



**DAILY NEWSWATCH**

**MARKET REVIEW**

The FBM KLCI experienced a notable uptick on Friday, mirroring the optimistic trend seen in regional markets. Market breadth was positive with 567 gainers and 424 losers. The energy sector was the top gainer increasing by +2.46%, while the technology sector was the top loser declining by -0.38%. TM (4863) was the top gainer surging by RM0.10 or +2.0%. The FBMKLCI rose by +0.79% to 1,463.43.

**ECONOMICS**

- **Oil Prices Surge** to Six-Month High on Expectations of Supply Tightening
- **Global Bond Markets Mixed** as Yields Fall on Longer Maturities, Malaysian Bonds Gain Amid Rate Hold Expectations

**COMPANY**

- **Arm Holdings IPO** – Investment from tech giants (Apple, Nvidia, & Alphabet), valuation targeted at \$50-55bn
- **Solarvest (0215)** Collaborates to Establish Hyperscale Green Data Center Testbed in Sarawak
- **Artroniq's (0038)** Subsidiary Lands RM9.6m Contract for Custom E-commerce Software Project
- **Swift Haulage (5303)** Expands Warehousing, Faces E-commerce Slowdown Challenges
- **Hibiscus Petroleum (5199)** and **DneX (4456)** Partner to Develop Fyne Field in North Sea

**EXPRESSO FOR THE DAY**

- **Technical Watch – MNRB (6459)** – Entry Price RM1.13, Target Price RM1.24, Stop Loss RM0.97, Support RM1.07, Resistance RM1.42
- **Technical Watch – CIMB (1023)** – Entry Price RM5.74, Target Price RM6.31, Stop Loss RM4.91, Support RM5.45, Resistance RM5.80

Local	Close	(%)
<b>FBMKLCI</b>	1,463.43	0.79
<b>Volume (mil)</b>	4,655.31	(5.0)
<b>Value (RM'mil)</b>	3,081.50	(35.2)
<b>Gainers</b>	567	
<b>Losers</b>	424	
<b>Unchanged</b>	398	

Foreign		(%)
<b>Dow Jones</b>	34,837.7	0.3
<b>Nasdaq CI</b>	14,031.8	(0.0)
<b>S&amp;P 500</b>	4,515.8	0.2
<b>FTSE 100</b>	7,464.5	0.3
<b>Nikkei 225</b>	32,710.6	0.3
<b>Shanghai CI</b>	3,133.2	0.4
<b>HSI</b>	18,382.1	(0.5)
<b>STI</b>	3,233.3	0.4

Most Active	RM	Chg
<b>TOPGLOV</b>	0.740	(0.025)
<b>UEMS</b>	0.740	0.010
<b>WIDAD</b>	0.455	0.010
<b>VELESTO</b>	0.235	0.000
<b>TANCO</b>	0.575	0.005

Top Gainer	RM	Chg
<b>TM</b>	5.200	0.100
<b>TTVHB</b>	1.180	0.100
<b>SMRT</b>	0.785	0.090
<b>TECGUAN</b>	1.640	0.080
<b>TENAGA</b>	9.920	0.080

Top Loser	RM	Chg
<b>WPRTS</b>	3.440	(0.060)
<b>SUNMOW</b>	1.150	(0.050)
<b>TAANN</b>	3.580	(0.050)
<b>ULICORP</b>	1.340	(0.050)
<b>UWC</b>	3.450	(0.050)

Other Stats		(%)
<b>USD/MYR</b>	4.65	0.17
<b>USD/RMB</b>	7.27	(0.28)
<b>WTI (USD/barrel)</b>	88.79	3.13
<b>Gold (USD/troy oz)</b>	1,940.08	(0.12)
<b>CPO (RM/metric t)</b>	3,797.5	1.81

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**DAILY NEWSWATCH****ECONOMICS**

**Oil prices surged to their highest levels** in over six months, breaking a two-week downward trend, driven by expectations of tightening supply. Saudi Arabia is expected to extend its voluntary one-million-barrel-per-day production cut into October, sustaining supply reductions coordinated by OPEC+ to support prices. Russia, the world's second-largest oil exporter, has also agreed to decrease oil exports next month. (Reuters)

**Global bond markets experienced mixed movements** during the week, with longer maturity bonds (10-year and longer) recording gains as bond yields declined. This was influenced by global inflation data aligning with expectations, weaker-than-expected US second-quarter GDP, and lower-than-expected US job openings. Traders expect that Bank Negara would maintain the Overnight Policy Rate (OPR) at 3% at the upcoming Monetary Policy Committee meeting. (The Star)

**COMPANY**

**Arm Holdings'** is set to have several major tech companies (including Apple, Nvidia, Alphabet, AMD, Intel, Samsung, Cadence Design Systems, and Synopsys) to invest in their upcoming IPO. SoftBank, the owner of Arm, is aiming for a valuation between \$50 billion and \$55 billion, which aligns with the investments from Arm's clients. Some potential investors are still in discussions about participating in the IPO. (The Star)

