

## Key Metrics

### FBMKLCI Index



### FBMKLCI

**1,486.37** 7.19pts 0.49%  
**JAN Future** 1487.5 - (0.37%)  
**FEB Future** 1489 - (0.40%)

**Gainers** 647  
**Losers** 352  
**Unchanged** 422

### Turnover

5391.71m shares / RM2734.372m  
3m avg volume traded 3907.55m shares  
3m avg value traded RM2432.68m

### Regional Indices

FBMKLCI	FSSTI	JCI	SET	HSI
1,486	3,152	7,227	1,383	15,309

### Market Indices

	Close	% chg	YTD % chg
FBMKLCI	1,486.37	0.5	2.2
FBM100	10,734.29	0.6	2.4
FBMSE	16,380.27	0.3	0.2
FBMMES	4,790.15	0.1	(10.0)
Dow Jones	37,863.80	1.1	0.5
NASDAQ	15,310.97	1.7	2.0
FSSTI	3,152.29	0.4	(2.7)
FTSE-100	7,461.93	0.0	(3.5)
SENSEX	71,683.23	0.7	(0.8)
Hang Seng	15,308.69	(0.5)	(10.2)
JCI	7,227.40	(0.4)	(0.6)
KOSPI	2,472.74	1.3	(6.9)
Nikkei 225	35,963.27	1.4	7.5
PCOMP	6,503.54	(0.1)	0.8
SET	1,382.51	0.3	(2.4)
Shanghai	2,832.28	(0.5)	(4.8)
Taiwan	17,681.52	2.6	(1.4)

### Top Actives

	Close	% chg	Vol. (m)
Wdad Group	0.110	(42.1)	786.7
Sarawak Consolidated	0.290	(45.8)	786.5
Sapura Energy	0.045	(10.0)	233.5
Tanco Holdings	0.365	(28.4)	109.2
Artroniq	0.285	23.9	100.7
MineTech Resources	0.165	(2.9)	92.0
Leform	0.160	(5.9)	72.8
Dagang NeXchange	0.345	4.5	60.9

### Economic Statistics

	Close	% chg
US\$/Euro	1.0898	0.20
RM/US\$ (Spot)	4.7185	(0.01)
RM/US\$ (12-mth NDF)	4.6350	0.01
OPR (%)	3.00	0.00
GOLD (US\$/oz)	2,029.49	0.30
WTI crude oil US spot (US\$/barrel)	73.41	(0.90)
CPO spot price (RM/tonne)	3,902.50	1.05

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# Malaysia Daybreak

22 January 2024

## What's on the Table...

### Economics Update – Robust consumption amid dismal 4Q23 GDP

Malaysia's advance GDP growth disappointed at 3.4% yoy in 4Q23 (3Q23: 3.3%). GDP weakness looks externally driven while domestic seems robust. Exports contracted further by 10% yoy in Dec 23 (-6.0% in Nov 23). Overall exports slumped 8.0% yoy in 2023 (2022: +24.9%). The Red Sea crisis poses limited risk to the global supply chain. There should be minimal impact from this on Malaysia's exports.

### Genetec Technology Bhd – Scenario analysis on EV segment growth

We believe concerns over the potential EV slowdown resulted in Genetec's share price correction over the past week. We ran a scenario analysis on EV revenue growth assumption and conclude that current valuations are discounting excessive cutback in orders. Reiterate Add with an unchanged TP of RM3.60. Valuation looks attractive at 14.0x FY25F P/E vs. comparable peers' 25.2x.

### HPP Holdings Bhd – Soft demand may continue in near term

1HFY5/24 core net profit of RM3.7m was below expectations at 33.1% of our FY24F estimate and 26.5% of Bloomberg consensus. Earnings hit by soft demand from E&E and contraceptive customers, as well as higher raw material costs, which we expect to continue in the near term. Reiterate Hold with a GGM-derived TP of RM0.36. FY24-26F dividend yields of 4.8% and RM0.09/share net cash position should support share price.

### Trading Lens - MY: AGX Group Berhad - Carving a niche in aerospace logistics

Incorporated in 2004, AGX Group (AGX) is an integrated third-party logistics (3PL) service provider covering Southeast Asia and Korea. AGX provides sea (36% of 9M23 revenue) and air freight forwarding (17%), aerospace logistics (37%), warehousing and other 3PL services (6%) and road freight transportation (4%) in the region. Headquartered in Malaysia (17% of 9M23 revenue), but foreign countries dominated the group's revenue with Philippines (39%) leading the contributors, followed by Singapore (9%), Korea (7%), Myanmar (4%) and other countries (ie. China, Japan and US).

