

**27 Mar 2024**

# | Daily Digest

**Key indices**

	Close	Chg	% Chg
KLCI	1,538	(0)	(0.0)
FBM EMAS	11,558	17	0.1
DJIA	39,314	(162)	(0.4)
NASDAQ	16,384	(44)	(0.3)
FTSE	7,909	(9)	(0.1)
HSI	16,618	145	0.9
NIKKEI	40,398	(16)	(0.0)
STI	3,237	39	1.2
KOSPI	2,757	20	0.7

Source: Bloomberg

**Market data**

	Close	3MMA	12MMA
Volume (m)	3,653	4,222	3,442
Value (RM m)	2,723	2,876	2,223

  

	Close	Prev	% Chg
CPO	4,337	4,340	-0.1
RM/ US\$	4.72	4.72	-0.1
Crude oil (brent)	86.7	86.8	-0.1
MGS 10 yr	3.85	3.85	-0.1

Source: Bloomberg, CIMB Securities

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

Top gainers (%)	1M	3M	12M
SP SETIA	71	75	113
ECONPILE	45	60	138
MAH SING	31	36	82
JENTAYU	20	(26)	1
KPJ H	17	28	62
IJM CORP	16	21	42
E&O	16	68	204
MAHB	16	25	31
UNISEM	14	7	11
MFCB	14	15	16

  

Top losers (%)	1M	3M	12M
AIRASIA X	(17)	(32)	4
ASTRO	(13)	(26)	(59)
CTOS DIGITAL	(13)	(16)	(11)
COASTAL	(11)	(15)	(37)
MAXIS	(9)	(16)	(22)
TAN CHONG	(9)	(15)	(26)
TAKAFUL MSIA	(9)	(10)	1
PHARMANIAGA	(8)	(13)	10
BAT	(7)	(18)	(30)
YTL POWER	(6)	42	302

Source: Bloomberg

**Expect stronger earnings in 2HFY24F**

Scientex 1HFY7/24 CNP exceeded expectations, due to higher profit margin achieved by its packaging segment through productivity gains, despite challenges from soft export demand. While property launches in 1HFY7/24 fell short of expectations, momentum is expected to increase in 2HFY7/24. Reiterate Buy with a higher SOP-based TP at RM4.40.

**Malaysia Strategy – Interesting statistics from SC report**

According to the latest Annual Report from the Securities Commission (SC), the Malaysian capital market experienced a growth of 5.6%, reaching RM3.8trn in 2023. We gathered that share of Assets Under Management (AUM) invested outside of Malaysia by the fund management industry, rose to 34% in 2023 compared to 31% in 2022. An analysis of investor trends in Malaysia equity market reveals a growing presence of both foreign and local strategic investors, while those with active investment strategies decreased from 2018 to 2023. Such a trend has the potential to reduce volatility in the equity market.

**| News Headlines**

- Senheng, Huawei, Apulsar team up to drive EV adoption in Malaysia
- Keyfield International begins taking orders for IPO to raise up to RM188 mil
- LTAT has no plans to sell Boustead Plantation — Mindef
- Govt awaits unused foreign worker quota info, RTK2.0 outcome before deciding on reopening them
- PM: Impact of service tax hike on inflation expected to be minimal at 0.2 percentage points

## Newsflow

### **Senheng, Huawei, Apulsar team up to drive EV adoption in Malaysia**

Senheng New Retail Bhd's 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. Senheng New Retail president Lim Kim Chieng said the collaboration will establish a new benchmark for the country's journey toward clean energy adoption, and will highlight the collective efforts across various sectors to achieve carbon neutrality. *[The Edge]*

### **Keyfield International begins taking orders for IPO to raise up to RM188 mil**

Oil and gas (O&G) services firm Keyfield International Bhd on Tuesday began taking orders from investors for its Main Market initial public offering (IPO) that would raise up to RM188.06 million. The IPO is priced at 90 sen apiece and comprises entirely of new shares, according to its prospectus. The company allocated 40 million shares to the public, 24 million shares to eligible persons and 144.96 million shares to Bumiputera and select investors through private placement. Applications for the IPO will close on April 3 and listing has been scheduled for April 22. *[The Edge]*

### **LTAT has no plans to sell Boustead Plantation — Mindef**

The Armed Forces Fund Board (LTAT) has no plans to sell its shareholdings in Boustead Plantations Bhd at this juncture, according to the Ministry of Defence (Mindef). "LTAT is now studying a plan for the future of Boustead Plantations to determine its strategic direction and boost the company's operational performance to a higher level," said Defence Minister Datuk Seri Mohamed Khaled Nordin. "This is an important step to value add to Boustead Plantations and realise its true potential to make it an asset that is competitive and able to provide a return sustainable for a long period of time," Khaled said in a written reply to a question from fellow lawmaker Dr Radzi Jidin (Perikatan Nasional—Putrajaya) in Parliament. *[The Edge]*

### **Govt awaits unused foreign worker quota info, RTK2.0 outcome before deciding on reopening them**

Any decision on the reopening of the foreign worker quota will be made only after the government obtains complete information on unused quotas by May 31, says Human Resources Minister Steven Sim. Additionally, the government will consider the outcomes of the Workforce Recalibration Programme 2.0 (RTK2.0), which concludes on June 30. Citing the Immigration Department's records, Sim mentioned that there are approximately 2.17 million foreign workers in the country. *[The Edge]*

### **PM: Impact of service tax hike on inflation expected to be minimal at 0.2 percentage points**

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 Edge]*

# Forthcoming Events

Date	Event
29 Mar 2024	Detailed Disclosure of International Reserves as at end-February 2024
29 Mar 2024	Monthly Highlights & Statistics for February 2024
5 Apr 2024	International Reserves of BNM as at 29 March 2024
22 Apr 2024	International Reserves of BNM as at 15 April 2024

---

Source: Bank Negara, CIMB Securities

## DISCLAIMER

The content of this report (including the views, opinions and recommendations expressed and the information contained in this report) has been prepared by and belongs to CIMB Securities Sdn Bhd (formerly known as KAF Equities Sdn Bhd) ("**CIMB Securities**").

