



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks faced additional declines on Friday as investor sentiment continued to wane, mirroring the broader challenges in regional markets. Market breadth was negative with 364 gainers and 503 losers. The utilities sector was the top gainer increasing by +1.23%, while the technology sector was the top loser declining by -1.53%. MPI (3867) was the top gainer surging by RM0.18 or 0.6%. The FBMKLCI declined by -0.35% to 1,454.95.

ECONOMICS

- **Extension of oil cut** increases the likelihood of a Saudi economic contraction this current year

COMPANY

- **Inta Bina (0192)** secures RM43.6 million construction contract
- **ECM Libra (2143)** to purchase land at Desaru for RM17 million
- **Pan Malaysia (4081)** to acquire outstanding shares in A&W Malaysia for RM69.45 million
- **SSF (0287)** plans RM200 Million IPO at 25 Sen per share, aims for retail expansion
- **Mercury Securities (0285)** IPO Oversubscribed 45 Times, Set to Raise RM39.27 Million

EXPRESSO FOR THE DAY

- **Technical Watch – Hap Seng (3034)** – Entry Price RM4.16, Target Price RM4.58, Stop Loss RM3.56, Support RM3.95, Resistance RM4.93
- **Technical Watch – Sealink (5145)** – Entry Price RM0.19, Target Price RM0.21, Stop Loss RM0.16, Support RM0.18, Resistance RM0.19

Local	Close	(%)
FBMKLCI	1,454.95	(0.35)
Volume (mil)	2,548.93	(20.6)
Value (RM'mil)	1,853.45	(8.5)
Gainers	364	
Losers	503	
Unchanged	443	

Foreign		(%)
Dow Jones	34,576.6	0.2
Nasdaq CI	13,761.5	0.1
S&P 500	4,457.5	0.1
FTSE 100	7,478.2	0.5
Nikkei 225	32,606.8	(1.2)
Shanghai CI	3,116.7	(0.2)
HSI	18,202.1	0.0
STI	3,207.8	(0.6)

Most Active	RM	Chg
WIDAD	0.475	0.010
JAKS	0.210	(0.005)
UEMS	0.720	0.005
YTLPOWR	2.130	0.030
MRCB	0.450	0.010

Top Gainer	RM	Chg
MPI	28.400	0.180
KHIND	2.700	0.100
YOCB	1.570	0.100
MAXIS	4.190	0.070
MFCB	3.400	0.050

Top Loser	RM	Chg
UWC	3.400	(0.180)
KLK	21.200	(0.140)
PPB	15.720	(0.140)
INARI	2.870	(0.130)
PETDAG	22.700	(0.100)

Other Stats		(%)
USD/MYR	4.68	(0.01)
USD/RMB	7.34	0.19
WTI (USD/barrel)	90.34	0.81
Gold (USD/troy oz)	1,918.22	(0.03)
CPO (RM/metric t)	3,753.5	(1.17)

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**DAILY NEWSWATCH****ECONOMICS**

SAUDI ARABIA: Saudi Arabia's decision to extend crude production cuts raises the risk of an economic contraction this year, underscoring the nation's heavy reliance on oil as efforts to diversify the economy progress slowly. The country's aim to prolong a voluntary 1 million barrels per day oil output cut until the end of 2023 led to a spike in oil prices above \$90 for the first time this year, although they remain below the \$100-per-barrel average of the previous year due to the Russia-Ukraine conflict. The decline in oil production and revenue in 2023 could result in Saudi Arabia experiencing economic shrinkage for the first time since 2020 during the height of the COVID-19 pandemic. (Reuters)

COMPANY

Inta Bina Group's (0192) subsidiary, Inta Bina Sdn Bhd, has won a RM43.6 million construction contract from Eco Majestic Development to build 162 double-storey houses and a Tenaga Nasional Bhd (TNB) substation in Precinct 9 Cheerywood - Phase 4. The project is scheduled for completion in 20 months, with the mock-units taking seven months and the TNB substation six months from November 1, and it is expected to have a positive impact on Inta Bina's future earnings during the contract period. (The Star)

ECM Libra Group Berhad (2143) has anticipated to acquire the entire equity interest in Desaru Beachfront 2 Sdn Bhd (DB2SB) for RM17.05mil in cash. This acquisition will make DB2SB an indirect wholly-owned subsidiary of ECMLG. Additionally, ECMLG's subsidiary, ECM Libra Beachfront Sdn Bhd, is set to purchase a leasehold land in Kota Tinggi, Johor, spanning 44,427.00 square meters, for RM19.8 million. (The Star)