### Trendspotter – MY- Jaya Tiasa Holdings (4383) (Technical Buy, 1.05): On course for more upside?

The stock has been moving sideways after failing to close firmly above the RM0.995 resistance despite multiple attempts since November last year. Last Friday's gap up on a spike in trading volume (3.9x higher than its 15-day moving average) has sent prices above the said resistance and closed at its 20-month high (on a close basis). The white Marubozu candle, coupled with the rising EMAs, suggest the bulls are on course for more upside in the near term.

## News of the Day...

- Putrajaya raises household assistance to RM1,200 in 2024 from RM600 in 2023
- M'sia recorded total trade of RM2.6tn in 2023, down 7.3% yoy
- UEM Group formalises partnerships to develop 500MW solar plant in Johor
- Kinergy Advancement to jointly develop 20MWp solar PV plant in Philippines
- Edeltec inks MOU with Chinese company for semiconductor-related business

## Global Economic News

**The number of Americans filing new claims for unemployment benefits fell last week to the lowest level in nearly 1½ years, suggesting job growth likely remained solid in January.** The unexpected decline in initial claims reported by the Labor Department on Thursday added to strong retail sales growth in December. (Reuters)

**Several US banks reported a plunge in fourth-quarter profits, hurt by a drop in interest income and charges tied to replenishing a deposit insurance fund.** Higher payouts on deposits to retain customers from chasing high-yielding alternatives have resulted in an industry-wide contraction in net interest margins for the banks that had until recently benefited from the US Federal Reserve's rate hikes. (Reuters)

**British retailers suffered the biggest drop in sales for almost three years during December, raising the risk that the economy entered recession in the fourth quarter, official data showed.** The Office for National Statistics said retail sales volumes shrank 3.2% between December and November — the biggest drop since January 2021. (Reuters)

**British lenders expect the biggest rise since 2009 in defaults by households with unsecured loans, a Bank of England survey showed.** The BOE's quarterly Credit Conditions Survey showed a reading of +31.7 in an index of lenders' expectations for unsecured household loan defaults for the three months to the end of February. (Reuters)

**Foreign direct investment into China shrank for the first time in over a decade in 2023, data released by the commerce ministry showed, underscoring the challenge Beijing faces if it is to win back foreign firms as Western governments talk up "de-risking".** Overseas companies last year invested 1.13trn yuan in the world's second-largest economy. (Reuters)

**The Philippines has temporarily suspended onion imports to prevent further depressing domestic prices amid a supply glut, in contrast to last year's shortage that made the cooking staple costlier than meat.** Onion imports will be halted until May, but the suspension may be extended through July if domestic supply "remains sufficient to meet local demand," Agriculture Secretary Francisco Tiu Laurel said. (Bloomberg)

## Malaysia Economic News

**Putrajaya will increase household assistance to RM1,200 this year from RM600 last year, as well as extend the scheme to include the poor category, in addition to the hardcore poor, under the Sumbangan Asas Rahmah (Sara) programme.** Meanwhile, assistance to single individuals will remain at RM600, according to a statement released by the Ministry of Finance (MOF) on Friday. (The Edge Malaysia)

**Malaysia's trade exceeded RM2tn for the third consecutive year in 2023 at RM2.64tn,** albeit down 7.3% compared with 2022, in tandem with slower global demand, lower commodity prices, geopolitical uncertainties, high inflation rate, downcycle in the semiconductor sector and high base effect last year. Malaysian exports surpassed RM1tn also for the third year in a row and achieved 82.4% of the target set for 2025 under the Mid-Term Review of the Twelfth Malaysia Plan (12MP), according to the Ministry of Investment, Trade and Industry (Miti). (The Edge Malaysia)

**Electric vehicle (EV) sales in Malaysia are expected to grow exponentially this year,** said Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz. He said that the projection is in line with the rising number of EVs sold last year, which ballooned 200% compared to 2022, and based on industry players' confidence in the rising interest in high-tech vehicles. (Bernama)

**The proposed targeted subsidy mechanism will be decided on by the Cabinet next week,** according to Minister of Economy Rafizi Ramli. "Once the decision is made on the method — including which group, how much, who will get it and so on — that allows the government to announce the forms of targeted subsidy assistance," (The Edge Malaysia)

