



DAILY NEWSWATCH

MARKET REVIEW

On Wednesday, the FBMKLCI ended on a positive note ahead of the release of the United States CPI data, despite weaker sentiments in regional equity market. Market breadth was negative with 405 gainers and 480 losers. The energy sector was the top gainer increasing by +2.88%, while the property sector was the top loser declining by -0.79%. UWC (5292) was the top gainer surging by RM0.27 or 7.85%. The FBMKLCI rose by +0.01% to 1,453.54.

ECONOMICS

- **OPEC+** cuts to tighten oil market in fourth quarter
- **U.S. consumer prices** accelerate in August due to cost of gasoline

COMPANY

- **AMMB (1015)** aims to sustain growth in SME loans
- **Bermaz Auto (5248)** continues to see robust demand sales
- **Bumi Armada (5210)** enters partnership to develop and commercialize LNG in Madura gas field
- **HHRG (0175)** acquires 1.18 million shares in Kulim Property Sdn Bhd for RM4.5 million

EXPRESSO FOR THE DAY

- **Technical Watch – SUPERLN (7235)** – Entry Price RM0.67, Target Price RM0.73, Stop Loss RM0.57, Support RM0.63, Resistance RM0.68
- **Technical Watch – PENTA (7160)** – Entry Price RM5.43, Target Price RM5.97, Stop Loss RM4.64, Support RM5.16, Resistance RM5.53

Local	Close	(%)
FBMKLCI	1,453.54	0.01
Volume (mil)	2,513.99	(12.7)
Value (RM'mil)	1,881.85	(5.5)
Gainers	405	
Losers	480	
Unchanged	440	

Foreign		(%)
Dow Jones	34,646.0	(0.2)
Nasdaq CI	13,773.6	0.3
S&P 500	4,461.9	0.1
FTSE 100	7,527.5	(0.0)
Nikkei 225	32,776.4	(0.2)
Shanghai CI	3,137.1	(0.4)
HSI	18,025.9	(0.1)
STI	3,214.5	0.1

Most Active	RM	Chg
SCIB	0.470	0.010
WIDAD	0.480	0.000
TANCO	0.525	(0.025)
EKOVEST	0.515	(0.015)
MYEG	0.780	(0.015)

Top Gainer	RM	Chg
UWC	3.710	0.270
PCHEM	7.220	0.220
UTDPLT	16.320	0.180
HENGYUAN	3.350	0.160
PENTA	5.430	0.150

Top Loser	RM	Chg
HEIM	23.500	(0.460)
PANAMY	19.280	(0.220)
HEXTECH	24.300	(0.200)
MASTER	2.530	(0.120)
INFOM	1.570	(0.100)

Other Stats		(%)
USD/MYR	4.68	0.06
USD/RMB	7.29	(0.28)
WTI (USD/barrel)	92.06	(0.20)
Gold (USD/troy oz)	1,913.30	(0.29)
CPO (RM/metric t)	3,643.5	0.11

**DAILY NEWSWATCH****ECONOMICS**

UNITED KINGDOM: The International Energy Agency (IEA) stated on Wednesday that the oil output reductions extended by Saudi Arabia and Russia until the end of 2023 will create a substantial deficit in the market during the fourth quarter. This month, benchmark Brent crude surpassed \$90 per barrel for the first time in the year following the decision by OPEC+ leaders Saudi Arabia and Russia to extend their joint cuts of 1.3 million barrels per day (bpd) until the end of 2023. (Reuters)

UNITED STATES: In August, U.S. experienced their most significant increase in consumer prices over a year, primarily driven by a surge in the cost of gasoline. However, a relatively modest uptick in the core inflation rate might lead the Federal Reserve to maintain its current interest rates next Wednesday. According to the Labor Department's report on Wednesday, the **consumer price index (CPI) saw a 0.6% rise last month**, marking the largest increase since June 2022. (Reuters)

COMPANY

AMMB Holdings Berhad (1015) aimed to sustain strong double-digit growth in its small and medium enterprises (SMEs) loan portfolio for the current year. This goal remains steadfast even in the face of potential challenges arising from a potential economic slowdown in China or globally, which has been impacting Malaysia's exports and overall economy. The bank is confident to maintain the growth momentum it has seen in the SME sector over the past eight years. (The Star)

