



AmInvestment Bank

AmWatch

Equity Research Team
(603- 2070 2444)

23 February 2021

BURSA MALAYSIA

KLCI	1,570.46 (-14.47)
52-Week Range	1,207.80 – 1,695.96
Mkt Cap (RMb)	1,798.41
Daily Volume (m shares)	13,569.99
Daily Value (RMmil)	5,793.38

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
HEIM	24.72	1.22
CARLSBG	24.00	0.62
AIRPORT	5.95	0.35
PEB	1.49	0.34
TONGHER	2.65	0.30

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
MPI	37.24	-1.16
VITROX	17.00	-0.80
TASCO	4.40	-0.75
NESTLE	135.00	-0.50
MI	4.48	-0.50

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,570.46	-0.9	-3.5
Singapore	2,881.21	0.0	1.3
Thailand	1,478.14	-1.5	2.0
Philippines	6,810.34	-1.7	-4.6
Indonesia	6,255.31	0.4	4.6
Hong Kong	30,319.83	-1.1	11.3
Korea	3,079.75	-0.9	7.2
Taiwan	16,410.16	0.4	11.4
Japan	30,156.03	0.5	9.9
Dow Jones	31,521.69	0.1	3.0
Nasdaq	13,533.05	-2.5	5.0

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.0440	0.0	0.6
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	61.49	3.8	26.7
CPO spot price (RM/tonne)	3,910.00	-0.3	1.6

STOCK FOCUS OF THE DAY

Hibiscus Petroleum: *Rising with oil price momentum*

Buy

We maintain our BUY recommendation on Hibiscus Petroleum (Hibiscus) with a sum-of-parts-based fair value of RM0.79/share, which implies an enterprise value/proven and probable reserves (2P) valuation of US\$6.10/barrel. Hibiscus' 1HFY21 core net profit of RM25mil (-67% YoY) was below expectations, accounting for 38% of our earlier FY21F earnings and 41% of consensus.

However, management has declared the group's maiden dividend with a first interim 0.5 sen although 1HFY21 weighted average crude oil price dropped 40% YoY to US\$40/barrel. As Brent crude oil price is currently higher above US\$60/barrel, we have incorporated FY21F–FY23F DPS of 1 sen.

Based on the enterprise value for the group's existing 2P reserves, Hibiscus is currently only trading at US\$5.85/barrel – at a discount of 35% to its closest peer, UK-listed EnQuest and half of regional average. This is compelling given the more optimistic crude oil price environment. Additionally, Hibiscus is listed in the FTSE4Good Bursa Malaysia Index with the highest 4-star environmental, social and governance (ESG) rating, which ranks amongst the top 25% in the FBM Emas Index.

Others:

IOI Properties Group: *1HFY21 property sales up 5% YoY*

Buy

Petronas Gas: *Higher-than-expected dividend payout*

Buy

KPower: *1HFY20 core net profit jumps fivefold YoY*

Hold

Luxchem Corporation: *Riding on economic recovery*

Hold

QUICK TAKE

Plantation Sector: *Key takeaways from Bumitama's conference call*

Neutral

RETAIL RESEARCH

Stocks On Radar: *Focus Point Holdings, Texchem Resources*

NEWS HIGHLIGHTS

AirAsia Group: *Top HK poker player raises bet on low-cost carrier via private placement*

Malaysia Airlines: *Khazanah Nasional to inject RM3.6bil after UK Court approves RM16bil restructuring plan*

Malaysia: *SC, Bursa extend temporary suspension of intra-day short selling*

Pansar: *To raise RM121mil from rights issue*

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity ('000)	Price (RM)	Turnover (RM'000)
KTG-PA	124,430	0.005	622
BORNOIL	50,000	0.036	1,800
HONGSENG-PA	30,000	0.940	28,200
PTRANS	11,670	0.884	10,320
ACOSTEC	8,850	0.350	3,100
CGB	8,780	1.052	9,240
CONNECT-PA	5,000	0.185	925
G3	4,960	1.280	6,350
ATLAN	4,740	2.530	11,990
AGES	3,000	0.130	390
KPOWER	2,370	2.215	5,250
KENANGA	2,300	1.848	4,250
TIGER	2,250	0.120	270
ARBB	1,880	0.270	508
AIRASIA	1,610	0.770	1,240
CMSB	1,500	2.320	3,480
DGB	1,000	0.110	110
SAPNRG	1,000	0.150	150
GENM	550	2.327	1,280
UNIWALL	440	0.680	299
HONGSENG	400	1.610	644
UOAREIT	300	1.100	330
MCLEAN	100	0.480	48
TGUAN	50	2.500	125

News Highlights

AirAsia Group (RM81.5)

Top HK poker player raises bet on low-cost carrier via private placement

Hong Kong's well-known poker player Stanley Choi Chiu Fai has emerged as a substantial shareholder of AirAsia Group Bhd after he pumped in RM114.46mil to take up the low-cost carrier's private placement.

In a bourse filing, AirAsia Group announced that Choi, through his private vehicle Positive Bloom Ltd, acquired 167.1mil or a 4.17% stake, on 18 Feb, raising his shareholding in the airline to 332.5mil shares or an 8.96% stake. — *The Edge CEO Morning Brief*

Malaysia Airlines

Khazanah Nasional to inject RM3.6bil after UK Court approves RM16bil restructuring plan

Khazanah Nasional Bhd, the sole shareholder of Malaysia Airlines Bhd, has committed to inject RM3.6bil in new capital into the national carrier's holding company Malaysia Aviation Group Bhd (MAG), to fund the group's business until 2025.

The latest commitment follows Malaysia Airlines' RM16bil debt restructuring plan that was given the green light by the UK High Court yesterday, with the deal set to be completed by early next month. — *The Edge CEO Morning Brief*

Malaysia

SC, Bursa extend temporary suspension of intra-day short selling

The Securities Commission (SC) and Bursa Malaysia Bhd will extend the temporary suspension on intraday short selling (IDSS) and intraday short selling by proprietary day traders (PDT short sale) to 29 Aug. The temporary suspension of IDSS and PDT short sale is due to expire on 28 Feb. — *Bernama*

Pansar (RM0.775)

To raise RM121mil from rights issue

Engineering solutions provider Pansar Bhd has fixed the price and implementation timeline for its rights Issue exercise, which will see it raising approximately RM121mil to part-fund the group's acquisition of Perbena Emas Sdn Bhd.

The group in September last year entered into a conditional share purchase agreement with PE Holdings Sdn Bhd to acquire equity interest in the issued share capital of PESB for a purchase consideration of RM151mil. — *Bernama*

DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only and it is issued by AmInvestment Bank Berhad (“AmInvestment”) without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation or expression of views to influence any one to buy or sell any real estate, securities, stocks, foreign exchange, futures, investment or other products. AmInvestment recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmInvestment believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmInvestment has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete or up-to-date and they should not be relied upon as such. All information included in this report constitute AmInvestment’s views as of this date and are subject to change without notice. Notwithstanding that, AmInvestment has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmInvestment’s affiliates and/or related corporations (collectively, “AmBank Group”).

This report is prepared for the clients of AmBank Group and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmInvestment’s prior written consent. AmInvestment, AmBank Group and its respective directors, officers, employees and agents (“Relevant Person”) accept no liability whatsoever for any direct, indirect or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given in relation to this report. Any such responsibility is hereby expressly disclaimed.

AmInvestment is not acting as your advisor and does not owe you any fiduciary duties in connection with this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and/or may trade or otherwise effect transactions for their own account or the accounts of their customers which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held to be invalid in whole or in part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.