

09 Apr 2024

| Daily Digest

Key indices

	Close	Chg	% Chg
KLCI	1,560	5	0.3
FBM EMAS	11,734	31	0.3
DJIA	38,904	307	0.8
NASDAQ	16,249	199	1.2
FTSE	7,920	9	0.1
HSI	16,733	9	0.1
NIKKEI	39,347	355	0.9
STI	3,216	(2)	(0.1)
KOSPI	2,718	3	0.1

Source: Bloomberg

Market data

	Close	3MMA	12MMA
Volume (m)	3,969	4,017	3,473
Value (RM m)	2,331	2,836	2,265

	Close	Prev	% Chg
CPO	4,512	4,535	-0.5
RM/ US\$	4.75	4.75	0.1
Crude oil (brent)	90.4	91.2	-0.8
MGS 10 yr	3.87	3.87	-0.2

Source: Bloomberg, CIMB Securities

Relative performance

(CIMB Securities)

Top gainers (%)	1M	3M	12M
SP SETIA	54	53	117
MAH SING	27	45	90
ECONPILE	24	45	108
KOSSAN RUBBER	19	4	46
MRCB	19	32	82
MUHIBBAH	17	8	14
E&O	17	40	184
MAHB	17	26	33
UEM SUNRISE	16	10	269
HARTALEGA	15	(11)	25

Top losers (%)	1M	3M	12M
ASTRO MALAYSIA	(13)	(23)	(60)
RCE CAPITAL	(9)	(18)	30
TUNE PROTECT	(8)	(22)	(28)
GENM	(7)	(10)	(6)
CTOS DIGITAL	(7)	(7)	(5)
TAN CHONG	(7)	(14)	(26)
COCO	(6)	(22)	(42)
LPI CAPITAL	(6)	(7)	(9)
TAKAFUL	(6)	(15)	(2)
FGV HOLDINGS	(5)	(5)	(15)

Source: Bloomberg

Consumer – Upbeat on the deferment of HVGT

We are positive about the recent decision by government to defer the implementation of the high-value goods tax (HVGT) in Malaysia, originally scheduled for 1 May 2024. The decision to implement a Tourist Refund Scheme could potentially boost tourist arrivals and benefit certain retailers. In our view, consumer stocks under coverage potentially affected by HVGT were Bonia, while companies with tourist sales such as Padini, Bfood, 7-Eleven, and Mynews could also benefit.

Industrial Production Index Feb 2024 — Industrial Activity Resilient in February

Malaysia's industrial activity growth eased to 3.1% YoY in Feb'24 (Jan'24: 4.3%) but exceeded market expectations. Manufacturing production growth moderated due to the festive holidays but was mitigated by an acceleration in mining output and electricity generation. Manufacturing activity was dragged mainly by a decline in the production of food & beverages and textiles & apparel and a slowdown in the growth of petrochemicals, E&E, metal products and transport equipment. Mining activity was supported by higher natural gas output.

Malaysia Strategy – Weekly wrap and fund flows (#14/2024)

The KLCI grew by 1.2% (or 19 points) wov to 1,555 points last week, marking its strongest performance in five weeks. The gain was driven by decreased foreign selling activities and increased buying interests from proprietary investors. Proprietary investors recorded the highest wov increase in average trading values. Local institutional investors maintained their position as the largest net buyers for the sixth consecutive week, although their net buy value fell by 23 wov to RM542m.

| News Headlines

- Nextgreen partners IOI Corp for RM600m paper pulp project, expects RM300m revenue by 2026
- Inta Bina wins RM348.92m job for mixed development project in Shah Alam
- Sarawak Consolidated bags revised contract of RM162m for PR1MA housing project
- Genting Malaysia pledges US\$1b in taxes to win New York City casino licence
- Awantec appeals RM232m award over termination of RM3.5b SKIN project
- Govt introduces tiered pricing for green electricity with lower tariffs

Newsflow

Nextgreen partners IOI Corp for RM600m paper pulp project, expects RM300m revenue by 2026

