

16 Jul 2024

| Daily Digest

Key indices

	Close	Chg	% Chg
KLCI	1,630	11	0.7
FBM EMAS	12,633	92	0.7
DJIA	40,212	211	0.5
NASDAQ	18,473	74	0.4
FTSE	8,183	(70)	(0.9)
HSI	18,016	(277)	(1.5)
NIKKEI	41,191	(1,033)	(2.5)
STI	3,500	2	0.1
KOSPI	2,861	4	0.1

Source: Bloomberg

Market data

	Close	3MMA	12MMA
Volume (m)	5,364	5,038	4,024
Value (RM m)	3,954	3,821	2,789

	Close	Prev	% Chg
CPO	4,013	4,001	0.3
RM/ US\$	4.67	4.67	0.0
Crude oil (brent)	84.9	85.0	-0.2
MGS 10 yr	3.83	3.83	0.0

Source: Bloomberg, CIMB Securities

Relative performance
(CIMB Securities)

Top gainers (%)	1M	3M	12M
WCT HOLDINGS	42	102	119
GAMUDA	19	44	53
IJM CORP	18	38	104
PHARMANIAGA \	17	24	0
MALAYAN CEMENT	17	14	53
AFFIN BANK	17	10	33
WESTPORTS	14	17	15
SIME DARBY	8	(5)	14
BURSA MALAYSIA	7	22	27
MATRIX	7	3	22

Top losers (%)	1M	3M	12M
JENTAYU	(33)	(41)	(45)
ASTRO	(25)	(20)	(31)
LBS BINA	(14)	(0)	10
AXIATA GROUP	(11)	(5)	(9)
ANN JOO	(10)	(5)	(0)
PADINI	(9)	(6)	(12)
PETRONAS CHEM	(9)	(16)	(20)
YTL POWER INT	(8)	19	19
MUHIKBAH	(8)	2	5
DIALOG GROUP	(7)	(3)	9

Source: Bloomberg

Agriculture & Forestry – 2H24: A good time to accumulate

We believe 2H24 is a good time to start accumulating the Malaysian plantation companies. We believe the market has priced in ESG risks and concerns over EUDR implementation. Malaysian planters currently trade at the lower end of their price range from 2019. Structural palm oil supply issues and higher biodiesel mandate in Indonesia could drive CPO prices higher in 2025F. **Maintain Overweight** with SD Guthrie, IOI, Ta Ann and HSPlant as our top picks.

Gaming – Look past some speed bumps in 2H24F

GENM's 2H24F core EPS may be flat/slightly lower yoy due to the 2% pts hike in service tax in Malaysia and higher share of Empire losses. GENT may fare better, with core EPS flat/slightly higher, led by GENS. Still, we see GENM/GENT's core EPS growing by a healthy 35%/50% yoy in FY24F (FY25F: 20%/26%) led by the recovery in RWG and RWS visitor arrivals. While Thailand may legalise casinos in 2H24F, we estimate its first IR is likely to open only in 2029. **Maintain** sector **Overweight**. GENM is our top pick, with strong FY24-26F core EPS growth as the key re-rating catalyst.

Non-Bank Financials – Holding a steady course

Oil and Gas – Momentum set to continue

Power and Utilities – An exciting 2H awaits!

REITs – Stable landscape in 2H

Tech Manufacturing Services – Gearing up for a better 2H24

Telecoms – 2H24F: Decent earnings hoh & 5G clarity

Strategy – Weekly wrap and fund flows (#28/2024)

| News Headlines

- Citaglobal to set up SPV with China govt-linked unit for green energy projects in Pahang
- Advancecon inks JV with Perak govt to develop centralised labour quarters
- WCT clinches another Kwasa Land contract worth RM214m
- UUE Holdings gets RM27m underground cable contracts
- MGRC teams up with Kumpulan Penawar for genetic screening, therapy initiatives
- Econframe scraps plans to acquire 70% stake in industrial property builder

Newsflow

Citaglobal to set up SPV with China govt-linked unit for green energy projects in Pahang

Citaglobal Bhd has entered into a joint development framework agreement (JDFA) with Shanghai SUS Environment Co Ltd, a China government-linked entity, to develop waste-to-energy projects in Pahang. The collaboration will focus on converting municipal waste into green energy and developing agricultural waste such as empty fruit bunches (EFB) and palm oil sludge into biomass energy. The JDFA is legally binding and will be used for the incorporation of a joint special purpose vehicle (SPV). *[The Edge]*

Advancecon inks JV with Perak govt to develop centralised quarters

Advancecon Holdings Bhd is working with the Perak government for the development, construction, operation, management, and maintenance of centralised labour quarters (CLQs) in the state, with the aim of addressing the increasing demand from industrial manufacturers for workers' accommodation. Under the terms of the agreement, Advancecon Ventures will retain a 70% stake in the JV company, CLQ Silvervalley Sdn Bhd, while Perak Equity will hold the remaining 30% stake. *[The Edge]*

WCT clinches another Kwasa Land contract worth RM214m

WCT Holdings Bhd has secured another contract worth RM214m from Kwasa Land Sdn Bhd to undertake construction works at the Kwasa Damansara township development in Sungai Buloh. The contract was awarded to its wholly-owned unit WCT Bhd under work package contract two, which is related to the construction and completion of common infrastructure works phase one and a new vehicular underpass at Kwasa Damansara. *[The Edge]*

UUE Holdings gets RM27m underground cable contracts

UUE Holdings Bhd has secured two contracts worth RM26.93m. Both contracts involve installation, testing and commissioning of 11-kilovolt underground cables and accessories. UUE will have 730 days from the starting date to be informed later with an option to extend the contract period for another 365 days. The contracts were awarded by Komasi Engineering Sdn Bhd and Sutera Utama Sdn Bhd to UUE's wholly owned subsidiary Kum Fatt Engineering Sdn Bhd. *[The Edge]*

MGRC teams up with Kumpulan Penawar for genetic screening

Malaysian Genomics Resource Centre Bhd has signed agreements with Kumpulan Perubatan Penawar Sdn Bhd and Hospital Penawar Sdn Bhd to explore offering genetic screening services. The collaborations are focused on the "Origene All-in-One Report" product and its derivative, the "Childhood-Onset Disease Profile" for cell-gene therapies. MGRC will provide consultancy and technical support for their collaboration, including genetic screen-testing services. *[The Edge]*

Econframe scraps plans to acquire 70% stake in industrial property

Econframe Bhd is not proceeding with its plan to acquire a 70% stake in ETA World Sdn Bhd. This is because the conditions precedent in the agreement between Econframe and the seller of the stake, ETA Industries Sdn Bhd, had not been fulfilled within the specified timeframe. Following the termination, Econframe said it will receive an earnest deposit of RM1m within 7 days, along with the balance deposit of RM4.6m from ETA Industries. *[The Edge]*

Forthcoming Events

Date	Event
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
7 Aug 2024	International Reserves of BNM as at 31 July 2024
16 Aug 2024	Economic & Financial Developments in the 2nd Quarter 2024
22 Aug 2024	International Reserves of BNM as at 15 August 2024
30 Aug 2024	Detailed Disclosure of International Reserves as at end-July 2024
30 Aug 2024	Monthly Highlights & Statistics for July 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) the percentage difference between the target price and the current price; and (b) the forward net dividend yields of the stock. Stock price targets have an investment horizon of twelve (12) months
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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