**The proposed construction of a new power plant by Petroliam Nasional Bhd (Petronas) to address the persistent power supply disruptions in Labuan will be discussed during a Cabinet meeting on 24 Jan.** Deputy Prime Minister Datuk Seri Fadillah Yusof said the proposed power plant, spearheaded by Petronas, would be a collaborative effort with the Sabah Energy Commission (SEC) and Sabah Electricity Sdn Bhd (SESB), and that the completion target for the project is set for 2027. (Bernama)

**The Sabah state government will continue working with the Federal Government in implementing various initiatives to improve electricity supply in the state,** Chief Minister Datuk Seri Hajiji Noor said. As such, the state government will implement every initiative drafted based on the targets set in the Sabah Energy Roadmap and Masterplan 2040 (SE-RAMP 2040), he said. (Bernama)

**The Penang state government has called on PLUS Malaysia Bhd (PLUS) to implement the Juru-Sungai Dua elevated highway project for the dispersal of the worsening traffic congestion in the area.** (The Edge Malaysia)

**Malaysia's first Bandar PR1MA township, which is being built near the construction site of the Teluk Intan Universiti Pendidikan Sultan Idris (UPSI) campus, is set to be launched this year.** Housing and Local Government Minister Nga Kor Ming said the project, sited on a 57.5-hectare land and featuring an estimated gross development value of about RM800m, offers over 1,000 units of high-quality affordable homes. (Bernama)

**The Plantation and Commodities Ministry held a discussion on Friday with the Malaysian Rubber Glove Manufacturers Association (MARGMA) on measures to resolve critical issues towards ensuring the industry's ability to meet global challenges.** Its minister Datuk Seri Johari Abdul Ghani said the Malaysian rubber glove industry is now operating amid a challenging export environment, with local companies facing stiff competition, especially from countries that have access to cheaper energy. (Bernama)

**The government will conduct efforts to retarget subsidies in phases this year, with improvement in social assistance**, said Domestic Trade and Cost of Living Minister Datuk Armizan Mohd Ali. He said the Ministry of Domestic Trade and Cost of Living, Ministry of Finance and Ministry of Economy are in discussions to refine "cash transfers" provided to the people, including the Rahmah Cash Aid (STR), by considering the subsidy retargeting efforts. (Bernama)

**The government is ready to examine the restructuring of the existing rice system to avoid the occurrence of irregularities or cartel syndicates in the country's paddy and rice industry.** Meanwhile, in relation to the aquaculture industry, Mohamad Sabu said the ministry has set the industry's production target at 500,000 tonnes for this year. (Bernama)

## Political News

**Sarawak Premier Tan Sri Abang Johari Tun Openg on Saturday declined to comment on speculation regarding the appointment of a new Sarawak Yang di-Pertua Negeri.** He said the authority to appoint the Yang di-Pertua Negeri lies with Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah. (Bernama)

**It is not "undemocratic" if the country plans to introduce a Fixed-Term Parliament Act in the future.** Dewan Negara president Tan Sri Dr Wan Junaidi Tuanku Jaafar said this is because many countries in the world have implemented such a system that maintains the government within a specific term. (Bernama)

**The High Court has fixed five trial days in September this year to hear former prime minister Datuk Seri Najib Razak's second money laundering trial involving RM27m of SRC International Sdn Bhd's (SRC) funds.** High Court judge K Muniandy ruled that the trial dates ought to be fixed despite lead defence counsel Tan Sri Muhammad Shafee Abdullah's stance that his client be granted a discharge and acquittal (DAA), given that the case has been pending since 2018. (The Edge Malaysia)

## Corporate News

**UEM Group Bhd**, a wholly-owned subsidiary of **Khazanah Nasional Bhd**, will collaborate with **Itramas Corp Sdn Bhd** and **Hexa Renewables** on the first phase of the national flagship 1GW hybrid solar photovoltaic energy transition project — the development of a 500MW hybrid solar plant in Johor. Besides formalising the partnerships, UEM Group managing director Datuk Mohd Izani Ghani said the trio has also secured suitable land in Segamat, Johor where the 500MW hybrid solar power plant will be housed. (The Edge Malaysia)

Sustainable energy specialist **Kinergy Advancement Bhd** (KAB) will team up with the Philippines' **LCS Holdings Inc** to jointly develop and operate a 20 megawatts-peak (MWp) solar photovoltaic (PV) plant in Santa, Ilocos Sur, the Philippines. (The Edge Malaysia)

