



DAILY NEWSWATCH

MARKET REVIEW

The FBM KLCI declined on Tuesday in line with the weaker performance of stocks in global markets. Market breadth was negative with 309 gainers and 689 losers. The health care sector was the top gainer increasing by +0.79%, while the property sector was the top loser declining by -2.52%. NESTLE (4707) was the top gainer surging by RM0.70 or +0.50%. The FBMKLCI declined by -0.54% to 1,454.83.

ECONOMICS

- **China** Plans \$40 Billion State-Backed Fund to Boost Semiconductor Sector

COMPANY

- **MayBulk (5077)** to sell Alam Kekal Bulk Carrier to Tokyo Century for RM140.06 Million
- **Hextar Industries (0161)** to acquire Pacific Office for RM16.5 Million amid listing transfer plans
- **Dayang (5141)** wins contract extension from Sarawak Shell and Sabah Shell
- **Sasbadi (5252)** wins contract from MoE

EXPRESSO FOR THE DAY

- **Technical Watch – UEM Edgenta (1368)** – Entry Price RM1.03, Target Price RM1.13, Stop Loss RM0.88, Support RM0.98, Resistance RM1.11
- **Technical Watch – BM Green (0168)** – Entry Price RM0.98, Target Price RM1.07, Stop Loss RM0.83, Support RM0.93, Resistance RM0.98

Local	Close	(%)
FBMKLCI	1,454.83	(0.54)
Volume (mil)	4,091.76	2.1
Value (RM'mil)	2,389.86	0.7
Gainers	309	
Losers	689	
Unchanged	403	

Foreign		(%)
Dow Jones	34,642.0	(0.6)
Nasdaq CI	14,021.0	(0.1)
S&P 500	4,496.8	(0.4)
FTSE 100	7,437.9	(0.2)
Nikkei 225	33,036.8	0.3
Shanghai CI	3,154.4	(0.7)
HSI	18,456.9	(2.1)
STI	3,226.8	(0.4)

Most Active	RM	Chg
MRCB	0.460	(0.025)
SAPNRG	0.055	0.000
UEMS	0.685	(0.055)
TOPGLOV	0.755	0.020
YTL	1.460	(0.040)

Top Gainer	RM	Chg
NESTLE	129.900	0.700
KOTRA	5.360	0.120
PANAMY	21.080	0.100
TECGUAN	1.680	0.100
OPPSTAR	1.610	0.080

Top Loser	RM	Chg
MPI	28.400	(0.180)
MCEMENT	3.670	(0.130)
MISC	7.090	(0.130)
KSENG	4.380	(0.120)
RAPID	23.520	(0.120)

Other Stats		(%)
USD/MYR	4.66	0.17
USD/RMB	7.30	0.39
WTI (USD/barrel)	90.04	1.17
Gold (USD/troy oz)	1,926.30	(0.85)
CPO (RM/metric t)	3,870.5	(0.46)

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**DAILY NEWSWATCH****ECONOMICS**

China is preparing to launch a new state-backed investment fund, part of the China Integrated Circuit Industry Investment Fund, with a target of \$40 billion to boost its semiconductor sector as it seeks to catch up with the U.S. and other competitors. This fund, set to be the largest among three launched by the Big Fund, will focus on chip manufacturing equipment. The move aligns with President Xi Jinping's emphasis on achieving semiconductor self-sufficiency, particularly as the U.S. has imposed export controls on advanced chipmaking equipment. (Reuters)

COMPANY

Malaysian Bulk Carriers Bhd (5077) is selling its Alam Kekal bulk carrier to Tokyo Century Corp, a Japanese specialty financing services provider and equipment leasing group, for ¥4.43 billion (RM140.06 million). The price is based on the vessel's appraised market value of RM140.02 million and a net book value of RM112.22 million as of December 2022. (The Star)

Hextar Industries Bhd (0161) aiming to transfer its listing to the Main Market, is set to acquire office supplies company Pacific Office (M) Sdn Bhd for RM16.5 million, with the deal expected to conclude in the fourth quarter of this year. HIB sees potential in Pacific Office's 33 years of experience and a broad customer base in the stationery and office supplies sector, with over 3,500 active customers, which can complement its existing business. (The Star)

Dayang Enterprise Holdings Bhd (5141) has secured a contract extension for providing topside major maintenance services for Sarawak Shell Bhd (SSB) and Sabah Shell Petroleum Company Limited (SSPC) from SSB and SSPC. The contract's value will be determined by the work orders issued by SSB and SSPC over its duration. (The Star)

