

# Malaysia Daybreak | 16 January 2024

## What's on the Table...

### Rubber Gloves – Industry checks – recovery still looks distant

While there is some uptick in sales volume since mid-2023, idle capacity in the background could suppress a recovery in profitability, in our view. Our recent checks with industry players suggest it would be difficult for the Big 4 to return to pre-pandemic profit levels before 2026F. The Big 4's current P/BV multiples suggest pre-pandemic profit levels by 2025F, which appears very optimistic to us. Reiterate sector Underweight.

### Trendspotter – MY- Avaland (5182) (Technical Buy, 0.265): At 3-month high

The stock appears to be well supported above the 50-day EMA following its recent triangle breakout from the 52-week high. Prices rose and closed at its 3-month high (on a close basis) yesterday with a white Marubozu candle. Underpinned by a higher trading volume and the higher lows sequence from the RM0.145 low, the stock is likely to extend its rally in the near term.

## News of the Day...

- 31 firms across 7 consortia submitted concept proposals for KL-Singapore HSR
- CelcomDigi partners SoftBank and SC-NEX for their IR.4.0 solutions
- Sime Darby holds 96.81% of UMW, to compulsory acquire remaining shares
- Sunview in talks for the development of a 500MW solar facility in Cambodia
- Tien Wah Press to form JV with Cat Loi Joint Stock Company in Vietnam

### Key Metrics

#### FBMKLCI Index



#### FBMKLCI

1,501.11 13.77pts 0.93%  
JAN Future 1503.5 - (1.01%)  
FEB Future 1505 - (1.07%)

Gainers 583  
Losers 448  
Unchanged 419

#### Turnover

4978.96m shares / RM3129.008m  
3m avg volume traded 3737.66m shares  
3m avg value traded RM2352.28m

#### Regional Indices

FBMKLCI	FSSTI	JCI	SET	HSI
1,501	3,199	7,224	1,407	16,216

#### Market Indices

	Close	% chg	YTD % chg
FBMKLCI	1,501.11	0.9	3.2
FBM100	10,839.32	0.7	3.4
FBMSC	17,187.41	1.3	5.1
FBMMES	5,380.96	(0.0)	1.1
Dow Jones	37,592.98	(0.3)	(0.3)
NASDAQ	14,972.76	0.0	(0.3)
FSSTI	3,199.42	0.2	(1.3)
FTSE-100	7,594.91	(0.4)	(1.8)
SENSEX	73,327.94	1.0	1.5
Hang Seng	16,216.33	(0.2)	(4.9)
JCI	7,224.00	(0.2)	(0.7)
KOSPI	2,525.99	0.0	(4.9)
Nikkei 225	35,901.79	0.9	7.3
PCOMP	6,680.45	0.6	3.6
SET	1,407.02	(0.5)	(0.6)
Shanghai	2,886.29	0.1	(3.0)
Taiwan	17,546.82	0.2	(2.1)

#### Top Actives

	Close	% chg	Vol. (m)
MineTech Resources	0.175	(10.3)	336.3
Malaysian Resources Corp	0.535	11.5	122.1
Ekovest	0.595	0.8	109.3
Hong Seng Consolidated	0.020	33.3	105.8
Eastern & Oriental	0.930	20.8	92.3
Filters Diversified	0.060	9.1	76.3
Fast Energy Holdings	0.135	(20.6)	69.5
Widad Group	0.495	1.0	67.6

#### Economic Statistics

	Close	% chg
US\$/Euro	1.0950	(0.01)
RM/US\$ (Spot)	4.6707	0.49
RM/US\$ (12-mth NDF)	4.5696	0.47
OPR (%)	3.00	0.00
GOLD ( US\$/oz)	2,056.55	0.37
WTI crude oil US spot (US\$/barrel)	72.68	0.92
CPO spot price (RM/tonne)	3,816.50	0.87

### CGS-CIMB Research

T (60) 3 2635 8888

E research@cgs-cimb.com

## Global Economic News

**US lawmakers released a stopgap spending bill to avert a partial government shutdown on Jan 20**, greatly reducing the chances of a closure but risking conservative Republican ire against House Speaker Mike Johnson. The temporary spending bill would extend funds for some agencies. (Bloomberg)

**The ECB is currently on hold as it waits to see how the 10 hikes enacted since mid-2022 affect the economy.** Policymakers are focusing particularly on wage developments in the first half of 2024, to confirm that rising labor costs won't keep inflation from decelerating to the 2% goal. (Bloomberg)

