Bloomberg: CGB MK| KLSE Stock Code: 8052

### Main Market

#### Industrial Products & Services

#### Subsector – Packaging Materials

Current Price: RM2.05

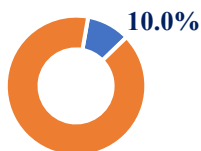
Target Price: RM2.26

### 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

**Buys: 0**  
**Holds: 0**  
**Sells: 0**

### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	104.6	95.7	566.9
P/BV	1.8	2.0	1.6
P/CF	N/A	312.0	512.4
P/S	0.8	0.8	0.8

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

### Company Overview

Central Global Berhad, a Malaysian investment holding company, operates through its subsidiaries: Central Industrial Corp Berhad (CCIB), CIC Construction Sdn. Bhd (CICC), Central Global Impact Pte. Ltd. (CGI), and CIC Marketing Sdn. Bhd (CICM). CCIB manufactures and sells self-adhesive label stocks and tapes, CICC is involved in building and infrastructure contracting and materials trading, CGI focuses on trading adhesives, and CICM handles marketing of self-adhesive label stocks and tapes. The company also has a 51% interest in Proventus Bina Sdn. Bhd (PBSB), which engages in building contracting, general contract works, and building materials trading.



Entry Price	RM2.05
Market Cap (m)	RM323.4
52w high	RM2.05
52w low	RM0.87
Stop Loss	RM1.75
Immediate Support	RM1.95
Immediate Resistance	RM2.97 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	1,267,895.0



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
21/7/2023	IOI	1961	3.990	4.010	3.590	4.390	-1.5	0.5	-
21/7/2023	Ta Ann	5012	3.590	3.630	3.230	3.950	1.1	1.1	-
24/7/2023	UOA Dev	5200	1.790	1.690	1.610	1.800	0.6	-5.6	-
24/7/2023	MRCB	1651	0.400	0.410	0.360	0.410	1.2	2.5	-
25/7/2023	YBS	0025	0.720	0.705	0.650	0.790	1.4	-2.1	-
25/7/2023	XL	7121	0.850	0.815	0.770	0.940	-2.4	-4.1	-
26/7/2023	Telekom	4863	5.050	5.070	4.550	5.560	0.4	0.4	-
26/7/2023	Riverview	2542	3.680	3.200	3.310	4.040	-3.0	-13.0	SL Triggered
27/7/2023	Press Metal	8869	5.000	4.900	4.500	5.500	-0.4	-2.0	-
27/7/2023	Tenaga	5347	9.590	9.890	8.630	10.550	0.9	3.1	-
28/7/2023	RHB	1066	5.680	5.730	5.110	6.250	0.5	0.9	-
28/7/2023	Public Bank	1295	4.110	4.210	3.700	4.520	1.4	2.4	-
31/7/2023	Sunway Con	5263	1.750	1.800	1.580	1.930	1.1	2.9	-
31/7/2023	Suria	6521	1.300	1.460	1.170	1.430	3.5	12.3	TP Achieved
1/8/2023	Seal	4286	0.570	0.600	0.510	0.630	1.7	5.3	-
1/8/2023	MPI	3867	29.280	27.700	26.350	32.210	0.0	-5.4	-
2/8/2023	Hua Yang	5062	0.335	0.365	0.290	0.370	0.0	9.0	-
2/8/2023	Kerjaya Prospek	7077	0.740	0.825	0.630	0.810	1.9	11.5	TP Achieved
3/8/2023	Mentiga	5223	0.620	0.665	0.530	0.680	N/A	7.3	-
3/8/2023	Apollo	6432	4.510	4.800	3.860	4.960	0.000	6.4	-
4/8/2023	Wegmans	0197	0.230	0.190	0.220	0.250	-5.000	-17.4	SL Triggered
4/8/2023	YTL Power	6742	1.460	1.660	1.250	1.610	5.732	13.7	TP Achieved
7/8/2023	Pantech	5125	0.820	0.845	0.738	0.902	0.595	3.0	-
7/8/2023	CCK	7035	0.780	0.800	0.702	0.858	-0.621	2.6	-
8/8/2023	WCE	3565	0.700	0.725	0.600	0.770	2.113	3.6	-
8/8/2023	Thriven	7889	0.150	0.105	0.120	0.160	-8.696	-30.0	SL Triggered
9/8/2023	Sime Darby	4197	2.220	2.160	1.900	2.440	0.000	-2.7	-
9/8/2023	KLK	2445	23.360	22.760	19.970	25.696	-1.043	-2.6	-
10/8/2023	Takaful	6139	3.460	3.500	2.960	3.810	0.000	1.2	-
10/8/2023	PLS	9695	1.000	0.955	0.860	1.100	-1.546	-4.5	-
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	4.980	4.340	5.590	-2.353	-2.0	-
14/8/2023	Umedic	0256	0.770	0.785	0.660	0.850	1.948	1.9	-
14/8/2023	SHH	7412	1.250	1.070	1.070	1.380	-1.835	-14.4	SL Triggered
15/8/2023	Eco World	8206	1.070	1.080	0.910	1.180	0.935	0.9	-
15/8/2023	Dayang	7412	1.500	1.490	1.280	1.650	-0.667	-0.7	-
16/8/2023	Scientex	4731	3.780	3.780	3.230	4.160	4.132	0.0	-
16/8/2023	YTL Power	6742	1.660	1.660	1.420	1.830	5.732	0.0	-
17/8/2023	Malayan Cement	3794	3.450	3.370	2.950	3.795	3.058	-2.3	-
17/8/2023	Central Global	8052	2.050	1.990	1.750	2.255	0.000	-2.9	-

