

Daily Brief

Market View, News in Brief: Corporate and Economy

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Market View *On Hold Pending US Inflation Data*

Stocks traded sideways on Tuesday, as investors await more clues from economic data in the region on the immediate inflation trend. The FBM KLCI ended up 0.88 points at 1,538.42, off an early low of 1,532.07 and high of 1,540.51, as gainers led losers 570 to 472 on muted trade totalling 3.83bn shares worth RM3.04bn.

Supports at 1,525/1,502; Resistance at 1,599/1,580

The local market should stay on hold pending fresh leads, with trading likely to slow ahead of a local religious market and Good Friday holidays, and while investors await the closely watched US inflation index on Friday. Stronger index supports cushioning downside will be at 1,525 and 1,502, the respective rising 50-day and 100-day moving averages, with better support seen at 1,480. Immediate resistance remains at the recent 21-month high of 1,559, followed by 1,580, with stronger upside hurdle seen at the 1,600 level.

Bargain MRCB & UEM Sunrise

MRCB need a confirmed breakout above the 176.4%FP (69sen) to extend rally towards the 200%FP (74sen), with next resistance at the 223.6%FP (79sen), and key uptrend supports at the rising 50-day ma (59sen) and 100-day ma (52sen). UEM Sunrise will need to overcome the 138.2%FP (RM1.21) to sustain uptrend and target the 150%FP (RM1.30) and 161.8%FP (RM1.38) ahead, while key chart supports from the rising 50-day ma (RM1.03) and 100-day ma (92sen) cushion downside risk.

Most Asian Markets Rose as Investors Digest Data

Most Asian markets rose Tuesday, with South Korea's benchmark Kospi hitting two-year highs as investors digested a fresh batch of economic data. Mixed messages from U.S. monetary policymakers and a wobble in the Chinese yuan left traders unsettled and tentative with Friday's release of U.S. inflation data hanging over the outlook. The risk of Japan intervening to prevent further falls in the yen squeezed the dollar, however it rose against the yuan on speculation that China may tolerate a weaker currency. Japan's service producer price index for February came in at 2.1%. The Nikkei 225 closed flat at 40,398.03, while the broader Topix ended 0.11% higher at 2,780.80.

Singapore's manufacturing output increased 14.2% in February from January. January saw a 6.7% decline in manufacturing. The country's Straits Times index rose 1.31%. South Korea's Kospi was up 0.71% at 2,757.09, after hitting its highest level since February 2022 earlier in the day. The smaller-cap Kosdaq closed 0.26% higher at 916.09, touching its highest level since September. In Australia, the S&P/ASX 200 fell 0.41% to end at 7,780.20, after coming close to its all-time high on Monday. Hong Kong's Hang Seng index climbed 0.9%, powered by energy and industrial stocks, while the mainland Chinese CSI 300 rose 0.51% to 3,543.75.

Wall Street Ends Lower Ahead of Inflation Data

Wall Street's main indexes fell overnight as markets took a breather from a record-setting run ahead of inflation data. The Dow Jones Industrial Average inched down by 0.08% to settle at 39,282.33. The S&P slid 0.28% to close at 5,203.58, while the Nasdaq Composite lost 0.42%, finishing at 16,315.70. The Commerce Department released a report this morning showing a notable increase in new orders for U.S. manufactured durable goods in the month of February. Meanwhile, the Conference Board released a separate report showing a slight deterioration in U.S. consumer confidence in the month of March. All of the data this week serve as appetizers for the main event on Friday, when the government will release the Personal Consumption Expenditures Price Index, otherwise known as PCE.

That contains the Federal Reserve's preferred look at the pace of inflation, in the form of "core" PCE growth. The report will be released on the Good Friday holiday despite it being a market holiday. A pullback by the price of crude oil also weighed on energy stocks, with the Philadelphia Oil Service and the NYSE Arca Oil Index falling by 1.2% and 1.1%, respectively. Oil prices slip as traders assessed the impact of the wars in Eastern Europe and the Middle East on the supply picture.

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News In Brief Corporate

Yinson Holdings Bhd's (Not Rated) major shareholder Lim Han Weng has triggered an unconditional mandatory takeover offer to acquire the remaining shares it does not own in **Icon Offshore Bhd (Not Rated)** after purchasing a 50.2% stake in the offshore support vessel provider from Ekuiti Nasional Bhd for RM172.2mn or 63.5sen/share. Following the acquisition, Lim also extended the offer to acquire the remaining shares he does not own for 63.5sen/share and 100% of its 130.9mn warrants for 0.1sen/warrant. The new shareholder intends to maintain Icon Offshore's listing status. *(Bursa Malaysia/The Edge)*

Senheng New Retail Bhd's (Not Rated) wholly-owned unit Senheng Electric (KL) Sdn Bhd has announced a strategic collaboration with Huawei Technologies (Malaysia) Sdn Bhd and APulsar Technologies Sdn Bhd to boost electric vehicle (EV) adoption in Malaysia, leveraging Huawei's advanced EV chargers. Huawei EV chargers were launched at the Senheng Setia Alam store in Selangor on 22 March 2024, and are now available at all Senheng and senQ outlets across Malaysia, except for Sabah and Sarawak. *(Bernama)*

Selangor state-controlled **Kumpulan Perangsang Selangor Bhd (Not Rated)** has declared a special dividend of 4.5sen/share for FY24. The group also declared a final dividend of 1.0sen/share for FY23, bringing the total dividend for the year to 2.0sen/share, lower than 7.0sen/share in FY22. *(Bursa Malaysia/The Edge)*

Ewein Bhd (Not Rated) is acquiring a vacant piece of industrial land measuring 16,004m² in Butterworth for RM25.8mn to develop a workers' dormitory in a related party transaction. The move is in line with Ewein's intention to diversify into the provision of workers' dormitory accommodation and manpower management related services. The land acquisition is expected to be completed by 2H2024 and will be satisfied via internal funds and bank borrowings. *(Bursa Malaysia/The Edge)*

MCE Holdings Bhd (Not Rated), through its wholly-owned unit Multi-Code Electronics Industries (M) Bhd, has secured contracts to supply electronic and mechatronics parts for a Proton car model. The supply of these parts is slated to commence in 2QFY25, spanning a duration of 84 months. The project is anticipated to generate a total revenue of RM55.2mn for the group, with an estimated total investment cost of RM650k. *(Bursa Malaysia/NST Online)*