**Germany continued to dodge a recession in the wake of the energy crisis**, despite output shrinking at the end of 2023 and across the year as a whole as demand sank. Gross domestic product fell 0.3% between October and December. (Bloomberg)

**Singapore new private home sales fell in 2023 to the lowest in 15 years, as housing curbs and weakening economic conditions began to weigh on the market.** Just 6,671 units were sold by developers last year, figures released by the Urban Redevelopment Authority (URA). December sales dropped to 135, less than a fifth of what was sold a month earlier. (Bloomberg)

**Indonesia's trade surplus fell almost a third in 2023 from a year earlier, as exports and imports dropped amid falling commodity prices and weakening global trade**, data from the country's statistics bureau showed. The 2023 trade surplus fell to US\$36.93bn from a record high of US\$54.46 in 2022, which was fuelled by the global commodity boom. (Reuters)

**Indonesia, a major thermal coal exporter, aims to produce 710 million metric tonnes of coal in 2024, its mining minister said, after posting record output last year amid a recovery in demand.** The government plans to raise to 23% the share of energy generated from renewable sources by 2025, though as of last year only 13% of the Southeast Asian country's energy mix was represented by renewables. (Reuters)

## Malaysia Economic News

**A total of 31 firms across seven local and international consortia have submitted concept proposals to MyHSR Corporation Sdn Bhd (MyHSR Corp) for the Kuala Lumpur-Singapore High Speed Rail project (KL-Singapore HSR) by its deadline on Monday.** (The Edge Malaysia)

**Selangor aims to attract RM50bn worth of investments this year, up from last year's RM45bn.** Menteri Besar Datuk Seri Amirudin Shari said the target was set, given the improving economic development and the state's ability to contribute to the gross domestic product (GDP) by up to 0.5% this year. (Bernama)

## Political News

**The suggested bill to allow the federal government to serve till the end of its term needs to be implemented to create a stable administration, Perak Barisan Nasional chairman Datuk Seri Saarani Mohamad said.** He added that the bill would ensure investor confidence in the government so that they would not be troubled by parties eager to jeopardise the national economy. (Bernama)

**The Sessions Court here has acquitted and discharged a former political secretary to former defence minister Datuk Seri Mohamad Sabu of seven charges of soliciting and accepting bribes** amounting to RM6.48mn from a contractor company to secure defence ministry projects. (Bernama)

## Corporate News

**CelcomDigi Bhd** has partnered Japanese technology giants, **SoftBank Corp** and Sumitomo's subsidiary **SC-NEX**, to accelerate the digitalisation of Malaysian enterprises adopting the Fourth Industrial Revolution (IR.4.0) solutions. (The Star)

**Sime Darby Bhd** is to compulsorily acquire the remaining shares of **UMW Holdings Bhd** after accumulating 96.81% of the industrial group's shares as of Monday. (The Edge Malaysia)

ACE Market-listed **Sunview Group Bhd** is in talks with a few Cambodian companies for the proposed development of a 500MW solar facility in Cambodia, in its bid to expand its business abroad. (The Edge Malaysia)

**Econframe Bhd** is proposing to acquire **ETA World Sdn Bhd** (ETAW) from **ETA Industries Sdn Bhd** for RM56m, as part of its move to diversify the group's business into construction services and property development. (The Star)

**Tanco Holdings Bhd** said the Ministry of Transport has no objections to its subsidiary's proposed development of a smart AI container port in Negeri Sembilan. MMD went on to inform Midports that the department is giving its approval-in-principle to the port project, subject to various technical studies and preliminary conditions that have been set by the transport ministry. (The Edge Malaysia)

**Tien Wah Press Holdings Bhd** has entered into an agreement with **Cat Loi Joint Stock Company** (CLC) to form a joint venture company (JVco) to undertake the business of production of paper packaging, print packaging and other business activities in Vietnam, its Bursa Malaysia filing showed on Monday. (The Edge Malaysia)

**Bank Pembangunan Malaysia Berhad** (BPMB) has announced the approval of RM373.54m in Tawarruq Asset Financing Facilities for **Inland Port Perlis Sdn Bhd** (IPPSB). (The Edge Malaysia)

**George Kent (Malaysia) Bhd** has ventured into Vietnam with a new subsidiary that will operate an assembly plant capable of producing 600,000 water meters annually, and is set to commence operations in the second quarter of 2024. (The Edge Malaysia)

Fertility care specialist **Alpha IVF Group Bhd** said it has obtained the approval of Bursa Malaysia Securities to proceed with its proposed initial public offering (IPO) on the ACE Market. (The Edge Malaysia)