Property developer **Eupe Corp Bhd** is purchasing two additional parcels of freehold land in Sungai Petani, located in the Kuala Muda district of Kedah, for RM40.68m, which will increase the land area around its proposed township, for investment. (The Edge Malaysia)

**LB Aluminium Bhd** is acquiring two factories and an office on a 4.56-acre freehold parcel of land in Beranang, Selangor, for RM30.42m, cash, its Bursa Malaysia filing showed on Friday. According to the group, it is buying the property, which is sited next to its manufacturing operations and factories, to grow its warehouse capacity in Beranang, relocate its operations and cater for any future expansion plans. (The Edge Malaysia)

**YNH Property Bhd** shared details of a turnkey construction contract (TCA) in relation to a RM150m land deal in Desa Sri Hartamas in response to a query from Bursa Malaysia. YNH said the termination of the TCA has no financial impact on the group and instead, it was expected to earn a profit of RM20m, which could potentially increase to RM70m provided that Sunway obtains a new development order that increases the site's plot ratio from five to seven. (The Edge Malaysia)

**Edelteq Holdings Bhd** has signed Memoranda of Understanding (MOU) with a Chinese company and a Malaysian outfit to start semiconductor-related businesses locally and abroad. According to a bourse filing on Friday, it said it had inked one MOU with China-based **CYG Semiconductor Equipment (Zhuhai) Co Ltd** to set up two companies — one in China and another in Malaysia — that will be involved in semiconductor-related businesses. (The Edge Malaysia)

While **Tanco Holdings Bhd**'s share price has been on a downward spiral, a total of 6.07 million warrants were converted at the exercise price of 31 sen per share, the company's filing to Bursa Malaysia showed. The conversion of this block of warrants cost RM1.88m. (The Edge Malaysia)

**TSA Group Bhd**, which is scheduled to make its ACE Market debut on 2 Feb, said its initial public offering (IPO) was oversubscribed by 8.62 times by the Malaysian public. (The Edge Malaysia)

**KPJ Healthcare Bhd** has filed a lawsuit against 11 former board directors over the sale of a 49% stake in its pathology and laboratory unit **Lablink (M) Sdn Bhd** to **KL Kappa Sdn Bhd** for RM119.92m in March 2018. (The Edge Malaysia)

**Capital A Bhd** now has up till 30 Jun 2024 to submit its proposal to regularise its Practice Note 17 (PN17) condition after getting Bursa Malaysia's approval for another six-month extension — its fourth extension in a row. (The Edge Malaysia)

**Silver Ridge Holdings Bhd**, whose shares price hit limit down again for a second consecutive day on Friday, revealed that the group is discussing several business proposals in its response to the unusual market activity (UMA) query issued by Bursa Securities. (The Edge Malaysia)

**Bursa Malaysia Securities Bhd** has put a freeze on the lower limit share price for **Jentayu Sustainables Bhd** after the stock hit the limit down circuit breaker for two days in a row. The lower limit freeze is set at 50 sen, where the stock last settled, which is also its lowest in 16 months. (The Edge Malaysia)

**Betamek Bhd** said investigations by the Malaysian Anti-Corruption Commission (MACC), which summoned its managing director Mirzan Mahathir for questioning, have nothing to do with the company. (The Edge Malaysia)

