


DAILY NEWSWATCH
MARKET REVIEW

On Monday, the FTSE Bursa Malaysia KLCI (FBM KLCI) concluded the day with a marginal increase, driven primarily by purchasing activity in stocks related to commodities and energy sectors. Market breadth was negative with 446 gainers and 498 losers. The utilities sector was the top gainer increasing by +1.23%, while the technology sector was the top loser declining by -0.65%. PETGAS (6033) was the top gainer surging by RM0.30 or +1.76%. The FBMKLCI rose by +0.31% to 1,450.57.

ECONOMICS

- **China** cuts one-year loan rate to 3.45% to boost economy
- **Oil prices rise** on tightening global supply

COMPANY

- **UMW (4588)** automotive sales surge 47% in July on robust demand
- **Aneka Jaringan (0266)** secures RM35mil contract to construct 31-storey medical centre complex
- **PIE (7095)** invests RM30mil to renovate plants for product range diversification
- **Farm Fresh (5306)** to launch San Simon Factory in Philippines in September, diversify product offerings

EXPRESSO FOR THE DAY

- **Technical Watch – Tuju Setia (5297)** – Entry Price RM0.25, Target Price RM0.27, Stop Loss RM0.21, Support RM0.23, Resistance RM0.28
- **Technical Watch – Astino (7162)** – Entry Price RM0.57, Target Price RM0.63, Stop Loss RM0.49, Support RM0.54, Resistance RM0.72

Local	Close	(%)
FBMKLCI	1,450.57	0.31
Volume (mil)	3,313.65	4.0
Value (RM'mil)	2,240.62	5.9
Gainers	446	
Losers	498	
Unchanged	416	

Foreign		(%)
Dow Jones	34,463.7	(0.1)
Nasdaq CI	13,497.6	1.6
S&P 500	4,399.8	0.7
FTSE 100	7,257.8	(0.1)
Nikkei 225	31,565.6	0.4
Shanghai CI	3,093.0	(1.2)
HSI	17,623.3	(1.8)
STI	3,154.0	(0.6)

Most Active	RM	Chg
PARKSON	0.340	0.045
YTLPOWR	1.800	0.100
UEMS	0.635	0.015
VISIONE	0.055	0.005
YTL	1.380	0.030

Top Gainer	RM	Chg
PETGAS	17.300	0.300
TENAGA	10.140	0.190
TIMECOM	5.550	0.120
SSSTEEL	0.635	0.115
PCHEM	6.900	0.100

Top Loser	RM	Chg
NESTLE	131.400	(0.600)
VITROX	7.780	(0.150)
PPB	15.880	(0.140)
WPRTS	3.410	(0.090)
UMW	4.530	(0.080)

Other Stats		(%)
USD/MYR	4.65	0.00
USD/RMB	7.28	(0.02)
WTI (USD/barrel)	84.46	(0.40)
Gold (USD/troy oz)	1,895.17	0.30
CPO (RM/metric t)	3,849.0	(0.18)

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**DAILY NEWSWATCH****ECONOMICS**

China has reduced its one-year benchmark lending rate by 10 basis points to 3.45% in an effort to stimulate credit demand and boost its slowing economy. However, the country surprised markets by keeping the five-year rate unchanged at 4.20%, likely due to concerns about the weakening currency. The move comes amid challenges like a worsening property slump, weak consumer spending, and falling credit growth, and while Beijing aims to stimulate the economy, it's also cautious about downward pressure on the yuan and potential capital flight. (Reuters)

Oil prices have risen due to tightening global supply, driven by lower exports from Saudi Arabia and Russia. Brent crude rose 61 cents to \$85.41 a barrel, while U.S. West Texas Intermediate crude increased 63 cents to \$81.88 a barrel. Despite concerns about global demand growth and high interest rates, experts believe there's still room for oil prices to rise due to a tight oil balance for the rest of the year and a weakening U.S. dollar, which makes oil purchases less expensive for holders of other currencies. (Reuters)

COMPANY

UMW Holdings Bhd (4588) experienced a 47% surge in automotive sales to 36,780 units in July 2023 compared to the previous year, driven by robust demand and outstanding bookings for both UMW Toyota Motor (UMWT) and Perusahaan Otomobil Kedua Sdn Bhd (Perodua). UMWT reported a 26% increase in car sales to 8,349 units for the month, while Perodua's sales soared by 55% to 28,431 units, aided by enhanced production and supply chain improvements. UMW Holdings aims to maintain this positive momentum by introducing new models and attractive promotions to meet customer demands. (The Edge)