**Wentel Engineering Holdings Bhd** is pricing its shares at 26 sen apiece in an ACE Market listing exercise worth RM83m, comprising RM71.03m to be raised by the company via an initial public offering (IPO), and an offer for sale of a 4% stake in the company by two shareholders for RM11.96m. (The Edge Malaysia)

**EVD Bhd** on Monday said its wholly-owned unit, **EVD Engineering Sdn Bhd** (EVDE), is being sued over a claim of RM600,292 by a subcontractor for the supply of civil and structural building works. (The Edge Malaysia)

**MSM Malaysia Holdings Bhd** has announced a further extension of the garden leave for its chief financial officer (CFO) Dr Mazatul 'Aini Shahr Abdul Malek Shahr, by another one month. (The Edge Malaysia)

**Jentayu Sustainables Bhd** has appointed its executive director Baevinraj Thiagarajah as the group's new chief executive officer (CEO) with effect from Monday. (The Edge Malaysia)

## Changes in substantial shareholdings

15-Jan-24	Date	Type of transaction	No of securities	Company	Ave Price (RM)
EPF	10/1	Disposed	18,299,800	CIMB Group	
EPF	10/1	Disposed	5,475,500	Public Bank	
Amanah Saham	11/1	Disposed	3,619,000	S P SETIA	
EPF	10/1	Disposed	2,369,900	Gamuda	
Kumpulan Wang Persaraan	12/1	Disposed	2,000,000	KPJ Healthcare	
EPF	10/1	Disposed	1,814,200	Malayan Banking	
EPF	10/1	Disposed	1,123,500	Bermaz Auto	
Kumpulan Wang Persaraan	12/1	Disposed	1,000,000	Inari-Amertron Bhd	
EPF	10/1	Disposed	448,800	IHH Healthcare	
EPF	10/1	Disposed	363,800	RHB Bank	
EPF	10/1	Disposed	108,600	Pavilion REIT	
Kumpulan Wang Persaraan	12/1	Disposed	101,800	Petronas Gas	
EPF	10/1	Disposed	39,000	Bursa Malaysia	
EPF	10/1	Disposed	7,000	Panasonic Manufacturing M'sia	
Amanah Saham	11/1	Acquired	26,000,000	Malayan Banking	
EPF	9/1	Acquired	6,874,800	CIMB Group	
EPF	10/1	Acquired	2,618,900	Axiata Group	
EPF	10/1	Acquired	2,500,000	Telekom Malaysia	
EPF	10/1	Acquired	1,750,000	Yinson Holdings	
EPF	10/1	Acquired	1,158,900	Celcom Digi	
EPF	10/1	Acquired	1,000,000	Inari Amertron	
EPF	10/1	Acquired	891,700	IGB REIT	
EPF	10/1	Acquired	881,200	Petronas Chemicals Group	
EPF	10/1	Acquired	850,000	Dialog Group	
EPF	10/1	Acquired	601,100	Gas Malaysia	
EPF	10/1	Acquired	586,700	Tenaga Nasional	
EPF	10/1	Acquired	482,900	AMMB Holdings	
EPF	10/1	Acquired	450,000	KL Kepong	
EPF	10/1	Acquired	400,000	Bank Islam Malaysia	
EPF	9/1	Acquired	400,000	Bank Islam Malaysia	
EPF	10/1	Acquired	337,700	MISC	
EPF	10/1	Acquired	282,200	Genting Plantations	
EPF	10/1	Acquired	257,800	Petronas Gas	
EPF	10/1	Acquired	210,500	Axis REIT	
EPF	10/1	Acquired	173,300	Hong Leong Bank	
EPF	10/1	Acquired	66,800	Nestle (Malaysia)	
EPF	10/1	Acquired	1,300	Malaysia Airports Holdings	

SOURCE: BMSB

## Dividends Calendar

Company	Particulars	Gross DPS (Sen)	Ann Date	Ex-Date	Lodgement	Payment
Bank Islam Malaysia	Interim Dividend - single tier	12.59	30-Nov-23	18-Dec-23	19-Dec-23	12-Jan-24
Panasonic Manufacturing Malaysia	Interim Dividend - single tier	15.00	29-Nov-23	19-Dec-23	20-Dec-23	19-Jan-24
Sarawak Plantation	Second Interim Dividend - single tier	5.00	27-Nov-23	21-Dec-23	22-Dec-23	19-Jan-24
Bermaz Auto	Second Interim Dividend - single tier	5.00	12-Dec-23	27-Dec-23	28-Dec-23	5-Jan-24
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

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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<b>Score Range:</b>	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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### Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- 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:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- 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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