



AmInvestment Bank

AmWatch

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BURSA MALAYSIA

KLCI	1,590.73 (-10.92)
52-Week Range	1,375.39 – 1,695.96
Mkt Cap (RMb)	1,823.93
Daily Volume (m shares)	6,944.48
Daily Value (RMmil)	4,314.08

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
TOCEAN	5.18	1.19
NESTLE	136.0	0.30
CGB	2.47	0.28
LEONFB	1.20	0.20
HHGROUP	0.775	0.185

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
PETDAG	19.78	-0.38
CARLSBG	22.56	-0.32
MPI	38.50	-0.30
HARTA	9.98	-0.30
SKBSHUT	1.23	-0.26

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,590.73	-0.7	-2.2
Singapore	3,184.76	-1.0	12.0
Thailand	1,583.13	-0.5	9.2
Philippines	6,369.28	0.0	-10.8
Indonesia	5,952.60	-0.7	-0.4
Hong Kong	28,357.54	-1.3	4.1
Korea	3,127.20	-0.7	8.8
Taiwan	17,222.35	-2.0	16.9
Japan	28,812.63	-0.8	5.0
Dow Jones	34,113.23	0.7	11.5
Nasdaq	13,895.12	-0.5	7.8

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.1050	0.4	2.1
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	64.49	1.4	32.9
CPO spot price (RM/tonne)	4,400.00	-0.1	14.3

STOCK FOCUS OF THE DAY

Perak Transit: Forges ahead with business plans

Buy

We maintain our forecasts but tweak our fair value (FV) lower by 3% to RM1.21 (from RM1.25) to incorporate a slight discount to reflect a 2-star ESG rating. The basis of our FV is now 15x FY22F EPS (at a 30% discount to our FY22F target PE of 22x for Malaysia Airports) with a 3% ESG discount. Maintain BUY. At 8–10x forward earnings, we believe Perak Transit offers investors a good opportunity to own a defensive public infrastructure business that is replicable for growth at bargain valuations.

We came away from our recent meeting with Perak Transit feeling positive. Perak Transit hopeful that the occupancy rate of Kampar Putra Sentral Terminal will rise to 70% this year vs. 50% currently (our forecasts assume 60% in FY21F, rising to 70–80% in FY22–23F).

The additional kicker shall come from the return of the more normalised student crowd once the pandemic comes under better control. As the terminal is still relatively new, its advertising and promotion (A&P) rates have not been maximized. We see an upside potential over time and we project its A&P incomes to grow by 6% annually. Based on our forecasts, Kampar Putra Sentral Terminal will contribute 12–15% of the group's revenue in FY21–23F.

Apart from its bread-and-butter “develop-own-operate” (DOO) business model (of which it has two projects in the pipeline, i.e. the Bidor and Tronoh terminals) Perak Transit also sees tremendous potential in the “terminal management contract” (TMC) business model, which requires less capex. Perak Transit guided for 4–5 such contracts in FY21F. Thus far in FY21F, it has secured two, i.e. Sentral Kuantan Terminal (Kuantan) and Shahab Perdana Bus Terminal (Alor Setar). We estimate that each TMC contract could contribute an additional RM1.5mil net profit to the company.

RETAIL RESEARCH

Stocks On Radar: Kim Loong Resources, Malaysian Bulk Carriers

NEWS HIGHLIGHTS

IPO: CTOS seeks Main Market listing; to offer 1.1 bil shares

Covid vaccine: AstraZeneca voluntary programme to be expanded, says Khairy

SCIB: To raise up to RM227.8mil via private placement

US: Verizon to offload Yahoo, AOL for US\$5bil

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (‘000)	Price (RM)	Turnover (RM’000)
MNC	106,650	0.050	5,330
BJASSET	72,100	0.320	23,070
MTRONIC	45,000	0.080	3,600
AIM	12,000	0.130	1,560
ACOSTEC	9,270	0.244	2,260
TELADAN	7,200	0.669	4,820
UMW	4,270	3.279	14,000
NATWIDE	3,000	0.100	300
TAWIN	1,730	0.321	555
DNEX	500	0.850	425
HEKTAR	280	0.610	171
GENM	274	2.880	789
DSONIC	180	0.624	112

News Highlights

IPO

CTOS seeks Main Market listing; to offer 1.1 bil shares

Strike the iron when it is hot. Private equity firm Creador is listing its credit reporting agency CTOS Digital Sdn Bhd on the Main Market of Bursa Malaysia.

The listing of CTOS, which earned a net profit of RM37.98mil in the financial year ended 31 Dec 2020 (FY20), will involve an offer of up to 1.1bil shares at a price to be revealed later, according to its draft IPO prospectus posted on the Securities Commission Malaysia website. Of the 1.1bil shares, 900mil will come from existing shareholders, while the remaining 200mil will be made available via the issuance of new shares. — *The Edge CEO Morning Brief*

Covid vaccine

AstraZeneca voluntary programme to be expanded, says Khairy

The roll-out of the AstraZeneca Covid-19 vaccine will be expanded and maintained under the voluntary programme after all 268,000 appointment slots were snapped up in just over three hours yesterday.

National Covid-19 Immunisation Programme Coordinating Minister Khairy Jamaluddin said Malaysia will have steady supply of the AstraZeneca vaccine, with 1.1mil doses scheduled to arrive this month from the COVAX facility, 610,000 doses from AstraZeneca itself in June, 410,000 doses in July, and 1.2mil doses arriving in August and September. — *Bernama*

SCIB (RM1.66)

To raise up to RM227.8mil via private placement

Civil construction group Sarawak Consolidated Industries Bhd (SCIB) plans to raise up to RM227.8 million via its latest private placement. In a bourse filing yesterday, the group said it will place up to 20% of its issued shares to third party investors to be identified later, at a yet to be determined issue price. - *The Edge CEO Morning Brief*

US

Verizon to offload Yahoo, AOL for US\$5bil

Verizon Communications Inc is getting rid of its media businesses that include iconic brands Yahoo and AOL for US\$5bil, ending an expensive and unsuccessful run in the media and advertising world.

Having written US\$4.6bil off the value of the businesses in 2018, Verizon will get just US\$4.25bil in cash from private equity firm Apollo Global, along with preferred interests of US\$750mil and a 10% stake in the unit — about half of what it had paid for the businesses. — *Reuters*

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