**Solarvest Holdings (0215)**, in partnership with CENTEXS, Huawei Malaysia, and GreenBay CES, plans to create a hyperscale green data center testbed and training program in Sarawak to boost the green data center industry in the Borneo region. This initiative aims to combine expertise in green energy, technology, and cost-efficient construction to reduce carbon footprints, optimize resource usage, and enhance data service sustainability and efficiency. (The Star)

**Artroniq Bhd's (0038)** subsidiary, EA Global Integrated Sdn Bhd, has won a RM9.6 million contract from Singapore's Kiddie Shoppe Pte Ltd to execute a tailored e-commerce/retail software development project spanning 12 months, starting in October 2023. Artroniq anticipates that this project will have a positive impact on the group's future earnings during its execution. (The Star)

**Swift Haulage (5303)**, Malaysia's largest haulier with nearly 10% market share, has experienced remarkable growth and is rapidly expanding its warehousing capacity, including a major green logistics hub. However, concerns arise as e-commerce sales slow, impacting the demand for warehouses. While some of Swift's new warehouses are underutilized, the company believes that utilization will improve as it transitions customers from third-party warehouses to its newly completed ones and meets the demand for energy-efficient and green-certified warehouses. (The Star)

**Hibiscus Petroleum (5199)** and **Dagang Nexchange (4456)** have entered a "farm-in agreement" with Rapid Oil Production for License P2451, in which Hibiscus and DneX will each acquire a 42.5% equity interest, leaving 15% with Rapid Oil. The license covers the undeveloped Fyne Field in the central North Sea, estimated to contain 75 million barrels of oil equivalent. Anasuria Hibiscus will become the operator of the field development, with first oil expected in 2026. (The Star)

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## MNRB Holdings Berhad

Technical Watch - “BUY on Potential Continuation”

Bloomberg: MNRB MK | KLSE Stock Code: 6459

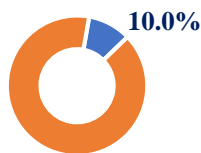
Main Market  
Financial Services  
Subsector – Insurance  
Current Price: RM1.13  
Target Price: RM1.24

### 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 > 65).

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:** 1  
**Sell:** 0

### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	9.0	6.6	8.0
P/B	0.3	0.3	0.4
P/CF	67.5	108.0	64.8
P/S	0.3	0.3	0.3

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

### Company Overview

MNRB Holdings Bhd underwrites all classes of general reinsurance business. The main types of general reinsurance business are proportional and non-proportional treaty reinsurance, and facultative reinsurance.



Entry Price	RM1.13
Market Cap (m)	RM884.9
<b>52w high</b>	<b>RM1.14</b>
<b>52w low</b>	<b>RM0.85</b>
Stop Loss	RM0.97
Immediate Support	RM1.07
Immediate Resistance	RM1.42 (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)	50,492.5



## CIMB Group Holdings Berhad

Technical Watch - “BUY on Potential Upside”

Bloomberg: CIMB MK| KLSE Stock Code: 1023

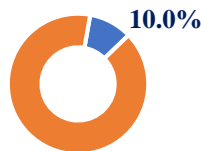
**Main Market  
Financial Services  
Subsector – Banking**  
Current Price: RM5.74  
Target Price: RM6.31

### 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: 16**  
**Holds: 4**  
**Sells: 0**

### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
<b>P/E</b>	12.0	11.8	11.0
<b>P/BV</b>	0.9	0.8	0.9
<b>P/CF</b>	2.2	3.3	8.6
<b>P/S</b>	2.0	1.7	1.7

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

### Company Overview

CIMB Group Holdings Berhad provides commercial banking and related financial services. The Company and its subsidiaries, operate as a regional universal bank offering a full range of financial products and services, covering corporate and investment banking, consumer banking, treasury, insurance and asset management.



Entry Price	RM5.74
Market Cap (m)	RM61,217.7
<b>52w high</b>	<b>RM5.90</b>
<b>52w low</b>	<b>RM4.80</b>
Stop Loss	RM4.91
Immediate Support	RM5.45
Immediate Resistance	RM5.80 (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)	16,399,686.6



