

# Daily Newswatch

## Market Review

The FBM KLCI concluded the day with minimal changes on Tuesday as investors exercised prudence in anticipation of interest rate determinations by the Federal Reserve. Market breadth was positive with 519 gainers and 406 losers. The energy sector was the top gainer increasing by +1.71%, while the plantation sector was the top loser declining by -0.30%. RAPID (7765) was the top gainer surging by RM4.00 or 20.0%. The FBMKLCI declined by -0.02% to 1,457.66.

## Economics

- Climbing supply worries propel **oil prices** to their highest levels in 10 months
- China's **copper sector** faces difficulties instead of booming

## Companies

- **Ni Hsin (7215)** forms partnership with VMoto from China
- **Ewein (7249)** purchases Penang property for RM40 million
- **Cape EMS (5311)** completes RM77 million acquisition of iConn
- **Genting (2291)** makes positive strides towards sustainability
- **I-BHD (4251)** and Wyndham collaborates to introduce Wyndham Suites KLCC

## Expresso for the Day

- **Technical Watch – OMESTI (9008)** Entry Price: RM0.36, Target Price: RM0.39, Stop Loss: RM0.31, Support: RM0.34, Resistance: RM0.38
- **Technical Watch – MUHIBAH (5703)** Entry Price: RM0.73, Target Price: RM0.80, Stop Loss: RM0.62, Support: RM0.69, Resistance: RM0.76

Local	Close	(%)
FBMKLCI	1,457.66	(0.02)
Volume (mil)	3,947.27	16.7
Value (RM'mil)	2,138.39	0.8
Gainers	519	
Losers	406	
Unchanged	453	
Foreign	Close	(%)
Dow Jones	34,608.8	(0.7)
Nasdaq CI	13,684.0	(0.6)
S&P 500	4,452.7	(0.7)
FTSE 100	7,655.9	0.1
Nikkei 225	33,533.1	N/A
Shanghai CI	3,125.9	(0.0)
HSI	17,930.6	0.4
STI	3,263.4	(0.7)
Most Active	RM	Chg (RM)
SAPNRG	0.055	(0.005)
KNM	0.120	0.015
MERSEC	0.300	0.050
ICON	0.130	0.015
UEMS	0.850	0.005
Top Gainer	RM	Chg (RM)
RAPID	24.000	4.000
PETDAG	23.420	0.260
NESTLE	129.900	0.200
IMASPRO	5.470	0.150
ITMAX	1.670	0.150
Top Loser	RM	Chg (RM)
PPB	15.800	(0.200)
MPI	27.040	(0.120)
PMBTECH	3.070	(0.120)
PENTA	5.300	(0.090)
ULICORP	1.460	(0.080)
Other Stats	RM	(%)
USD/MYR	4.69	0.13
USD/RMB	7.30	0.27
Brent (USD/barrel)	94.45	0.55
Gold (USD/troy oz)	1,927.29	0.18
CPO (RM/metric t)	3,694.0	(0.77)

# Daily Newswatch

## Economics

On Tuesday, **oil prices surged by more than 1%**, reaching the highest levels in 10 months. This increase was driven by concerns over weak U.S. shale production, which added to worries stemming from extended production cuts implemented by Saudi Arabia and Russia. The global benchmark, Brent crude futures, rose by \$1.13, equivalent to a 1.2% increase, reaching \$95.56 per barrel by 11:14 a.m. EDT (1514 GMT). It even reached a peak of \$95.96 per barrel during the session, marking the highest price since November. Similarly, U.S. West Texas Intermediate crude futures saw a gain of \$1.48, or 1.6%, reaching \$92.96 per barrel, with a high point of \$93.74 per barrel, also the highest since November. These price movements mark the fourth consecutive session of gains. (Reuters)

In the largest **global consumer of copper**, demand for this metal is declining during a period when it typically experiences an uptick. Although the copper market, typically considered a gauge of economic well-being, is receiving some backing from the shift toward clean energy and Beijing's attempts to stimulate economic growth, purchasers are uncertain. The perspective from the manufacturing sector remains cautious due to squeezed profit margins and diminishing profits. (The Edge)