Bermaz Auto Berhad (5248) has increased its sales outlook for the fiscal year 2024 (FY24) following an impressive performance in the first quarter. The automotive distributor achieved strong sales for its Mazda, Peugeot, and Kia vehicles, leading to a quarterly core net profit of RM100.2mil, which was double the net profit recorded in the same quarter of the previous year. (The Star)

Bumi Armada Berhad (5210) entered into a non-binding agreement with Indonesian state-owned PT Pertamina International Shipping and natural gas trading company PT Davenergy Mulia Perkasa. The purpose of this agreement is to jointly develop and commercialize liquefied natural gas (LNG) from the Madura gas field and the surrounding fields. Under the agreement, Bumi Armada will partner with Pertamina International Shipping to build and operate a floating LNG liquefaction and storage facility. Additionally, they will operate an LNG carrier to transport LNG to consumers who are not located near clean energy sources. (The Star)

HHRG Berhad (0175) acquired the entirety of KPSB's equity, comprising 1.18 million shares, for RM4.5 million. The company has entered into an agreement with several shareholders of Kulum Property Sdn Bhd (KPSB). HHRG's shares closed at 22 sen, down one sen or 4.35%, valuing the group at RM189.91mil. (The Edge)



Superlon Holdings Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: SLON MK | KLSE Stock Code: 7235

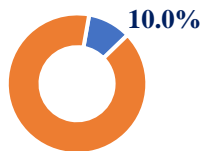
Main Market
Industrial Products & Services
Subsector – Building Materials
Current Price: RM0.67
Target Price: RM0.73

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 > 60).

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: 0
Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	25.2	17.7	13.5
P/B	0.8	1.0	1.1
P/CF	14.1	13.2	13.0
P/S	1.1	1.2	1.3

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

Company Overview

Superlon Holdings Bhd is an investment holding and management company. The Company, through its subsidiary, designs, tests, and manufactures thermal insulation materials for the heating and air conditioning industry.



Entry Price	RM0.67
Market Cap (m)	RM105.5
52w high	RM0.73
52w low	RM0.58
Stop Loss	RM0.57
Immediate Support	RM0.63
Immediate Resistance	RM0.68 (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)	62,533.3



Pentamaster Corporation Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: PENT MK| KLSE Stock Code: 7160

Main Market
Technology

Subsector – Technology Equipment

Current Price: RM5.43

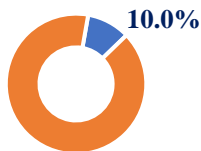
Target Price: RM5.97

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 > 60).

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: 5
Holds: 5
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	40.5	36.4	27.2
P/BV	5.4	5.3	3.7
P/CF	52.9	38.2	30.0
P/S	5.7	5.5	3.5

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

Company Overview

Pentamaster Corporation Berhad is an investment holding company. The Company, through its subsidiaries, manufactures automated and semi-automated machines and equipment, designs and manufactures precision machinery components, as well as assembles and installs computerized automation systems and equipment.



Entry Price	RM5.43
Market Cap (m)	RM3,862.5
52w high	RM5.56
52w low	RM3.63
Stop Loss	RM4.64
Immediate Support	RM5.16
Immediate Resistance	RM5.53 (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)	1,434,129.2



