



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks retreated to the red on Thursday as investors waned on the cautious side ahead of the BNM OPR announcement. Market breadth was negative with 321 gainers and 510 losers. The health care sector was the top gainer increasing by + 1.47%, while the construction sector was the top loser declining by -2.00%. RVIEW (2542) was the top gainer surging by RM0.07 or +2.20%. The FBMKLCI declined by -0.04% to 1,460.07.

ECONOMICS

- **China’s oil imports** surge in August due to increased fuel exports and inventory levels.
- Bank Negara Malaysia maintains **OPR at 3%**

COMPANY

- **Solarvest (0215)** gain advantages from the growing demand for clean energy.
- **7-Eleven Malaysia (5250)** to focus on 7-café expansion plans.
- **Apollo (6342)** 1QFY24 net profit soars on strong sales
- **Fiamma (6939)** pays RM109.64 Million land premium for prime Kuala Lumpur development plot

EXPRESSO FOR THE DAY

- **Technical Watch – UWC (5292)** – Entry Price RM3.58, Target Price RM3.94, Stop Loss RM3.06, Support RM3.40, Resistance RM3.94
- **Technical Watch – PMBTech (7172)** – Entry Price RM3.85, Target Price RM4.24, Stop Loss RM3.29, Support RM3.66, Resistance RM4.06

Local	Close	(%)
FBMKLCI	1,460.07	(0.04)
Volume (mil)	3,209.00	(23.2)
Value (RM’ mil)	2,024.96	(4.9)
Gainers	321	
Losers	510	
Unchanged	548	

Foreign		(%)
Dow Jones	34,500.7	0.2
Nasdaq CI	13,748.8	(0.9)
S&P 500	4,451.1	(0.3)
FTSE 100	7,441.7	0.2
Nikkei 225	32,991.1	(0.8)
Shanghai CI	3,122.4	(1.1)
HSI	18,202.1	(1.3)
STI	3,226.6	0.1

Most Active	RM	Chg
TOPGLOV	0.840	0.055
UEMS	0.715	(0.020)
SCIB	0.460	0.005
YTL	1.480	(0.040)
SAUDEE	0.030	0.000

Top Gainer	RM	Chg
RVIEW	3.270	0.070
UWC	3.580	0.070
TOPGLOV	0.840	0.055
SIMEPLT	4.350	0.040
UCHITEC	3.520	0.040

Top Loser	RM	Chg
VITROX	7.680	(0.120)
TENAGA	9.870	(0.090)
UNISEM	3.170	(0.060)
SMRT	0.760	(0.055)
YINSON	2.480	(0.050)

Other Stats		(%)
USD/MYR	4.68	0.07
USD/RMB	7.33	0.16
WTI (USD/barrel)	89.92	(0.75)
Gold (USD/troy oz)	1,920.04	0.16
CPO (RM/metric t)	3,798.0	(1.21)

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**DAILY NEWSWATCH****ECONOMICS**

CHINA: China experienced a significant surge in **crude oil imports** that reaches 52.8 million metric tons or 12.43 million barrels per day (bpd). This boost was driven by refiners increasing their inventories and processing rates to take advantage of higher profits from exporting fuel. Over the first eight months of the year, imports grew by 14.7% compared to the same period in the previous year totalling 379 million tons. (Reuters)

MALAYSIA: Bank Negara Malaysia (BNM) has decided to maintain the overnight policy rate (OPR) at 3% due to robust domestic demand supported by a strong labor market, despite slower external demand and a decline in commodity production affecting Malaysia's economic growth in the second quarter of the year. This decision marks the second time the OPR has been held steady at 3%, following a 25 basis point increase in May, and BNM believes the current rate supports the economy and aligns with their assessment of inflation and growth prospects. (The Edge)

COMPANY

Solarvest Holdings Berhad (0215) is leading to strengthen its order book by the growth demand for clean energy in the country. The company's unbilled order book is currently at RM457 million, which is 1.28 times its engineering, procurement, construction, and commissioning (EPCC) revenue for financial year 2023 (FY23). Projects in progress are expected to contribute to the company's financial performance in FY24 and FY25. (The Star)

7-Eleven Malaysia Holdings Berhad (5250) is focusing on expanding its 7-cafe stores. In the second quarter of 2023, the company reported total revenue of RM1.07bn, a net profit of RM25.36mil, or earnings per share of 2.28sen per share. SEM's plan to enhance its operational efficiency via its new automated warehouse can be achieved through higher fulfilment rate which would then further optimise its stores' product availability as well as avoiding any sales leakage. (The Star)