## Changes in substantial shareholdings

19-Jan-24	Date	Type of transaction	No of securities	Company	Ave Price (RM)
Sungei Way Corporation Sdn Bhd	17/1	Disposed	150,000,000	Sunway Berhad	
Amanah Saham Bumiputera	17/1	Disposed	10,000,000	S P Setia Berhad	
Amanah Saham Bumiputera	17/1	Disposed	8,000,000	Sime darby berhad	
EPF	16/1	Disposed	3,697,100	Gamuda	
EPF	16/1	Acquired	3,570,700	CIMB Group	
EPF	16/1	Acquired	2,677,900	Public Bank	
EPF	16/1	Disposed	1,145,100	SKP Resources	
Berjaya Corporation Berhad	16/1	Acquired	1,100,000	Berjaya Food	
Berjaya Corporation Berhad	17/1	Acquired	1,100,000	Berjaya Food	
EPF	16/1	Acquired	1,023,900	Axiata Group	
Kumpulan Wang Persaraan	18/1	Disposed	1,000,000	IJM Corp Bhd	
EPF	16/1	Acquired	847,800	RHB Bank	
EPF	16/1	Acquired	845,500	Genting Plantations	
EPF	16/1	Disposed	802,900	Telekom Malaysia	
EPF	16/1	Disposed	762,300	Malaysia Airports Holdings	
EPF	16/1	Acquired	734,000	AMMB Holdings	
EPF	16/1	Disposed	658,300	IGB REIT	
EPF	16/1	Acquired	637,000	Gas Malaysia	
EPF	16/1	Acquired	634,600	Westports Holdings	
EPF	16/1	Acquired	551,200	Bermaz Auto	
EPF	16/1	Acquired	526,900	Yinson Holdings	
EPF	16/1	Disposed	492,100	Malayan Banking	
Sime Darby Enterprise Sdn Bhd	18/1	Acquired	461,020	UMW Holdings Berhad	
EPF	16/1	Acquired	445,100	KL Kepong	
EPF	16/1	Acquired	444,800	Petronas Gas	
EPF	16/1	Disposed	389,600	Bursa Malaysia	
Kumpulan Wang Persaraan	18/1	Disposed	308,000	Telekom Malaysia	
Dato' Lim Kiam Lam	16/1	Disposed	300,000	Engtex Group	
Dato' Lim Kiam Lam	17/1	Disposed	300,000	Engtex Group	
EPF	16/1	Acquired	250,000	Duopharma Biotech	
EPF	16/1	Disposed	221,700	Inari Amertron	
D&D Consolidated Sdn Bhd	18/1	Acquired	200,200	Mynews Holdings	
EPF	16/1	Acquired	179,800	Bursa Malaysia	
EPF	16/1	Disposed	157,500	Bank Islam Malaysia	
EPF	16/1	Acquired	141,700	Nestle (Malaysia)	
EPF	16/1	Acquired	112,000	IHH Healthcare	
EPF	16/1	Acquired	85,000	MISC	
EPF	16/1	Acquired	80,000	IJM Corporation	
EPF	16/1	Acquired	66,300	Sunway Construction	
EPF	16/1	Acquired	60,000	Petronas Gas	
Akintan Sdn Bhd	18/1	Acquired	29,100	Beshom Holdings	
Akintan Sdn Bhd	17/1	Acquired	22,000	Beshom Holdings	
EPF	16/1	Disposed	12,600	Panasonic Manufacturing M'sia	
EPF	16/1	Disposed	2,400	Pavilion REIT	

SOURCE: BMSB

## Dividends Calendar

Company	Particulars	Gross DPS (Sen)	Ann Date	Ex-Date	Lodgement	Payment
Eco World Development	Final Dividend	2.00	14-Dec-23	2-Jan-24	3-Jan-24	19-Jan-24
NTPM	First Interim Dividend - single tier	0.80	18-Dec-23	3-Jan-24	4-Jan-24	26-Jan-24
Fraser & Neave	Final Dividend - single tier	33.00	18-Dec-23	18-Jan-24	19-Jan-24	6-Feb-24
Fraser & Neave	Special dividend	17.00	18-Dec-23	18-Jan-24	19-Jan-24	6-Feb-24
Kuala Lumpur Kepong	Final Dividend - single tier	40.00	5-Jan-24	30-Jan-24	31-Jan-24	28-Feb-24
Gamuda	First Interim Dividend - single tier	6.00	16-Jan-24	30-Jan-24	31-Jan-24	28-Feb-24

SOURCE: BMSB



Corporate Actions

January 2024

SUN	MON	TUE	WED	THU	FRI	SAT
	1 New Year	2	3	4	5	6
7	8 Foreign Reserves	9	10	11 IPI	12	13
14	15	16	17	18	19 External Trade	20
21	22 CPI; Foreign Reserves (mid-data)	23	24	25 Thaipusam	26	27
28	29	30	31			

SOURCE: Company, BNM, DOSM, CGS-CIMB estimates

Corporate Actions

FEBRUARY 2024

SUN	MON	TUE	WED	THU	FRI	SAT
				1 Federal Territory Day	2	3
4	5	6	7 IPI; Manufacturing	8 Wholesale & Retail Trade; Foreign Reserves	9 Chinese New Year Eve	10 Chinese New Year
11 Chinese New Year	12	13	14	15	16	17
18	19	20 External Trade	21	22 Foreign Reserves (mid-data);	23	24
25	26	27	28 PPI	29		

SOURCE: Company, BNM, DOSM, CGS-CIMB estimates



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- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

### Sector Ratings

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.

### Country Ratings

Definition:

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- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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