



AmWatch

Equity Research Team
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2 June 2021

BURSA MALAYSIA

KLCI	1,585.90 (+2.35)
52-Week Range	1,448.84 – 1,695.96
Mkt Cap (RM bil)	1,788.70
Daily Volume (m shares)	9,072.30
Daily Value (RM mil)	5,176.06

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
MPI	39.80	0.70
PANAMY	32.50	0.52
CARLSBG	22.50	0.50
DKSH	3.40	0.26
KLUANG	3.79	0.22

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
BAT	14.76	-1.00
PHARMA	5.74	-0.83
SEDANIA	0.97	-0.41
F&N	26.20	-0.40
SERBADK	0.835	-0.295

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,585.90	0.1	-2.5
Singapore	3,187.23	0.7	12.1
Thailand	1,618.59	1.6	11.7
Philippines	6,627.43	0	-7.2
Indonesia	5,947.46	1.7	-0.5
Hong Kong	29,468.00	1.1	8.2
Korea	3,221.87	0.6	12.1
Taiwan	17,162.38	0.6	16.5
Japan	28,814.34	-0.2	5.0
Dow Jones	34,575.31	0.1	13.0
Nasdaq	13,736.48	-0.1	6.6

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4,1265	0	2.6
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	67.72	2.1	39.6
CPO spot price (RM/tonne)	4,180.50	0.3	8.6

STOCK OF THE DAY

MISC: Committing to net zero targets

BUY

We maintain BUY on MISC with an unchanged sum-of-parts based fair value of RM7.75/share, which reflects a premium of 3% from our ESG rating of 4 stars. This also implies an FY21F EV/EBITDA of 9x, at parity to its 2-year average.

Our forecasts are maintained following an engagement session yesterday with MISC's president/CEO Yee Yang Chien. Management expects FY21F petroleum tanker rates to average around the same levels YoY given the continuing low Opec output. Nevertheless, we believe that charter rates could rise towards the end of the year given that Opec will be raising crude production quotas by 2.1mil barrels/day from May to July this year.

The group is preparing to meet new carbon emission requirements which are being developed by the International Maritime Organization (IMO). Later this month, the IMO will be issuing guidelines on calculations, surveys and verification of the Energy Efficiency Design Index for existing ships, effective in 2023, which will be applicable for all vessels above 400 gigatonnes.

Our 4-star ESG rating for MISC is affirmed by its commitment to meet its parent Petronas' net zero emissions target by 2050 by investing into new greener solutions. The stock currently trades at an undemanding FY21F EV/EBITDA of 8x – 1 standard deviation below its 3- year average of 9x, while sustaining a compelling dividend yield of 5%.

Other report:

Padini Holdings: E-commerce contributions continue to disappoint

HOLD

RETAIL RESEARCH

Stocks On Radar: Dialog Group, JHM Consolidation

NEWS HIGHLIGHTS

Duopharma Biotech signs agreement with govt to supply Russian vaccine

Microlink Solutions inks deal with Chinasoft International to develop joint ICT initiatives

Top Glove: S\$1bil Hong Kong listing delayed amid US ban confusion

Singapore Airlines says reserves sufficient for well into 2023

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
HUBLINE	23,000	0.045	1,035
MMAG	12,115	0.240	2,908
PARLO	11,035	0.260	2,875
T7GLOBAL	10,041	0.330	3,314
TFP	5,000	0.135	675
HEXTAR	5,000	1.430	7,150
COMPLET	4,460	1.300	5,798
DPS	4,331	0.140	606
TITIJAYA-PA	3,500	0.035	123
TOPGLOV	3,000	5.080	15,240
WIDAD	2,820	0.550	1,551
HONGSENG-WA	2,400	1.290	3,096
KAB	1,540	0.650	1,001
ACOSTEC	1,200	0.320	384
DNEX	1,000	0.810	810
APEX	820	0.910	746
HHGROUP	765	0.650	497
ENRA	650	0.600	390
PICORP	500	0.215	107
KPOWER	460	1.250	575
RL-WA	150	0.260	39
TECHNAX	150	0.110	17
ALCOM	100	0.825	83
NEXGRAM	70	0.045	3
MAG	50	0.200	10
CSCTEL	50	1.660	83

News Highlights

Duopharma Biotech (RM3.27)

Signs agreement with govt to supply Russian vaccine

Duopharma Biotech Bhd said yesterday it had signed an agreement with the government to supply 6.4 million doses of the Sputnik V vaccine to Malaysia.

The company said in a statement that through its wholly-owned subsidiary Duopharma (M) Sdn Bhd (DMSB), it concluded the execution of separate definitive supply agreements with the Malaysian government (represented by the Ministry of Health) and a subsidiary of the Russian Direct Investment Fund (RDIF) for the supply. — *The Edge CEO Morning Brief*

Microlink Solutions (RM2.46)

Inks deal with Chinasoft International to develop joint ICT initiatives

Microlink Solutions Bhd has signed a key cooperation agreement with Chinasoft International Technology Service (Hong Kong) Ltd to develop joint information and communications technology (ICT) initiatives and expand their footprint in Asean.

Microlink said in a statement the agreement specifically covers the promotion and implementation of a software/digital factory, the formation of a technology innovation/incubation centre and development of a portfolio of software ecosystem solutions. — *The Edge CEO Morning Brief*

Top Glove (RM5.09)

US\$1bil Hong Kong listing delayed amid US ban confusion

Top Glove Corp's plan to list in Hong Kong and raise up to US\$1bil (RM4.13bil) has been delayed as the world's largest rubber glove maker seeks to resolve a US import ban on its products, sources with direct knowledge of the matter said.

The sources told Reuters that the deal has stalled as the company awaits indications from US Customs and Border Protection (CBP) on whether an imports ban would be lifted any time soon. — *Reuters*

Singapore Airlines

Says reserves sufficient for well into 2023

Singapore Airlines Ltd. said the S\$6.2bil raised through convertible bonds, along with existing cash reserves, should cover its financial needs well into the year ending March 2023, according to a statement Tuesday.

The nation's flagship carrier was responding to questions from the Securities Investors Association (Singapore) last month about whether it has considered privatisation. Singapore Airlines said that privatisation wasn't a matter for it to consider because it is a shareholder action. — *Bloomberg*

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