



**DAILY NEWSWATCH**

**MARKET REVIEW**

Malaysian stocks ended higher on Wednesday on bargain-hunting activities on selected stocks despite decline in Wall Street stocks. Market breadth was positive with 531 gainers and 380 losers. The energy sector was the top gainer increasing by +1.38%, while the plantation sector was the top loser declining by -0.46%. ULICORP (7133) was the top gainer surging by RM0.13 or +9.7%. The FBMKLCI rose by +0.40% to 1,460.62.

**ECONOMICS**

- **Australia's Q2 GDP rose**, driven by exports and investment amid weak household consumption

**COMPANY**

- **EcoWorld (8206)** acquires 403.78 acres in Johor for RM211 Million industrial park development
- **Powerwell (0216)** acquires 55% Stake in M E&E to expand e-house technology presence
- **Destini (7212)** wins \$488,000 contract in gulf of Thailand
- **Paramount (1724)** plans RM714 mil property launch in 2H23
- **Ancom Nylex (4758)** partners with Mimos and HELM AG for digital agriculture solutions

**EXPRESSO FOR THE DAY**

- **Technical Watch – PCHEM (5183)** – Entry Price RM7.20, Target Price RM7.92, Stop Loss RM6.16, Support RM6.84, Resistance RM7.51
- **Technical Watch – PIE (7095)** – Entry Price RM2.95, Target Price RM3.25, Stop Loss RM2.52, Support RM2.80, Resistance RM3.70

Local	Close	(%)
<b>FBMKLCI</b>	1,460.62	0.40
<b>Volume (mil)</b>	4,177.45	2.1
<b>Value (RM'mil)</b>	2,128.80	(10.9)
<b>Gainers</b>	531	
<b>Losers</b>	380	
<b>Unchanged</b>	458	

Foreign		(%)
<b>Dow Jones</b>	34,443.2	(0.6)
<b>Nasdaq CI</b>	13,872.5	(1.1)
<b>S&amp;P 500</b>	4,465.5	(0.7)
<b>FTSE 100</b>	7,426.1	(0.2)
<b>Nikkei 225</b>	33,241.0	0.6
<b>Shanghai CI</b>	3,158.1	0.1
<b>HSI</b>	18,450.0	(0.0)
<b>STI</b>	3,222.9	(0.1)

Most Active	RM	Chg
<b>WIDAD</b>	0.465	0.005
<b>UEMS</b>	0.735	0.050
<b>SCIB</b>	0.455	0.000
<b>TOPGLOV</b>	0.785	0.030
<b>UCREST</b>	0.180	0.005

Top Gainer	RM	Chg
<b>ULICORP</b>	1.470	0.130
<b>VS</b>	1.050	0.065
<b>SUNWAY</b>	1.980	0.060
<b>YTL</b>	1.520	0.060
<b>YTLPOWR</b>	2.090	0.060

Top Loser	RM	Chg
<b>SEM</b>	1.950	(0.050)
<b>TAANN</b>	3.460	(0.040)
<b>SIMEPLT</b>	4.310	(0.030)
<b>TROP</b>	1.310	(0.030)
<b>WATTA</b>	0.580	(0.030)

Other Stats		(%)
<b>USD/MYR</b>	4.67	0.23
<b>USD/RMB</b>	7.32	0.20
<b>WTI (USD/barrel)</b>	90.62	0.64
<b>Gold (USD/troy oz)</b>	1,916.56	(0.50)
<b>CPO (RM/metric t)</b>	3,844.5	(0.67)

**DAILY NEWSWATCH****ECONOMICS**

**AUSTRALIA:** Australia's economy grew more than expected in the second quarter, with a 0.4% increase in real GDP, driven by exports and investment, although household consumption remained weak due to high interest rates. Annual growth stood at 2.1%, above expectations, as net exports, public investment, and the return of students and tourists outweighed a drag from business inventories. (Reuters)

**COMPANY**

**EcoWorld Malaysia (8206)** is set to acquire 403.78 acres of land in Kulai, Johor for RM211.07 million, intending to develop it into Eco Business Park VI (EBP VI) with a gross development value (GDV) of RM1.58 billion, focusing on medium and light industrial businesses. (The Star)

**Powerwell Holdings' (0216)** subsidiary, Powerwell International, will acquire a 55% stake in M Electrical & Engineering for RM8.25 million. This move is aimed at complementing Powerwell's offerings and leveraging M Electrical & Engineering's expertise in electrical panel assembly, wiring, inspections, and switchboard testing to capitalize on the growing demand for e-house technology in the electrical industry, particularly in sectors like telecommunications, manufacturing, and infrastructure under the Smart City Project, driven by a surge in data center investments in Malaysia. (The Star)

