

**04 Jul 2024**

# | Daily Digest

**Key indices**

	Close	Chg	% Chg
KLCI	1,615	17	1.1
FBM EMAS	12,461	148	1.2
DJIA	39,332	162	0.4
NASDAQ	18,029	149	0.8
FTSE	8,160	39	0.5
HSI	17,979	209	1.2
NIKKEI	40,581	506	1.2
STI	3,409	41	1.2
KOSPI	2,794	13	0.5

Source: Bloomberg

**Market data**

	Close	3MMA	12MMA
Volume (m)	5,394	4,890	3,944
Value (RM m)	3,988	3,662	2,717

  

	Close	Prev	% Chg
CPO	4,097	4,040	1.4
RM/ US\$	4.72	4.72	0.0
Crude oil (brent)	86.5	86.2	0.3
MGS 10 yr	3.87	3.88	-0.2

Source: Bloomberg, CIMB Securities

**Relative performance**
**(CIMB Securities)**

Top gainers (%)	1M	3M	12M
WCT HOLDINGS	52	57	87
ANN JOO	27	12	15
IJM CORP	20	34	91
MAH SING	19	40	151
TSH RESOURCES	17	5	15
INARI AMERTRON	17	15	19
LOTTE CHEMICAL	16	7	(7)
VITROX CORP	12	6	(8)
MALAKOFF	11	19	18
GAMUDA	10	25	31

  

Top losers (%)	1M	3M	12M
JENTAYU	(24)	(33)	(30)
PETDAG	(13)	(25)	(28)
CELCOMDIGI	(7)	(20)	(21)
PCHEM	(7)	(10)	(21)
AXIATA	(7)	(5)	(1)
BAT	(7)	(1)	(18)
MRCB	(6)	(10)	24
SIME DARBY	(5)	(5)	0
BERJAYA FOOD	(5)	(12)	(17)
AIRASIA X	(5)	7	(27)

Source: Bloomberg

**Telecoms – U are alive and kicking!**

U Mobile achieved a robust 6% service revenue growth and 0.6% pts RMS gains in FY23. All profitability metrics improved, though core net profit stayed low as interest cost on SHA climbed. Net debt (ex-SHA & RCPS)/EBITDA fell to 2.0x at end-2023 (end-2022: 2.5x), while term loan and SHA repayment periods were extended up to 2028. U Mobile appears to be in decent financial shape to compete in the market and tender (potentially as a consortium member) for the right to build the second 5G network.

**Bursa Malaysia – Higher ADV to boost 2Q24F earnings**

We expect Bursa to record its highest ever quarterly core net profit (outside the COVID-19 period) in 2Q24F of c.RM81-87m. This represents a growth of c.8-16% qoq and c.67-79% yoy. We observed that securities ADV (OMT) in 2Q24 improved 23% qoq and 2x yoy with a trading velocity of c.44%. We raised our FY24-26F core EPS forecasts by 9-10%, as we expect the market to remain buoyant driven by positive sentiment on a steady rise in direct investments. Correspondingly, our **DCF-derived TP is increased to RM9.12**, implying a P/E of 25x FY25F. Maintain Hold.

**| News Headlines**

- MyEG teams up with Credit Bureau Malaysia to offer self-check service for individual credit reports
- Mah Sing plans RM1bn project on Taman Desa land it buys for RM108m
- Siab Holdings bags RM176m construction job in Penang
- Naim Holdings' unit to dispose of Samarahan land for RM223.38m
- Greatech proposes one-for-one bonus issue
- WCT to establish REIT comprising retail properties, list it on Main Market

## Newsflow

### **MyEG teams up with Credit Bureau Malaysia to offer self-check service for individual credit reports**

MyEG Services Bhd is teaming up with credit reporting agency Credit Bureau Malaysia Sdn Bhd (CBM) to offer a self-check service for individual credit reports. This will be done by integrating CBM's MySCoRE on the MyEG portal. Similar to MyEG's existing service with CTOS, users can now easily obtain their MySCoRE credit reports through the MyEG portal. *[The Edge]*

