



DAILY NEWSWATCH

MARKET REVIEW

The FBM KLCI relinquished its earlier advances and closed at its lowest point of the day due to last-minute selling pressure in prominent stocks. Market breadth was neutral with 499 gainers and 499 losers. The technology sector was the top gainer increasing by +1.44%, while the health care sector was the top loser declining by -1.35%. ULICORP (7133) was the top gainer surging by RM0.14 or +11.20%. The FBMKLCI declined by -0.17% to 1,451.94.

ECONOMICS

- **Global equities rise slightly** as U.S. inflation pressures appear to moderate
- **EV sales soar** by 60.6% in July, reaching 13.6% market share

COMPANY

- **Capital A's (5099)** net profit soars to RM1.12bn in Q2 2023, reversing losses a year ago
- **Sedania (0178)** triples net profit in Q2 2023, revenue rises to RM12.17mil
- **RHB Bank (1066)** reports 30% net profit growth in 1H2023
- **Hong Leong Bank's (5819)** net profit rises to RM3.82bn, EPS increase to 186.37 sen

EXPRESSO FOR THE DAY

- **Technical Watch – ATA IMS (8176)** – Entry Price RM0.32, Target Price RM0.35, Stop Loss RM0.27, Support RM0.30, Resistance RM0.50
- **Technical Watch – ILB (5614)** – Entry Price RM0.66, Target Price RM0.73, Stop Loss RM0.56, Support RM0.63, Resistance RM0.80

Local	Close	(%)
FBMKLCI	1,451.94	(0.17)
Volume (mil)	4,899.64	21.9
Value (RM'mil)	4,755.18	67.0
Gainers	395	
Losers	547	
Unchanged	411	

Foreign		(%)
Dow Jones	34,890.2	0.1
Nasdaq CI	14,019.3	0.5
S&P 500	4,514.9	0.4
FTSE 100	7,482.6	0.1
Nikkei 225	32,619.3	0.3
Shanghai CI	3,119.9	0.0
HSI	18,382.1	(0.0)
STI	3,233.3	(0.1)

Most Active	RM	Chg
TOPGLOV	0.765	(0.025)
YTL	1.570	(0.070)
TAWIN	0.030	(0.005)
VELESTO	0.235	(0.010)
UEMS	0.730	0.015

Top Gainer	RM	Chg
ULICORP	1.390	0.140
WARISAN	1.150	0.070
TAKAFUL	3.720	0.060
TROP	1.240	0.050
SPSETIA	0.920	0.040

Top Loser	RM	Chg
UTDPLT	15.840	(0.180)
TECGUAN	1.560	(0.110)
TENAGA	9.840	(0.080)
YTL	1.570	(0.070)
TGL	1.180	(0.060)

Other Stats		(%)
USD/MYR	4.64	(0.16)
USD/RMB	7.29	0.08
WTI (USD/barrel)	86.55	0.43
Gold (USD/troy oz)	1,944.94	0.25
CPO (RM/metric t)	3,730.0	(2.20)

Research Team

research@mersec.com.my

**DAILY NEWSWATCH****ECONOMICS**

Global equities rose slightly as U.S. inflation pressures appeared to be moderating, though they were poised to end August with their weakest monthly performance of 2023. Positive movements in Asian markets were driven by Chinese efforts to boost its stock market and weak U.S. job data, raising hopes of a pause in rate hikes by the Federal Reserve. Nonetheless, MSCI's global stock gauge fell over 3% in August due to the hawkish signals from the Fed's meeting minutes and Chair Jerome Powell's Jackson Hole speech. (Reuters)

European new car registrations surged by 15.2% in July, marking the 12th consecutive month of growth as the auto industry rebounds from pandemic-related supply chain challenges, according to data from the European Automobile Manufacturers Association (ACEA). **Electric vehicle (EV) sales saw a remarkable 60.6% jump**, boosted by subsidies in several European Union countries, with EVs comprising 13.6% of all new car sales, up from under 10% a year prior. Diesel vehicles, once representing over 50% of new car sales, accounted for just over 14% of sales in July, while gasoline and diesel models made up around 50% of total sales. (Reuters)

COMPANY

Capital A Bhd (5099) is optimistic about the aviation sector's future after achieving a significant turnaround in the second quarter of 2023. The company reported a net profit of RM1.12 billion, compared to a net loss of RM931.22 million in the same quarter last year. Capital A attributes this success to higher revenue, fleet reactivation, a favorable yield environment, and expanding ancillary revenue per passenger. The company is also expanding its presence in the ASEAN region and its maintenance, repair, and overhaul (MRO) division, Asia Digital Engineering (ADE), is growing its operations in multiple countries. (The Star)

Sedania Innovator Bhd (0178) achieved a net profit of RM1.56 million in the second quarter of 2023, triple the amount from the same period in 2022, with revenue rising to RM12.17 million. The company's net profit for the first half of 2023 increased to RM2.97 million, along with a rise in revenue to RM23.83 million. Sedania's founder and managing director, Datuk Azrin Mohd Noor, stated that the positive results position the company for a migration to the Main Market of Bursa Malaysia within the next two years, driven by its sustainable healthcare segment's expansion into new populous countries and its growth in the fintech and sustainable energy sectors. (The Star)