Sasbadi Holdings Bhd (5252) has been awarded a RM486,505 contract by the Education Ministry (MoE) to provide digital solutions for Year 5 students in the 2024 school session. The contract, in effect from September 1, 2023, to August 31, 2025, is anticipated to have a positive impact on Sasbadi's earnings and net assets for the financial year ending August 31, 2024, and beyond throughout the contract period. (The Star)



UEM Edgenta Berhad

Technical Watch - "BUY on Potential Reversal"

Bloomberg: UEME MK | KLSE Stock Code: 1368

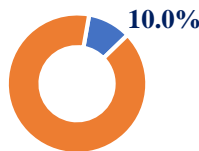
Main Market
Industrial Products & Services
Subsector – Industrial Services
Current Price: RM1.03
Target Price: RM1.13

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think there is a potential reversal supported by a marubozu with a strong momentum on the stock (RSI > 55).

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 hold moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buy: 1
Hold: 1
Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	21.3	30.1	21.3
P/B	0.7	1.0	1.2
P/CF	19.7	12.4	13.5
P/S	0.4	0.7	0.7

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

Company Overview

UEM Edgenta Berhad is an investment holding company which provides management services. Through its subsidiaries, the Company provides hospital support services, hotel management services, develops hotels, and operates as a hotel proprietor. UEM also develops and manages properties.



Entry Price	RM1.03
Market Cap (m)	RM856.6
52w high	RM1.28
52w low	RM0.94
Stop Loss	RM0.88
Immediate Support	RM0.98
Immediate Resistance	RM1.11 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	119,677.5



BM Greentech Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: BMGREEN MK| KLSE Stock Code: 0168

Main Market Industrial Products & Services

Subsector – Industrial Materials,
Components & Equipment

Current Price: RM0.98

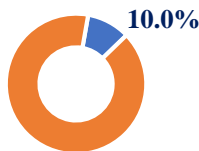
Target Price: RM1.07

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 > 75).

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: 1
Sells: 1

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	11.0	150.0	115.1
P/BV	0.4	0.4	0.5
P/CF	6.5	53.0	41.6
P/S	2.4	3.0	3.1

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

Company Overview

BM Greentech Berhad manufactures, repairs, and refurbishes boilers. The Company primarily serves the palm oil milling industry, but has also designed boilers for the sugar milling, rubber-based manufacturing, food processing, and palm oil refining industries.



Entry Price	RM0.98
Market Cap (m)	RM503.1
52w high	RM0.99
52w low	RM0.63
Stop Loss	RM0.83
Immediate Support	RM0.93
Immediate Resistance	RM0.98 (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)	64,727.8