Marine & General Bhd (M&G) (Not Rated) sold its oil products tanker, JM Sutera 5, to Kalianda Permata Transport Pte Ltd for USD5.6mn (about RM26.2mn) to partly finance its fleet optimisation strategy. M&G said the cost of investment for the 16-year-old JM Sutera 5 was USD5.4mn, with the net carrying value recorded at USD4.4mn. The group intends to reinvest in new chemical tankers to renew its vessel fleet. *(Bursa Malaysia/The Edge)*

Avaland Bhd (Not Rated) topped out its fully sold Aetas Damansara condominium development located at Persiaran Tropicana, Selangor on 26 March 2024. *(The Edge)*

One of the parties seeking to wrest control of **South Malaysia Industries Bhd (Not Rated)** has made an eleventh-hour attempt to postpone SMI's annual general meeting (AGM) scheduled for 27 March 2024. Honsin is seeking to postpone the AGM indefinitely until the disposal of the originating summons, or alternatively for the meeting to address the scheduled matters and after that adjourn indefinitely. *(Bursa Malaysia/The Edge)*

Omesti Bhd's (Not Rated) wholly-owned subsidiary Omesti Holdings Bhd had disposed of 3.5% of its shares in **Microlink Solution Bhd (Not Rated)** for RM18.6mn, resulting in its shareholding in the group declining to 33.0%. The disposal was done between 6 July 2023 and 20 March 2024 at an average price of 49.8 sen per share. The disposal's proceeds will be used to pare down borrowings of the group and for working capital purposes. Omesti will be making an expected loss amounting to RM2.5mn from the disposals. *(Bursa Malaysia/The Edge)*

TIME dotCom Bhd (Not Rated) said its chief financial officer (CFO) Shahnaz Farouque Jammal Ahmad is resigning from the position effective 15 May 2024 "to pursue other career opportunities". *(Bursa Malaysia/The Edge)*

Bursa Malaysia Bhd has appointed Redza Goh Aik Meng and Sharifatu Laila Syed Ali as independent non-executive directors, effective 27 March 2024. *(Bursa Malaysia/The Edge)*

Oil and gas (O&G) services firm **Keyfield International Bhd (Not Listed)**, which primarily charters accommodation vessels, has begun taking orders from investors for its Main Market initial public offering (IPO) that will raise up to RM188.1mn. *(Bursa Malaysia/The Edge)*

Malaysian property developer and packaging company **Scientex Bhd's** net profit climbed 32.7% YoY to RM141.0mn in 2QFY24 thanks to higher progress in billings and sales from new launches. Revenue for the quarter increased by 11.7% YoY to RM1.1bn. For 1HFY24, Scientex's net profit grew 30.6% YoY to RM278.9mn while revenue advanced 9.5% YoY to RM2.2bn. *(Bursa Malaysia/The Edge)*

United Malacca Bhd has recorded a 49.2% YoY jump in net profit for 3QFY24 to RM19.0mn, lifted by an improvement in its Indonesian operations as well as lower investment losses. For 9MFY24, United Malacca's net profit tumbled 32.9% YoY to RM35.4mn as revenue dropped by 9.6% YoY to RM424.2mn. *(Bursa Malaysia/The Edge)*

Kim Loong Resources Bhd's net profit for 4QFY24 fell 32.1% YoY to RM24.9mn on weaker palm oil prices. Quarterly revenue also dropped 15.4% YoY to RM365.2mn. The planter declared a second interim dividend of 5.0sen/share. For the full year, net profit dipped 9.0% YoY to RM147.7mn as revenue declined by 20.0% YoY to RM1.5bn. *(Bursa Malaysia/The Edge)*

Glomac Bhd's net profit jumped by over 800% YoY to RM3.8mn in 3QFY24 driven by higher revenue from its property development and property investment business. Quarterly revenue increased 35.4% YoY to RM89.4mn. For 9MFY24, Glomac's net profit was down 52.0% YoY to RM8.4mn amid lower contributions from the property development segment and higher finance costs. Nine-month revenue slipped 2.2% YoY to RM205.3mn. *(Bursa Malaysia/The Edge)*

SNS Network Technology Bhd's (Not Rated) net profit in 4QFY24 fell 22.3% YoY to RM13.0mn in the absence of major orders related to government projects. Quarterly revenue fell 23.5% YoY to RM390.0mn. The group declared a dividend of 0.25sen/share for the quarter, raising its FY24 dividends to 0.75sen/share, up from 0.5sen/share for FY23. For FY24, SNS Network's net profit fell 26.9% YoY to RM32.0mn while revenue fell 9.1% YoY to RM1.3bn. *(Bursa Malaysia/The Edge)*

Furniture retailer **SSF Home Group Bhd (Not Rated)** announced its maiden dividend of 0.5sen/share, as the group returned to profit in 3QFY24 on better revenue. Quarterly net profit came in at RM2.0mn, on revenue of RM37.7mn, up 20.0% QoQ from RM31.3mn in 2QFY24 on higher sales during festive seasons. The latest quarter pushed SSF back to profit for 9MFY24, with a bottom line of RM988k on revenue of RM108.3mn. *(Bursa Malaysia/The Edge)*

News In Brief *Economy*

Malaysia Increased food prices at Ramadan bazaars due to higher rental cost, not SST

The increase in food prices at Ramadan bazaars is not due to the implementation of the sales and service tax (SST), but rather the high rental cost of bazaar lots, Prime Minister Datuk Seri Anwar Ibrahim said. Anwar said the high rental costs are partly due to some traders renting the lots from agents, who take advantage of the situation, instead of renting directly from the local authorities. "I acknowledge there is a slight increase in the prices, but I don't think it's because of the service tax because according to the Statistics Department's survey, the increase is only around 0.2%, and Ramadan bazaars have no direct relevance to the SST," he said. Anwar said this in reply to Datuk Seri Takiyuddin Hassan on the government's plan the plans to mitigate the hike in food prices and Ramadan bazaar operational costs following the increase in the service tax from 6 to 8%. The prime minister explained that if the government does not implement the SST, it is feared to have negative effects on the economy and national revenue. (The Edge)

