



**DAILY NEWSWATCH**

**MARKET REVIEW**

The FBMKLCI closed slightly lower on Tuesday amid a mixed regional market sentiment as investors awaited the US inflation data. Market breadth was negative with 354 gainers and 524 losers. The energy sector was the top gainer increasing by +0.51%, while the utilities sector was the top loser declining by -1.77%. SUNMOW (03050) was the top gainer surging by RM0.30 or 25.0%. The FBMKLCI declined by -0.11% to 1,453.39.

**ECONOMICS**

- **Brent crude oil** holds above \$90 per barrel
- OPEC maintains its outlook on **oil demand growth**, citing a robust economy

**COMPANY**

- **Magni-Tech (7087)** reports a 36% growth in 1Q earnings
- **Majuperak (8141)** signs an agreement on renewable energy initiatives
- **UMediC (0256)** achieves fivefold surge in 4Q net profit to RM3.37 million
- **Cypark (5184)** issues second tranche of perpetual sukuk of RM100mil

**EXPRESSO FOR THE DAY**

- **Technical Watch – RCECAP (9296)** – Entry Price RM2.41, Target Price RM2.65, Stop Loss RM2.06, Support RM2.29, Resistance RM2.41
- **Technical Watch – PMCORP (4081)** – Entry Price RM0.20, Target Price RM0.22, Stop Loss RM0.17, Support RM0.19, Resistance RM0.21

Local	Close	(%)
<b>FBMKLCI</b>	1,453.39	(0.11)
<b>Volume (mil)</b>	2,880.45	2.9
<b>Value (RM'mil)</b>	1,990.95	21.6
<b>Gainers</b>	498	
<b>Losers</b>	526	
<b>Unchanged</b>	405	

Foreign		(%)
<b>Dow Jones</b>	34,646.0	(0.1)
<b>Nasdaq CI</b>	13,773.6	(1.0)
<b>S&amp;P 500</b>	4,461.9	(0.6)
<b>FTSE 100</b>	7,527.5	0.4
<b>Nikkei 225</b>	32,776.4	1.0
<b>Shanghai CI</b>	3,137.1	(0.2)
<b>HSI</b>	18,025.9	(0.4)
<b>STI</b>	3,214.5	(0.1)

Most Active	RM	Chg
<b>UEMS</b>	0.685	(0.020)
<b>YTL</b>	1.430	(0.050)
<b>WIDAD</b>	0.480	0.005
<b>TOPGLOV</b>	0.815	0.000
<b>VELESTO</b>	0.245	0.000

Top Gainer	RM	Chg
<b>SUNMOW</b>	1.500	0.300
<b>UWC</b>	3.440	0.150
<b>UTDPLT</b>	16.140	0.140
<b>TECGUAN</b>	1.680	0.100
<b>VITROX</b>	7.700	0.070

Top Loser	RM	Chg
<b>TM</b>	4.990	(0.060)
<b>TENAGA</b>	9.840	(0.050)
<b>YINSON</b>	2.490	(0.050)
<b>YTL</b>	1.430	(0.050)
<b>YOCEB</b>	1.530	(0.040)

Other Stats		(%)
<b>USD/MYR</b>	4.68	0.08
<b>USD/RMB</b>	7.29	0.04
<b>WTI (USD/barrel)</b>	92.06	1.57
<b>Gold (USD/troy oz)</b>	1,913.30	(0.45)
<b>CPO (RM/metric t)</b>	3,703.5	(2.48)

**Research Team**

research@mersec.com.my

**DAILY NEWSWATCH****ECONOMICS**

**SINGAPORE:** Brent crude futures remained above \$90 per barrel on Tuesday, with investors keeping a close watch on upcoming macroeconomic data. This could provide insights into whether interest rates in the United States and Europe will increase, potentially affecting oil demand. In early trading, November Brent crude futures rose by 28 cents to reach \$90.92 per barrel, while U.S. West Texas Intermediate crude futures for October increased by 35 cents to reach \$87.64. The recent surge in oil prices to \$90 per barrel was driven by Saudi Arabia and Russia's decision to extend voluntary supply cuts of 1.3 million barrels per day until the end of the year. (Reuters)

**UNITED KINGDOM:** OPEC reaffirmed its projections on Tuesday for strong growth in global oil demand in both 2023 and 2024. This highlights positive indicators of major economies performing better than expected despite challenges like high interest rates and elevated inflation. According to the monthly report, world oil demand is expected to increase by 2.25 million barrels per day (bpd) in 2024. This growth is slightly lower than the 2.44 million bpd anticipated for 2023. (Reuters)

**COMPANY**

**Magni-Tech Industries Berhad (7097)**'s net profit for the first quarter, which concluded on July 31, 2023, saw a significant increase of 36.2%, rising to RM32.7 mil from RM24 mil in the previous year. However, revenue experienced a 4.8% decrease, dropping to RM 324.4 mil from RM340.9 mil in the previous year. On a positive note, earnings per share also rose to 7.55 sen, up from 5.54 sen in the previous year. (The Star)