## Companies

**Ni Hsin Group Berhad's (7215)** wholly-owned subsidiary, Ni Hsin EV Tech Sdn Bhd, has inked an exclusive assembly and distribution agreement (EADA) with China's Nanjing Vmoto Manufacturing Co Ltd (VMoto). Under this agreement, Ni Hsin gains exclusive rights for the assembly, inventory management, marketing, rental/leasing, and distribution of VMoto's electric motorcycle models CPX-Pro and TC-Max in Malaysia. This EADA is set to remain in effect until December 31, 2026, as indicated in their official statement. (The Star)

**Ewein Berhad's (7249)** wholly-owned subsidiary, SkyDorm Sdn Bhd, has engaged in a sale and acquisition agreement with Tan Hong Soon and Tan Kean Hock for the procurement of a 3.93-hectare parcel of land in Seberang Perai Tengah, Penang, at a cost of RM39.8 million. As reported in their filing with Bursa Malaysia, Ewein highlighted that the land is a vacant, freehold property without any existing liabilities. The acquisition will be financed through internally generated funds and bank loans and is scheduled to be finalized within three months from yesterday. (The Star)

**Cape EMS Berhad (5311)** has entered into a conditional agreement to purchase iConn Inc for RM76.6 million from Hidirlar Family Trust (TH Trust), Rabia Hidirlar Investment Trust (RH Trust), and Low Kim Teck. The company has also proposed a private placement of up to 92.3 million new ordinary shares to independent investors at an undetermined price. Cape EMS stated that this strategic acquisition would incorporate iConn's design and engineering capabilities into Cape EMS's processes, expanding its range of services in the electronics manufacturing segment. This move is expected to enhance its attractiveness to both existing and potential customers. (The Star)

**Genting Plantations Berhad (2291)** is making significant strides towards securing a sustainable future, driven by improved seed yields and agricultural management solutions. The company is currently trading at an enterprise value per planted hectare of RM42,000, making it an attractive investment option in comparison to other large-cap stocks. (The Star)

**I-Berhad (4251)** has entered into a partnership with Wyndham Hotels & Resorts for its luxury condominium development in Kuala Lumpur City Centre (KLCC) with a gross development value (GDV) of RM820 mil. As a result of this collaboration, the luxury residences, situated in Zone 1 of KLCC, will now be known as Wyndham Suites KLCC. According to the Chairman of I-Berhad, this strategic partnership not only offers the pinnacle of luxury living but also provides property investors with the prestige of owning a part of the Wyndham legacy. (The Star)

# Omesti Berhad

Bloomberg: OMST:MK | KLSE Stock Code: 9008

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Omesti Berhad distributes and maintains computer equipment and software, develops application software and system integration, and provides hardware and software maintenance, network, information, and system integration services. Omesti provides computer consultant and contractor services.

### 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 > 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.

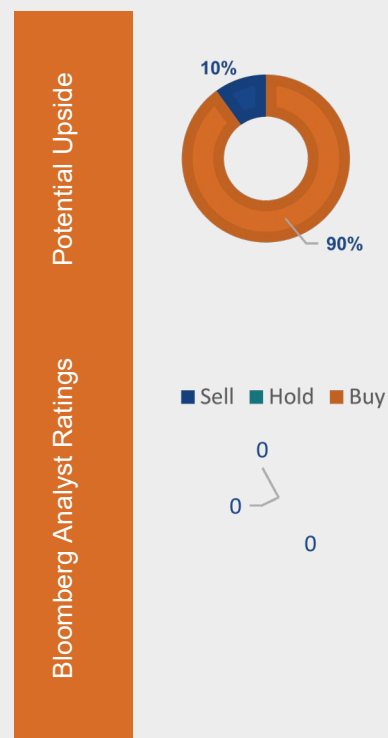
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	1.5	304.0	208.6
P/B	0.8	1.2	1.0
P/CF	27.6	51.8	40.6
P/S	0.9	0.9	0.7

Entry Price	RM0.36
Market Cap (m)	RM194.6
52w high	<b>RM0.48</b>
52w low	<b>RM0.28</b>
Stop Loss	RM0.31
Immediate Support	RM0.34
Immediate Resistance	RM0.38 (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)	964,778.9

### Main Market

Technology  
 Subsector – Digital Services  
 Current Price: RM0.36  
 Target Price: RM0.39



# Muhibbah Engineering (M) Berhad

Bloomberg: MUHI:MK | KLSE Stock Code: 5703

## Technical Watch

“BUY on Potential Upside”

### Company Overview

Muhibbah Engineering (M) Bhd is an investment holding company which provides civil, marine, and structural engineering contract works. Through its subsidiaries, the Company also manufactures engineering products and distributes and markets construction materials. Muhibbah also repairs and builds ship, produces and leases cranes, trades computer hardware, and invests in properties.

