



DAILY NEWSWATCH

MARKET REVIEW

On Friday, the FBM KLCI retreated, mirroring the trend in neighboring markets, as investors awaited the speech by Federal Reserve Chair Jerome Powell. Market breadth was negative with 395 gainers and 547 losers. The construction sector was the top gainer increasing by +1.42%, while the technology sector was the top loser declining by -0.94%. TROP (5401) was the top gainer surging by RM0.14 or +12.61%. The FBMKLCI declined by -0.02% to 1,444.41.

ECONOMICS

- **China** plans to reduce stamp duty on stock trading by 50%
- **India's** rice export restrictions could drive up global prices

COMPANY

- **Ecoscience International (0255)** secures RM24.04mil contract to construct palm oil refinery complex in Indonesia
- **Bintulu Port (5032)** reports 6.5% net profit growth in 2Q2023
- **EPMB (7773)** targets favourable impact on 2023 performance with new initiatives
- **IHH Healthcare (5225)** increases ownership in RGE to 98.17%

EXPRESSO FOR THE DAY

- **Technical Watch – UMS (7137)** – Entry Price RM1.90, Target Price RM2.09, Stop Loss RM1.62, Support RM1.81, Resistance RM2.18
- **Technical Watch – Hong Leong Bank (5819)** – Entry Price RM19.76, Target Price RM21.74, Stop Loss RM16.89, Support RM18.77, Resistance RM18.88

Local	Close	(%)
FBMKLCI	1,444.41	(0.02)
Volume (mil)	3,717.47	5.3
Value (RM'mil)	2,664.36	39.5
Gainers	395	
Losers	547	
Unchanged	411	

Foreign		(%)
Dow Jones	34,346.9	0.7
Nasdaq CI	13,590.7	0.9
S&P 500	4,405.7	0.7
FTSE 100	7,338.6	0.1
Nikkei 225	31,624.3	(2.1)
Shanghai CI	3,064.1	(0.6)
HSI	17,956.4	(1.4)
STI	3,189.9	0.3

Most Active	RM	Chg
UEMS	0.670	0.045
YTLPOWR	1.880	0.130
YTL	1.400	0.040
WIDAD	0.445	0.005
VELESTO	0.240	0.000

Top Gainer	RM	Chg
TROP	1.250	0.140
YTLPOWR	1.880	0.130
UMW	4.740	0.120
TGL	1.240	0.080
SUNCON	1.840	0.050

Top Loser	RM	Chg
TIMECOM	5.510	(0.180)
UTDPLT	15.900	(0.140)
VITROX	7.630	(0.080)
YNHPROP	5.030	(0.070)
WPRTS	3.450	(0.050)

Other Stats		(%)
USD/MYR	4.64	(0.11)
USD/RMB	7.29	0.10
WTI (USD/barrel)	84.48	1.34
Gold (USD/troy oz)	1,914.96	(0.10)
CPO (RM/metric t)	3,815.5	0.20

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**DAILY NEWSWATCH****ECONOMICS**

China: Chinese authorities are reportedly planning to reduce the stamp duty on stock trading by as much as 50% to boost the struggling stock market. The proposal, which was submitted by regulators including the Ministry of Finance, aims to cut the current 0.1% stamp duty on securities trading, marking the first reduction since 2008. The move comes after China's leaders expressed their commitment to revitalize the country's stock market, which has been grappling with economic recovery challenges and a property market debt crisis. (Reuters)

India: India has introduced a 20% duty on parboiled rice exports, following a ban on non-basmati white rice exports last month. This move is expected to further curtail shipments from the world's largest exporter, driving global rice prices even higher, which are already trading at their highest levels in 12 years. India's restrictions on exports, combined with low inventories in other exporting countries, could contribute to inflation in food prices that has been influenced by factors like Russia's invasion of Ukraine and unpredictable weather conditions. (Reuters)

COMPANY

Ecoscience International Bhd (0255), a recently listed company on Bursa Malaysia's ACE Market, has secured a RM24.04 million contract to construct a palm oil refinery complex in Sulawesi, Indonesia. The project encompasses a 300-tonne-per-day physical refining plant, a 300-tpd dry fractionation plant, and a bottling plant. The contract's positive impact on earnings and net assets is anticipated by the company. (The Edge)

Bintulu Port Holdings Bhd (5032) reported a 6.5% increase in net profit for the second quarter of 2023 compared to the same period last year, reaching RM23.75 million, thanks to reduced depreciation and operating costs. Despite a 9.19% drop in revenue during the quarter, the port operator achieved RM176.32 million in revenue, mainly due to lower revenue from liquefied natural gas (LNG) handling and vessel services. (The Edge)