RHB Bank Bhd (1066) is confident in achieving its 4% loan growth target for the year despite challenging market conditions. The bank reported a 30% increase in net profit for the first half of 2023 compared to the same period last year, with higher non-fund-based income and lower expected credit losses contributing to the growth. RHB Bank plans to focus on loan growth drivers, particularly in retail, small and medium enterprises (SME), and the Singapore market, while also preparing to launch its digital bank in partnership with Axiata Group's fintech arm, Boost, in the first quarter of 2024. (The Star)

Hong Leong Bank Bhd (5819) reported improved financial results in its 2023 fiscal year, driven by higher non-interest income and stable net interest income despite increased funding costs. The bank's net profit for the year rose to RM3.82 billion from RM3.29 billion in the previous year, with earnings per share increasing to 186.37 sen. Although fourth-quarter net profit decreased to RM864.68 million and revenue dropped to RM1.3 billion, the bank's full-year performance was supported by robust loan growth, healthy asset quality, and effective business strategies amidst global market volatility. (The Star)



ATA IMS Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: AIB MK | KLSE Stock Code: 8176

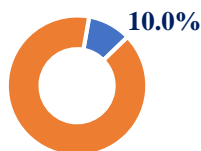
Main Market
Industrial Products & Services
Subsector – Ind Mat, Com, Eq
Current Price: RM0.32
Target Price: RM0.35

Investment Highlights

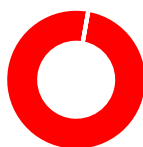
On an uptrend the stock is currently trading above the MA20. We think there is a potential continuation supported by a marubozu with a strong momentum on the stock (RSI > 50).

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: 1

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	17.5	19.1	22.7
P/B	1.0	2.3	1.9
P/CF	37.3	31.9	25.7
P/S	0.3	0.5	0.5

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

Company Overview

ATA IMS Berhad provides electronic manufacturing services. The Company offers spanning engineering, mould design and fabrication, plastic injection moulding, and filter manufacturing services. ATA IMS serves home and environmental care, lighting, healthcare, and automotive industries worldwide.



Entry Price	RM0.32
Market Cap (m)	RM384.9
52w high	RM0.50
52w low	RM0.19
Stop Loss	RM0.27
Immediate Support	RM0.30
Immediate Resistance	RM0.50 (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)	5,906,470.3



ILB Group Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: ILB MK| KLSE Stock Code: 5614

Main Market
Transportation & Logistics
 Subsector – Transportation & Logistics Services

Current Price: RM0.66

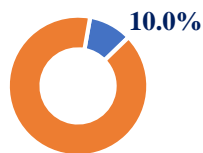
Target Price: RM0.73

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 > 70).

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	135.5	113.8	78.3
P/BV	0.4	0.4	0.4
P/CF	37.7	25.7	28.9
P/S	5.3	6.3	5.3

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

Company Overview

ILB Group Berhad operates as an investment holding company. The Company, through its subsidiaries, invests in solar renewable energy businesses. ILB Group also provides public bonded warehouses, freight forwarding, shipping agents, bonded trucking, and transportation services.



Entry Price	RM0.66
Market Cap (m)	RM124.7
52w high	RM0.67
52w low	RM0.41
Stop Loss	RM0.56
Immediate Support	RM0.63
Immediate Resistance	RM0.80 (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)	24,254.7