### **Mah Sing plans RM1bn project on Taman Desa land it buys for RM108m**

Mah Sing Group is acquiring land in Taman Desa, Kuala Lumpur for RM108m which will be developed into serviced apartments and affordable housing units. The planned development is estimated to have a gross development value of RM1.01bn. Mah Sing plans to develop the land in two phases, the first being 1,600 serviced apartments spread over 3.7 acres dubbed as M Aspira and the second phase, Residensi Madani, under the affordable housing programme. *[The Edge]*

### **Siab Holdings bags RM176m construction job in Penang**

Siab Holdings has bagged a RM176.18m contract from Exsim Noordin Sdn Bhd to build a heritage building and a 29-storey serviced apartment building in George Town, Penang. The 30-month projects entails the addition of seven units to the existing four of a two-storey heritage building, and the conversion of two units from residential to commercial, as well as the construction of a 29-storey serviced apartment building in George Town, Penang. *[The Edge]*

### **Naim Holdings' unit to dispose of Samarahan land for RM223.38m**

Naim Holdings is disposing of a parcel of land in Samarahan, Sarawak to Onlyee Flora Sdn Bhd for RM223.38m. The 180.8-hectare mixed-zone vacant land is owned by Naim's wholly-owned subsidiary, Naim Land Sdn Bhd. The transaction price represents a 4% premium over the current market value of RM215m, as appraised by independent valuer VPC Alliance (Sarawak) Sdn Bhd. The disposal is part of its commitment to ensure long-term sustainability in its business operations. *[The Edge]*

### **Greatech proposes one-for-one bonus issue**

Greatech Technology Bhd has proposed a one-for-one bonus issue, entailing the issuance of up to 1.25bn new shares. The entitlement date will be determined after all relevant approvals for the bonus issue have been obtained. The bonus issue is to reward shareholders and encourage the trading liquidity of its shares on the stock exchange. The group noted that as of June 21, its issued share capital was RM122.53m, comprising 1.25bn shares. *[The Edge]*

### **WCT to establish REIT comprising retail properties, list it on Main Market**

WCT Holdings Bhd has proposed to establish a real estate investment trust (REIT) comprising its retail properties, and list it on the Main Market of Bursa Malaysia. This will allow the group to unlock the value of its investments in the properties. It said the proceeds to be raised from the REIT listing will be used to pare down borrowings and capitalise on strategic business opportunities. The five malls have a combined retail lettable area of 3.4m sq ft. *[The Edge]*

## Forthcoming Events

Date	Event
28 Jun 2024	Detailed Disclosure of International Reserves as at end-May 2024
28 Jun 2024	Monthly Highlights & Statistics for May 2024
5 Jul 2024	International Reserves of BNM as at 28 Jun 2024
11 Jul 2024	Monetary Policy Statement 4th/2024
22 Jul 2024	International Reserves of BNM as at 15 Jul 2024
31 Jul 2024	Detailed Disclosure of International Reserves as at end-Jun 2024
31 Jul 2024	Monthly Highlights & Statistics for Jun 2024

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Source: Bank Negara, CIMB Securities

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<b>Buy</b>	The stock's total return is expected to exceed 10% over the next twelve (12) months.
<b>Hold</b>	The stock's total return is expected to be between 0% and positive 10% over the next twelve (12) months.
<b>Reduce</b>	The stock's total return is expected to fall below 0% or more over the next twelve (12) months.
	<i>Note: The total expected return of a stock is defined as the sum of:</i> (a) <i>the percentage difference between the target price and the current price; and</i> (b) <i>the forward net dividend yields of the stock. Stock price targets have an investment horizon of twelve (12) months</i>
<b>Sector Rating</b>	<b>Definition</b>
<b>Overweight</b>	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
<b>Neutral</b>	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
<b>Underweight</b>	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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