Impact of service tax hike on inflation expected to be minimal at 0.2%-point

The rise in the service tax from 6% to 8% would only have a minimal impact on inflation, estimated at 0.2 percentage points, owing to its limited scope, which exempts essential services and basic necessities, says Prime Minister Datuk Seri Anwar Ibrahim. Anwar said that the increased service tax rate, effective March 1, 2024, primarily affects discretionary services and business-to-business transactions, sparing direct consumer activities. "In specific sectors such as food, beverages and telecommunications, a 6% tax rate remains. The government has also implemented measures to mitigate double taxation, especially within the logistics sector, demonstrating a balanced expansion of the revenue base with consideration for citizens' interests," Anwar said during the prime minister's question time in Dewan Rakyat, in response to inquiries from Datuk Mohd Shahar Abdullah.

Anwar reiterated that the service tax applies to a limited scope, covering just over 41% of available services in the economy, with approximately 60,000 registered service providers under the Royal Malaysian Customs Department. With the widened scope and revised service tax rate, Anwar expressed the government's anticipation of collecting RM3bn in revenue. Regarding the capital gains tax (CGT), Anwar clarified that its application is solely on companies dealing with unlisted shares, and is expected to generate RM800mn without directly impacting citizens or living costs. (The Edge)

PM: Official visits to AU, Germany generate potential export sales of Malaysian products

The recent official visits to Australia and Germany have opened doors for potential export sales of Malaysian products, in addition to bringing positive results with investment potentials, Prime Minister Datuk Seri Anwar Ibrahim told the Dewan Rakyat on Tuesday. Anwar said the visit to Australia successfully generated a potential investment of RM24.5bn, in which among the Australian companies that have expressed commitments to invest are AirTrunk, NextDC, LaTrobe Magnesium, Arnott's Group, and Cochlear Ltd. Additionally, the visit to Australia has generated potential export sales of Malaysian products to Australia amounting to RM962.1mn for wood products, fertilisers, food and beverages, and electrical components, he said. The prime minister was replying to a question from Datuk Dr Ku Abd Rahman Ku Ismail (PN-Kubang Pasu) during the prime minister's question time. Meanwhile, Anwar said the recent official visit to Germany has generated potential investments amounting to RM45.4bn in the energy industry and various manufacturing industries, including semiconductors, aerospace, chemical products, medical devices, and automotive. (The Edge, Bernama)

Malaysia, South Korea restarts free trade agreement talks

Malaysia and South Korea on Tuesday officially resumed negotiation on a free trade agreement to boost bilateral trade and investment between the two countries. The Malaysia-Korea Free Trade Agreement is expected to cover areas on digital economy, green economy, supply chain, and bioeconomy, the Ministry of Investment, Trade and Industry (Miti) said in a statement. Negotiations between the two countries were suspended in 2019. In the last few years, bilateral trade between Malaysia and South Korea “has shown an upward trend that we must continue to build on”, said Miti Minister Tengku Datuk Seri Zafrul Abdul Aziz. South Korea is Malaysia’s eight-largest trading partner while Malaysia is South Korea’s 12th biggest trading ally.

Both countries are already parties to the Asean-Korea Free Trade Agreement and the Regional Comprehensive Economic Partnership Agreement. In 2023, total trade with South Korea totalled RM111.1bn with Malaysia exporting electrical and electronic (E&E) products, oil and gas, metal manufactures, and scientific equipment. Malaysia also imports petroleum products, E&E, chemical products, machinery, and parts from South Korea. Trade relations between Malaysia and South Korea “has existed for over four decades, and we also hope to leverage on this to help us move our target industries up the global value chain in sectors such as E&E, medical devices, pharmaceuticals, the green economy and chemicals”, Tengku Zafrul said. (The Edge)

Asia Solid growth expected for Asia Pacific this year — S&P

International credit rating agency S&P Global Ratings expects a 5.1% growth in Asia Pacific (Apac) this year, excluding China and Japan, thanks to recovery in external trade and the inflation-easing momentum. It said export demand should slightly improve in 2024, with electronics leading the pick-up, while restrictive interest rates would continue to weigh on growth. “Given the moderate sequential export volume growth in early 2024 and our expectation of modest global demand prospects, we don’t anticipate a vigorous export recovery,” it said in a report on the economic outlook for Apac for the second quarter. Among developed economies, S&P forecasts growth to pick up in trade-dependent ones, such as South Korea, Taiwan and Singapore; and a fall in relatively domestic demand-led ones, such as Japan and Australia.

Asian emerging market (EM) economies generally project robust growth, with India, Indonesia, the Philippines and Vietnam in the lead. However, S&P has revised downward the gross domestic product (GDP) outlook on several economies, including Singapore by 0.4% to 2.2%, Thailand by 0.3% to 3.9%; and Malaysia and Vietnam by 0.2% each to 4.3% and 6.1% respectively. Hong Kong and Japan were revised down by 0.1% each to 2.5% and 0.8%, respectively. As for currency, S&P expects Apac currencies to appreciate modestly this year. It said growth in the region is solid, while in the United States, growth is likely to slow and interest rates decline. (RTT)

Thai February export growth slows, misses forecasts

Thailand's exports rose year-on-year for the seventh straight month in February, but at a much slower pace, missing analysts' forecasts, as shipments to China and Japan contracted. Customs-based exports rose 3.6% from a year earlier, commerce ministry showed on Tuesday, below a Reuters poll forecast for an increase of 4.4% on the year, and followed January's rise of 10% annually. February exports rose 3.25% from the previous month. Exports, a key driver of Thailand's economy, should be in a positive direction over the next few months, ministry official Keerati Rushchano told a news briefing. But there is a "little challenge" for March exports due to a high comparative base last year, he added. The ministry is keeping an export growth target of 1% to 2% this year, after a fall of 1% in shipments in 2023. "Thailand's exports continued to grow steadily in response to the gradual economic recovery globally and the resurgence in consumer confidence," the ministry said in a statement. "Despite minor impacts from the crisis in the Red Sea, exports to Europe and Saudi Arabia markets continued to expand." It said uncertainties remained due to the slow recovery of the economies of major trading partners, such as China and Japan, drought, geopolitical risks, and volatile exchange rates. In February, exports of industrial goods rose 5.2% from a year earlier, with computer shipments up 25% annually, while shipments of farm products climbed 7.5% on the year. (Reuters)