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
4/8/2023	Wegmans	0197	0.230	0.185	0.220	0.250	-2.632	-19.6	SL Triggered
4/8/2023	YTL Power	6742	1.460	2.140	1.250	1.610	-0.465	46.6	TP Achieved
7/8/2023	Pantech	5125	0.820	0.845	0.738	0.902	-0.588	3.0	-
7/8/2023	CCK	7035	0.780	0.835	0.702	0.858	1.829	7.1	-
8/8/2023	WCE	3565	0.700	0.660	0.600	0.770	2.326	-5.7	-
8/8/2023	Thrivén	7889	0.150	0.105	0.120	0.160	0.000	-30.0	SL Triggered
9/8/2023	Sime Darby	4197	2.220	2.300	1.900	2.440	1.770	3.6	-
9/8/2023	KLK	2445	23.360	21.540	19.970	25.696	-0.185	-7.8	-
10/8/2023	Takaful	6139	3.460	3.720	2.960	3.810	1.639	7.5	-
10/8/2023	PLS	9695	1.000	0.910	0.860	1.100	-1.622	-9.0	SL Triggered
11/8/2023	UCrest	0005	0.210	0.185	0.180	0.230	0.000	-11.9	SL Triggered
11/8/2023	YNH Property	3158	5.080	5.030	4.340	5.590	0.000	-1.0	-
14/8/2023	Umedic	0256	0.770	0.760	0.660	0.850	0.662	-1.3	-
14/8/2023	SHH	7412	1.250	1.060	1.070	1.380	0.000	-15.2	SL Triggered
15/8/2023	Eco World	8206	1.070	1.030	0.910	1.180	-2.830	-3.7	-
15/8/2023	Dayang	7412	1.500	1.740	1.280	1.650	1.754	16.0	TP Achieved
16/8/2023	Scientex	4731	3.780	3.780	3.230	4.160	0.000	0.0	-
16/8/2023	YTL Power	6742	1.660	2.140	1.420	1.830	-0.465	28.9	TP Achieved
17/8/2023	Malayan Cement	3794	3.450	3.800	2.950	3.795	3.825	10.1	TP Achieved
17/8/2023	Central Global	8052	2.050	2.350	1.750	2.255	0.427	14.6	TP Achieved
18/8/2023	UEM Sunrise	5148	0.630	0.730	0.540	0.693	2.098	15.9	TP Achieved
18/8/2023	PWF	7134	0.810	0.855	0.690	0.891	-2.286	5.6	TP Achieved
21/8/2023	PowerRoot	7237	2.190	2.140	1.870	2.41	-0.465	-2.3	-
21/8/2023	UMW	4588	4.610	4.770	3.940	5.070	-0.625	3.5	-
22/8/2023	Tuju Setia	5297	0.245	0.235	0.270	0.270	2.174	-4.1	-
22/8/2023	Astino	7162	0.570	0.570	0.627	0.630	-2.564	0.0	-
23/8/2023	Wellspire	0271	0.830	0.720	0.710	0.910	0.699	-13.3	SL Triggered
23/8/2023	Frontken	0128	3.430	3.500	2.930	3.770	4.478	2.0	-
24/8/2023	Yinson	7293	2.600	2.510	2.220	2.860	0.000	-3.5	-
24/8/2023	MSM	5202	1.150	1.320	0.980	1.270	1.538	14.8	TP Achieved
25/8/2023	Aurelius	5302	2.740	2.630	2.340	3.010	0.000	-4.0	-
25/8/2023	CGB	8052	2.300	2.350	1.970	2.530	0.427	2.2	-
28/8/2023	UMS	7137	1.900	N/A	1.620	2.090	N/A	N/A	-
28/8/2023	Hong Leong	5819	19.760	19.960	16.890	21.740	0.402	1.0	-
29/8/2023	E&O	3417	0.600	0.640	0.510	0.660	0.787	6.7	-
29/8/2023	IOIProp	5247	1.570	1.630	1.340	1.730	0.617	3.8	-
30/8/2023	HapSeng	3034	4.090	4.000	3.500	4.490	-2.200	-2.2	-
30/8/2023	United U-Li	7133	1.250	1.390	1.070	1.380	11.200	11.2	TP Achieved
1/9/2023	ATA IMS	8176	0.320	0.320	0.270	0.350	25.490	0.0	-
1/9/2023	ILB	5614	0.660	0.660	0.560	0.730	9.091	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	5.50	0.81	14.71
UOA DEVELOPMENT BERHAD	PROPERTY	1.78	0.20	11.24
YTL HOSPITALITY REIT	REITs	0.99	0.09	9.49
MBM RESOURCES BHD	CONSUMER	4.15	0.39	9.47
TALIWORKS CORPORATION BHD	UTILITIES	0.81	0.07	8.27
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.51	0.04	8.24
SPORTS TOTO BERHAD	CONSUMER	1.48	0.12	7.97
HEKTAR REITS	REITs	0.64	0.05	7.97
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	7.75
BONIA CORPORATION BHD	CONSUMER	1.79	0.14	7.65
SCICOM (MSC) BHD	IND. PROD.	1.14	0.08	7.46
SENTRAL REIT	REITs	0.82	0.06	7.44
CAPITALAND MALAYSIA TRUST	REITs	0.53	0.04	7.36

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	(2.9)	24.1	17.0	18.8	14.6	13.0	
Finance	(0.7)	13.0	10.3	12.4	10.3	9.7	
Property	35.4	25.1	7.4	11.6	11.1	-	
Plantation	(2.2)	95.5	14.0	36.7	14.0	16.8	
Consumer	(4.6)	22.5	17.0	21.9	17.0	15.1	
Technology	0.9	48.6	22.5	27.8	31.1	22.9	
Construction	18.8	36.8	10.5	17.8	10.5	12.4	
Energy	7.7	10.4	-	-	10.4	9.2	
Health care	(5.3)	36.1	23.0	29.5	23.0	27.8	
Ind Prod	(5.5)	24.9	14.9	21.9	14.9	14.0	
REIT	0.1	0.0	-	-	-	-	
Telco	(1.7)	28.5	19.8	24.1	28.5	20.7	
Transportations	7.4	27.5	-	-	15.3	14.8	
Utilities	30.8	17.8	-	-	13.6	13.1	

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
