



DAILY NEWSWATCH

MARKET REVIEW

The FBMKLCI experienced a notable rebound on Friday, propelled by a wave of improved regional sentiment, driven by China's release of better-than-expected economic data. Market breadth was positive with 550 gainers and 387 losers. The construction sector was the top gainer increasing by +2.27%, while the health care sector was the top loser declining by -0.16%. UTDPLT (2089) was the top gainer surging by RM0.60 or 3.6%. The FBMKLCI rose by +0.65% to 1,459.03.

ECONOMICS

- **Oil Prices** hit 10-month high on supply constraints and Chinese demand optimism
- **China's** industrial output and retail sales beat expectations, but property investment slumps

COMPANY

- **ASTRO (6399)** acquires Basecamp Films to form Astro Sound+ Vision
- **MN Holdings (0245)** awarded RM40.1 mil project in Perak
- **Solid Automotive (5242)** to gain RM48 mil from land disposal in JB
- **Rapid Synergy (7765)** to gain RM7 mil from disposal of land in Perak

EXPRESSO FOR THE DAY

- **Technical Watch – APOLLO (6432)** – Entry Price RM5.14, Target Price RM5.64, Stop Loss RM4.39, Support RM4.88, Resistance RM5.14
- **Technical Watch – IJM (3336)** – Entry Price RM1.88, Target Price RM2.07, Stop Loss RM1.61, Support RM1.79, Resistance RM1.88

Local	Close	(%)
FBMKLCI	1,459.03	0.65
Volume (mil)	4,017.26	35.5
Value (RM'mil)	4,308.53	95.5
Gainers	550	
Losers	387	
Unchanged	428	

Foreign		(%)
Dow Jones	34,618.2	(0.8)
Nasdaq CI	13,708.3	(1.6)
S&P 500	4,450.3	(1.2)
FTSE 100	7,711.4	0.5
Nikkei 225	33,533.1	1.1
Shanghai CI	3,117.7	(0.3)
HSI	18,182.9	0.7
STI	3,280.7	1.0

Most Active	RM	Chg
SAPNRG	0.055	(0.005)
YTLPOWR	2.080	0.000
SUNREIT	1.450	(0.040)
VELESTO	0.260	0.010
UEMS	0.730	0.045

Top Gainer	RM	Chg
UTDPLT	17.060	0.600
MASTER	3.000	0.350
PCHEM	7.430	0.260
RAPID	24.080	0.240
SIMEPLT	4.580	0.180

Top Loser	RM	Chg
MPI	27.000	(0.820)
NESTLE	129.700	(0.500)
PANAMY	19.040	(0.160)
PETDAG	22.660	(0.140)
PETGAS	16.960	(0.140)

Other Stats		(%)
USD/MYR	4.68	(0.02)
USD/RMB	7.28	(0.04)
WTI (USD/barrel)	93.93	0.25
Gold (USD/troy oz)	1,923.91	0.69
CPO (RM/metric t)	3,694.5	1.39

**DAILY NEWSWATCH****ECONOMICS**

COMMODITIES: Oil prices reached a 10-month high, with Brent crude settling at \$93.93 a barrel and US West Texas Intermediate at \$90.77 a barrel, marking their third consecutive weekly gain. The increase is driven by Saudi Arabian production cuts, optimism surrounding Chinese demand, and concerns about supply constraints, particularly after Saudi Arabia and Russia extended their supply cuts. Additionally, better-than-expected industrial and retail data from China and expectations of reduced US oil output contributed to the price surge. (Reuters)

CHINA: China's industrial output and retail sales exceeded expectations, with industrial output growing at a quicker pace in August, indicating that recent support policies may be stabilizing the economy. Despite these positive signs, the deteriorating property investment sector could continue to weigh on economic growth. Moody's recently downgraded China's property sector outlook to negative, expecting contracted sales to decline by about 5% over the next six to 12 months. (Reuters)

COMPANY

Astro Malaysia Holding's (6399) subsidiary Astro Productions, has signed an asset purchase agreement with Basecamp Films, a visual post-production studio, to integrate Basecamp Films' staff and expertise into a new unit called "Astro Sound+Vision." This new unit aims to provide world-class audio and visual post-production services for various video content, including films, TV series, shows, and commercials, positioning Astro to deliver high-quality video content services for both internal and external clients. (The Star)

MN Holdings Bhd's (0245) subsidiary, Mutu Nusantara Sdn Bhd, has been awarded a RM40.1 million turnkey project to construct the main distribution substation network for a residential development in Taman Lagenda, Teluk Intan, Perak. The project, awarded by Taraf Nusantara Sdn Bhd, a subsidiary of Lagenda Properties Bhd, is slated to run from September 2023 to September 2024. (The Star)