China's Xi Jinping to meet with American executives tomorrow

China's President Xi Jinping will meet with American business leaders in Beijing on Wednesday, according to three sources with knowledge of the matter, in a follow up to his November dinner with US investors in San Francisco. The meeting was proposed by chief executive of US insurer Chubb, Evan Greenberg, said one of the sources who has direct knowledge of the matter. Other attendees include Stephen Orlins, president of the National Committee on US-China Relations, and Craig Allen, president of the US-China Business Council. The meeting was first reported by the Wall Street Journal last week. The meeting is not part of the China Development Forum agenda, which took place in Beijing March 24-25, two sources said, and was deliberately scheduled for Wednesday to separate it from the high-profile forum for senior foreign executives and China's leaders.

China's State Council Information Office did not immediately respond to a request for comment. Officials who spoke at the opening of the forum this weekend expressed confidence China would hit its economic targets, including growth of about 5% this year, and pledged further support for companies in strategically important sectors, an area Xi has dubbed "new productive forces." In November, Xi told American business leaders in San Francisco that China is ready to be a partner and friend of the US, and there is plenty of room for cooperation, in a bid to overcome China's struggles to entice foreign investment. (Reuters)

Hong Kong February home prices ease for the 10th month, down 1.7%

Hong Kong private home prices fell for the tenth month in a row to the lowest since September 2016 in February, and they are expected to remain suppressed even after the government recently removed the decade-long curbs for the property market. Home prices in one of the world's most expensive property markets dropped 1.7% in February from the previous month, official data showed on Tuesday, following a revised 1.2% fall in January. For primary sales of luxury residential properties worth more than HK\$30mn (US\$3.84mn), the percentage was even higher, accounting for around 70%, JLL said, rebounding from less than 50% before the curbs removal. The realtor expected mainland Chinese buyers to remain active. (Reuters)

Japan's mixed inflation picture complicates BOJ rate hike path

Japan's business-to-business service prices continued to rise steadily but a key measure of trend inflation slowed in February, painting a mixed picture on the price outlook that may complicate the central bank's interest rate hike path. The services producer price index, which measures what companies charge each other for services, rose 2.1% in February from a year earlier, data showed on Tuesday, unchanged from January, in a sign companies continued to pass on labour costs, thanks to prospects for sustained wage gains. The data underscores the Bank of Japan's (BOJ) view that rising service prices will replace cost-push inflation as a key driver of price gains, and help sustain inflation around its 2% target. However, a separate data released on Tuesday showed Japan's weighted median inflation rate, which is closely watched as an indicator on whether price rises are broadening, slowed to 1.4% in February, from 1.9% in the previous month. The trimmed mean inflation rate, which excludes the 10 highest and lowest tail of the price distribution, hit 2.3% in February, slowing from 2.6% in January and marking the lowest year-on-year increase since September 2022, the data showed. (Reuters)

United States US home-price growth rose at fastest rate since 2022

Annual home-price growth in the U.S. sped up again in the first month of 2023, in spite of high mortgage rates that have kept shorter-term price gains in check, according to data published Tuesday. The S&P CoreLogic Case-Shiller National Home Price Index, which measures home prices across the nation, rose 6.0% from a year earlier in January, the fastest rate since November 2022, compared with a 5.6% annual increase the prior month. The index, which measures repeat-sales data, reports on a two-month delay and reflects a three-month moving average. Homes usually go under contract a month or two before they close, so the January data is based on purchase decisions made earlier last year. The Case-Shiller 10-city index rose 7.4% on year, following a 7.0% increase in December. The 20-city index rose 6.6%, compared with a 6.2% uptick in December. (Dow Jones)

Durable goods orders rebound; business spending outlook improves

Orders for long-lasting US manufactured goods increased more than expected in February, while business spending on equipment showed tentative signs of recovery, boosting the economy's prospects in the first quarter. Orders for durable goods, items ranging from toasters to aircraft meant to last three years or more, rose 1.4% last month, the Commerce Department's Census Bureau said. Data for January was revised lower to show orders falling 6.9% instead of 6.2% as previously reported. Economists polled by Reuters had forecast durable goods orders would rise 1.1%. Orders advanced 1.8% on a year-on-year basis in February. The outlook for manufacturing, which accounts for 10.3% of the economy, is steadily improving amid expectations that the US central bank will start cutting rates this year. (Reuters)

Consumers remain confident, but their feelings about the near future are a bit more cloudy

U.S. consumer confidence held steady this month even as Americans wrestle with higher prices and feel less optimistic about the short-term future. The Conference Board, a business research group, said Tuesday that its consumer confidence index ticked down to 104.7 in March from a revised 104.8 in February. The index measures both Americans' assessment of current economic conditions and their outlook for the next six months. The index measuring Americans short-term expectations for income, business and the job market fell further, to 73.8 from 76.3 last month. A reading under 80 can signal a potential recession in the near future. Consumers' view of current conditions, however, improved to 151.0 from 147.6. Responses to the Conference Board's survey showed an increase in consumers' concern over food and gas prices and the U.S. political environment with the presidential election just seven months away. (APNews)

US faces inflationary risks from China factory boom, NY Fed says

China's effort to boost manufacturing and shore up the economy amid a real estate slump could put "meaningful upward pressure" on US inflation and push back the start of monetary easing, according to new research by the Federal Reserve Bank of New York. Credit flows to China's factories have accelerated sharply over the past few years, as authorities seek to compensate for diminished lending to the property sector. That's matched by a shift in rhetoric from Chinese leaders as they talk up industrial policy. The new approach stands a chance of boosting China's economic growth above the rates of the past two years, at least in the short term, New York Fed economists wrote in a blog post this week. If that scenario plays out, the extra demand from Chinese manufacturers would likely push up prices for commodities and intermediate goods, and result in a weaker dollar, according to the New York Fed team. That would "persistently tilt the balance of risks for US inflation to the upside," the economists wrote. (Bloomberg)