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
9/8/2023	Sime Darby	4197	2.220	2.240	1.900	2.440	-1.322	0.9	-
9/8/2023	KLK	2445	23.360	21.300	19.970	25.696	-0.374	-8.8	-
10/8/2023	Takaful	6139	3.460	3.720	2.960	3.810	-1.587	7.5	-
10/8/2023	PLS	9695	1.000	0.915	0.860	1.100	-0.543	-8.5	SL Triggered
11/8/2023	UCrest	0005	0.210	0.175	0.180	0.230	-5.405	-16.7	SL Triggered
11/8/2023	YNH Property	3158	5.080	5.060	4.340	5.590	-0.589	-0.4	-
14/8/2023	Umedic	0256	0.770	0.795	0.660	0.850	0.000	3.2	-
14/8/2023	SHH	7412	1.250	1.050	1.070	1.380	0.962	-16.0	SL Triggered
15/8/2023	Eco World	8206	1.070	1.010	0.910	1.180	-3.810	-5.6	-
15/8/2023	Dayang	7412	1.500	1.760	1.280	1.650	-1.124	17.3	TP Achieved
16/8/2023	Scientex	4731	3.780	3.730	3.230	4.160	-1.842	-1.3	-
16/8/2023	YTL Power	6742	1.660	2.030	1.420	1.830	-2.404	22.3	TP Achieved
17/8/2023	Malayan Cement	3794	3.450	3.670	2.950	3.795	-3.421	6.4	TP Achieved
17/8/2023	Central Global	8052	2.050	2.320	1.750	2.255	0.870	13.2	TP Achieved
18/8/2023	UEM Sunrise	5148	0.630	0.685	0.540	0.693	-7.432	8.7	TP Achieved
18/8/2023	PWF	7134	0.810	0.870	0.690	0.891	-1.136	7.4	TP Achieved
21/8/2023	PowerRoot	7237	2.190	2.110	1.870	2.41	-0.939	-3.7	-
21/8/2023	UMW	4588	4.610	4.750	3.940	5.070	-0.835	3.0	-
22/8/2023	Tuju Setia	5297	0.245	0.230	0.270	0.270	2.222	-6.1	-
22/8/2023	Astino	7162	0.570	0.585	0.627	0.630	0.000	2.6	-
23/8/2023	Wellspire	0271	0.830	0.680	0.710	0.910	-2.857	-18.1	SL Triggered
23/8/2023	Frontken	0128	3.430	3.400	2.930	3.770	0.000	-0.9	-
24/8/2023	Yinson	7293	2.600	2.500	2.220	2.860	0.000	-3.8	-
24/8/2023	MSM	5202	1.150	1.310	0.980	1.270	-4.380	13.9	TP Achieved
25/8/2023	Aurelius	5302	2.740	2.610	2.340	3.010	-1.509	-4.7	-
25/8/2023	CGB	8052	2.300	2.320	1.970	2.530	0.870	0.9	-
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	19.900	16.890	21.740	0.000	0.7	-
29/8/2023	E&O	3417	0.600	0.555	0.510	0.660	-7.500	-7.5	-
29/8/2023	IOIProp	5247	1.570	1.650	1.340	1.730	-2.367	5.1	-
30/8/2023	HapSeng	3034	4.090	4.060	3.500	4.490	-1.217	-0.7	-
30/8/2023	United U-Li	7133	1.250	1.340	1.070	1.380	-2.899	7.2	TP Achieved
1/9/2023	ATA IMS	8176	0.320	0.345	0.270	0.350	13.115	7.8	-
1/9/2023	ILB	5614	0.660	0.680	0.560	0.730	-2.857	3.0	-
4/9/2023	MNRB	6459	1.130	1.170	0.970	1.240	4.464	3.5	-
4/9/2023	CIMB	1023	5.740	5.650	4.910	6.310	-1.051	-1.6	-
5/9/2023	Silver Ridge	0129	0.680	0.700	0.580	0.743	3.704	2.9	-
5/9/2023	Tashin	0211	0.410	0.405	0.350	0.4455	0.000	-1.2	-
6/9/2023	BmGreenTech	0168	0.975	0.975	0.830	1.073	5.405	0.0	-
6/9/2023	UEMEgenta	1368	1.030	1.030	0.880	1.133	4.569	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	5.40	0.80	14.87
UOA DEVELOPMENT BERHAD	PROPERTY	1.76	0.20	11.36
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	8.32
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.51	0.04	8.32
HEKTAR REITS	REITs	0.64	0.05	8.03
SPORTS TOTO BERHAD	CONSUMER	1.49	0.12	7.92
UOA REITS	REITs	1.10	0.09	7.82
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.80
BESHOM HOLDINGS BERHAD	CONSUMER	1.03	0.08	7.77
BONIA CORPORATION BHD	CONSUMER	1.82	0.14	7.53
SCICOM (MSC) BHD	IND. PROD.	1.13	0.09	7.52
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	(2.7)	24.1	17.0	18.8	14.6	13.1	
Finance	(0.4)	13.0	10.3	12.4	10.3	9.7	
Property	33.6	25.1	7.4	11.4	10.3	-	
Plantation	(2.7)	95.5	14.1	36.7	14.1	16.6	
Consumer	(5.0)	22.5	16.7	21.8	16.7	15.0	
Technology	0.2	48.6	22.5	27.5	29.4	22.7	
Construction	17.6	36.8	10.3	17.8	10.3	12.3	
Energy	9.9	10.5	-	-	10.5	9.3	
Health care	(4.8)	36.1	23.1	29.6	23.1	28.5	
Ind Prod	(4.9)	24.9	14.8	21.9	14.8	14.1	
REIT	0.1	0.0	-	-	-	-	
Telco	(1.7)	28.5	19.8	24.1	28.5	21.0	
Transportations	8.0	27.5	-	-	15.4	14.9	
Utilities	28.6	17.8	-	-	13.4	13.0	

Source: Bloomberg



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