**Destini Bhd's (7212)** subsidiary, Destini Oil Services Sdn Bhd (DOS), has secured a \$488,000 service order from Northern Gulf Petroleum Pte Ltd for providing conductor hammering and tubular running services to support the Rossukon Project in the Gulf of Thailand. (The Star)

**Paramount Corp Bhd (1724)** plans to launch properties worth RM714 million in the second half of 2023, following the successful launch of approximately RM820 million worth of properties in the first half of the year, with sales reaching RM617 million. (The Star)

**Ancom Nylex Bhd (4758)** has partnered with Mimos Bhd and German crop protection and fertiliser group HELM AG to enhance local farmers' yields through the use of technology, chemicals, and fertilisers. The collaboration will involve the application of digital agriculture solutions using HELM's SKYFLD platform, enabling farmers to map their fields, monitor crop health with satellite data, and target fertiliser and crop treatments to improve yields and reduce environmental impact. (The Star)

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## Petronas Chemicals Group Bhd

**Technical Watch - “BUY on Potential Continuation”**

**Bloomberg: PCHEM MK | KLSE Stock Code: 5183**

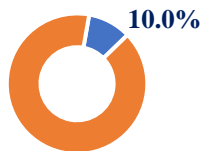
**Main Market  
Industrial Products & Services  
Subsector – Chemicals  
Current Price: RM7.20  
Target Price: RM7.92**

### Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential continuation supported by a three white soldiers 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: 8  
Sell: 10**

### Fundamentals

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

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

### Company Overview

Petronas Chemicals Group Bhd. is a chemical company. The Company offers a diversified range of petrochemical products such as olefins, polymers, fertilisers, methanol, and other basic chemicals and derivative products.



Entry Price	RM7.20
Market Cap (m)	RM57,600.0
<b>52w high</b>	<b>RM9.18</b>
<b>52w low</b>	<b>RM5.84</b>
Stop Loss	RM6.16
Immediate Support	RM6.84
Immediate Resistance	RM7.51 (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)	5,708,192.4



## P.I.E. Industrial Berhad

### Technical Watch - "BUY on Potential Upside"

Bloomberg: PIE MKL KLSE Stock Code: 7095

## Main Market Industrial Products & Services

Subsector – Industrial Materials,  
Components & Equipment

Current Price: RM2.95

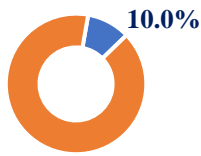
Target Price: RM3.25

### 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 > 45).

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: 2**  
**Holds: 1**  
**Sells: 0**

### 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

P.I.E. Industrial Berhad is an investment holding company which provides management services. Through its subsidiaries, the Company has operation in contract manufacturing services, manufactures raw wires and cables, and trades personal computer peripheral products.



Entry Price	RM2.95
Market Cap (m)	RM1,132.9
<b>52w high</b>	<b>RM3.74</b>
<b>52w low</b>	<b>RM2.28</b>
Stop Loss	RM2.52
Immediate Support	RM2.80
Immediate Resistance	RM3.70 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Recovering Momentum
Volume (4-Weeks Average)	137,657.1