Eurozone and United Kingdom**German consumer confidence to rise slowly: GfK**

The improvement in consumer sentiment in Germany is set to continue slowly as the economic recovery is expected only in the second half of the year, survey conducted by the market research group GfK and the Nuremberg Institute for Market Decisions (NIM) showed on Tuesday. The forward-looking consumer confidence index rose to -27.4 in April from a revised -28.8 in March. The score was seen at -27.9. Economic and income expectations improved slightly in March but the propensity to buy remained almost unchanged. The propensity to save provided an upward boost to the confidence. Although the index lost 5 points, the reading remained extremely high at 12.4. The recovery of the consumer climate is progressing slowly and very sluggishly, NIM Consumer Expert Rolf Burkl said. For a sustained recovery in the economy, inflation should fall further and a clear political strategy is needed for development in the coming year, Burkl noted. The economic expectations index rose 3.3 points to -3.1 in March. (RTT)

SNAPSHOT OF STOCKS UNDER COVERAGE

No.	Company	Share Price (RM)	Target Price (RM)	% upside	Recom	Market Cap. (RMm)	Beta	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD	
								FY24	FY25	FY24	FY25	FY24	FY25	High Price	% Chg	Low Price	% Chg		
AUTOMOTIVE																			
1	BAUTO	2.38	2.33	-2.1%	Sell	2,779	0.41	28.5	21.0	8.4	11.3	7.2	5.3	2.55	-6.7	1.96	21.4	0.8	
2	MBMR	4.64	4.36	-6.0%	Sell	1,814	0.69	62.3	63.3	7.4	7.3	6.0	6.3	4.66	-0.4	3.15	47.1	9.4	
3	SIME	2.60	2.84	9.2%	Buy	17,721	0.86	18.1	19.4	14.4	13.4	4.9	5.2	2.72	-4.4	1.98	31.3	10.6	
BANKS & FINANCIAL SERVICES																			
4	ABMB	3.70	3.90	5.4%	Buy	5,728	0.80	43.5	46.0	8.5	8.0	5.4	5.4	3.72	-0.5	3.22	14.9	9.1	
5	AFFIN	2.50	2.25	-10.0%	Sell	5,866	1.10	19.7	22.9	12.7	10.9	3.2	3.2	2.70	-7.4	1.79	39.7	20.2	
6	AMBANK	4.15	4.60	10.8%	Hold	13,723	0.70	54.2	55.4	7.7	7.5	4.3	4.6	4.45	-6.7	3.42	21.3	3.5	
7	CIMB	6.50	7.50	15.4%	Buy	69,323	1.12	68.4	72.1	9.5	9.0	6.2	6.2	6.72	-3.3	4.75	36.9	12.3	
8	HLBANK	19.38	23.30	20.2%	Buy	42,010	0.69	189.3	204.3	10.2	9.5	3.2	3.4	20.50	-5.5	18.46	5.0	2.5	
9	MAYBANK	9.69	9.90	2.2%	Hold	116,929	0.74	79.1	82.2	12.3	11.8	6.4	6.4	9.85	-1.6	8.43	14.9	9.0	
10	PBBANK	4.25	4.70	10.6%	Buy	82,495	1.10	36.0	37.6	11.8	11.3	4.7	4.7	4.52	-6.0	3.78	12.4	-0.9	
11	RHBBANK	5.64	5.90	4.6%	Hold	24,175	0.86	67.8	72.5	8.3	7.8	7.1	7.1	5.78	-2.4	5.29	6.6	3.5	
12	APEX	1.00	1.19	19.0%	Buy	203	0.35	4.3	4.4	23.2	22.5	0.0	0.0	1.51	-33.8	0.99	1.0	-7.4	
13	BURSA	7.40	8.20	10.8%	Buy	5,989	0.86	33.7	36.0	22.0	20.5	4.2	4.6	7.65	-3.3	6.16	20.1	7.1	
14	ELKDESA	1.24	1.28	3.2%	Hold	564	0.31	8.2	8.5	15.1	14.6	3.2	3.2	1.35	-8.1	1.08	14.8	-0.8	
BUILDING MATERIALS																			
15	ANNJOO	1.14	1.11	-2.6%	Sell	640	1.49	10.4	13.8	11.0	8.3	2.7	3.6	1.31	-13.0	1.00	14.0	6.5	
16	CHINWEL	1.20	1.11	-7.5%	Sell	344	0.52	5.3	10.2	22.7	11.7	1.7	3.2	1.62	-25.9	1.17	2.6	-5.5	
17	CMSB	0.93	1.11	19.4%	Under Review	999	0.88	12.4	13.6	7.5	6.8	2.2	2.2	1.19	-21.8	0.91	2.2	-13.9	
18	CSCSTEL	1.34	1.41	5.2%	Buy	495	0.97	13.7	15.7	9.8	8.5	5.6	6.4	1.38	-2.9	1.10	21.8	8.9	
19	PGF	1.76	2.76	56.8%	Buy	289	0.76	6.3	25.6	27.9	6.9	1.2	3.6	1.89	-6.9	1.15	53.0	28.5	
CONSTRUCTION																			
20	GADANG	0.44	0.23	-47.1%	Sell	317	1.23	2.3	2.7	18.9	16.1	0.7	2.3	0.44	-1.1	0.28	55.4	29.9	
21	GAMUDA	5.19	5.55	6.9%	Buy	14,365	0.61	36.8	37.0	14.1	14.0	2.3	2.3	5.29	-1.9	3.99	30.1	13.1	
22	IJM	2.44	2.50	2.5%	Buy	8,555	0.87	11.0	11.2	22.1	21.7	2.5	2.5	2.47	-1.2	1.43	70.6	29.8	
23	INTA	0.35	0.42	20.0%	Buy	189	0.65	3.4	4.2	10.2	8.4	2.9	2.9	0.38	-6.7	0.20	75.0	34.6	