EP Manufacturing Bhd (7773) is set to bolster its core business sectors while targeting new market opportunities, anticipating a favorable impact on the group's 2023 performance. The company's subsidiary, EP Polymers (M) Sdn Bhd, is poised to commence car seat production at a new plant in Q3 2023, with an estimated capacity exceeding 100,000 sets annually. Furthermore, EPMB's subsidiary, Peps-JV (Melaka) Sdn Bhd, has secured conditional approval for a manufacturing license to produce energy-efficient vehicles and electric passenger and commercial vehicles, bolstering its growth trajectory. (The Star)

IHH Healthcare Bhd (5225) has increased its ownership in Ravindranath GE Medical Associates Private Ltd (RGE) from 73.64% to 98.17%, through a cash acquisition of INR 7,400 million (RM415 million). The acquisition was facilitated by IHH's subsidiary, Gleneagles Development Private Ltd, which entered an agreement to buy out the remaining 24.53% stake held by Dr Ravindranath Kancherla and his affiliates in RGE. The move aims to reinforce RGE's operations and market position in India's healthcare sector and is anticipated to conclude by the fourth quarter of 2023. (The Edge)



UMS Holdings Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: UMS MK | KLSE Stock Code: 7137

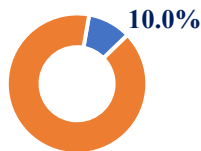
Main Market
Industrial Products & Services
Subsector – Ind Mat, Com, Eq
Current Price: RM1.90
Target Price: RM2.09

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 > 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 hold 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	24.8	23.9	16.0
P/B	0.5	0.5	0.5
P/CF	35.2	19.0	18.9
P/S	1.2	1.1	1.0

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

Company Overview

UMS Holdings Berhad is an investment holding company. Through its subsidiaries, the Company distributes mechanical power transmissions, material handling products and systems, and industrial spare parts.



Entry Price	RM1.90
Market Cap (m)	RM77.3
52w high	RM2.16
52w low	RM1.76
Stop Loss	RM1.62
Immediate Support	RM1.81
Immediate Resistance	RM2.18 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	5,966.3



Hong Leong Bank Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: HLBK MKL KLSE Stock Code: 5819

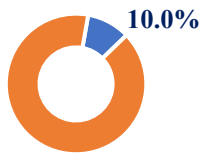
Main Market
Financial Services
Subsector – Banking
Current Price: RM19.76
Target Price: RM21.74

Investment Highlights

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

Contracting Bollinger Bands suggest lower volatility and lower 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: 12
Hold: 4
Sell: 1

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	12.0	12.3	11.4
P/BV	1.3	1.3	1.3
P/CF	9.3	9.0	11.0
P/S	5.0	4.4	3.7

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

Company Overview

Hong Leong Bank Berhad provides commercial banking and related financial services. The Company's services include leasing and hire purchase, nominee, Islamic Banking, and unit trust management. Through its subsidiaries, the Company also develops and invests in real estate.



Entry Price	RM19.76
Market Cap (m)	RM42,834.1
52w high	RM21.52
52w low	RM18.46
Stop Loss	RM16.89
Immediate Support	RM18.77
Immediate Resistance	RM18.88 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	1,096,161.0