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
10/8/2023	Takaful	6139	3.460	3.720	2.960	3.810	0.000	7.5	-
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	0.180	0.180	0.230	2.857	-14.3	SL Triggered
11/8/2023	YNH Property	3158	5.080	5.070	4.340	5.590	0.198	-0.2	-
14/8/2023	Umedic	0256	0.770	0.805	0.660	0.850	1.258	4.5	-
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	1.020	0.910	1.180	0.990	-4.7	-
15/8/2023	Dayang	7412	1.500	1.790	1.280	1.650	1.705	19.3	TP Achieved
16/8/2023	Scientex	4731	3.780	3.710	3.230	4.160	-0.536	-1.9	-
16/8/2023	YTL Power	6742	1.660	2.090	1.420	1.830	2.956	25.9	TP Achieved
17/8/2023	Malayan Cement	3794	3.450	3.660	2.950	3.795	-0.272	6.1	TP Achieved
17/8/2023	Central Global	8052	2.050	2.430	1.750	2.255	4.741	18.5	TP Achieved
18/8/2023	UEM Sunrise	5148	0.630	0.735	0.540	0.693	7.299	16.7	TP Achieved
18/8/2023	PWF	7134	0.810	0.865	0.690	0.891	-0.575	6.8	TP Achieved
21/8/2023	PowerRoot	7237	2.190	2.090	1.870	2.41	-0.948	-4.6	-
21/8/2023	UMW	4588	4.610	4.770	3.940	5.07	0.421	3.5	-
22/8/2023	Tuju Setia	5297	0.245	0.230	0.270	0.27	0.000	-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	0.705	0.710	0.910	3.676	-15.1	SL Triggered
23/8/2023	Frontken	0128	3.430	3.350	2.930	3.770	-1.471	-2.3	-
24/8/2023	Yinson	7293	2.600	2.530	2.220	2.860	1.200	-2.7	-
24/8/2023	MSM	5202	1.150	1.360	0.980	1.270	3.817	18.3	TP Achieved
25/8/2023	Aurelius	5302	2.740	2.610	2.340	3.010	0.000	-4.7	-
25/8/2023	CGB	8052	2.300	2.430	1.970	2.530	4.741	5.7	-
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	19.820	16.890	21.740	-0.402	0.3	-
29/8/2023	E&O	3417	0.600	0.610	0.510	0.660	9.910	1.7	-
29/8/2023	IOIProp	5247	1.570	1.670	1.340	1.730	1.212	6.4	-
30/8/2023	HapSeng	3034	4.090	4.030	3.500	4.490	-0.739	-1.5	-
30/8/2023	United U-Li	7133	1.250	1.470	1.070	1.380	9.701	17.6	TP Achieved
1/9/2023	ATA IMS	8176	0.320	0.350	0.270	0.350	1.449	9.4	-
1/9/2023	ILB	5614	0.660	0.680	0.560	0.730	0.000	3.0	-
4/9/2023	MNRB	6459	1.130	1.200	0.970	1.240	2.564	6.2	-
4/9/2023	CIMB	1023	5.740	5.720	4.910	6.310	1.239	-0.3	-
5/9/2023	Silver Ridge	0129	0.680	0.715	0.580	0.743	2.143	5.1	-
5/9/2023	Tashin	0211	0.410	0.405	0.350	0.446	0.000	-1.2	-
6/9/2023	BoilerMech	0168	0.975	0.975	0.830	1.073	0.000	0.0	-
6/9/2023	UEMEdgenta	1368	1.030	1.040	0.880	1.133	0.971	1.0	-
7/9/2023	PChem	5183	7.200	7.120	6.160	7.920	0.836	-1.1	-
7/9/2023	PIE	7095	2.950	2.950	2.520	3.25	2.431	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	5.43	0.80	14.79
UOA DEVELOPMENT BERHAD	PROPERTY	1.77	0.20	11.30
MBM RESOURCES BHD	CONSUMER	4.14	0.39	9.49
YTL HOSPITALITY REIT	REITs	1.00	0.09	9.40
TALIWORKS CORPORATION BHD	UTILITIES	0.80	0.07	8.38
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.51	0.04	8.24
HEKTAR REITS	REITs	0.63	0.05	8.10
SPORTS TOTO BERHAD	CONSUMER	1.49	0.12	7.92
UOA REITS	REITs	1.10	0.09	7.82
BESHOM HOLDINGS BERHAD	CONSUMER	1.03	0.08	7.77
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.75
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
BONIA CORPORATION BHD	CONSUMER	1.86	0.14	7.37

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	(2.3)	24.1	17.0	18.8	14.7	13.2	
Finance	(0.1)	13.0	10.3	12.4	10.3	9.8	
Property	35.4	25.1	7.4	11.5	10.6	-	
Plantation	(3.2)	95.5	14.0	36.7	14.0	16.6	
Consumer	(4.6)	22.5	16.7	21.9	16.7	15.1	
Technology	0.3	48.6	22.5	27.5	29.5	22.7	
Construction	18.5	36.8	10.4	17.8	10.4	12.4	
Energy	11.4	10.6	-	-	10.6	9.4	
Health care	(3.7)	36.1	23.4	29.7	23.4	28.8	
Ind Prod	(4.6)	24.9	14.9	21.9	14.9	14.2	
REIT	0.2	0.0	-	-	-	-	
Telco	(1.1)	28.6	19.8	24.2	28.6	21.2	
Transportations	8.7	27.5	-	-	14.5	15.0	
Utilities	29.8	17.8	-	-	13.5	13.1	

Source: Bloomberg

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