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
17/8/2023	Malayan Cement	3794	3.450	3.600	2.950	3.795	1.408	4.3	TP Achieved
17/8/2023	Central Global	8052	2.050	2.480	1.750	2.255	0.405	21.0	TP Achieved
18/8/2023	UEM Sunrise	5148	0.630	0.670	0.540	0.693	-2.190	6.3	TP Achieved
18/8/2023	PWF	7134	0.810	0.900	0.690	0.891	2.273	11.1	TP Achieved
21/8/2023	PowerRoot	7237	2.190	2.000	1.870	2.41	-0.990	-8.7	-
21/8/2023	UMW	4588	4.610	4.810	3.940	5.070	0.418	4.3	-
22/8/2023	Tuju Setia	5297	0.245	0.230	0.270	0.270	0.000	-6.1	-
22/8/2023	Astino	7162	0.570	0.550	0.627	0.630	0.000	-3.5	-
23/8/2023	Wellspire	0271	0.830	0.690	0.710	0.910	-1.429	-16.9	SL Triggered
23/8/2023	Frontken	0128	3.430	3.240	2.930	3.770	1.250	-5.5	-
24/8/2023	Yinson	7293	2.600	2.530	2.220	2.860	1.606	-2.7	-
24/8/2023	MSM	5202	1.150	1.460	0.980	1.270	4.286	27.0	TP Achieved
25/8/2023	Aurelius	5302	2.740	2.470	2.340	3.010	0.000	-9.9	-
25/8/2023	CGB	8052	2.300	2.480	1.970	2.530	0.405	7.8	-
28/8/2023	UMS	7137	1.900	1.930	1.620	2.090	N/A	1.6	-
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	0.560	0.510	0.660	-3.448	-6.7	-
29/8/2023	IOIProp	5247	1.570	1.620	1.340	1.730	1.250	3.2	-
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	1.520	1.070	1.380	0.662	21.6	TP Achieved
1/9/2023	ATA IMS	8176	0.320	0.345	0.270	0.350	1.471	7.8	-
1/9/2023	ILB	5614	0.660	0.645	0.560	0.730	0.781	-2.3	-
4/9/2023	MNRB	6459	1.130	1.160	0.970	1.240	0.000	2.7	-
4/9/2023	CIMB	1023	5.740	5.700	4.910	6.310	0.000	-0.7	-
5/9/2023	Silver Ridge	0129	0.680	0.710	0.580	0.743	-3.401	4.4	-
5/9/2023	Tashin	0211	0.410	0.375	0.350	0.4455	-2.597	-8.5	-
6/9/2023	BoilerMech	0168	0.975	0.945	0.830	1.073	-3.571	-3.1	-
6/9/2023	UEMEgenta	1368	1.030	1.080	0.880	1.133	0.000	4.9	-
7/9/2023	Pchem	5183	7.200	7.220	6.160	7.920	3.143	0.3	-
7/9/2023	PIE	7095	2.950	2.940	2.520	3.250	2.797	-0.3	-
8/9/2023	UWC	5292	3.580	3.710	3.400	3.940	7.849	3.6	-
8/9/2023	PMBTECH	7172	3.850	3.670	0.630	4.240	-1.609	-4.7	-
11/9/2023	HapSeng	3034	4.160	4.080	3.560	4.580	0.000	-1.9	-
11/9/2023	Sealink	5145	0.190	0.180	0.160	0.210	-2.703	-5.3	-
12/9/2023	Suria	6521	1.550	1.530	1.330	1.710	0.000	-1.3	-
12/9/2023	PChem	5183	7.230	7.220	6.180	7.953	3.143	-0.1	-
13/9/2023	RCE Capital	9296	2.41	2.500	2.06	2.651	-1.186	3.7	-
13/9/2023	PMCorp	4081	0.2	0.215	0.17	0.22	0.000	7.5	-
14/9/2023	Superlon	7235	0.67	0.665	0.57	0.7315	3.906	-0.7	-
14/9/2023	Penta	7160	5.43	5.430	4.64	5.973	2.841	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 BERHAD	TELCO	5.32	0.80	15.09
UOA DEVELOPMENT BERHAD	PROPERTY	1.69	0.23	13.79
MBM RESOURCES BHD	CONSUMER	3.69	0.39	10.65
YTL HOSPITALITY REIT	REITs	1.01	0.09	9.31
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
BERMAZ AUTO BERHAD	CONSUMER	2.30	0.19	8.09
UOA REITS	REITs	1.10	0.09	7.82
SENTRAL REIT	REITs	0.82	0.06	7.80
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.75
BONIA CORPORATION BHD	CONSUMER	1.78	0.14	7.70
SCICOM (MSC) BHD	IND. PROD.	1.11	0.09	7.66
SPORTS TOTO BERHAD	CONSUMER	1.57	0.12	7.52
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.83	0.71	7.22

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	(1.0)	13.0	10.2	12.4	10.2	9.7	
Property	29.4	25.1	7.4	11.4	10.2	-	
Plantation	(2.2)	95.5	14.1	36.8	14.1	16.9	
Consumer	(5.1)	22.5	16.6	21.8	16.6	15.0	
Technology	(1.2)	48.6	22.5	27.4	29.1	22.4	
Construction	16.4	36.8	10.2	17.7	10.2	12.1	
Energy	13.4	10.8	-	-	10.8	9.6	
Health care	(3.4)	36.1	23.5	29.8	23.5	28.9	
Ind Prod	(5.3)	24.9	14.7	21.9	14.7	14.2	
REIT	(0.0)	0.0	-	-	-	-	
Telco	(1.9)	28.5	19.8	24.1	28.4	21.0	
Transportations	5.7	27.5	-	-	14.1	14.5	
Utilities	28.6	17.8	-	-	13.4	12.8	

Source: Bloomberg

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