Solid Automotive Bhd (5242), engaged in automotive parts and components trading and distribution, will sell 4.04 hectares of leasehold land in Johor Bahru to Ferrotec Power Semiconductor Malaysia Sdn Bhd for RM48.00 million. This move is expected to yield a pro forma net gain of approximately RM34.23 million for Solid Automotive and is set to be completed by the first quarter of 2024, contributing positively to the group's earnings for the financial year 2024. (The Star)

Rapid Synergy Bhd (7765), has sold 6,653/10,000 undivided shares of a land parcel in Manjung, Perak, measuring 303,487 sq ft, along with a shopping complex and a temporary building, to Yokado Sdn Bhd for RM22.89 million in cash. While the sale price is 23.54% lower than the market value, the company expects to report a gain of RM7 million from the sale, which will be used for working capital, business expansion, and repaying bank borrowings. (The Edge)



Apollo Food Holdings Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: APOF MK | KLSE Stock Code: 6432

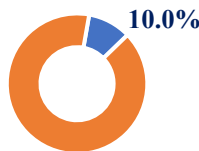
Main Market
Consumer Products & Services
Subsector – Food & Beverages
Current Price: RM5.14
Target Price: RM5.64

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: 0
Hold: 0
Sell: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	18.5	17.4	14.9
P/B	1.3	1.2	1.1
P/CF	27.4	17.3	13.3
P/S	1.4	1.4	1.3

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

Company Overview

Apollo Food Holdings Berhad. is an investment holding company. Through its subsidiaries, the Company manufactures, trades, markets, and distributes compound chocolates and chocolate confectionery products and cakes.



Research Team

research@mersec.com.my

Entry Price	RM5.14
Market Cap (m)	RM411.2
52w high	RM5.15
52w low	RM3.60
Stop Loss	RM4.39
Immediate Support	RM4.88
Immediate Resistance	RM5.14 (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)	40,095.2



IJM Corporation Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: IJM MK| KLSE Stock Code: 3336

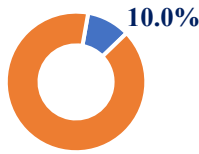
Main Market
Construction
Subsector – Construction
Current Price: RM1.88
Target Price: RM2.07

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 > 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



Buys: 9
Holds: 9
Sells: 1

Company Overview

IJM Corporation Berhad is an investment holding company that provides construction services. The Company, through its subsidiaries, operates in property development, provides quarrying services, manufactures and sells premix products, cultivates oil palm, and provides education services.



Research Team

research@mersec.com.my

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	38.1	26.1	19.6
P/BV	0.5	0.6	0.7
P/CF	5.3	20.3	24.6
P/S	1.2	1.0	1.2

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

Entry Price	RM1.88
Market Cap (m)	RM6,591.6
52w high	RM1.88
52w low	RM1.43
Stop Loss	RM1.61
Immediate Support	RM1.79
Immediate Resistance	RM1.88 (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)	1,200,325.7



