



AmWatch

Equity Research Team
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BURSA MALAYSIA

KLCI	1,587.96 (+9.51)
52-Week Range	1,461.45 – 1,684.58
Mkt Cap (RM bil)	1,801.49
Daily Volume (mil shares)	6,749.93
Daily Value (RM mil)	4,150.49

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
GENETEC	4.24	0.48
CARLSBG	22.70	0.46
HLFG	18.22	0.36
HLBANK	18.90	0.36
NESTLE	136.00	0.30

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
DLADY	34.04	-0.46
MPI	38.00	-0.40
CFM	3.71	-0.35
ADVENTA	1.52	-0.20
UNISEM	7.36	-0.16

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,587.96	0.6	-2.4
Singapore	3,167.14	-0.3	11.4
Thailand	1,612.88	0	11.3
Philippines	6,809.72	0.7	-4.6
Indonesia	5,999.37	-1.2	0.3
Hong Kong	28,781.38	0	5.7
Korea	3,247.83	-0.1	13.0
Taiwan	17,076.21	0	15.9
Japan	28,963.56	-0.2	5.5
Dow Jones	34,599.82	-0.1	13.0
Nasdaq	13,924.91	0.3	8.0

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.1213	-0.2	2.5
OPR (%)	1.75	0	0
BLR (% Maybank)	5.40	0	0
NYMEX Crude oil			
US spot (US\$/barrel)	70.05	1.2	44.4
CPO spot price (RM/tonne)	4,240.50	0	10.1

SECTOR FOCUS OF THE DAY

Property: Decent 1Q21 performance; still a long way to recovery **NEUTRAL**

We remain **NEUTRAL** on the property sector. We are cautious on the sector due to: (1) the generally still elevated home prices (not helping either, is the recent surge in input costs, particularly, steel bars); (2) banks remain cautious in residential property lending as reflected in the low approval rate of 34% as compared with about 51%–53% during the 2011–2014 up cycle; and (3) buyers' inability to qualify for a home mortgage due to their already high debt service ratios (DSR).

In addition, the still subdued consumer sentiment and dented job security against a backdrop of the prolonged pandemic are holding consumers back from committing themselves to the purchase of big-ticket items, particularly, a house. However, we do see a bright spot in the affordable segment catering to owner-occupier house buyers vs. property investors/speculators.

Out of the 7 companies under our coverage, 2 exceeded our expectations, 3 were in line while 2 companies came in below our forecasts.

The latest nationwide lockdown could potentially dampen seasonally higher 2H sales. The earnings for companies with exposure in property investment, particularly the retail and hotel business, will be further hit as shopping malls have to be closed except for shops that fall under the "essentials" category. As such, we downgrade IOIPG to **HOLD** with lower fair value based on a higher RNAV discount of 50% (from 40% previously) to reflect the negative lockdown impact while maintaining **BUY** on Sunway, Mah Sing, Lagenda and S P Setia, and **HOLD** on SimeProp and UEMS.

Other report:

Bermaz Auto: Acquires additional 35% stake in Berjaya Auto **BUY**

RETAIL RESEARCH

Stocks On Radar: Hextar Global, CCK Consolidated Holdings

NEWS HIGHLIGHTS

EPF hits 1Q highest investment income with 58.63% jump

M&A: KLK said to take over IJM Plantations via cash or share swap deal

Global web: Internet outage hits major websites

Nestcon expects to raise RM45mil in IPO

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
YONGTAI	10,000	0.295	2,950
JIANKUN	4,125	0.320	1,320
WIDAD	3,999	0.565	2,259
WIDETEC	3,532	2.500	8,751
NGGB	3,000	0.450	1,350
PA	2,500	0.320	800
SIGN	2,000	1.020	2,040
GIIB	1,808	0.360	651
HONGSENG	1,632	1.400	2,285
TM	1,450	6.200	8,990
PARLO	1,000	0.245	245
TANCO	1,000	0.155	155
GAMUDA	579	3.210	1,859
PADINI	500	2.910	1,455
YNHPROP	441	2.500	1,112
ECOFIRS	375	0.400	150
PINEPAC	324	0.510	165
SHANG	190	3.700	703
GENP	178	7.850	1,397
IOICORP	136	4.050	549

News Highlights

EPF

Hits 1Q highest investment income with 58.63% jump

The Employees Provident Fund (EPF) has posted its highest quarterly gross investment income of RM19.29bil for the first quarter ended 31 March 2021 amid the uncertainties from the Covid-19 pandemic. It was a 58.63% jump YoY from RM12.16bil last year and a 17.84% QoQ increase as compared to RM16.37bil for the three-month period ended Dec 31, 2020.

The latest quarterly gross investment income alone surpassed the full year performance of 2009 and its preceding years. The stellar performance came mainly from equities, which accounted for RM14.28bil or 74% of the gross investment income while fixed income instruments contributed a stable income of RM3.92bil. Income from real estate and infrastructure, as well as money market instruments, came in at RM710mil and RM380mil respectively. — *StarBiz*

M&A

KLK said to take over IJM Plantations via cash or share swap deal

IJM Plantations Bhd and Kuala Lumpur Kepong Bhd (KLK) requested for suspension of trading of their shares effective 2.30pm yesterday, pending an announcement. In filings with the bourse, Bursa Malaysia said the structured warrants relating to IJM Plantations and KLK would also be suspended.

It is learnt that KLK is making an offer to take over IJM Plantations. Shareholders of IJM Plantations will be given the option of either a cash offer or share swap. According to sources, the takeover deal is valuing IJM Plantations in the range of RM2.50 to RM2.70 per share. — *The Edge CEO Morning Brief*

IPO

Nestcon expects to raise RM45mil

ACE Market-bound Nestcon Bhd plans to raise RM45.1mil from its initial public offering (IPO) exercise, with the bulk of the proceeds being used to set up an industrialised building system (IBS) facility and to acquire machinery and equipment.

Group managing director Datuk Lim Jee Gin said the building and infrastructure construction services provider will be allocating RM6.6mil (14.7% of the IPO proceeds) for the acquisition of machinery and equipment for business expansion in its civil engineering and infrastructure division. Additionally, he said Nestcon will be allocating around RM6mil (13% of the IPO proceeds) to set up the IBS facility. — *StarBiz*

Global web

Internet outage hits major websites

Dozens of websites in the US and Europe briefly went dark Tuesday, victims of an internal glitch at a major cloud-service provider and the latest example of how a problem at a single player in the internet's piping can have outside repercussions.

Sites including the UK government's main public-services portal and several major US and European news outlets, such as *CNN*, *The New York Times* and *Le Monde*, were inaccessible to at least some users for roughly an hour, beginning around 6am EDT. Those sites went down after Fastly Inc, the operator of a content delivery network service, said it had experienced a configuration problem that affected its infrastructure globally. — *WSJ.com*

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