



DAILY NEWSWATCH

MARKET REVIEW

The FBMKLCI ended on a decline on Thursday, albeit with reduced volatility on the back of optimism that the US Federal Reserve may consider pausing its rate hike agenda. Market breadth was positive with 530 gainers and 342 losers. The property sector was the top gainer increasing by +0.79%, while the financial services sector was the top loser declining by -0.57%. KLK (2445) was the top gainer surging by RM0.18 or 0.84%. The FBMKLCI declined by -0.27% to 1,449.58.

ECONOMICS

- ECB increases **interest rates** while signaling the conclusion of tightening policy

COMPANY

- **AWC (7579)** confirms acquisition of shares in Stream Group
- **Berjaya (3395)** purchases 2.45% equity interest in BFood
- **DNex (4456)** proposes private placement to fund expansion
- **CIMB (1023)** makes progress on its ambitious emissions target
- **FPT** focuses on AI and chips expansion,

EXPRESSO FOR THE DAY

- **Technical Watch – BERMAZ (5248)** – Entry Price RM2.40, Target Price RM2.64, Stop Loss RM2.05, Support RM2.28, Resistance RM2.40
- **Technical Watch – AURELIUS (5302)** – Entry Price RM2.53, Target Price RM2.78, Stop Loss RM2.16, Support RM2.40, Resistance RM2.74

Local	Close	(%)
FBMKLCI	1,449.58	(0.27)
Volume (mil)	2,963.89	17.9
Value (RM'mil)	2,203.79	17.1
Gainers	530	
Losers	342	
Unchanged	457	

Foreign		(%)
Dow Jones	34,907.1	1.0
Nasdaq CI	13,926.1	0.8
S&P 500	4,505.1	0.8
FTSE 100	7,673.1	2.0
Nikkei 225	33,168.1	1.4
Shanghai CI	3,126.6	0.1
HSI	18,047.9	0.2
STI	3,249.5	1.0

Most Active	RM	Chg
KNM	0.105	0.000
ICON	0.105	0.015
MRCB	0.455	0.030
RGB	0.305	0.020
SCIB	0.470	0.000

Top Gainer	RM	Chg
KLK	21.720	0.180
MALPAC	1.270	0.180
MCEMENT	3.770	0.170
UTDPLT	16.460	0.140
MASTER	2.650	0.120

Top Loser	RM	Chg
MPI	27.820	(0.380)
NESTLE	130.200	(0.200)
RVIEW	3.210	(0.110)
KSENG	4.170	(0.080)
PANAMY	19.200	(0.080)

Other Stats		(%)
USD/MYR	4.68	0.06
USD/RMB	7.28	0.10
WTI (USD/barrel)	93.70	1.98
Gold (USD/troy oz)	1,910.53	0.14
CPO (RM/metric t)	3,644.5	0.03

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**DAILY NEWSWATCH****ECONOMICS**

GERMANY: The European Central Bank (ECB) **raised interest rates for the 10th consecutive time on Thursday** in an effort to combat persistent inflation. However, the ECB also indicated that it is likely finished with tightening policy. The central bank, representing the 20 eurozone countries, increased its deposit rate from 3.75% to 4%, reaching an all-time high. (Reuters)

COMPANY

AWC Bhd (7579) has put forward a proposal to acquire the remaining 49 percent ownership stake in Stream Group Sdn Bhd from Premium NXL Sdn Bhd (PNSB) for RM110 mil. This move enables the company to streamline its operations and fully consolidate the financial performance of Stream Group. (The Star)

Berjaya Corp Bhd's (3395) wholly-owned subsidiary, Teras Mewah Sdn Bhd, has acquired 43 million shares, equivalent to a 2.45% equity interest, in Berjaya Food Bhd (BFood). The transaction was conducted with a cash payment of RM29.57 mil, at an average purchase price of 68.8 sen per BFood share. This acquisition has increased BCorp's total direct and deemed interest in BFood to 970.27 million shares, which represents a 55.31% equity interest. (The Star)

Dagang Nexchange Bhd (4456) is seeking to raise funds through a private placement, involving up to 10% of its total issued shares. The purpose of this fundraising initiative is to support the expansion of its upstream and downstream oil and gas (O&G) segment. (The Star)