24	KERJAYA	1.80	1.95	8.3%	Buy	2,270	0.56	12.6	13.0	14.3	13.9	5.0	5.0	1.85	-2.7	1.05	71.4	16.1	
25	SUNCON	2.90	3.21	10.7%	Buy	3,739	0.90	14.7	16.8	19.8	17.3	2.4	2.8	3.02	-4.0	1.53	89.5	49.5	
26	TRC	0.48	0.52	9.5%	Buy	224	0.73	3.6	4.3	13.3	11.0	3.2	3.2	0.50	-5.0	0.32	50.8	28.4	
27	WCT	0.54	0.54	0.9%	Sell	758	1.08	3.5	4.4	15.4	12.0	1.9	1.9	0.60	-10.1	0.40	33.8	8.1	
CONSUMER																			
<i>Brewery</i>																			
28	CARLSBG	18.62	22.90	23.0%	Buy	5,693	0.65	104.4	117.0	17.8	15.9	5.3	6.3	22.08	-15.7	18.52	0.5	-3.4	
29	HEIM	23.20	28.60	23.3%	Buy	7,009	0.56	134.8	142.1	17.2	16.3	5.5	5.8	28.90	-19.7	21.02	10.4	-3.9	
<i>Retail</i>																			
30	AEON	1.11	1.57	41.4%	Buy	1,558	0.48	10.8	12.7	10.2	8.7	3.6	5.0	1.37	-19.0	1.02	8.8	1.8	
31	AMWAY	7.02	7.70	9.7%	Hold	1,154	0.55	59.8	62.6	11.7	11.2	6.4	7.1	7.77	-9.7	4.87	44.1	25.9	
32	BESHOM	0.88	0.80	-9.1%	Sell	264	0.54	4.0	6.0	21.9	14.7	5.1	5.7	1.20	-26.7	0.86	2.3	-2.2	
33	F&N	29.40	30.00	2.0%	Hold	10,783	0.59	148.1	171.5	19.8	17.1	2.6	3.0	29.76	-1.2	24.57	19.6	5.0	
34	FFB	1.40	1.52	8.6%	Buy	2,621	na	3.2	6.2	43.5	22.8	0.6	1.1	1.58	-11.4	0.99	41.4	6.1	
35	FOCUSP	0.70	1.11	58.6%	Buy	323	0.46	7.4	7.9	9.4	8.9	5.3	5.6	0.90	-22.2	0.69	1.4	-1.4	
36	ABLEGLOB	1.76	1.94	10.2%	Buy	541	0.67	17.3	17.4	10.2	10.1	3.7	3.7	1.77	-0.6	1.24	41.9	17.3	
37	LHI	0.58	0.67	15.5%	Buy	2,117	0.75	7.4	8.0	7.8	7.2	3.8	4.2	0.75	-22.1	0.48	22.1	2.7	
38	NESTLE	117.90	132.50	12.4%	Sell	27,648	0.44	333.0	349.7	35.4	33.7	2.7	2.9	138.50	-14.9	111.60	5.6	0.3	
39	PADINI	3.40	4.40	29.4%	Buy	2,237	0.61	25.6	28.7	13.3	11.9	3.5	3.8	4.16	-18.3	3.32	2.4	-3.1	
40	POHUAT	1.46	1.40	-4.1%	Hold	387	0.72	16.4	17.2	8.9	8.5	5.5	5.5	1.50	-2.7	1.25	16.8	7.4	
41	QL	5.87	6.70	14.1%	Buy	14,286	0.67	16.2	18.0	36.3	32.6	0.9	1.0	6.03	-2.7	5.23	12.2	2.8	
42	SCIENTX	3.91	4.30	10.0%	Buy	6,065	0.86	34.5	38.0	11.3	10.3	3.1	3.3	4.05	-3.5	3.16	23.7	2.6	
GAMING																			
<i>Casino</i>																			
43	GENTING	4.78	5.54	15.9%	Buy	18,406	0.99	47.6	55.7	10.0	8.6	4.2	4.6	5.20	-8.1	4.01	19.2	3.5	
44	GENM	2.76	3.17	14.9%	Buy	15,643	0.92	23.1	28.7	11.9	9.6	5.8	6.5	2.94	-6.1	2.40	15.0	2.6	
<i>NFO</i>																			
45	SPTOTO	1.41	1.61	14.2%	Sell	1,903	0.61	15.7	15.5	9.0	9.1	6.4	7.1	1.55	-9.0	1.21	16.9	-4.7	
HEALTHCARE																			
<i>Hospitals/ Pharmaceutical</i>																			
46	DPHARMA	1.21	1.47	21.5%	Buy	1,164	1.19	7.3	9.2	16.5	13.2	1.9	2.3	1.61	-24.8	1.11	9.0	-4.0	
47	IHH	6.05	6.58	8.8%	Hold	53,282	0.71	17.1	18.2	35.4	33.2	1.1	1.2	6.25	-3.2	5.59	8.3	0.3	
48	KPJ	1.94	1.75	-9.8%	Hold	8,467	0.98	6.9	7.1	28.1	27.2	2.3	2.4	1.96	-1.0	1.08	80.0	34.7	
49	SCOMNET	1.22	1.46	19.7%	Buy	999	0.84	5.1	6.5	23.7	18.8	1.7	2.1	1.42	-14.1	1.19	2.5	0.0	
<i>Rubber Gloves</i>																			
50	HARTA	2.74	3.05	11.3%	Buy	9,352	0.91	1.6	6.3	172.0	43.2	0.3	1.4	3.05	-10.2	1.81	51.4	1.5	
51	KOSSAN	1.95	2.00	2.6%	Hold	4,976	0.61	7.4	8.1	26.4	24.1	1.5	1.8	2.17	-10.1	1.17	66.7	5.4	
52	SUPERMX	0.82	1.05	28.0%	Buy	2,112	1.01	-1.2	3.0	na	27.8	0.0	1.1	1.07	-23.4	0.76	8.6	-12.8	
53	TOPGLOV	0.81	0.80	-0.6%	Sell	6,447	1.31	-1.9	1.8	na	45.9	0.0	0.0	1.25	-35.6	0.70	15.0	-10.6	
INSURANCE																			
54	ALLIANZ	19.82	20.38	2.8%	Buy	3,527	0.33	433.8	450.2	4.6	4.4	6.3	6.5	20.40	-2.8	13.44	47.5	7.5	
55	TUNEPRO	0.34	0.51	50.0%	Buy	256	0.86	3.4	4.4	10.0	7.7	4.0	5.2	0.47	-27.7	0.33	3.0	-15.0	
MEDIA																			
56	ASTRO	0.31	0.36	16.1%	Sell	1,618	0.59	3.6	3.2	8.7	9.8	5.2	4.5	0.73	-57.5	0.29	6.9	-21.5	
57	MEDIA PRIMA	0.44	0.38	-13.6%	Sell	488	1.02	1.9	2.6	23.0	16.9	1.5	2.1	0.48	-8.3	0.38	17.3	-5.4	
58	STAR	0.41	0.36	-12.2%	Sell	297	0.28	0.4	0.7	104.6	55.4	0.2	0.5	0.64	-35.9	0.32	30.2	-5.7	