**Majuperak Holdings Berhad (8141)** has signed a memorandum of understanding (MOU) with SPIC Energy Malaysia Bhd, a subsidiary of China's State Power Investment Corp (SPIC), to collaborate on advancing renewable energy initiatives. This partnership aimed to leverage SPIC's expertise in renewable energy technologies to promote sustainable energy solutions. (The Star)

**UMediC Group Berhad (0256)** achieved a remarkable fivefold increase in its net profit for the fourth quarter ending July 31, 2023 (4QFY2023), reaching RM3.37mil compared to RM 568,000 in the previous year. This substantial growth was driven by heightened demand for medical devices and consumables from both public and private hospitals. The company reported a surge in quarterly revenue to RM12.02mil from RM7.41mil in the previous year. (The Edge)

**Cypark Resources Berhad (5184)**'s wholly-subsiidiary, Cypark Renewable Energy Sdn Bhd (CRE), has issued the second tranche of Perpetual Sukuk Musharakah of RM265mil. The proceeds raised from this second tranche issuance will be used for various purposes including working capital, capital expenditure, repayment of existing financing/borrowings, defraying costs, and other expenses. (The Star)



## RCE Capital Berhad

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

**Bloomberg: RCE MK | KLSE Stock Code: 9296**

**Main Market**  
**Financial Services**  
**Subsector – Other Financials**  
**Current Price: RM2.41**  
**Target Price: RM2.65**

#### 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 > 50).

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: 1**  
**Hold: 2**  
**Sell: 0**

#### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
<b>P/E</b>	8.6	6.3	6.1
<b>P/B</b>	1.5	1.1	0.8
<b>P/CF</b>	74.0	41.3	37.3
<b>P/S</b>	3.8	2.6	1.9

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

#### Company Overview

RCE Capital Berhad is an investment holding company which provides management services. Through its subsidiaries, the Company invests in property, provides information technology, financial administrative, loan financing, broadcasting and advertising media services. RCE Capital is also involved in general trading, licensing and merchandising activities.



Entry Price	RM2.41
Market Cap (m)	RM1,854.1
<b>52w high</b>	<b>RM2.53</b>
<b>52w low</b>	<b>RM1.37</b>
Stop Loss	RM2.06
Immediate Support	RM2.29
Immediate Resistance	RM 2.41 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	569,881.5



# Pan Malaysia Corporation Berhad

## Technical Watch - "BUY on Potential Upside"

Bloomberg: PMC MKI | KLSE Stock Code: 4081

### Main Market Consumer Products & Services

Subsector – Travel, Leisure & Hospitality

Current Price: RM0.20

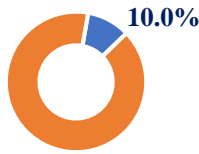
Target Price: RM0.22

### Investment Highlights

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

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)
<b>P/E</b>	23.7	24.7	28.2
<b>P/BV</b>	0.5	0.4	0.3
<b>P/CF</b>	10.3	24.1	34.6
<b>P/S</b>	1.4	1.5	1.5

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

### Company Overview

Pan Malaysia Corporation Berhad manufactures, markets, and distributes confectionery and cocoa-based products and biscuits. The Company, through its subsidiaries, operates departmental and specialty stores, manufactures and markets fertilizers, chloro-alkali products, pharmaceuticals, healthcare products, chemicals, and has operations in construction and property investment.



Entry Price	RM0.20
Market Cap (m)	RM165.9
<b>52w high</b>	<b>RM0.24</b>
<b>52w low</b>	<b>RM0.16</b>
Stop Loss	RM0.17
Immediate Support	RM0.19
Immediate Resistance	RM 0.21 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	400,804.8



## TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
16/8/2023	Scientex	4731	3.780	3.650	3.230	4.160	-0.273	-3.4	-
16/8/2023	YTL Power	6742	1.660	2.080	1.420	1.830	-1.422	25.3	TP Achieved
17/8/2023	Malayan Cement	3794	3.450	3.550	2.950	3.795	-3.270	2.9	TP Achieved
17/8/2023	Central Global	8052	2.050	2.470	1.750	2.255	2.917	20.5	TP Achieved
18/8/2023	UEM Sunrise	5148	0.630	0.685	0.540	0.693	-2.837	8.7	TP Achieved
18/8/2023	PWF	7134	0.810	0.880	0.690	0.891	3.529	8.6	TP Achieved
21/8/2023	PowerRoot	7237	2.190	2.020	1.870	2.41	1.508	-7.8	-
21/8/2023	UMW	4588	4.610	4.790	3.940	5.070	-0.622	3.9	-
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	0.550	0.627	0.630	-1.786	-3.5	-
23/8/2023	Wellspire	0271	0.830	0.700	0.710	0.910	0.000	-15.7	SL Triggered
23/8/2023	Frontken	0128	3.430	3.200	2.930	3.770	-0.621	-6.7	-
24/8/2023	Yinson	7293	2.600	2.490	2.220	2.860	-1.969	-4.2	-
24/8/2023	MSM	5202	1.150	1.400	0.980	1.270	0.000	21.7	TP Achieved
25/8/2023	Aurelius	5302	2.740	2.470	2.340	3.010	-2.756	-9.9	-
25/8/2023	CGB	8052	2.300	2.470	1.970	2.530	2.917	7.4	-
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	0.000	0.3	-
29/8/2023	E&O	3417	0.600	0.580	0.510	0.660	1.754	-3.3	-
29/8/2023	IOIProp	5247	1.570	1.600	1.340	1.730	-1.840	1.9	-
30/8/2023	HapSeng	3034	4.090	4.080	3.500	4.490	0.000	-0.2	-
30/8/2023	United U-Li	7133	1.250	1.510	1.070	1.380	0.667	20.8	TP Achieved
1/9/2023	ATA IMS	8176	0.320	0.340	0.270	0.350	-1.449	6.3	-
1/9/2023	ILB	5614	0.660	0.640	0.560	0.730	0.000	-3.0	-
4/9/2023	MNRB	6459	1.130	1.160	0.970	1.240	0.870	2.7	-
4/9/2023	CIMB	1023	5.740	5.700	4.910	6.310	-0.175	-0.7	-
5/9/2023	Silver Ridge	0129	0.680	0.735	0.580	0.743	2.797	8.1	-
5/9/2023	Tashin	0211	0.410	0.385	0.350	0.4455	0.000	-6.1	-
6/9/2023	BoilerMech	0168	0.975	0.980	0.830	1.073	0.000	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	7.000	6.160	7.920	-3.181	-2.8	-
7/9/2023	PIE	7095	2.950	2.860	2.520	3.250	-0.694	-3.1	-
8/9/2023	UWC	5292	3.580	3.440	3.400	3.940	4.559	-3.9	-
8/9/2023	PMBTECH	7172	3.850	3.730	0.630	4.240	-0.533	-3.1	-
11/9/2023	HapSeng	3034	4.160	4.080	3.560	4.580	0.000	-1.9	-
11/9/2023	Sealink	5145	0.190	0.185	0.160	0.210	2.778	-2.6	-
12/9/2023	Suria	6521	1.550	1.530	1.330	1.710	-1.290	-1.3	-
12/9/2023	PChem	5183	7.230	7.000	6.180	7.953	-3.181	-3.2	-
13/9/2023	RCE Capital	9296	2.41	2.530	2.06	2.651	4.979	5.0	-
13/9/2023	PMCorp	4081	0.2	0.215	0.17	0.22	7.500	7.5	-

\*SL= Stop Loss

\*TP=Target Price

**STOCK SELECTION BASED ON DIVIDEND YIELD**

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
SHH	TELCO	5.35	0.80	15.01
UOA DEVELOPMENT BERHAD	PROPERTY	1.71	0.23	13.63
MBM RESOURCES BHD	CONSUMER	3.68	0.39	10.68
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	0.51	0.04	8.24
HEKTAR REITS	REITs	0.64	0.05	7.97
UOA REITS	REITs	1.09	0.09	7.89
CENTRAL REIT	REITs	0.83	0.06	7.76
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.75
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	1.78	0.14	7.70
BERMAZ AUTO BERHAD	CONSUMER	2.18	0.16	7.57
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.85	0.71	7.21

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	(2.8)	24.1	17.0	18.8	14.6	13.1	
Finance	(0.4)	13.0	10.3	12.4	10.3	9.8	
Property	30.5	25.1	7.4	11.4	10.2	-	
Plantation	(2.8)	95.5	14.1	36.7	14.1	16.7	
Consumer	(5.1)	22.5	16.7	21.9	16.7	15.0	
Technology	(1.2)	48.6	22.5	27.4	29.0	22.4	
Construction	15.7	36.8	10.2	17.7	10.2	12.1	
Energy	10.2	10.5	-	-	10.5	9.3	
Health care	(3.6)	36.1	23.4	29.7	23.4	28.9	
Ind Prod	(6.1)	24.9	14.6	21.9	14.6	14.0	
REIT	0.4	0.0	-	-	-	-	
Telco	(1.5)	28.5	19.8	24.1	28.5	21.1	
Transportations	6.2	27.5	-	-	14.2	14.6	
Utilities	27.7	17.8	-	-	13.3	12.9	

Source: Bloomberg



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### **MERCURY SECURITIES SDN BHD**

Registration No. 198401000672 (**113193-W**)

L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur

Telephone: (603) - 6203 7227 Website: [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my)

Email: [mercurykl@mersec.com.my](mailto:mercurykl@mersec.com.my)

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