

05 Jul 2024

| Daily Digest

Key indices

	Close	Chg	% Chg
KLCI	1,617	1	0.1
FBM EMAS	12,477	16	0.1
DJIA	39,308	(24)	(0.1)
NASDAQ	18,188	160	0.9
FTSE	8,232	61	0.7
HSI	18,028	50	0.3
NIKKEI	40,914	333	0.8
STI	3,440	24	0.7
KOSPI	2,825	31	1.1

Source: Bloomberg

Market data

	Close	3MMA	12MMA
Volume (m)	4,930	4,932	3,964
Value (RM m)	3,791	3,696	2,735

	Close	Prev	% Chg
CPO	4,103	4,097	0.2
RM/ US\$	4.71	4.72	-0.2
Crude oil (brent)	86.9	87.3	-0.5
MGS 10 yr	3.87	3.87	-0.2

Source: Bloomberg, CIMB Securities

Relative performance
(CIMB Securities)

Top gainers (%)	1M	3M	12M
WCT HOLDINGS	68	81	109
ANN JOO	23	8	12
LOTTE CHEMICAL	21	6	(11)
IJM CORP	21	35	97
GAMUDA	17	31	43
INARI AMERTRON	16	16	20
MALAKOFF	15	24	19
MAH SING	15	39	153
TUNE PROTECT	15	14	(14)
TSH RESOURCES	15	4	16

Top losers (%)	1M	3M	12M
JENTAYU	(23)	(33)	(29)
ASTRO (M)	(17)	(5)	(28)
PETDAG	(11)	(24)	(25)
AXIATA	(11)	(5)	(6)
SIME DARBY	(7)	(9)	1
PCHEM	(7)	(11)	(22)
CELCOMDIGI	(7)	(18)	(20)
MAXIS	(6)	(4)	(18)
AMWAY (M)	(5)	(10)	12
GENTING (M)	(5)	(11)	(16)

Source: Bloomberg

Technology – AI sparks semis upcycle

We **upgrade** the Malaysian Technology sector to **Overweight** as we believe it has entered a new upcycle with a potential for valuation re-rating. This is based on improving earnings visibility led by AI, accelerating supply chain diversification, and favorable government policies promoting the semiconductor and E&E sectors. In the early cycle recovery, we prefer OSATs over ATE, with Inari and MPI as our preferred sector picks.

Agriculture & Forestry – Palm oil stock preview for June 24

According to findings from a survey conducted in certain palm oil areas, we estimate Malaysia's CPO output in June 2024 at 1.62m tonnes (-5% mom, +12% yoy). Palm oil exports, as reported by cargo surveyors Intertek Testing Services (ITS) and Amspec Malaysia, likely experienced a 12% mom decrease to 1.21m tonnes (-12% for ITS, and -15% for Amspec Malaysia) in June. Based on these figures, we estimate that Malaysia's palm oil inventory likely rose by 5% mom, reaching 1.84m tonnes by the end of June 2024

WCT Holdings – Finally, a REIT on the horizon?
| News Headlines

- Toyo Ventures confirms termination of Song Hau 2 thermal power plant project in Vietnam
- Keyfield secures two contracts totalling RM40m to supply accommodation workboats
- Awantec bags RM26m contract to provide cloud-based solutions to all schools under MOE
- MMAG's air cargo unit inks interline deal with Teleport
- NTT DATA Japan's bid to delist GHL Systems crosses 90% threshold
- Former Mudajaya employee appeals court order to pay group RM43.6m

Newsflow

Toyo Ventures confirms termination of Song Hau 2 thermal power plant project in Vietnam

Toyo Ventures Holdings Bhd has confirmed the termination of the Song Hau 2 thermal power plant project by the Vietnamese government. Toyo Ventures had received a letter from Vietnam's Ministry of Industry and Trade (MOIT) on July 1, 2024. MOIT's letter stated that the 90-day period since the issuance of the "Notice of Intention to Terminate" had expired, however, SH2P has still not remedied the financial arrangement for the project. *[The Edge]*

Keyfield secures two contracts totalling RM40m to supply accommodation workboats

Keyfield International Bhd has successfully secured two contracts, totalling RM40m, to supply accommodation workboats. The contracts involve providing an accommodation work barge and an anchor handling tug supply vessel for Hess Exploration and Production Malaysia BV's offshore operations. The contracts, which commenced in Jun 2024 and Jul 2024, are for a charter period of five months and six months respectively. *[The Edge]*

Awantec bags RM26m contract to provide cloud-based solutions to all schools under MOE

AwanBiru Technology Bhd has bagged a RM25.69m contract from the Ministry of Education (MOE) to provide cloud-based solutions, such as Google Workspace for Education and Google Cloud Platform, to all schools under the MOE. The project presents a positive opportunity as it aligns with its strategic goals and will contribute to its growth and success. Awantec had accepted a letter of award (LOA) issued by the MOE. *[The Edge]*

MMAG's air cargo unit inks interline deal with Teleport

MMAG Holdings Bhd said its 80%-owned cargo unit MJets Air Sdn Bhd has inked a cargo interline agreement with Capital A Bhd's logistics arm Teleport Everywhere Pte Ltd to improve cargo operations. MJets and Teleport have agreed to carry out each other's cargo shipments on designated routes. The agreement is initially valid for 1 year, from Jul 1, 2024, to Jul 31, 2025, and have the option to extend the agreement for additional year. *[The Edge]*

NTT DATA Japan's bid to delist GHL Systems crosses 90% threshold

NTT DATA Japan Corp is now in control of GHL Systems Bhd after accumulating 92.71% of the payment solutions provider's total issued shares as at July 4, paving the way for GHL to be delisted from Bursa Malaysia. The offer will remain open for acceptances until 5pm on July 9. CIMB Investment Bank, which is acting on NTTD Japan's behalf in its privatisation bid, said the offeror does not intend to maintain the listing status of GHL on the Main Market of Bursa Malaysia. *[The Edge]*

Former Mudajaya employee appeals court order to pay group RM43.6m

Mudajaya Group Bhd said its former employee Michael Chua Khian Keng has filed an appeal to challenge the High Court's decision in the civil suit brought against him by the group. The court, in its decision on June 7, ruled that Chua and his wife, Tan Kah Lua, are liable to pay RM43.55m in relation to an acknowledged debt to Mudajaya. Additionally, they must pay interest at a rate of 5% per annum on the sum of RM43.55m from the date of judgment until final settlement. *[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

Source: Bank Negara, CIMB Securities

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Buy	The stock's total return is expected to exceed 10% over the next twelve (12) months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next twelve (12) months.
Reduce	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>
Sector Rating	Definition
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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