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
7/8/2023	Pantech	5125	0.820	0.875	0.738	0.902	3.550	6.7	-
7/8/2023	CCK	7035	0.780	0.840	0.702	0.858	0.599	7.7	-
8/8/2023	WCE	3565	0.700	0.675	0.600	0.770	2.273	-3.6	-
8/8/2023	Thrivien	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	0.000	3.6	-
9/8/2023	KLK	2445	23.360	21.440	19.970	25.696	-0.464	-8.2	-
10/8/2023	Takaful	6139	3.460	3.760	2.960	3.810	1.075	8.7	-
10/8/2023	PLS	9695	1.000	0.920	0.860	1.100	1.099	-8.0	SL Triggered
11/8/2023	UCrest	0005	0.210	0.180	0.180	0.230	-2.703	-14.3	SL Triggered
11/8/2023	YNH Property	3158	5.080	5.080	4.340	5.590	0.994	0.0	-
14/8/2023	Umedic	0256	0.770	0.795	0.660	0.850	4.605	3.2	-
14/8/2023	SHH	7412	1.250	N/A	1.070	1.380	N/A	N/A	SL Triggered
15/8/2023	Eco World	8206	1.070	1.030	0.910	1.180	0.000	-3.7	-
15/8/2023	Dayang	7412	1.500	1.850	1.280	1.650	6.322	23.3	TP Achieved
16/8/2023	Scientex	4731	3.780	3.800	3.230	4.160	0.529	0.5	-
16/8/2023	YTL Power	6742	1.660	2.130	1.420	1.830	-0.467	28.3	TP Achieved
17/8/2023	Malayan Cement	3794	3.450	3.760	2.950	3.795	-1.053	9.0	TP Achieved
17/8/2023	Central Global	8052	2.050	2.370	1.750	2.255	0.851	15.6	TP Achieved
18/8/2023	UEM Sunrise	5148	0.630	0.740	0.540	0.693	1.370	17.5	TP Achieved
18/8/2023	PWF	7134	0.810	0.870	0.690	0.891	1.754	7.4	TP Achieved
21/8/2023	PowerRoot	7237	2.190	2.130	1.870	2.41	-0.467	-2.7	-
21/8/2023	UMW	4588	4.610	4.840	3.940	5.070	1.468	5.0	-
22/8/2023	Tuju Setia	5297	0.245	0.230	0.270	0.270	-2.128	-6.1	-
22/8/2023	Astino	7162	0.570	0.580	0.627	0.630	1.754	1.8	-
23/8/2023	Wellspire	0271	0.830	0.720	0.710	0.910	0.000	-13.3	SL Triggered
23/8/2023	Frontken	0128	3.430	3.450	2.930	3.770	-1.429	0.6	-
24/8/2023	Yinson	7293	2.600	2.510	2.220	2.860	0.000	-3.5	-
24/8/2023	MSM	5202	1.150	1.390	0.980	1.270	5.303	20.9	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	2.370	1.970	2.530	0.851	3.0	-
28/8/2023	UMS	7137	1.900	N/A	1.620	2.090	#VALUE!	#VALUE!	-
28/8/2023	Hong Leong	5819	19.760	20.000	16.890	21.740	0.200	1.2	-
29/8/2023	E&O	3417	0.600	0.630	0.510	0.660	-1.563	5.0	-
29/8/2023	IOIProp	5247	1.570	1.640	1.340	1.730	0.613	4.5	-
30/8/2023	HapSeng	3034	4.090	4.000	3.500	4.490	0.000	-2.2	-
30/8/2023	United U-Li	7133	1.250	1.340	1.070	1.380	-3.597	7.2	TP Achieved
1/9/2023	ATA IMS	8176	0.320	0.320	0.270	0.350	0.000	0.0	-
1/9/2023	ILB	5614	0.660	0.700	0.560	0.730	6.061	6.1	-
2/9/2023	MNRB	6459	1.130	1.130	0.970	1.240	10.784	0.0	-
2/9/2023	CIMB	1023	5.740	5.740	4.910	6.310	1.954	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	5.53	0.81	14.63
UOA DEVELOPMENT BERHAD	PROPERTY	1.80	0.20	11.11
MBM RESOURCES BHD	CONSUMER	4.16	0.39	9.45
YTL HOSPITALITY REIT	REITs	1.00	0.09	9.40
TALIWORKS CORPORATION BHD	UTILITIES	0.81	0.07	8.27
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.51	0.04	8.24
HEKTAR REITS	REITs	0.63	0.05	8.10
SPORTS TOTO BERHAD	CONSUMER	1.50	0.12	7.87
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	0.90	0.07	7.71
BONIA CORPORATION BHD	CONSUMER	1.81	0.14	7.57
SCICOM (MSC) BHD	IND. PROD.	1.14	0.08	7.46
BERMAZ AUTO BERHAD	CONSUMER	2.23	0.16	7.40
SENTRAL REIT	REITs	0.83	0.06	7.39

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	(2.1)	24.1	17.0	18.8	14.8	13.2	
Finance	(0.2)	13.0	10.3	12.4	10.3	9.8	
Property	36.9	25.1	7.4	11.4	10.4	-	
Plantation	(2.1)	95.5	14.1	36.7	14.1	16.8	
Consumer	(4.0)	22.5	17.0	21.9	17.0	15.2	
Technology	0.6	48.6	22.5	27.5	29.5	22.7	
Construction	20.7	36.8	10.6	17.8	10.6	12.6	
Energy	10.3	10.5	-	-	10.5	9.4	
Health care	(5.2)	36.1	23.0	29.5	23.0	28.4	
Ind Prod	(5.1)	24.9	14.8	21.9	14.8	14.1	
REIT	0.0	0.0	-	-	-	-	
Telco	(0.5)	28.8	19.8	24.3	28.8	21.1	
Transportations	8.9	27.5	-	-	15.5	15.0	
Utilities	31.3	17.8	-	-	13.7	13.2	

Source: Bloomberg

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