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
1/8/2023	Seal	4286	0.570	0.560	0.510	0.630	0.0	-1.8	-
1/8/2023	MPI	3867	29.280	26.720	26.350	32.210	-1.0	-8.7	-
2/8/2023	Hua Yang	5062	0.335	0.330	0.290	0.370	0.0	-1.5	-
2/8/2023	Kerjaya Prospek	7077	0.740	0.850	0.630	0.810	1.2	14.9	TP Achieved
3/8/2023	Mentiga	5223	0.620	0.705	0.530	0.680	0.714	13.7	TP Achieved
3/8/2023	Apollo	6432	4.510	4.630	3.860	4.960	0.216	2.7	-
4/8/2023	Wegmans	0197	0.230	0.180	0.220	0.250	-5.263	-21.7	SL Triggered
4/8/2023	YTL Power	6742	1.460	1.880	1.250	1.610	7.429	28.8	TP Achieved
7/8/2023	Pantech	5125	0.820	0.830	0.738	0.902	-2.353	1.2	-
7/8/2023	CCK	7035	0.780	0.815	0.702	0.858	-0.610	4.5	-
8/8/2023	WCE	3565	0.700	0.660	0.600	0.770	-0.752	-5.7	-
8/8/2023	Thriven	7889	0.150	0.100	0.120	0.160	-4.762	-33.3	SL Triggered
9/8/2023	Sime Darby	4197	2.220	2.200	1.900	2.440	4.265	-0.9	-
9/8/2023	KLK	2445	23.360	21.740	19.970	25.696	-2.946	-6.9	-
10/8/2023	Takaful	6139	3.460	3.650	2.960	3.810	0.000	5.5	-
10/8/2023	PLS	9695	1.000	0.920	0.860	1.100	0.546	-8.0	SL Triggered
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	5.030	4.340	5.590	-1.373	-1.0	-
14/8/2023	Umedic	0256	0.770	0.770	0.660	0.850	-0.645	0.0	-
14/8/2023	SHH	7412	1.250	1.040	1.070	1.380	1.961	-16.8	SL Triggered
15/8/2023	Eco World	8206	1.070	1.060	0.910	1.180	2.913	-0.9	-
15/8/2023	Dayang	7412	1.500	1.600	1.280	1.650	1.911	6.7	-
16/8/2023	Scientex	4731	3.780	3.760	3.230	4.160	-1.053	-0.5	-
16/8/2023	YTL Power	6742	1.660	1.880	1.420	1.830	7.429	13.3	TP Achieved
17/8/2023	Malayan Cement	3794	3.450	3.600	2.950	3.795	-6.494	4.3	TP Achieved
17/8/2023	Central Global	8052	2.050	2.340	1.750	2.255	1.739	14.1	TP Achieved
18/8/2023	UEM Sunrise	5148	0.630	0.670	0.540	0.693	7.200	6.3	-
18/8/2023	PWF	7134	0.810	0.860	0.690	0.891	2.381	6.2	-
21/8/2023	PowerRoot	7237	2.190	2.110	1.870	2.41	-0.939	-3.7	-
21/8/2023	UMW	4588	4.610	4.740	3.940	5.070	2.597	2.8	-
22/8/2023	Tuju Setia	5297	0.245	0.235	0.270	0.270	-2.083	-4.1	-
22/8/2023	Astino	7162	0.570	0.565	0.627	0.630	0.000	-0.9	-
23/8/2023	Wellspire	0271	0.830	0.770	0.710	0.910	-0.645	-7.2	-
23/8/2023	Frontken	0128	3.430	3.370	2.930	3.770	-2.601	-1.7	-
24/8/2023	Yinson	7293	2.600	2.530	2.220	2.860	0.000	-2.7	-
24/8/2023	MSM	5202	1.150	1.120	0.980	1.270	0.000	-2.6	-
25/8/2023	Aurelius	5302	2.740	2.710	2.340	3.010	-1.095	-1.1	-
25/8/2023	CGB	8052	2.300	2.340	1.970	2.530	1.739	1.7	-
28/8/2023	UMS	7137	1.900	1.900	1.620	2.090	1.604	0.0	-
28/8/2023	Hong Leong	5819	19.760	19.760	16.890	21.740	-0.202	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	5.51	0.81	14.68
UOA DEVELOPMENT BERHAD	PROPERTY	1.76	0.20	11.36
MBM RESOURCES BHD	CONSUMER	4.09	0.39	9.61
YTL HOSPITALITY REIT	REITs	0.99	0.09	9.54
BONIA CORPORATION BHD	CONSUMER	1.88	0.17	9.26
LII HEN INDUSTRIES BHD	CONSUMER	0.85	0.08	8.88
TALIWORKS CORPORATION BHD	UTILITIES	0.81	0.07	8.32
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.51	0.04	8.24
HEKTAR REITS	REITs	0.65	0.05	7.91
BESHOM HOLDINGS BERHAD	CONSUMER	1.02	0.08	7.84
UOA REITS	REITs	1.10	0.09	7.82
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.80
SPORTS TOTO BERHAD	CONSUMER	1.53	0.12	7.71
SENTRAL REIT	REITs	0.82	0.06	7.44
CAPITALAND MALAYSIA TRUST	REITs	0.53	0.04	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	(3.4)	24.1	17.0	18.8	14.5	12.9	
Finance	(1.9)	13.0	10.4	12.4	10.4	9.5	
Property	28.2	25.1	7.4	11.4	10.5	-	
Plantation	(1.8)	95.5	14.4	36.8	14.4	16.8	
Consumer	(4.8)	22.5	16.0	21.7	16.0	15.0	
Technology	(0.5)	48.6	22.5	27.1	27.5	22.9	
Construction	15.5	36.8	10.2	17.7	10.2	12.0	
Energy	6.2	9.2	-	-	9.2	9.2	
Health care	(3.8)	36.1	21.9	29.0	21.9	27.7	
Ind Prod	(7.0)	24.9	13.4	21.6	13.4	13.6	
REIT	(0.2)	0.0	-	-	-	-	
Telco	(0.9)	29.8	19.8	24.8	29.8	20.8	
Transportations	7.9	27.5	-	-	14.6	14.9	
Utilities	27.1	17.8	-	-	14.6	12.6	

Source: Bloomberg

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