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, you represent and warrant that you are entitled to receive this report in accordance with the restrictions in this report and agree to be bound by the limitations in this report. Any failure to comply with these limitations may constitute a violation of law.

This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, in whole or in part, to any other person.

This report is general in nature and has been prepared for information purposes only. It is intended for distribution in Malaysia by CIMB Securities to the clients of CIMB Securities, CIMB Investment Bank Berhad and CIMB Bank Berhad generally and does not have regard to the specific investment objectives, financial situation and particular needs of any specific person who may receive this report.

**The information, views, opinions or recommendations in this report are not and should not be construed or considered as an offer, or solicitation to buy or sell, or an invitation to subscribe for, the securities of the company(ies), related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.**

**You are advised to make your own independent evaluation of the information contained in this report**, consider your own individual investment objectives, financial situation and particular needs and consult your own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this report. The securities of the company(ies) may not be eligible for subscription or sale in all jurisdictions or to all categories of investors.

CIMB Securities may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CIMB Securities has no obligation to update this report to include any material omission or in the event of a material change to the information contained in this report.

CIMB Securities does not accept any obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the contents of this report constitute all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and recommendations; and accordingly, CIMB Securities as well as its affiliates, related and associate corporations (and their respective directors, officers and/or employees) shall not be liable in any manner whatsoever for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any reliance thereon or usage of this report. In particular, CIMB Securities disclaims all responsibility and liability for the views, opinions and recommendations set out in this report.

Unless otherwise specified, this report is based upon sources or data which CIMB Securities considered to be reasonable, correct and reliable at the time of issue of this report. Such sources or data will, unless otherwise specified, for market data, be market data and prices available from the stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of your investments may go down and you may lose some or all of your investments.

This report may contain information obtained from third party content providers. Reproduction and distribution of third party contents in any form is prohibited except with the prior written consent of the related third party content provider.

Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such contents. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their contents.

CIMB Securities as well as its affiliates, related and associate corporations (and their respective directors, officers and/or employees) may own or have positions in securities of the company(ies) covered in this report or any securities related to it and may from time to time add to or dispose of, or may be materially interested in, any such securities.

Further, CIMB Securities as well as its affiliates, related and associate corporations do and seek to do business with the company(ies) covered in this report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers (for its own account or the account of its customers)

and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit investment, advisory or other services from any company(ies) mentioned in this report.

CIMB Securities as well as its affiliates, related and associate corporations may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CIMB Securities may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst(s) responsible for the production of this report certifies that the views, opinions and recommendations expressed herein accurately and exclusively reflect his/her personal views, opinions and recommendations about any and all of the company(ies) or securities analysed in this report and were prepared independently and autonomously.

In reviewing this research report, you should be aware that any or all of the foregoing, among other things, may give rise to actual or potential conflicts of interest. Subject to the duties of confidentiality, additional information may be available, on request, at our sole discretion.

## **RATING GUIDE**

<b>Stock Rating</b>	<b>Definition</b>
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
<b>Sector Rating</b>	<b>Definition</b>
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.

## **DISCLOSURE OF CONFLICTS OF INTEREST**

### ***Disclosure by CIMB Securities***

CIMB Securities hereby declares that:

(a) CIMB Securities, CIMB Investment Bank Berhad and/or CIMB Bank Berhad has/have proprietary positions in the following securities of the company(ies) mentioned in this report:

Nil

(b) CIMB Securities (only in respect of its Equities Research Department) received material benefit in relation to the production of this report for the following companies mentioned in this report:

Nil

### ***Disclosure by Analyst(s)***

The analyst(s) who prepared this report declares that:

(a) He/she received material benefit in relation to the production of this report for the following companies mentioned in this report:

Nil

(b) He/she has/have an interest in the securities in the following company(ies) recommended in this report:

Nil

(c) He/she serves as a director or board member of the following company(ies) mentioned in this report:

Nil

Information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/her coverage of company(ies) in the performance of his/her duties or the correlation between his/her views, opinions or recommendations and the performance of the securities of the company(ies) and may also participate in the solicitation of the businesses.

This report is distributed in Malaysia by CIMB Securities solely for the benefit of and for the exclusive use of the clients of CIMB Securities, CIMB Investment Bank Berhad and CIMB Bank Berhad. Recipients of this report are to contact CIMB Securities at Level 14, Chulan Tower, No. 3, Jalan Conlay, 50450 Kuala Lumpur in respect of any matters arising from or in connection with this report. CIMB Securities has no obligation to update, revise or reaffirm its opinion or the information in this research report after the date of this report.

This report is not directed to or intended for distribution or publication outside of Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located and seek the advice of professional advisers in your jurisdiction.