



DAILY NEWSWATCH

MARKET REVIEW

The FBMKLCI closes flat on Monday ahead of the announcement of US-Vietnam partnership. Market breadth was negative with 287 gainers and 529 losers. The technology sector was the top gainer increasing by +0.272%, while the property sector was the top loser declining by -0.890%. WATTA (7226) was the top gainer surging by RM0.05 or 8.62%. The FBMKLCI rose by +0.01% to 1,455.04.

ECONOMICS

- **US partners with Vietnam** to boost semiconductor, AI industry
- **Rising costs** for Malaysian manufacturers in 1H 2023

COMPANY

- **OCK (0172)** issues sukuk murabahah issuance of RM700 million
- **CIMB (1023)** aims for sustainable finance goal of RM100 bn by 2024
- **Eco World (8206)** plans to construct 1,372 properties in Batu Kawan
- **Artroniq (0038)** signs agreement with PT Terang Dunia Internusa

EXPRESSO FOR THE DAY

- **Technical Watch – Suria (6521)** – Entry Price RM1.55, Target Price RM1.71, Stop Loss RM1.33, Support RM1.47, Resistance RM1.56
- **Technical Watch – PChem (5183)** – Entry Price RM7.23, Target Price RM7.95, Stop Loss RM6.18, Support RM6.87, Resistance RM7.19

Local	Close	(%)
FBMKLCI	1,455.04	0.01
Volume (mil)	2,798.89	9.8
Value (RM'mil)	1,637.10	(11.7)
Gainers	287	
Losers	529	
Unchanged	533	

Foreign		(%)
Dow Jones	34,663.7	0.3
Nasdaq CI	13,917.9	1.1
S&P 500	4,487.5	0.7
FTSE 100	7,496.9	0.2
Nikkei 225	32,467.8	(0.4)
Shanghai CI	3,142.8	0.8
HSI	18,096.5	0.0
STI	3,218.3	0.3

Most Active	RM	Chg
WIDAD	0.475	0.000
YTL	1.480	(0.050)
YTLPOWR	2.110	(0.020)
XOX	0.015	(0.005)
XOXNET	0.030	0.005

Top Gainer	RM	Chg
WATTA	0.630	0.050
YNHPROP	5.080	0.040
YINSON	2.540	0.030
YGL	0.150	0.010
VLB	0.355	0.005

Top Loser	RM	Chg
WPRTS	3.300	(0.060)
YTL	1.480	(0.050)
YSPSAH	2.410	(0.030)
YENHER	0.875	(0.020)
YTLPOWR	2.110	(0.020)

Other Stats		(%)
USD/MYR	4.67	(0.06)
USD/RMB	7.29	(0.74)
WTI (USD/barrel)	90.64	(0.01)
Gold (USD/troy oz)	1,922.31	0.17
CPO (RM/metric t)	3,749.5	(0.11)

**DAILY NEWSWATCH****ECONOMICS**

VIETNAM: The **US and Vietnam** have forged multi-billion-dollar business deals and partnerships involving companies such as Boeing, Microsoft, and Nvidia, as they elevate their relationship to counter China's influence. The agreements, spanning various sectors including cloud computing, semiconductors, and artificial intelligence, were announced during US President Joe Biden's visit to Hanoi, marking a historic upgrade in ties between the two nations. These deals signal a significant economic boost and deeper cooperation in technology sectors, reinforcing Vietnam's position as a growing market for US businesses. (Reuters)

MALAYSIA: Malaysian manufacturers faced higher operating costs in the first half of 2023, with labor, machinery maintenance, raw materials, and energy expenses increasing by up to 20%, according to a survey by the Federation of Malaysian Manufacturers (FMM). The weak Malaysian ringgit against the US dollar, supply chain disruptions, and the removal of utilities subsidies contributed to these cost pressures. (The Edge)

COMPANY

OCK Group Berhad (0172) has issued sukuk murabahah as part of its Islamic medium-term notes program, with a total nominal value of up to RM700mil over a 30-year tenure. The proceeds from this issuance will serve multiple purposes, including financing general working capital, capital expenditure, restructuring existing borrowings, and supporting general corporate needs. (The Edge)

