



AmInvestment Bank

AmWatch

Equity Research Team
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BURSA MALAYSIA

KLCI	1,575.84 (-19.45)
52-Week Range	1,207.80 – 1,695.96
Mkt Cap (RMb)	1,801.55
Daily Volume (m shares)	14,585.01
Daily Value (RMmil)	6,857.97

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
KLK	23.18	0.42
MRDIY	3.73	0.32
TOYOVEN	2.79	0.25
DNEX	0.77	0.22
ASDION	0.755	0.185

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
NESTLE	134.90	-2.10
CARLSBG	22.50	-0.68
MPI	36.90	-0.68
TASCO	5.03	-0.49
VITROX	17.20	-0.48

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,575.84	-1.2	-3.2
Singapore	2,908.85	-0.4	2.3
Thailand	1,511.03	-0.3	4.3
Philippines	6,849.64	-1.7	-4.1
Indonesia	6,200.31	-0.4	3.7
Hong Kong	30,595.27	-1.6	12.4
Korea	3,086.66	-1.5	7.4
Taiwan	16,424.51	0.4	11.5
Japan	30,236.09	-0.2	10.2
Dow Jones	31,493.34	-0.4	2.9
Nasdaq	13,865.36	-0.7	7.6

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.0425	0.1	0.6
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	60.52	-1.0	24.7
CPO spot price (RM/tonne)	3,985.00	1.4	3.5

STOCK FOCUS OF THE DAY

MISC: Expecting a brighter 2H2021

Buy

We maintain our BUY rating on MISC with an unchanged sum-of-parts based fair value of RM8.50/share which implies an FY21F EV/EBITDA of 9x, at parity to its 2-year average. Following the 4QFY20 analyst briefing yesterday, our forecasts are maintained.

MISC recognized a maiden revenue of US\$95mil and operating profit of US\$22mil in 4QFY20 from the construction of the US\$2bil Mero-3 FPSO, which will be built over 3.5 years until 2H2024. Assuming a lower margin of 18%, we estimate that this project will contribute earnings of over US\$100mil (RM410mil) to the group.

Management views, as do we, that tanker rates will remain depressed in 1Q2021. Hence, the group does not expect any substantive recovery in the current quarter from the petroleum division's 4QFY20 operating loss of RM78mil.

The stock currently trades at a fair FY21F EV/EBITDA of 8x – 1 standard deviation below its 3-year average of 9x.

Others:

KPJ Healthcare: Recovery in FY22F

Buy

Sime Darby Plant: Average CPO price realised dragged by forward sales

Hold

RETAIL RESEARCH

Stocks On Radar: NextGreen Global, Malayan Cement

NEWS HIGHLIGHTS

i-Sinar: EPF simplifies approval beginning 8 March

IPO: Tuju Setia gets SC nod to list on Main Market

AirAsia: AirAsia food to start deliveries in Singapore in March

Facebook: Surprises Australians with news blackout

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (‘000)	Price (RM)	Turnover (RM’000)
KENANGA	41,800	1.850	77,330
HONGSENG-PA	14,000	0.940	13,160
ACOSTEC	9,090	0.242	2,200
GIIB	7,000	0.300	2,100
YILAI	4,860	1.029	5,000
SUNREIT	3,000	1.430	4,290
KAB	2,680	1.496	4,010
HONGSENG	2,030	1.498	3,040
OMESTI	1,200	0.600	720
SRIDGE	1,000	0.615	615
PINEPAC	450	0.620	279
RAPID	447	6.711	3,000
HOHUP	400	0.385	154
IJM	384	1.520	584
CNASIA	360	1.550	558
SCIB-WB	300	0.825	248
MCOM	270	0.260	70
DIGI	150	3.730	560
BABA	100	0.250	25

News Highlights

i-Sinar

EPF simplifies approval beginning 8 March

Employees Provident Fund (EPF) members below the age of 55 who have applied for the i-Sinar withdrawal facility will be given approval beginning 8 March. In a statement yesterday, EPF said the approval includes new applications received after that date, subject to their available Account 1 balance.

The removal of the i-Sinar withdrawal criteria means that the interim payment of RM1,000 implemented last month will be effectively stopped. EPF advised members who have not made any application for the i-Sinar facility and intend to apply during this transition period to defer doing so until the revised i-Sinar comes online on 8 March. — *Bernama*

IPO

Tuju Setia gets SC nod to list on Main Market

Construction services company Tuju Setia Bhd has received approval from the Securities Commission Malaysia (SC) to list on the Main Market of Bursa Malaysia Securities Bhd.

In a statement yesterday, Tuju Setia said through its proposed wholly-owned subsidiary Pembinaan Tuju Setia Sdn Bhd (PTS), the firm is involved in the provision of construction services as a main contractor, with experience in commercial, residential, and institutional buildings mainly in Klang Valley. — *The Edge CEO Morning Brief*

AirAsia (RM0.79)

AirAsia food to start deliveries in Singapore in March

AirAsia food, budget carrier AirAsia's delivery service, is looking to spread its wings and start operations in Singapore. Amanda Woo, Air Asia's chief commercial officer, told The Straits Times on Thursday that its food delivery service will launch here next month, and that it has obtained all the necessary approvals from Singapore authorities.

On top of food and beverage outlets, AirAsia is also calling for those in the beauty, fashion, fresh produce and hotel industry to register their interest, as it is preparing to launch more products, said Woo. — *The Straits Times*

Facebook

Surprises Australians with news blackout

Australians were caught off guard by Facebook Inc's decision to remove news from its platform in a deepening spat with the government over payment for content. Facebook overnight had followed through on a threat to bar users in Australia from posting news. The move also cut off access to information such as the national weather service and some local health sites, though Facebook said that had been done inadvertently.

The US company opposes legislation by the Australian government that would effectively require big tech companies to pay the country's media outlets for content. — *WSJ.com*

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