SNAPSHOT OF STOCKS UNDER COVERAGE

No.	Company	Share Price (RM)	Target Price (RM)	% upside	Recom	Market Cap. (RMm)	Beta	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD	
								FY24	FY25	FY24	FY25	FY24	FY25	High Price	% Chg	Low Price	% Chg		
		26-Mar-24																	
	OIL & GAS																		
59	COASTAL	1.48	1.62	9.5%	Hold	791	0.87	17.7	20.6	8.4	7.2	0.0	0.0	2.44	-39.3	1.43	3.5	-10.3	
60	LCTITAN	1.14	1.05	-7.9%	Sell	2,596	1.22	1.8	18.0	63.1	6.3	0.0	2.6	1.57	-27.4	1.09	4.6	-15.6	
61	MHB	0.47	0.51	8.5%	Hold	752	1.04	2.8	3.2	16.7	14.8	0.6	0.7	0.69	-31.4	0.44	6.8	-2.1	
62	MISC	7.71	8.30	7.7%	Buy	34,415	0.82	52.2	53.3	14.8	14.5	4.7	4.7	7.79	-1.0	6.94	11.1	5.8	
63	PANTECH	0.94	1.18	25.5%	Buy	782	1.36	11.6	11.9	8.1	7.9	6.4	6.4	1.01	-6.9	0.71	32.4	4.4	
64	PCHEM	6.83	7.45	9.1%	Hold	54,640	1.27	36.8	57.0	18.6	12.0	2.6	4.1	7.65	-10.7	5.84	17.0	-4.6	
65	VELESTO	0.29	0.33	13.8%	Buy	2,383	0.83	1.8	2.7	15.8	10.7	1.3	1.9	0.32	-7.9	0.19	56.8	26.1	
	PLANTATIONS																		
66	FGV	1.43	1.50	4.9%	Sell	5,217	0.44	5.2	7.6	27.5	18.7	2.1	2.1	1.61	-11.2	1.30	10.0	3.6	
67	IOICORP	4.01	3.79	-5.5%	Sell	24,877	0.89	18.7	23.9	21.5	16.8	2.5	3.0	4.22	-5.0	3.65	9.9	2.0	
68	KLK	22.34	21.50	-3.8%	Sell	24,494	0.97	113.6	131.3	19.7	17.0	2.6	3.0	23.94	-6.7	20.52	8.9	2.4	
69	KMLOONG	2.17	2.50	15.2%	Buy	2,114	0.94	15.2	15.5	14.3	14.0	6.0	5.5	2.22	-2.3	1.71	27.2	9.0	
70	SIMEPLT	4.39	4.46	1.6%	Hold	30,360	1.19	22.3	23.7	19.7	18.5	3.0	3.2	4.61	-4.8	4.05	8.4	-1.6	
71	TSH	1.13	1.14	0.9%	Sell	1,560	1.33	7.1	7.6	15.9	14.8	3.5	3.5	1.18	-4.2	0.92	23.5	15.9	
72	UMCCA	5.00	5.38	7.6%	Hold	1,049	0.45	26.6	32.6	18.8	15.4	2.4	3.0	5.50	-9.1	4.90	2.0	-1.2	
	PROPERTY																		
73	GLOMAC	0.37	0.46	24.3%	Under Review	284	0.86	2.0	3.0	18.4	12.1	2.7	3.4	0.41	-8.6	0.30	25.4	2.8	
74	IBRACO	0.91	1.18	30.4%	Buy	494	1.04	8.9	11.2	10.2	8.1	3.3	3.9	1.20	-24.6	0.51	77.5	13.1	
75	IOIPG	2.28	2.79	22.4%	Buy	12,554	0.95	13.5	16.3	16.9	14.0	2.4	2.6	2.36	-3.4	1.05	117.1	30.3	
76	MAHSING	1.19	1.24	4.2%	Buy	2,889	0.97	9.1	9.5	13.1	12.6	3.4	3.4	1.20	-0.8	0.58	105.2	43.4	
77	PARAMON	1.15	1.47	27.8%	Buy	716	0.63	13.3	15.5	8.7	7.4	6.1	6.5	1.16	-0.9	0.74	55.4	23.7	
78	SIMEPROP	0.92	0.91	-0.5%	Buy	6,223	1.36	7.3	7.7	12.5	11.9	3.3	3.3	0.93	-1.1	0.45	105.6	46.4	
79	SPSETIA	1.42	1.10	-22.5%	Buy	6,324	1.21	3.8	2.3	37.7	62.0	1.1	0.5	1.46	-2.7	0.51	178.4	77.5	
80	SUNWAY	3.54	3.29	-7.1%	Buy	19,540	0.92	11.1	12.5	31.8	28.2	1.7	1.7	3.58	-1.1	1.52	132.9	71.8	
	REIT																		
81	CLMT	0.63	0.68	7.9%	Buy	1,726	0.65	5.1	5.8	12.3	10.9	7.5	8.7	0.66	-4.5	0.49	28.6	12.5	
82	KIPREIT	0.89	1.08	21.3%	Buy	551	0.45	7.5	8.2	11.9	10.9	7.9	8.5	0.92	-3.3	0.88	1.1	-0.6	
83	SUNREIT	1.51	1.80	19.2%	Buy	5,171	0.39	9.9	10.3	15.3	14.6	6.5	6.8	1.64	-7.9	1.44	4.9	-1.9	
	POWER & UTILITIES																		
84	MALAKOF	0.64	0.75	17.2%	Buy	3,128	0.84	5.6	5.9	11.3	10.8	7.0	7.8	0.75	-14.1	0.57	12.3	0.8	
85	PETDAG	21.76	21.90	0.6%	Sell	21,618	0.78	91.2	95.8	23.9	22.7	5.0	5.2	23.60	-7.8	20.50	6.1	-0.4	
86	PETGAS	17.60	20.60	17.0%	Buy	34,826	0.76	102.3	105.4	17.2	16.7	4.9	5.1	18.20	-3.3	16.14	9.0	1.1	
87	RANHILL	1.10	1.06	-3.6%	Sell	1,418	1.36	3.6	4.1	30.2	27.1	2.0	2.2	1.26	-12.7	0.46	139.1	22.2	
88	TENAGA	11.48	12.40	8.0%	Buy	66,439	0.90	70.0	78.2	16.4	14.7	3.7	4.1	11.66	-1.5	8.82	30.2	14.3	
89	YTLPOWR	3.75	4.48	19.5%	Buy	30,387	1.05	38.8	36.3	9.7	10.3	2.7	2.7	4.24	-11.6	0.85	343.8	47.6	
	TELECOMMUNICATIONS																		
90	AXIATA	2.78	2.35	-15.5%	Sell	25,526	1.38	7.7	10.2	36.0	27.3	3.6	3.6	3.13	-11.2	2.16	28.7	16.8	
91	CDB	4.28	4.60	7.5%	Hold	50,211	1.25	21.4	22.9	20.0	18.7	3.3	3.6	4.60	-7.0	4.03	6.2	4.9	
92	MAXIS	3.40	3.70	8.8%	Sell	26,629	1.13	19.6	21.6	17.4	15.8	4.7	4.7	4.59	-25.9	3.38	0.6	-11.7	
93	TM	6.03	6.65	10.3%	Buy	23,141	0.83	52.9	38.3	11.4	15.7	3.6	3.6	6.50	-7.2	4.74	27.2	8.6	
	TECHNOLOGY																		
	<i>Semiconductor & Electronics</i>																		
94	CORAZA	0.51	0.60	17.6%	Buy	252	na	2.7	4.1	18.6	12.4	1.3	2.0	0.91	-43.6	0.39	32.5	17.2	
95	ELSOFT	0.53	0.59	11.3%	Hold	367	1.04	2.0	2.5	26.2	21.4	1.9	2.3	0.66	-19.7	0.50	7.1	-0.9	
96	INARI	3.23	3.55	9.9%	Buy	12,126	1.11	9.2	12.1	35.0	26.7	2.8	3.6	3.35	-3.6	2.15	50.2	7.3	
97	MPI	30.98	32.35	4.4%	Buy	6,163	1.03	80.3	150.7	38.6	20.6	0.9	1.0	31.50	-1.7	25.16	23.1	9.9	
98	REXIT	1.44	0.97	-33.0%	Buy	249	0.59	6.8	7.0	21.3	20.5	3.5	3.5	1.48	-2.7	0.74	94.6	66.5	
99	SKPRES	0.90	0.78	-12.8%	Hold	1,398	0.71	5.8	6.8	15.3	13.2	3.3	3.8	1.31	-31.7	0.66	35.6	13.3	
100	UNISEM	3.78	3.56	-5.8%	Hold	6,097	0.91	11.2	13.7	33.7	27.6	2.1	2.1	3.78	0.0	2.75	37.5	14.2	
	TRANSPORTATION																		
	<i>Airlines</i>																		
101	AIRPORT	9.63	9.94	3.2%	Hold	16,068	1.22	44.2	44.3	21.8	21.8	1.7	1.7	9.82	-1.9	6.59	46.1	30.8	
102	CAPITALA	0.72	0.77	7.7%	Hold	3,042	0.63	8.5	12.8	8.4	5.6	0.0	0.0	1.12	-36.2	0.64	11.7	-13.3	
103	CJEN	0.34	0.50	49.3%	Buy	195	0.87	3.6	3.8	9.3	8.8	2.7	2.8	0.53	-36.2	0.34	0.0	-10.7	
	<i>Freight & Tankers</i>																		
104	PTRANS	0.79	1.03	30.4%	Buy	880	0.45	9.4	10.1	8.4	7.8	2.8	3.4	0.92	-14.1	0.66	20.3	3.9	
105	WPRTS	3.86	4.26	10.4%	Buy	13,163	0.64	28.3	30.5	13.6	12.7	5.4	5.8	3.96	-2.5	3.15	22.5	5.8	