### 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 > 50).

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.

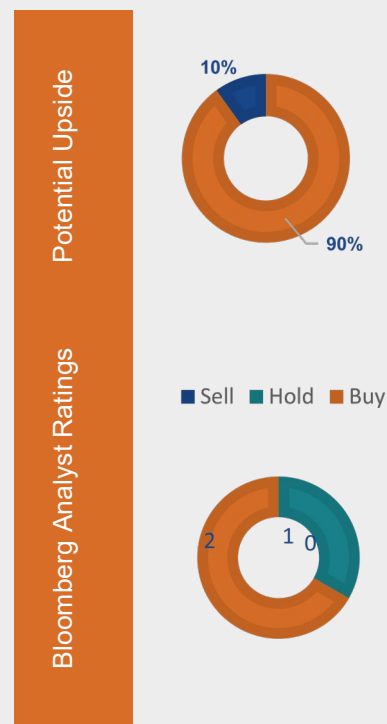
### Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	N/A	8.9	10.2
P/B	0.3	0.6	0.9
P/CF	3.2	73.0	46.8
P/S	0.4	0.5	0.6

Entry Price	RM0.73
Market Cap (m)	RM530.7
52w high	<b>RM0.81</b>
52w low	<b>RM0.40</b>
Stop Loss	RM0.62
Immediate Support	RM0.69
Immediate Resistance	RM0.76 (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)	1,257,238.1

### Main Market

Construction  
 Subsector – Construction  
 Current Price: RM0.73  
 Target Price: RM0.80





## Technical Analysis Scoreboard

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
23/8/2023	Wellspire	0271	0.830	0.680	0.710	0.910	0.741	-18.1	SL Triggered
23/8/2023	Frontken	0128	3.430	3.200	2.930	3.770	-1.235	-6.7	-
24/8/2023	Yinson	7293	2.600	2.500	2.220	2.860	0.000	-3.8	-
24/8/2023	MSM	5202	1.150	1.460	0.980	1.270	1.389	27.0	TP Achieved
25/8/2023	Aurelius	5302	2.740	2.600	2.340	3.010	1.563	-5.1	-
25/8/2023	CGB	8052	2.300	2.470	1.970	2.530	-0.403	7.4	-
28/8/2023	UMS	7137	1.900	1.950	1.620	2.090	N/A	2.6	-
28/8/2023	Hong Leong	5819	19.760	19.900	16.890	21.740	-0.798	0.7	-
29/8/2023	E&O	3417	0.600	0.600	0.510	0.660	-2.439	0.0	-
29/8/2023	IOIProp	5247	1.570	1.630	1.340	1.730	3.165	3.8	-
30/8/2023	HapSeng	3034	4.090	4.480	3.500	4.490	4.918	9.5	-
30/8/2023	United U-Li	7133	1.250	1.460	1.070	1.380	-5.195	16.8	TP Achieved
1/9/2023	ATA IMS	8176	0.320	0.360	0.270	0.350	2.857	12.5	-
1/9/2023	ILB	5614	0.660	0.700	0.560	0.730	-0.709	6.1	-
4/9/2023	MNRB	6459	1.130	1.130	0.970	1.240	-0.877	0.0	-
4/9/2023	CIMB	1023	5.740	5.750	4.910	6.310	-0.174	0.2	-
5/9/2023	Silver Ridge	0129	0.680	0.750	0.580	0.743	4.167	10.3	-
5/9/2023	Tashin	0211	0.410	0.390	0.350	0.4455	2.632	-4.9	-
6/9/2023	BoilerMech	0168	0.975	0.920	0.830	1.073	-1.604	-5.6	-
6/9/2023	UEMEgenta	1368	1.030	1.150	0.880	1.133	0.000	11.7	TP Achieved
7/9/2023	Pchem	5183	7.200	7.300	6.160	7.920	0.413	1.4	-
7/9/2023	PIE	7095	2.950	2.940	2.520	3.250	0.000	-0.3	-
8/9/2023	UWC	5292	3.580	3.820	3.400	3.940	0.000	6.7	-
8/9/2023	PMBTECH	7172	3.850	3.070	0.630	4.240	-3.762	-20.3	-
11/9/2023	HapSeng	3034	4.160	4.480	3.560	4.580	4.918	7.7	-
11/9/2023	Sealink	5145	0.190	0.185	0.160	0.210	0.000	-2.6	SL Triggered
12/9/2023	Suria	6521	1.550	1.530	1.330	1.710	-0.649	-1.3	-
12/9/2023	PChem	5183	7.230	7.300	6.180	7.953	0.413	1.0	-
13/9/2023	RCE Capital	9296	2.41	2.440	2.06	2.651	-1.215	1.2	-
13/9/2023	PMCorp	4081	0.2	0.205	0.17	0.220	0.000	2.5	-
14/9/2023	SuperLN	7235	0.670	0.675	0.570	0.730	0.000	0.7	-
14/9/2023	Penta	7160	5.430	5.300	4.640	5.970	-1.670	-2.4	-
15/9/2023	BermazAuto	5248	2.400	2.410	2.050	2.64	0.000	0.4	-
15/9/2023	Aurelius	5302	2.530	2.600	2.160	2.78	1.563	2.8	-
18/9/2023	ApolloFoods	6432	5.140	5.450	4.390	5.65	0.000	6.0	-
18/9/2023	IJM	3332	1.880	1.820	1.610	2.07	-1.622	-3.2	-
19/9/2023	ScanWolf	7239	0.47	0.470	0.402	0.517	0.000	0.0	-
19/9/2023	Ramssol	0236	0.45	0.470	0.385	0.495	4.444	4.4	-
20/9/2023	Omesti	9008	0.36	0.360	0.308	0.396	7.463	0.0	-
20/9/2023	Muhibbah	5703	0.73	0.730	0.624	0.803	2.817	0.0	-