\*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	5.43	0.68	12.58
YTL HOSPITALITY REIT	REITs	1.00	0.09	9.45
LII HEN INDUSTRIES BHD	CONSUMER	0.84	0.07	8.93
BONIA CORPORATION BHD	CONSUMER	1.75	0.15	8.57
MBM RESOURCES BHD	CONSUMER	3.55	0.29	8.31
TALIWORKS CORPORATION BHD	UTILITIES	0.82	0.07	8.34
UOA REITS	REITs	1.10	0.09	8.27
HEKTAR REITS	REITs	0.63	0.05	8.16
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.52	0.04	8.16
BESHOM HOLDINGS BERHAD	CONSUMER	1.03	0.08	7.77
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.71
CAPITALAND MALAYSIA TRUST	REITs	0.54	0.04	7.78
BRITISH AMERICAN TOBACCO (M)	CONSUMER	10.08	0.75	7.46
BERMAZ AUTO BERHAD	CONSUMER	2.25	0.16	7.20
RHB BANK	FINANCE	5.75	0.41	7.20

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)				
		5 - Years			Current	1 Yr – Fwd
		High	Low	Avg		
KLCI	(2.1)	24.1	17.0	18.8	14.7	13.0
Finance	(0.5)	13.0	10.5	12.4	10.5	9.6
Property	26.0	25.1	7.4	11.4	10.3	-
Plantation	(0.7)	95.5	10.6	36.1	10.6	16.9
Consumer	(3.7)	22.5	16.2	21.8	16.2	15.2
Technology	1.6	48.6	22.5	27.2	28.1	23.1
Construction	16.6	36.8	10.3	17.7	10.3	12.0
Energy	7.0	9.3	-	-	9.3	9.4
Health care	(1.9)	36.1	22.3	29.2	22.3	28.4
Ind Prod	(7.3)	24.9	13.3	21.6	13.3	13.4
REIT	0.3	0.0	-	-	-	-
Telco	(0.5)	32.8	19.8	26.3	32.8	21.1
Transportations	7.7	27.5	-	-	12.1	15.0
Utilities	24.9	17.8	-	-	15.3	14.0

Source: Bloomberg



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Published and printed by:

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