CIMB Group Holdings Bhd (1023) is making substantial progress in fulfilling its sustainability commitments and has already achieved between 22% and 143% of its targets set for the period spanning 2024 to 2030. In anticipation of its 2024 sustainability commitments, the banking group has successfully mobilized RM60 bn in sustainable financing and has expanded the target to RM100 bn. Additionally, the bank has committed RM150 mil to corporate social responsibility initiatives over the course of five years and has dedicated 100,000 hours annually to staff volunteer activities. (The Star)

FPT, Vietnam's leading technology firm, has secured orders for nearly 70 million chips to be delivered by 2025 and is focusing on expanding its presence in artificial intelligence (AI) and technical training, according to the company's chairman. FPT, has a market capitalization of US\$5.2bn (RM24.35 bn) and provides AI, cloud, and big data services to clients in 29 countries, and it is also making strides in chip design and education. FPT aims to increase its US revenues from \$250-300 mil to \$1 bn by 2030. (The Edge)



Bermaz Auto Berhad

Technical Watch - "BUY on Potential Continuation"

Bloomberg: BAUTO MK | KLSE Stock Code: 5248

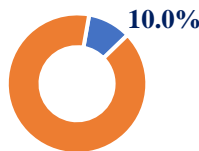
Main Market
Consumer Products & Services
Subsector – Automotive
Current Price: RM2.40
Target Price: RM2.64

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 > 70).

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: 13
Hold: 2
Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	10.1	11.4	11.1
P/B	3.1	3.2	3.3
P/CF	9.8	8.6	11.0
P/S	0.7	0.8	0.8

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

Company Overview

Bermaz Auto Berhad operates as a car dealer. The Company markets and distributes passenger vehicles and parts, as well as provides after sale services. Bermaz Auto serves clients in Malaysia.



Research Team

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Entry Price	RM2.40
Market Cap (m)	RM2,795.8
52w high	RM2.41
52w low	RM1.77
Stop Loss	RM2.05
Immediate Support	RM2.28
Immediate Resistance	RM2.40 (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)	2,660,532.0



Aurelius Technologies Berhad

Technical Watch - "BUY on Potential Reversal"

Bloomberg: ATECH MK| KLSE Stock Code: 5302

Main Market Industrial Products & Services

Subsector – Industrial Materials,
Components & Equipments

Current Price: RM2.53

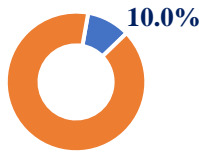
Target Price: RM2.78

Investment Highlights

On a downtrend, the stock is currently trading below the MA20. We think there is a potential reversal supported by marubozu with a weak 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	20.1	20.1	20.1
P/BV	2.9	2.9	2.9
P/CF	14.9	14.9	14.9
P/S	1.5	1.5	1.5

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

Company Overview

Aurelius Technologies Berhad operates as a holding company. The Company, through its subsidiaries, focuses on industrial electronic products such as manufacturing of semiconductor components. Aurelius Technologies serves customer in Malaysia.



Research Team

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Entry Price	RM2.53
Market Cap (m)	RM996.8
52w high	RM3.40
52w low	RM1.53
Stop Loss	RM2.16
Immediate Support	RM2.40
Immediate Resistance	RM2.74 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Weak Momentum
Volume (4-Weeks Average)	644,600.0