Aneka Jaringan Holdings Bhd (0226) has secured a contract valued at RM35 million to construct a 31-storey medical center complex in Desa Sri Hartamas. The contract, awarded to its subsidiary Aneka Jaringan Sdn Bhd, covers piling, earthworks, and substructure activities for the complex. The project is set to commence on September 1, 2023, and is scheduled for completion by January 31, 2025, contributing positively to the company's earnings for the fiscal years ending August 31, 2024, and 2025. (The Edge)

PIE Industrial Bhd (7095) is investing RM30 million to renovate two plants for the production of box-build and printed-circuit-board assembly (PCBA) products. These products are targeted for high-end applications in the aviation, medical, and industrial electronic sectors. The renovated plants, equipped with new machinery, are set to begin production in the third quarter of 2023 and the first quarter of 2024, respectively. PIE Industrial recently secured contracts to produce these products for US-based customers, and the new business is expected to contribute about 10% to the company's revenue in 2024. (The Star)

Farm Fresh Bhd (5306) is maintaining its focus on regional expansion and growth strategies despite economic challenges. The integrated dairy company aims to launch its San Simon factory in the Philippines in September 2023, viewing it as a crucial market for development. Additionally, Farm Fresh plans to diversify its offerings by introducing growing-up milk powder and consumer packaged goods (CPG) ice cream by the end of 2023, along with leveraging its acquisition of Inside Scoop to tap into the Malaysian ice cream market's potential. (The Star)



Tuju Setia Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: TJSETIA MK | KLSE Stock Code: 5297

Main Market Construction Construction

Current Price: RM0.25

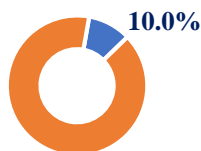
Target Price: RM0.27

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by 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

Buy: 0

Hold: 0

Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	14.5	14.5	14.5
P/B	1.1	1.3	1.3
P/CF	N/A	N/A	N/A
P/S	0.3	0.3	0.3

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

Company Overview

Tuju Setia Berhad operates as a construction company. The Company constructs buildings and civil projects, as well as provides construction management services. Tuju Setia serves customers in Malaysia.



Entry Price	RM0.25
Market Cap (m)	RM77.6
52w high	RM0.32
52w low	RM0.17
Stop Loss	RM0.21
Immediate Support	RM0.23
Immediate Resistance	RM0.28 (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)	360,085.7



Astino Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: ASTI MK| KLSE Stock Code: 7162

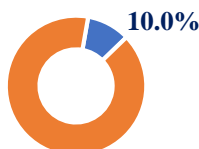
Main Market
Industrial Products & Services
Subsector – Building Materials
Current Price: RM0.57
Target Price: RM0.63

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 > 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: 0
Holds: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	5.9	6.5	6.6
P/BV	0.5	0.5	0.6
P/CF	3.8	6.2	6.4
P/S	0.5	0.4	0.4

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

Company Overview

Astino Berhad. is an investment holding company. The Company, through its subsidiaries, manufactures and sells metal roof sheets, PVC panels and compound, doors, insect screens, frames, and other building related products.



Entry Price	RM0.57
Market Cap (m)	RM278.8
52w high	RM0.57
52w low	RM0.44
Stop Loss	RM0.49
Immediate Support	RM0.54
Immediate Resistance	RM0.72 (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)	53,794.9


TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
26/7/2023	Telekom	4863	5.050	5.020	4.550	5.560	-0.4	-0.6	-
26/7/2023	Riverview	2542	3.680	3.160	3.310	4.040	0.0	-14.1	SL Triggered
27/7/2023	Press Metal	8869	5.000	4.790	4.500	5.500	0.8	-4.2	-
27/7/2023	Tenaga	5347	9.590	10.140	8.630	10.550	1.9	5.7	-
28/7/2023	RHB	1066	5.680	5.690	5.110	6.250	0.7	0.2	-
28/7/2023	Public Bank	1295	4.110	4.140	3.700	4.520	0.2	0.7	-
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	1.500	1.170	1.430	1.4	15.4	TP Achieved
1/8/2023	Seal	4286	0.570	0.550	0.510	0.630	2.8	-3.5	-
1/8/2023	MPI	3867	29.280	26.740	26.350	32.210	-0.1	-8.7	-
2/8/2023	Hua Yang	5062	0.335	0.340	0.290	0.370	-6.8	1.5	-
2/8/2023	Kerjaya Prospek	7077	0.740	0.845	0.630	0.810	0.0	14.2	TP Achieved
3/8/2023	Mentiga	5223	0.620	0.685	0.530	0.680	-0.725	10.5	TP Achieved
3/8/2023	Apollo	6432	4.510	4.700	3.860	4.960	1.075	4.2	-
4/8/2023	Wegmans	0197	0.230	0.185	0.220	0.250	0.000	-19.6	SL Triggered
4/8/2023	YTL Power	6742	1.460	1.800	1.250	1.610	5.882	23.3	TP Achieved
7/8/2023	Pantech	5125	0.820	0.830	0.738	0.902	0.000	1.2	-
7/8/2023	CCK	7035	0.780	0.820	0.702	0.858	0.613	5.1	-
8/8/2023	WCE	3565	0.700	0.685	0.600	0.770	0.735	-2.1	-
8/8/2023	Thriven	7889	0.150	0.105	0.120	0.160	-4.545	-30.0	SL Triggered
9/8/2023	Sime Darby	4197	2.220	2.110	1.900	2.440	0.000	-5.0	-
9/8/2023	KLK	2445	23.360	22.780	19.970	25.696	0.530	-2.5	-
10/8/2023	Takaful	6139	3.460	3.590	2.960	3.810	-1.913	3.8	-
10/8/2023	PLS	9695	1.000	0.900	0.860	1.100	0.000	-10.0	SL Triggered
11/8/2023	UCrest	0005	0.210	0.195	0.180	0.230	-4.878	-7.1	-
11/8/2023	YNH Property	3158	5.080	5.040	4.340	5.590	2.024	-0.8	-
14/8/2023	Umedic	0256	0.770	0.775	0.660	0.850	2.649	0.6	-
14/8/2023	SHH	7412	1.250	1.090	1.070	1.380	0.000	-12.8	SL Triggered
15/8/2023	Eco World	8206	1.070	1.020	0.910	1.180	-2.857	-4.7	-
15/8/2023	Dayang	7412	1.500	1.460	1.280	1.650	-2.013	-2.7	-
16/8/2023	Scientex	4731	3.780	3.760	3.230	4.160	-1.571	-0.5	-
16/8/2023	YTL Power	6742	1.660	1.800	1.420	1.830	5.882	8.4	-
17/8/2023	Malayan Cement	3794	3.450	3.850	2.950	3.795	-0.517	11.6	TP Achieved
17/8/2023	Central Global	8052	2.050	2.130	1.750	2.255	0.000	3.9	-
18/8/2023	UEM Sunrise	5148	0.630	0.635	0.540	0.693	2.419	0.8	-
18/8/2023	PWF	7134	0.810	0.825	0.690	0.891	0.610	1.9	-
21/8/2023	PowerRoot	7237	2.190	2.130	1.870	2.41	-2.740	-2.7	-
21/8/2023	UMW	4588	4.610	4.530	3.940	5.070	-1.735	-1.7	-
22/8/2023	Tuju Setia	5297	0.245	0.245	0.270	0.270	11.364	0.0	-
22/8/2023	Astino	7162	0.570	0.570	0.627	0.630	7.547	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	5.55	0.77	13.93
YTL HOSPITALITY REIT	REITs	1.00	0.09	9.40
LII HEN INDUSTRIES BHD	CONSUMER	0.85	0.08	8.88
TALIWORKS CORPORATION BHD	UTILITIES	0.80	0.07	8.50
UOA REITS	REITs	1.10	0.09	8.27
BONIA CORPORATION BHD	CONSUMER	1.82	0.15	8.24
MBM RESOURCES BHD	CONSUMER	3.62	0.29	8.15
CAPITALAND MALAYSIA TRUST	REITs	0.53	0.04	8.00
HEKTAR REITS	REITs	0.64	0.05	7.97
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.54	0.04	7.85
BESHOM HOLDINGS BERHAD	CONSUMER	1.02	0.08	7.84
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.80
BRITISH AMERICAN TOBACCO (M)	CONSUMER	10.04	0.75	7.49
BERMAZ AUTO BERHAD	CONSUMER	2.22	0.16	7.30
RHB BANK	FINANCE	5.69	0.41	7.28

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
	YTD	High	Low	Avg		
KLCI	(3.0)	24.1	17.0	18.8	14.5	12.9
Finance	(1.4)	13.0	10.4	12.4	10.4	9.5
Property	26.5	25.1	7.4	11.4	10.3	-
Plantation	(0.9)	95.5	10.6	36.1	10.6	16.8
Consumer	(4.4)	22.5	16.1	21.7	16.1	15.1
Technology	(1.1)	48.6	22.5	27.1	27.3	22.6
Construction	15.4	36.8	10.1	17.7	10.1	12.0
Energy	4.9	9.1	-	-	9.1	9.3
Health care	(2.3)	36.1	22.2	29.1	22.2	28.1
Ind Prod	(7.0)	24.9	13.4	21.6	13.4	13.4
REIT	0.0	0.0	-	-	-	-
Telco	(0.5)	32.8	19.8	26.3	32.8	21.1
Transportations	6.7	27.5	-	-	12.0	14.9
Utilities	26.4	17.8	-	-	15.5	14.2

Source: Bloomberg

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