

15 Apr 2024

| Daily Digest

Key indices

| | Close | Chg | % Chg |
|----------|--------|-------|-------|
| KLCI | 1,551 | (2) | (0.2) |
| FBM EMAS | 11,698 | (3) | (0.0) |
| DJIA | 38,459 | (2) | (0.0) |
| NASDAQ | 16,442 | 272 | 1.7 |
| FTSE | 8,011 | 87 | 1.1 |
| HSI | 16,722 | (373) | (2.2) |
| NIKKEI | 39,524 | 81 | 0.2 |
| STI | 3,220 | (7) | (0.2) |
| KOSPI | 2,682 | (25) | (0.9) |

Source: Bloomberg

Market data

| | Close | 3MMA | 12MMA |
|--------------|-------|-------|-------|
| Volume (m) | 3,881 | 3,927 | 3,481 |
| Value (RM m) | 2,996 | 2,786 | 2,272 |

| | Close | Prev | % Chg |
|-------------------|-------|-------|-------|
| CPO | 4,500 | 4,487 | 0.3 |
| RM/ US\$ | 4.77 | 4.75 | 0.5 |
| Crude oil (brent) | 90.5 | 89.7 | 0.9 |
| MGS 10 yr | 3.88 | 3.90 | -0.3 |

Source: Bloomberg, CIMB Securities

Relative performance
(CIMB Securities)

| Top gainers (%) | 1M | 3M | 12M |
|-----------------|----|----|------|
| SP SETIA | 53 | 67 | 132 |
| ECONPILE | 29 | 46 | 107 |
| MRCB | 25 | 43 | 94 |
| MAH SING | 24 | 48 | 90 |
| MUHIKBAH | 20 | 8 | 10 |
| UEM SUNRISE | 20 | 14 | 307 |
| BERJAYA FOOD | 17 | 1 | (32) |
| MAHB | 17 | 25 | 33 |
| E&O | 16 | 31 | 169 |
| KOSSAN RUBBER | 16 | 1 | 45 |

| Top losers (%) | 1M | 3M | 12M |
|----------------|------|------|------|
| AXIATA GROUP | (10) | (3) | (21) |
| GENM | (10) | (6) | (9) |
| RCE CAPITAL | (8) | (18) | 31 |
| LOTTE CHEMICAL | (6) | (28) | (22) |
| COCO | (6) | (17) | (40) |
| CELCOMDIGI | (5) | (5) | (13) |
| TUNE PROTECT | (5) | (20) | (25) |
| PHARMANIAGA | (5) | (13) | (1) |
| MAXIS | (4) | (13) | (23) |
| HAP SENG | (4) | (2) | (3) |

Source: Bloomberg

Malaysia Airports Holdings – Heightened risks in Middle East

We **downgrade our call** on Malaysia Airports (MAHB) to **HOLD**, with an **unchanged TP of RM9.50**, which implies FY24F P/E of 22x, on par with normalised mean. Share price has risen 30% in three months. Sentiment may turn negative on heightened risks after Iran's strike at Israel. Any further escalation threatens airspace and travel in the region. This may also put MAHB's aim to sell part of its interest in its Istanbul airport at risk.

Oil and Gas – The Strait of Hormuz holds the key

On April 13, Iran launched cruise and ballistic missiles, along with more than 100 drones, at Israel as a retaliatory move. Iran stated that following this attack, the situation could be considered resolved unless further violence occurs. However, there is concern that Israel could respond to Iran's attacks without fully considering the potential fallout afterwards. Overall, we are of the view that crude oil prices could potentially rise in response to this development, but we anticipate that any increase may be short-lived, and volatility will likely persist in the near term. Therefore, we maintain our crude oil price outlook, expecting prices to remain range-bound between US\$80-US\$90/barrel for 2024, and our **Neutral stance** on the oil and gas sector.

Malaysia Strategy – Potential impact of Iran-Israel tensions
| News Headlines

- Global spotlight on Malaysia as it emerges as semiconductor powerhouse
- Bahvest's gold mining ops in Sabah get approval from federal govt's mining regulator
- Gamuda Land partners Kiddypedia to introduce place-based, play-based learning centres at Gamuda Gardens, twentyfive7
- Yinson hires bankers for potential US\$500m bond issue
- Nextgreen-IOI Corp JV to rope in Xiamen C&D for paper pulp plant in Pahang

Newsflow

Global spotlight on Malaysia as it emerges as semiconductor powerhouse

The World Economic Forum (WEF) stated on its LinkedIn page that Penang has major industry players from Europe and the US setting up units or expanding existing operations as they seek to build new global supply chains for these vital components. According to the WEF, Malaysia has become a destination for those seeking new options. In 2023, Penang attracted US\$12.8bn [RM61.02bn] foreign direct investment. More than in the previous seven years combined, Intel, for example, has invested US\$7bn in a new plant in Penang. *[The Edge]*

Bahvest's gold mining ops in Sabah get approval from federal gov't's mining regulator

Bahvest Resources Bhd's unit has received approval from the federal government's mining regulator for its gold mining operations in Tawau, Sabah. Bahvest received the approval from the Department of Mineral and Geoscience Malaysia (JMG) for the operational mining scheme in accordance with Section 10 of the Mineral Development Act 1994 (MDA). JMG is the mineral development and mining regulator, under the Ministry of Natural Resources, Environment and Climate Change, responsible for administering and enforcing the MDA. *[The Edge]*

Gamuda Land partners Kiddypedia to introduce place-based, play-based learning centres at Gamuda Gardens, twentyfive7

Gamuda Land, the property arm of Gamuda Bhd, signed a memorandum of agreement on April 6 with Kiddypedia, an educational event company, to introduce Kiddypedia Discovery Centres at the developer's townships, namely Gamuda Gardens in Rawang and twentyfive7 in Telok Panglima Garang. The Kiddypedia Discovery Centres will offer edutainment experiences for families by integrating sports, arts, STEM (science, technology, engineering and mathematics) workshops and team-building exercises. *[The Edge]*

Yinson hires bankers for potential US\$500m bond issue

Yinson Holdings has hired Nordic investment banks for a potential bond issue of up to US\$500m (RM2.37bn). Yinson has mandated DNB Markets and Pareto Securities as joint bookrunners, and ABG Sundal Collier ASA as a joint lead manager to arrange a series of meeting with fixed-income investors. Proceeds will be used to refinance the company's existing debt and for "general corporate purposes". As at end-Jan, Yinson had total borrowings of RM16.32bn, of which RM14.94bn were long-term borrowings. Its net gearing ratio rose to 1.66 times as at end-Jan, from 1.23 times a year ago. *[The Edge]*

Nextgreen-IOI Corp JV to rope in Xiamen C&D for paper pulp plant in Pahang

Nextgreen IOI Pulp Sdn Bhd (NIP), a 55:45 joint venture between Nextgreen Global Bhd and IOI Corp Bhd that is planning a RM600m paper pulp plant in Pekan, Pahang, wants to rope in a Chinese partner to help develop and operate the facility. NIP has inked a memorandum of understanding (MOU) with Xiamen C&D Paper & Pulp Group Co Ltd (Xiamen C&D), a wholly-owned subsidiary of Xiamen C&D Inc under Xiamen C&D Corp Ltd, a Fortune 500 company that is involved in supply chain operation and real estate development, among others, for the partnership. *[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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RATING GUIDE

| 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) <i>the percentage difference between the target price and the current price; and</i> (b) <i>the forward net dividend yields of the stock. Stock price targets have an investment horizon of twelve (12) months</i> |
| 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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