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

No.	Company	Share Price (\$)	Target Price (\$)	% upside	Recom	Market Cap. (\$m)	Beta	EPS (cent)		PER (X)		Div Yield (%)		52week		52week		% Chg YTD	
								FY24	FY25	FY24	FY25	FY24	FY25	High Price	% Chg	Low Price	% Chg		
	BANKS & FINANCIAL SERVICES																		
1	DBS	36.08	35.30	-2.2%	Buy	93,284	1.00	383.3	401.1	9.4	9.0	6.0	6.0	36.12	-0.1	30.30	19.1	8.0	
2	OCBC	13.70	13.80	0.7%	Buy	61,588	0.98	159.9	163.6	8.6	8.4	6.6	7.3	13.78	-0.6	12.00	14.2	5.4	
3	UOB	29.25	32.10	9.7%	Buy	48,985	1.03	353.3	370.6	8.3	7.9	6.0	6.2	30.27	-3.4	26.82	9.1	2.8	
	PLANTATIONS																		
4	WILMAR	3.42	4.00	17.0%	Buy	21,350	1.04	38.1	38.4	9.0	8.9	3.5	3.5	4.29	-20.3	3.07	11.4	-4.2	

BUY : Total return within the next 12 months exceeds required rate of return by 5%-point.

HOLD : Total return within the next 12 months exceeds required rate of return by between 0-5%-point.

SELL : Total return is lower than the required rate of return.

Total Return is defined as expected share price appreciation plus gross dividend over the next 12 months. Gross dividend is excluded from total return if dividend discount model valuation is used to avoid double counting.

Required Rate of Return of 7% is defined as the yield for one-year Malaysian government treasury plus assumed equity risk premium.

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