CIMB Group Holdings Berhad (1023) has significantly increased its sustainable finance target, aiming to reach RM100bn by 2024. This represents a substantial rise from its previous target of RM60bn set in 2022 and an initial goal of RM30bn set in 2021. CIMB has already surpassed its previous target by mobilizing nearly RM70bn in sustainable finance. (The Edge)

Eco World Development Group Berhad (8206) plans to construct 1,372 properties with a gross development value (GDV) of RM800mil in Batu Kawan during the second half of the year. EcoWorld has registered RM1.22bn in sales across Penang, Klang Valley, and Iskandar Malaysia as of May 31, 2023, with Penang contributing about 15% to this revenue. (The Star)

Artroniq Berhad (0038)'s subsidiary, Artronic Itech Sdn Bhd, has entered into a transformative distribution agreement with Indonesia-based PT. Terang Dunia Internusa, the parent company of United Motors. The objective of this agreement is to advance both Artroniq and PT. Terang in the growing electric vehicle (EV) market and expand their presence in the ASEAN economic community. (The Star)



Suria Capital Holdings Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: SURIA MK | KLSE Stock Code: 6521

Main Market
Transportation & Logistics
Subsector – Transportation & Logistics
Services

Current Price: RM1.55

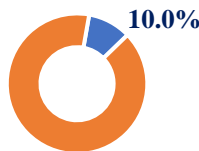
Target Price: RM1.71

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 > 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: 2

Sell: 0

Company Overview

Suria Capital Holdings Berhad is an investment holding and property development company. The Company, through its subsidiaries, provides, maintains, regulates, and controls port services and facilities.



Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	8.6	8.2	7.9
P/B	0.3	0.3	0.4
P/CF	4.7	4.3	5.2
P/S	1.4	1.3	1.5

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

Entry Price	RM1.55
Market Cap (m)	RM536.0
52w high	RM1.55
52w low	RM0.99
Stop Loss	RM1.33
Immediate Support	RM1.47
Immediate Resistance	RM1.56 (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)	125,579.7



Petronas Chemicals Group Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: PCHEM MK| KLSE Stock Code: 5183

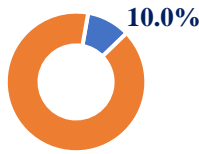
Main Market
Industrial Products & Services
Subsector – Chemicals
Current Price: RM7.23
Target Price: RM7.95

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by three white solders with a strong momentum on the stock (RSI > 50).

Expanding 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)
P/E	10.2	15.3	14.6
P/BV	1.7	1.7	1.7
P/CF	8.1	9.6	9.4
P/S	2.5	2.8	2.8

*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	RM7.23
Market Cap (m)	RM57,840.0
52w high	RM9.18
52w low	RM5.84
Stop Loss	RM6.18
Immediate Support	RM6.87
Immediate Resistance	RM7.19 (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)	5,708,192.4