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
TIME DOTCOM BERHAD	TELCO	5.33	0.73	13.75
UOA DEVELOPMENT BERHAD	PROPERTY	1.73	0.20	11.56
MBM RESOURCES BHD	CONSUMER	3.71	0.39	10.59
YTL HOSPITALITY REIT	REITs	1.02	0.09	9.22
TALIWORKS CORPORATION BHD	UTILITIES	0.80	0.07	8.43
ASTRO MALAYSIA HOLDINGS BERHAD	TELCO	0.50	0.04	8.40
HEKTAR REITS	REITs	0.60	0.05	8.57
UOA REITS	REITs	1.09	0.09	7.89
SENTRAL REIT	REITs	0.83	0.06	7.71
KIP REAL ESTATE INVESTMENT TRUST	REITs	0.89	0.07	7.75
BERMAZ AUTO BERHAD	CONSUMER	2.41	0.19	7.72
BONIA CORPORATION BHD	CONSUMER	1.80	0.14	7.61
SPORTS TOTO BERHAD	CONSUMER	1.56	0.12	7.56
SCICOM (MSC) BHD	IND PROD	1.10	0.09	7.73
BRITISH AMERICAN TOBACCO (M)	CONSUMER	9.57	0.68	7.05

Source: Bloomberg

*User guide: Mercury Securities compiles a list of dividend-yielding stocks for conservative long-term passive investors looking for regular income whilst capping downside risk of their investment.*

*Methodology: The list above includes stocks that have a high dividend yield, estimated to be greater than 4% per annum. These stocks also have a history of paying dividends consistently, having paid dividends for the past 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. 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
		High	Low	Average		
KLCI	(2.5)	24.1	17.0	18.8	14.6	13.3
Finance	(1.1)	13.0	10.2	12.4	10.2	9.8
Property	34.7	25.1	7.4	11.5	10.6	N/A
Plantation	(1.8)	95.5	14.2	36.8	14.2	16.9
Consumer	(4.8)	22.5	16.7	21.9	16.7	15.1
Technology	(0.8)	48.6	22.5	27.4	29.1	22.5
Construction	19.3	36.8	10.5	17.8	10.5	12.4
Energy	17.0	11.1	-	-	11.1	9.8
Healthcare	(2.9)	36.1	23.6	29.8	23.6	29.5
Ind. Prod.	(4.5)	24.9	14.9	21.9	14.9	14.2
REIT	(0.1)	0.0	-	-	N/A	N/A
Telco	(0.5)	28.8	19.8	24.3	28.8	21.5

Source: Bloomberg



# Disclaimer & Disclosure of Conflict of Interest

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as “believe”, “estimate”, “intend” and “expect” and statements that an event or result “may”, “will” or “might” occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. (“Mercury Securities”) and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities’ website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

## Published & Printed By:

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)