

**AmInvestment Bank**

AmWatch

Equity Research Team
(603- 2070 2444)

8 June 2021

BURSA MALAYSIA

KLCI	1,578.45 (-12.12)
52-Week Range	1,461.45 – 1,684.58
Mkt Cap (RM bil)	1,792.99
Daily Volume (mil shares)	7,396.63
Daily Value (RM mil)	3,672.28

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
CFM	4.06	0.42
MMCCORP	1.69	0.39
BKAWAN	19.48	0.20
PECCA	4.44	0.18
MNRB	1.37	0.15

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
MPI	38.40	-0.88
PETDAG	18.74	-0.36
PHARMA	5.06	-0.30
HAPSENG	8.03	-0.27
KLK	21.60	-0.24

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,578.45	-0.8	-3.0
Singapore	3,175.81	0.8	11.7
Thailand	1,612.59	0.1	11.3
Philippines	6,763.92	-0.5	-5.3
Indonesia	6,069.94	0.1	1.5
Hong Kong	28,787.28	-0.5	5.7
Korea	3,252.12	0.4	13.2
Taiwan	17,083.91	-0.4	16.0
Japan	29,019.24	0.3	5.7
Dow Jones	34,630.24	-0.4	13.1
Nasdaq	13,881.72	0.5	7.7

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.1280	0.1	2.7
OPR (%)	1.75	0	0
BLR (% Maybank)	5.40	0	0
NYMEX Crude oil			
US spot (US\$/barrel)	69.23	-0.6	42.7
CPO spot price (RM/tonne)	4,270.50	5.1	10.9

STOCK FOCUS OF THE DAY**Hibiscus Petroleum: Value enhancement from Repsol's assets** **BUY**

We maintain our BUY recommendation on Hibiscus Petroleum (Hibiscus) with a raised sum-of-parts-based fair value of RM0.98/share (from an earlier RM0.85/share) which incorporates the additional NPV of US\$216mil from the new assets being acquired from Repsol Exploración, S.A. (Repsol).

This also assumes capex of US\$80mil in 2022, the issuance of additional convertible redeemable preference shares of RM200mil with a conversion price of RM0.70/share and net cash flow adjustment of US\$50mil to the purchase price US\$212.5mil (RM878mil) as the transaction will be deemed effective 1 January this year.

Assuming an average price of US\$60/barrel for the daily crude oil production of 9.5K barrels and US\$3.90/mcf for the annual gas output of 17bcf, we estimate that the acquisition of Repsol's exploration & production assets in Malaysia and Vietnam could boost Hibiscus' FY23F EBITDA by 121%. This is in line with management's 2022 EBITDA guidance of US\$135mil and 5-year (2021–2025) net cash flow of US\$255mil.

Other reports:

Banking Sector: 1Q21 earnings review: Stronger top line but partially offset by additional provisions **OVERWEIGHT**

Telecommunication Sector: Seasonally slower 1Q2021 **OVERWEIGHT**

IOI Corporation: Higher dividends in FY21F **HOLD**

UEM Sunrise: Acquires Taman Connaught land for RM197mil **HOLD**

QUICK TAKE

Plantation Sector: News flow for week 31 May to 4 June **NEUTRAL**

RETAIL RESEARCH

Stocks On Radar: Insas, Lotte Chemical Titan Holding

NEWS HIGHLIGHTS

Malaysia, Asean: Opportunities in alternative investments

E-wallet: Touch 'n Go investment product GO+ users surpass 1 million

Sarawak state election postponed, says EC

US: FDA approves first new Alzheimer's drug in nearly 2 decades

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (‘000)	Price (RM)	Turnover (RM’000)
BORNOIL	67,000	0.039	2,610
HWGB	40,000	0.320	12,800
HONGSENG	39,000	1.400	54,600
SYMLIFE	18,890	0.700	13,220
SEAL	10,000	0.400	4,000
YONGTAI	5,100	0.290	1,480
NGGB	2,270	0.449	1,020
KPOWER	2,100	1.081	2,270
HEXTAR	1,700	1.429	2,430
T7GLOBAL	836	0.365	305
CNASIA	484	0.550	266
YNHPROP	480	2.688	1,290
WIDAD	300	0.430	129
WIDETEC	145	3.180	462
TOPGLOV	96	5.000	478
SEDANIA	92	1.194	110

News Highlights

Malaysia, Asean

Opportunities in alternative investments

Alternative investments are gaining traction in Asean and Malaysia is set to be one of the beneficiaries in the region for such investments. Based on global statistics, it is expected to touch US\$17 trillion (RM70.18 trillion) by 2023, an increase of 21% from the current level of US\$14 trillion (RM57.79 trillion) in assets under management.

Juwai IQI chief economist Shan Saeed told *StarBiz* that alternative investments have become a major component in the wealth management industry in Asean. Such investments include private equity (PE), real estate, hedge funds, arts, luxury goods, farmland and vineyards. The industry, he said, is growing at a fast pace. By 2020, alternative assets have grown to US\$14 trillion (RM57.79 trillion) due to low interest rates from global central banks and high interest from big investors in the financial markets. — *StarBiz*

E-Wallet

Touch 'n Go investment product GO+ users surpass 1 million

Touch 'n Go Group said the number of users for the payment solutions provider's investment product GO+ has surpassed the one million mark in just over two months since the scheme was launched on 29 March 2021.

In a statement yesterday, Touch 'n Go Group said GO+ is a financially inclusive investment product that allows Touch 'n Go eWallet users and all Malaysians to gain access to low-risk money market investments for as low as RM10. — *The Edge Markets*

Sarawak

State election postponed, says EC

The Sarawak state election, which is scheduled to be held this year, has been postponed.

Election Commission (EC) secretary Datuk Ikmalrudin Ishak said in a statement that this was in view of the Proclamation of Emergency issued by the Yang di-Pertuan Agong on Jan 11 and the provisions of Section 13 of the Emergency (Essential Powers) Ordinance 2021. — s

US

FDA approves first new Alzheimer's drug in nearly 2 decades

US health regulators approved the first new Alzheimer's drug in nearly two decades, casting aside doubts about the therapy's effectiveness.

The approval Monday of the therapy, which has the molecular name aducanumab and will be sold as Aduhelm, marked a watershed in Alzheimer's drug research after billions of dollars in investment. Maker Biogen Inc developed the therapy to do what previously approved Alzheimer's medicines can't: slow the memory-robbing march of the disease. — *WSJ.com*

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