Pan Malaysia Corporation Berhad (4081) plans to acquire the remaining 49% equity interest in A&W (Malaysia) Sdn Bhd, the fast-food chain operator, from Inter Mark Resources Sdn Bhd. (The Star)

SSF Home Group Bhd (0287), an ACE Market-bound company, plans to go public with an IPO price of 25 sen per share, valuing the company at RM200 million. The company intends to raise RM50 million, with most of the funds allocated to opening 18 new retail outlets over the next three years in various regions of Malaysia. The company currently has 41 outlets and relies on its active members for about 90% of its revenue. In FY2023, it reported a net profit of RM16 million and revenue of RM174.5 million. (The Star)

Mercury Securities Group's (0285) IPO shares have been oversubscribed by 45.45 times, with 12,926 applications for 2.07 billion new shares valued at RM518.53 million received from the Malaysian public. The oversubscription rate for the public portion was 66.56 times, while for the Bumiputera public portion, it was 24.34 times. The stockbroking and corporate finance advisory firm's IPO, with an offer price of 25 sen per share, is set to raise RM39.27 million and will list on the ACE Market of Bursa Securities with a market capitalization of RM223.25 million on September 19. (The Star)



Hap Seng Consolidated Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: HAP MK | KLSE Stock Code: 3034

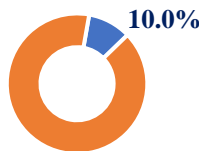
Main Market
Industrial Products & Services
Subsector – Diversfd Industrials
Current Price: RM4.16
Target Price: RM4.58

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 > 50).

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: 0
Hold: 0
Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	15.6	19.0	15.5
P/B	1.9	2.3	2.5
P/CF	17.0	40.4	35.1
P/S	2.3	2.7	2.6

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

Company Overview

Hap Seng Consolidated Berhad is an investment holding company. The Company, through its subsidiaries, operates oil palm and cocoa plantations, trades heavy equipment and motor vehicles, fabricates and sells commercial trailers and tankers, provides leasing and money lending, and manufactures agricultural fertilizers, agro-chemicals, building materials, and plantation supplies.



Entry Price	RM4.16
Market Cap (m)	RM10,357.0
52w high	RM7.40
52w low	RM3.03
Stop Loss	RM3.56
Immediate Support	RM3.95
Immediate Resistance	RM4.93 (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)	193,034.4



Sealink International Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: SELI MK | KLSE Stock Code: 5145

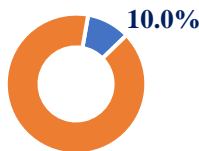
Main Market
Transportation & Logistics
Subsector – Transportation Eq
Current Price: RM0.19
Target Price: RM0.21

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by three white soldiers with a strong momentum on the stock (RSI > 80).

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: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	N/A	N/A	23.0
P/BV	0.2	0.3	0.3
P/CF	11.8	24.2	14.7
P/S	1.2	1.7	1.4

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

Company Overview

Sealink International Bhd, through its subsidiaries, provides a wide range of shipping services. The Company's services include ship chartering, shipbuilding and repair, and letting of properties.



Entry Price	RM0.19
Market Cap (m)	RM95.0
52w high	RM0.20
52w low	RM0.06
Stop Loss	RM0.16
Immediate Support	RM0.18
Immediate Resistance	RM0.19 (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)	1,675,262.0