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
21/8/2023	PowerRoot	7237	2.190	1.990	1.870	2.410	-0.995	-9.1	-
21/8/2023	UMW	4588	4.610	4.770	3.940	5.070	0.000	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	0.580	0.627	0.630	5.455	1.8	-
23/8/2023	Wellspire	0271	0.830	0.680	0.710	0.910	-1.449	-18.1	SL Triggered
23/8/2023	Frontken	0128	3.430	3.280	2.930	3.770	0.923	-4.4	-
24/8/2023	Yinson	7293	2.600	2.540	2.220	2.860	1.600	-2.3	-
24/8/2023	MSM	5202	1.150	1.500	0.980	1.270	0.671	30.4	TP Achieved
25/8/2023	Aurelius	5302	2.740	2.500	2.340	3.010	-1.186	-8.8	-
25/8/2023	CGB	8052	2.300	2.490	1.970	2.530	0.000	8.3	-
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	20.060	16.890	21.740	0.804	1.5	-
29/8/2023	E&O	3417	0.600	0.580	0.510	0.66	2.655	-3.3	-
29/8/2023	IOIProp	5247	1.570	1.590	1.340	1.73	0.000	1.3	-
30/8/2023	HapSeng	3034	4.090	4.120	3.500	4.49	0.733	0.7	-
30/8/2023	United U-Li	7133	1.250	1.520	1.070	1.38	-1.935	21.6	TP Achieved
1/9/2023	ATA IMS	8176	0.320	0.340	0.270	0.35	0.000	6.3	-
1/9/2023	ILB	5614	0.660	0.685	0.560	0.730	0.735	3.8	-
4/9/2023	MNRB	6459	1.130	1.170	0.970	1.240	0.862	3.5	-
4/9/2023	CIMB	1023	5.740	5.780	4.910	6.310	1.582	0.7	-
5/9/2023	Silver Ridge	0129	0.680	0.725	0.580	0.743	-0.685	6.6	-
5/9/2023	Tashin	0211	0.410	0.385	0.350	0.446	0.000	-6.1	-
6/9/2023	BoilerMech	0168	0.975	0.935	0.830	1.073	-1.058	-4.1	-
6/9/2023	UEMEgenta	1368	1.030	1.130	0.880	1.133	-0.877	9.7	TP Achieved
7/9/2023	Pchem	5183	7.200	7.430	6.160	7.920	3.626	3.2	-
7/9/2023	PIE	7095	2.950	2.930	2.520	3.250	0.687	-0.7	-
8/9/2023	UWC	5292	3.580	3.800	3.400	3.940	-0.524	6.1	-
8/9/2023	PMBTECH	7172	3.850	3.520	0.630	4.240	-3.030	-8.6	-
11/9/2023	HapSeng	3034	4.160	4.120	3.560	4.580	0.733	-1.0	-
11/9/2023	Sealink	5145	0.190	0.190	0.160	0.210	11.765	0.0	SL Triggered
12/9/2023	Suria	6521	1.550	1.540	1.330	1.710	-0.645	-0.6	-
12/9/2023	PChem	5183	7.230	7.430	6.180	7.953	3.626	2.8	-
13/9/2023	RCE Capital	9296	2.410	2.550	2.060	2.651	-0.778	5.8	-
13/9/2023	PMCorp	4081	0.200	0.205	0.170	0.220	0.000	2.5	-
14/9/2023	SuperLN	7235	0.670	0.680	0.570	0.730	0.000	1.5	-
14/9/2023	Penta	7160	5.430	5.400	4.640	5.970	0.372	-0.6	-
15/9/2023	BermazAuto	5248	2.400	2.400	2.050	2.640	0.000	0.0	-
15/9/2023	Aurelius	5302	2.530	2.500	2.160	2.78	-1.186	-1.2	-
18/9/2023	ApolloFoods	6432	5.140	5.140	4.390	5.650	4.684	0.0	-
18/9/2023	IJM	3336	1.880	1.880	1.610	2.07	5.618	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	5.40	0.80	14.87
UOA DEVELOPMENT BERHAD	PROPERTY	1.70	0.23	13.71
MBM RESOURCES BHD	CONSUMER	3.73	0.39	10.54
YTL HOSPITALITY REIT	REITs	1.01	0.09	9.31
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.49	0.04	8.57
HEKTAR REITS	REITs	0.60	0.05	8.50
TALIWORKS CORPORATION BHD	UTILITIES	0.80	0.07	8.38
UOA REITS	REITs	1.09	0.09	7.89
SENTRAL REIT	REITs	0.82	0.06	7.80
BERMAZ AUTO BERHAD	CONSUMER	2.40	0.19	7.75
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.90	0.07	7.71
SPORTS TOTO BERHAD	CONSUMER	1.54	0.12	7.66
SCICOM (MSC) BHD	IND. PROD.	1.11	0.09	7.66
BONIA CORPORATION BHD	CONSUMER	1.80	0.14	7.61
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.57	0.71	7.42

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)				
		5 - Years			Current	1 Yr – Fwd
		High	Low	Avg		
KLCI	(2.4)	24.1	17.0	18.8	14.7	13.2
Finance	(1.0)	13.0	10.2	12.4	10.2	9.7
Property	32.2	25.1	7.4	11.4	10.4	-
Plantation	(0.7)	95.5	14.4	36.8	14.4	17.2
Consumer	(5.3)	22.5	16.6	21.8	16.6	15.0
Technology	(1.0)	48.6	22.5	27.4	29.1	22.4
Construction	20.7	36.8	10.6	17.8	10.6	12.6
Energy	15.2	10.9	-	-	10.9	9.7
Health care	(3.4)	36.1	23.5	29.8	23.5	29.1
Ind Prod	(4.0)	24.9	14.9	21.9	14.9	14.4
REIT	0.1	0.0	-	-	-	-
Telco	(1.5)	28.5	19.8	24.1	28.5	21.2
Transportations	6.5	27.5	-	-	14.2	14.5
Utilities	29.8	17.8	-	-	13.5	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.myEmail: mercurykl@mersec.com.my
