

29 Mar 2024

| Daily Digest

Key indices

	Close	Chg	% Chg
KLCI	1,531	(8)	(0.5)
FBM EMAS	11,526	(36)	(0.3)
DJIA	39,282	(31)	(0.1)
NASDAQ	16,316	(69)	(0.4)
FTSE	7,904	(27)	(0.3)
HSI	16,393	(225)	(1.4)
NIKKEI	40,763	365	0.9
STI	3,252	18	0.6
KOSPI	2,755	(2)	(0.1)

Source: Bloomberg

Market data

	Close	3MMA	12MMA
Volume (m)	3,751	4,231	3,444
Value (RM m)	3,101	2,897	2,230

	Close	Prev	% Chg
CPO	4,372	4,337	0.8
RM/ US\$	4.73	4.72	0.2
Crude oil (brent)	85.3	86.3	-1.1
MGS 10 yr	3.85	3.85	0.1

Source: Bloomberg, CIMB Securities

Relative performance
(CIMB Securities)

Top gainers (%)	1M	3M	12M
SP SETIA	70	70	118
MAH SING GROUP	32	43	90
ECONPILE	30	58	124
JENTAYU	23	(26)	3
AMWAY	22	30	36
MALAYSIA AIRPOR	19	28	36
UNISEM (M)	19	11	16
UEM SUNRISE	18	39	342
EASTERN & ORIEN	16	65	193
KPJ HEALTHCARE	16	26	54

Top losers (%)	1M	3M	12M
AIRASIA X	(22)	(33)	2
ASTRO	(13)	(27)	(58)
COASTAL CONTRA	(11)	(16)	(38)
TUNE PROTECT	(11)	(22)	(27)
MAXIS	(10)	(18)	(22)
CTOS DIGITAL	(8)	(10)	(7)
YTL POWER INT	(7)	42	306
TAN CHONG	(7)	(14)	(25)
PHARMANIAGA	(6)	(9)	15
YINSON	(5)	(11)	(11)

Source: Bloomberg

Gamuda – Reaffirms RM25bn win target

Maintain Buy on Gamuda with a **higher TP of RM5.75**, following its in line 1HFY7/24- results. Core net profit rose 5% yoy in 1HFY24, driven by increased overseas operations. It is on track to deliver a stronger 2HFY7/24 results, supported by higher construction billings and lumpy recognition from two property projects. Additionally, Gamuda has retained its target for new construction wins for FY24-25F at RM25bn.

VS Industry – On the cusps of an earnings upcycle

We are **upgrading VSI to a Buy** and **increasing our TP to RM1.06** (16.0x CY25F P/E, in line with its 5-year mean). Earnings have likely bottomed in 2QFY24, with VSI being on the cusps of an earnings upcycle, aided by the recovery in end demand for consumer electronics. We like VSI for its diversified clientele and efforts to enhance its value chain, with success in some new projects expected to bear fruits in the near-term.

Mynews Holdings – Near-term growth prospects priced in

We are neutral following its latest analyst briefing. While we expect earnings to improve due to accelerated store openings, stringent cost discipline and a more profitable sales mix, we believe Mynews current valuation at 40.8x P/E of CY24F EPS (33% premium to its historical mean P/E of 30.7x since listing) has largely factored in its strong earnings growth prospects in the near-term. **Maintain Hold** with **unchanged TP at RM0.49**.

| News Headlines

- Heineken and Carlsberg set to raise beer prices effective April 1 — report
- KNM signs agreement to sell Italian unit for EUR16.5m
- Theta Edge partners India's KEC International to bid for TNB grid projects
- PT Resources' 3Q profit jumps on higher domestic and overseas sales
- Eduspec bags RM30m 5G hardware testing job from EG Industries unit
- Kerjaya Prospek Property to open Bloomsvale Shopping Gallery on Old Klang Road by 2Q2024

Newsflow

Heineken and Carlsberg set to raise beer prices effective April 1 — report

Heineken Malaysia Bhd and Carlsberg Brewery Malaysia Bhd are set to increase prices of their beer products by around 5%. The Petaling Jaya Coffeeshop Association chairman Keu Kok Meng confirmed that retailers received official notices of the price hike from the two brands three weeks ago. He noted that the last time beer prices were raised was in July 2022, where prices were increased by some 6%. *[The Edge]*

KNM signs agreement to sell Italian unit for EUR16.5m

KNM Group Bhd has signed a share purchase agreement with two buyers to sell its wholly-owned unit FBM Hudson Italiana SpA, a heat exchanger and high-pressure equipment manufacturer. Under the agreement, both buyers, namely BM Carpenterie Oil & Gas Srl and Officine Piccoli SpA, will take over the EUR11.5m loans that FBM Hudson owes to KNM as settlement for sale consideration. *[The Edge]*

Theta Edge partners India's KEC International to bid for TNB grid projects

Theta Edge Bhd said it has teamed up with India-based power transmission giant KEC International Ltd in bidding for TNB future grid projects. It inked a MOU with KEC International and its Malaysian unit to submit a contractor prequalification assessment related to grid infrastructure work via a joint venture partnership. Under the MOU, the parties intend to submit their application for prequalification and appoint either KEC International or KEC Malaysia as the subcontractor to Theta Edge. *[The Edge]*

PT Resources' 3Q profit jumps on higher domestic and overseas sales

PT Resources Holdings Bhd reported a net profit of RM14.56m for its latest quarter, over seven times the RM1.97m it made a year earlier, as revenue increased amid higher domestic and overseas demand. EPS rose to 2.47sen from 0.37sen. Revenue for the 3QFY2024 came in at RM165.04m, up 42.96% from RM115.44m in 3QFY2023. The domestic demand rose by RM17.2m or 29.9% yoy during the quarter as the Chinese New Year approached while overseas demand increased 56%. *[The Edge]*

Eduspec bags RM30m 5G hardware testing job from EG Industries unit

Eduspec Holdings Bhd has secured a RM30m contract from electronic manufacturing services (EMS) provider EG Industries Bhd to provide testing services for EG Industries' 5G optical modules and other related components. independent testing services Eduspec is to provide under the contract include testing and validating SMTT's 5G optical printed circuit board assembly and other related components and products. *[The Edge]*

Kerjaya Prospek Property to open Bloomsvale Shopping Gallery on Old Klang Road by 2Q2024

Kerjaya Prospek Property Bhd will be opening Bloomsvale Shopping Gallery on Old Klang Road, Kuala Lumpur, by the 2Q of 2024. Bloomsvale Shopping Gallery spans approximately 320,000 sq ft of gross floor area. It will house 100 retail units across four levels and offer 230,000 sq ft net lettable area. Bloomsvale Shopping Gallery is part of the bigger 5.2-acre freehold Bloomsvale @ OKR mixed development worth RM1.2bn in GDV. *[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

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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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