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
14/8/2023	Umedic	0256	0.770	0.800	0.660	0.850	0.000	3.9	-
14/8/2023	SHH	7412	1.250	1.030	1.070	1.380	-1.905	-17.6	SL Triggered
15/8/2023	Eco World	8206	1.070	1.050	0.910	1.180	0.000	-1.9	-
15/8/2023	Dayang	7412	1.500	1.750	1.280	1.650	-1.130	16.7	TP Achieved
16/8/2023	Scientex	4731	3.780	3.730	3.230	4.160	0.000	-1.3	-
16/8/2023	YTL Power	6742	1.660	2.130	1.420	1.830	1.429	28.3	TP Achieved
17/8/2023	Malayan Cement	3794	3.450	3.640	2.950	3.795	-0.274	5.5	TP Achieved
17/8/2023	Central Global	8052	2.050	2.420	1.750	2.255	0.833	18.0	TP Achieved
18/8/2023	UEM Sunrise	5148	0.630	0.720	0.540	0.693	0.699	14.3	TP Achieved
18/8/2023	PWF	7134	0.810	0.855	0.690	0.891	0.588	5.6	TP Achieved
21/8/2023	PowerRoot	7237	2.190	2.020	1.870	2.410	-1.463	-7.8	-
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	0.230	0.270	0.27	-2.128	-6.1	-
22/8/2023	Astino	7162	0.570	0.560	0.627	0.63	-1.754	-1.8	-
23/8/2023	Wellspire	0271	0.830	0.695	0.710	0.91	-1.418	-16.3	SL Triggered
23/8/2023	Frontken	0128	3.430	3.190	2.930	3.77	-2.744	-7.0	-
24/8/2023	Yinson	7293	2.600	2.510	2.220	2.86	1.210	-3.5	-
24/8/2023	MSM	5202	1.150	1.350	0.980	1.270	1.504	17.4	TP Achieved
25/8/2023	Aurelius	5302	2.740	2.640	2.340	3.010	0.763	-3.6	-
25/8/2023	CGB	8052	2.300	2.420	1.970	2.530	0.833	5.2	-
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	19.800	16.890	21.740	0.000	0.2	-
29/8/2023	E&O	3417	0.600	0.600	0.510	0.660	-0.826	0.0	-
29/8/2023	IOIProp	5247	1.570	1.630	1.340	1.730	-1.212	3.8	-
30/8/2023	HapSeng	3034	4.090	4.160	3.500	4.490	0.971	1.7	-
30/8/2023	United U-Li	7133	1.250	1.420	1.070	1.380	-2.740	13.6	TP Achieved
1/9/2023	ATA IMS	8176	0.320	0.355	0.270	0.350	1.429	10.9	-
1/9/2023	ILB	5614	0.660	0.660	0.560	0.730	-2.941	0.0	-
4/9/2023	MNRB	6459	1.130	1.200	0.970	1.240	0.840	6.2	-
4/9/2023	CIMB	1023	5.740	5.690	4.910	6.310	-0.871	-0.9	-
5/9/2023	Silver Ridge	0129	0.680	0.705	0.580	0.743	-0.704	3.7	-
5/9/2023	Tashin	0211	0.410	0.385	0.350	0.446	-1.282	-6.1	-
6/9/2023	BoilerMech	0168	0.975	0.985	0.830	1.073	0.000	1.0	-
6/9/2023	UEMEgenta	1368	1.030	1.080	0.880	1.133	0.935	4.9	-
7/9/2023	Pchem	5183	7.200	7.170	6.160	7.920	0.000	-0.4	-
7/9/2023	PIE	7095	2.950	2.940	2.520	3.250	0.000	-0.3	-
8/9/2023	UWC	5292	3.580	3.400	3.400	3.940	-5.028	-5.0	-
8/9/2023	PMBTECH	7172	3.850	3.750	0.630	4.24	-2.597	-2.6	-
11/9/2023	HapSeng	3034	4.160	4.160	3.560	4.580	0.971	0.0	-
11/9/2023	Sealink	5145	0.190	0.190	0.160	0.21	26.667	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	5.38	0.80	14.93
UOA DEVELOPMENT BERHAD	PROPERTY	1.77	0.23	13.16
MBM RESOURCES BHD	CONSUMER	3.80	0.39	10.34
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
TALIWORKS CORPORATION BHD	UTILITIES	0.80	0.07	8.43
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.50	0.04	8.40
HEKTAR REITS	REITs	0.64	0.05	8.03
SPORTS TOTO BERHAD	CONSUMER	1.53	0.12	7.71
UOA REITS	REITs	1.09	0.09	7.89
BESHOM HOLDINGS BERHAD	CONSUMER	1.01	0.06	6.24
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	2.24	0.16	7.37
SENTRAL REIT	REITs	0.83	0.06	7.76
BONIA CORPORATION BHD	CONSUMER	1.84	0.14	7.45

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	(0.5)	13.0	10.2	12.4	10.2	9.8	
Property	33.1	25.1	7.4	11.4	10.4	-	
Plantation	(3.1)	95.5	14.0	36.7	14.0	16.7	
Consumer	(4.9)	22.5	16.7	21.9	16.7	15.1	
Technology	(1.7)	48.6	22.5	27.4	28.9	22.2	
Construction	16.9	36.8	10.3	17.7	10.3	12.2	
Energy	10.2	10.5	-	-	10.5	9.3	
Health care	(3.5)	36.1	23.4	29.7	23.4	28.9	
Ind Prod	(5.0)	24.9	14.8	21.9	14.8	14.2	
REIT	0.6	0.0	-	-	-	-	
Telco	(1.2)	28.6	19.8	24.2	28.6	21.2	
Transportations	6.8	27.5	-	-	14.3	14.7	
Utilities	30.4	17.8	-	-	13.6	13.1	

Source: Bloomberg

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