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
15/8/2023	Eco World	8206	1.070	1.040	0.910	1.180	-0.952	-2.8	-
15/8/2023	Dayang	7412	1.500	1.760	1.280	1.650	0.571	17.3	TP Achieved
16/8/2023	Scientex	4731	3.780	3.660	3.230	4.160	-1.877	-3.2	-
16/8/2023	YTL Power	6742	1.660	2.110	1.420	1.830	-0.939	27.1	TP Achieved
17/8/2023	Malayan Cement	3794	3.450	3.670	2.950	3.795	0.824	6.4	TP Achieved
17/8/2023	Central Global	8052	2.050	2.400	1.750	2.255	-0.826	17.1	TP Achieved
18/8/2023	UEM Sunrise	5148	0.630	0.705	0.540	0.693	-2.083	11.9	TP Achieved
18/8/2023	PWF	7134	0.810	0.850	0.690	0.891	-0.585	4.9	TP Achieved
21/8/2023	PowerRoot	7237	2.190	1.990	1.870	2.410	-1.485	-9.1	-
21/8/2023	UMW	4588	4.610	4.820	3.940	5.070	1.048	4.6	-
22/8/2023	Tuju Setia	5297	0.245	0.225	0.270	0.270	-2.174	-8.2	-
22/8/2023	Astino	7162	0.570	0.560	0.627	0.630	0.000	-1.8	-
23/8/2023	Wellspire	0271	0.830	0.700	0.710	0.91	0.719	-15.7	SL Triggered
23/8/2023	Frontken	0128	3.430	3.220	2.930	3.77	0.940	-6.1	-
24/8/2023	Yinson	7293	2.600	2.540	2.220	2.86	1.195	-2.3	-
24/8/2023	MSM	5202	1.150	1.400	0.980	1.27	3.704	21.7	TP Achieved
25/8/2023	Aurelius	5302	2.740	2.540	2.340	3.01	-3.788	-7.3	-
25/8/2023	CGB	8052	2.300	2.400	1.970	2.530	-0.826	4.3	-
28/8/2023	UMS	7137	1.900	1.940	1.620	2.090	N/A	2.1	-
28/8/2023	Hong Leong	5819	19.760	19.820	16.890	21.740	0.101	0.3	-
29/8/2023	E&O	3417	0.600	0.570	0.510	0.660	-5.000	-5.0	-
29/8/2023	IOIProp	5247	1.570	1.630	1.340	1.730	0.000	3.8	-
30/8/2023	HapSeng	3034	4.090	4.080	3.500	4.490	-1.923	-0.2	-
30/8/2023	United U-Li	7133	1.250	1.500	1.070	1.380	5.634	20.0	TP Achieved
1/9/2023	ATA IMS	8176	0.320	0.345	0.270	0.350	-2.817	7.8	-
1/9/2023	ILB	5614	0.660	0.640	0.560	0.730	-3.030	-3.0	-
4/9/2023	MNRB	6459	1.130	1.150	0.970	1.240	-4.167	1.8	-
4/9/2023	CIMB	1023	5.740	5.710	4.910	6.310	0.351	-0.5	-
5/9/2023	Silver Ridge	0129	0.680	0.715	0.580	0.743	1.418	5.1	-
5/9/2023	Tashin	0211	0.410	0.385	0.350	0.446	0.000	-6.1	-
6/9/2023	BoilerMech	0168	0.975	0.980	0.830	1.073	-0.508	0.5	-
6/9/2023	UEMEgenta	1368	1.030	1.080	0.880	1.133	0.000	4.9	-
7/9/2023	Pchem	5183	7.200	7.230	6.160	7.920	0.837	0.4	-
7/9/2023	PIE	7095	2.950	2.880	2.520	3.250	-2.041	-2.4	-
8/9/2023	UWC	5292	3.580	3.290	3.400	3.940	-3.235	-8.1	-
8/9/2023	PMBTECH	7172	3.850	3.750	0.630	4.240	0.000	-2.6	-
11/9/2023	HapSeng	3034	4.160	4.080	3.560	4.580	-1.923	-1.9	-
11/9/2023	Sealink	5145	0.190	0.180	0.160	0.21	-5.263	-5.3	-
12/9/2023	Suria	6521	1.550	1.550	1.330	1.710	2.649	0.0	-
12/9/2023	PChem	5183	7.230	7.230	6.180	7.953	0.837	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	1.72	0.23	13.55
MBM RESOURCES BHD	CONSUMER	3.75	0.39	10.48
YTL HOSPITALITY REIT	REITs	1.00	0.09	9.40
TALIWORKS CORPORATION BHD	UTILITIES	0.80	0.07	8.43
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.52	0.04	8.16
HEKTAR REITS	REITs	0.64	0.05	7.97
UOA REITS	REITs	1.09	0.09	7.89
CENTRAL REIT	REITs	0.82	0.06	7.80
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.80
SPORTS TOTO BERHAD	CONSUMER	1.52	0.12	7.76
SCICOM (MSC) BHD	Ind Prod	1.11	0.09	7.66
BONIA CORPORATION BHD	CONSUMER	1.83	0.14	7.49
BERMAZ AUTO BERHAD	CONSUMER	2.25	0.16	7.33
TIME DOTCOM BHD	TELCO	5.38	0.80	14.93

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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