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
18/8/2023	UEM Sunrise	5148	0.630	0.685	0.540	0.693	2.239	8.7	TP Achieved
18/8/2023	PWF	7134	0.810	0.895	0.690	0.891	-0.556	10.5	TP Achieved
21/8/2023	PowerRoot	7237	2.190	2.010	1.870	2.410	1.772	-8.2	-
21/8/2023	UMW	4588	4.610	4.770	3.940	5.070	-0.832	3.5	-
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	0.000	-16.9	SL Triggered
23/8/2023	Frontken	0128	3.430	3.250	2.930	3.770	0.309	-5.2	-
24/8/2023	Yinson	7293	2.600	2.500	2.220	2.860	-1.186	-3.8	-
24/8/2023	MSM	5202	1.150	1.490	0.980	1.270	2.055	29.6	TP Achieved
25/8/2023	Aurelius	5302	2.740	2.530	2.340	3.010	2.429	-7.7	-
25/8/2023	CGB	8052	2.300	2.490	1.970	2.530	0.403	8.3	-
28/8/2023	UMS	7137	1.900	N/A	1.620	2.09	N/A	N/A	-
28/8/2023	Hong Leong	5819	19.760	19.900	16.890	21.74	0.404	0.7	-
29/8/2023	E&O	3417	0.600	0.565	0.510	0.66	0.893	-5.8	-
29/8/2023	IOIProp	5247	1.570	1.590	1.340	1.73	1.274	1.3	-
30/8/2023	HapSeng	3034	4.090	4.090	3.500	4.49	0.245	0.0	-
30/8/2023	United U-Li	7133	1.250	1.550	1.070	1.380	1.974	24.0	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	0.680	0.560	0.730	5.426	3.0	-
4/9/2023	MNRB	6459	1.130	1.160	0.970	1.240	0.000	2.7	-
4/9/2023	CIMB	1023	5.740	5.690	4.910	6.310	-0.175	-0.9	-
5/9/2023	Silver Ridge	0129	0.680	0.730	0.580	0.743	2.817	7.4	-
5/9/2023	Tashin	0211	0.410	0.385	0.350	0.446	2.667	-6.1	-
6/9/2023	BoilerMech	0168	0.975	0.945	0.830	1.073	0.000	-3.1	-
6/9/2023	UEMEdgenta	1368	1.030	1.140	0.880	1.133	5.556	10.7	TP Achieved
7/9/2023	Pchem	5183	7.200	7.170	6.160	7.920	-0.693	-0.4	-
7/9/2023	PIE	7095	2.950	2.910	2.520	3.250	-1.020	-1.4	-
8/9/2023	UWC	5292	3.580	3.820	3.400	3.940	2.965	6.7	-
8/9/2023	PMBTECH	7172	3.850	3.630	0.630	4.240	-1.090	-5.7	-
11/9/2023	HapSeng	3034	4.160	4.090	3.560	4.580	0.245	-1.7	-
11/9/2023	Sealink	5145	0.190	0.170	0.160	0.210	-5.556	-10.5	SL Triggered
12/9/2023	Suria	6521	1.550	1.550	1.330	1.710	1.307	0.0	-
12/9/2023	PChem	5183	7.230	7.170	6.180	7.953	-0.693	-0.8	-
13/9/2023	RCE Capital	9296	2.410	2.570	2.060	2.651	2.800	6.6	-
13/9/2023	PMCorp	4081	0.200	0.205	0.170	0.220	-4.651	2.5	-
14/9/2023	SuperLN	7235	0.670	0.680	0.570	0.730	2.256	1.5	-
14/9/2023	Penta	7160	5.430	5.380	4.640	5.97	-0.921	-0.9	-
15/9/2023	BermazAuto	5248	2.400	2.400	2.050	2.640	4.348	0.0	-
15/9/2023	Aurelius	5302	2.530	2.530	2.160	2.78	2.429	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	5.30	0.80	15.15
UOA DEVELOPMENT BERHAD	PROPERTY	1.72	0.23	13.55
MBM RESOURCES BHD	CONSUMER	3.76	0.39	10.45
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	0.51	0.04	8.32
HEKTAR REITS	REITs	0.63	0.05	8.16
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
BERMAZ AUTO BERHAD	CONSUMER	2.40	0.19	7.75
BONIA CORPORATION BHD	CONSUMER	1.77	0.14	7.74
SPORTS TOTO BERHAD	CONSUMER	1.54	0.12	7.66
SCICOM (MSC) BHD	IND. PROD.	1.11	0.09	7.66
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.75	0.71	7.28

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	(3.1)	24.1	17.0	18.8	14.6	13.1	
Finance	(1.6)	13.0	10.1	12.4	10.1	9.7	
Property	30.5	25.1	7.4	11.4	10.2	-	
Plantation	(1.7)	95.5	14.2	36.8	14.2	16.9	
Consumer	(5.2)	22.5	16.6	21.8	16.6	15.0	
Technology	(1.0)	48.6	22.5	27.4	29.1	22.4	
Construction	16.6	36.8	10.2	17.7	10.2	12.1	
Energy	13.6	10.8	-	-	10.8	9.6	
Health care	(3.0)	36.1	23.6	29.8	23.6	29.1	
Ind Prod	(5.2)	24.9	14.7	21.9	14.7	14.2	
REIT	0.1	0.0	-	-	-	-	
Telco	(1.4)	28.6	19.8	24.2	28.6	21.1	
Transportations	5.9	27.5	-	-	14.2	14.5	
Utilities	29.2	17.8	-	-	13.4	12.9	

Source: Bloomberg

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