Apollo Food Holdings Bhd (6342) reported a significant increase in its net profit for the first quarter ending July 31, 2023 (1QFY2024), surging by 67.51% to RM7.64 million compared to RM4.56 million in the same quarter the previous year, primarily attributed to higher sales. The company's quarterly revenue increased by 5.19% to RM58.34 million, driven by higher sales revenue. (The Edge)

Fiamma Holdings Bhd (6939) has paid RM109.64 million in land premium for a 0.76-hectare plot of land along Jalan Yap Kwan Seng, Kuala Lumpur, through its subsidiary Sinaran Urusjuta, which is engaged in real estate activities. The payment follows the approval of land alienation by the Federal Territories Director of Lands and Mines Office. The company intends to develop the strategically located land in Kuala Lumpur's city center, planning for a mixed development comprising 20% residential and 80% commercial units. (The Edge)



UWC Bhd

Technical Watch - "BUY on Potential Continuation"

Bloomberg: UWC MK | KLSE Stock Code: 5292

Main Market Technology

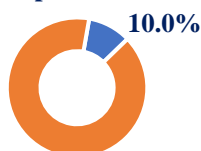
Subsector – Semiconductors
Current Price: RM3.58
Target Price: RM3.94

Investment Highlights

On a sideways, the stock is currently trading above the MA20. We think there is a potential upside 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: 0
Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	46.1	53.7	53.7
P/B	12.3	13.0	13.0
P/CF	70.3	78.4	78.4
P/S	13.9	16.6	16.6

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

Company Overview

UWC Bhd operates as a holding company. The Company, through its subsidiaries, provides laser cutting and punching, bending, welding, milling, turning, and painting services. UWC Holdings serves customers in Malaysia.



Entry Price	RM3.58
Market Cap (m)	RM3,944.0
52w high	RM4.62
52w low	RM2.70
Stop Loss	RM3.06
Immediate Support	RM3.40
Immediate Resistance	RM3.94 (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)	1,092,266.7



PMB Technology Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: PMBT MKL KLSE Stock Code: 7172

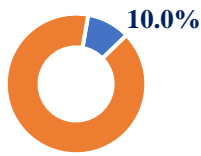
Main Market
Industrial Products & Services
Subsector – Metals
Current Price: RM3.85
Target Price: RM4.24

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).

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



Buys: 2
Holds: 1
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	50.8	53.0	35.8
P/BV	6.0	3.8	2.5
P/CF	66.3	45.6	30.6
P/S	4.1	2.9	1.6

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

Company Overview

PMB Technology Berhad is an investment holding company. The Company, through its subsidiaries, designs, fabricates and installs aluminum curtain wall, cladding system as well as manufactures and trades aluminum related products.



Entry Price	RM3.85
Market Cap (m)	RM6,240.3
52w high	RM5.27
52w low	RM3.53
Stop Loss	RM3.29
Immediate Support	RM3.66
Immediate Resistance	RM4.06 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Recovering Momentum
Volume (4-Weeks Average)	320,876.2



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
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	UEMEgenta	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	3.250	2.431	0.0	-
8/9/2023	UWC	5292	3.580	3.580	3.060	3.940	0.060	0.0	-
8/9/2023	PMBTech	7172	3.850	3.850	3.290	4.240	0.070	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	1.78	0.23	13.09
MBM RESOURCES BHD	CONSUMER	3.80	0.39	10.34
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
TALIWORKS CORPORATION BHD	UTILITIES	0.79	0.07	8.48
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.50	0.04	8.40
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.	1.13	0.09	7.52
SENTRAL REIT	REITs	0.83	0.06	7.39
BERMAZ AUTO BERHAD	CONSUMER	2.24	0.16	7.37
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	(2.4)	24.1	17.0	18.8	14.7	13.2	
Finance	(0.2)	13.0	10.3	12.4	10.3	9.8	
Property	34.5	25.1	7.4	11.5	10.5	-	
Plantation	(2.6)	95.5	14.1	36.7	14.1	16.8	
Consumer	(4.8)	22.5	16.8	21.9	16.8	15.1	
Technology	(0.2)	48.6	22.5	27.5	29.3	22.6	
Construction	16.1	36.8	10.2	17.7	10.2	12.2	
Energy	11.4	10.6	-	-	10.6	9.4	
Health care	(2.2)	36.1	23.8	29.9	23.8	29.3	
Ind Prod	(4.8)	24.9	14.9	21.9	14.9	14.3	
REIT	0.3	0.0	-	-	-	-	
Telco	(1.3)	28.6	19.8	24.2	28.6	21.1	
Transportations	7.2	27.5	-	-	14.3	14.8	
Utilities	28.8	17.8	-	-	13.4	13.0	

Source: Bloomberg

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