Nextgreen Global Bhd on Monday signed a shareholders' agreement with IOI Corp Bhd to develop a paper pulp plant in Pahang which may contribute over RM300 million in revenue by 2026. The RM600 million paper pulp production facility will be developed and operated by a new joint venture company to be incorporated following the shareholders' agreement. Nextgreen will hold a 55% stake in the joint venture Nextgreen IOI Pulp Sdn Bhd, and IOI Corp will hold the remaining 45%. *[The Edge]*

Inta Bina wins RM348.92m job for mixed development project in Shah Alam

Inta Bina Group Bhd has secured a contract worth RM348.92 million for a mixed development project in Shah Alam, Selangor. In a bourse filing on Monday, the construction outfit stated that its wholly owned subsidiary Inta Bina Sdn Bhd had accepted the letter of award from Eco Ardence Sdn Bhd to undertake the main building works for the proposed Maya Integrated Development. The first phase will encompass the construction of commercial shop lots, an office tower, a podium car park, and Tower A facilities deck. It is slated to commence on April 15 and is expected to last 33 months, concluding on Jan 14, 2027. *[The Edge]*

Sarawak Consolidated bags revised contract of RM162m for PR1MA housing project

Sarawak Consolidated Industries Bhd (SCIB) said it has accepted a revised contract worth RM162 million for the construction of high-rise residential units in Kota Bharu, Kelantan under the PR1MA Corp Malaysia affordable homes scheme. This came after the group's wholly owned unit SCIB Properties Sdn Bhd executed a novation agreement with AUEI Teras Holding Sdn Bhd on April 5 to appoint another wholly owned subsidiary, SCIB Industrialised Building System Sdn Bhd (SIBS), as the main contractor for the project. *[The Edge]*

Genting Malaysia pledges US\$1b in taxes to win New York City casino licence

The owner of the Resorts World casino in New York City said an expansion of its gambling offering there would lift its tax payment to the state to more than US\$1 billion (RM4.75 billion) annually. Genting Malaysia Bhd, which operates the resort in Queens, is seeking one of the three new casino licences officials are considering for the New York City area. The property paid more than US\$600 million in taxes last year, according to a spokesman for the casino giant. *[The Edge]*

Awantec appeals RM232m award over termination of RM3.5b SKIN project

After winning RM231.55 million in its lawsuit against the government over the termination of the RM3.5 billion National Immigration Control System (SKIN) project in March, AwanBiru Technology Bhd (Awantec) is now appealing the decision. In a bourse filing on Monday, Awantec said its wholly owned unit Prestaring Skin Sdn Bhd (PSKIN) has filed an appeal against the High Court's decision to award the company one-third of the RM733 million it had claimed. *[The Edge]*

Govt introduces tiered pricing for green electricity with lower tariffs

The Ministry of Energy Transition and Water Transformation has introduced a new tiered pricing mechanism with lower rates for the Green Electricity Tariff (GET) programme set to a quota of 6,600 gigawatt-hours (GWh) this year. The new rates are set at 10 sen per kilowatt-hour (kWh) for domestic and non-domestic low-voltage users, and 20 sen/kWh for non-domestic medium and high-voltage users, according to a statement from the ministry also known as Petra. The GET rate for 2023 was higher at 21.8 sen/kWh. *[The Edge]*

Forthcoming Events

Date	Event
22 Apr 2024	International Reserves of BNM as at 15 April 2024
30 Apr 2024	Monthly Highlights & Statistics for March 2024
30 Apr 2024	Detailed Disclosure of International Reserves as at end-March 2024
8 May 2024	International Reserves of BNM as at 30 April 2024
9 May 2024	Monetary Policy Statement 3rd/2024
17 May 2024	Economic & Financial Developments in the 1st Quarter 2024
23 May 2024	International Reserves of BNM as at 15 May 2024
28-29 May 2024	Global Forum on Islamic Economics & Finance
31 May 2024	Detailed Disclosure of International Reserves as at end-April 2024
31 May 2024	Monthly Highlights & Statistics for April 2024

Source: Bank Negara, CIMB Securities

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Stock Rating	Definition
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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