



AmInvestment Bank

AmWatch

Equity Research Team
(603- 2070 2444)

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BURSA MALAYSIA

KLCI	1,579.90 (-1.58)
52-Week Range	1,452.13 – 1,695.96
Mkt Cap (RMb)	1,795.01
Daily Volume (m shares)	5,047.85
Daily Value (RMmil)	2,976.55

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
TOCEAN	4.24	0.64
IJMLNT	3.06	0.60
KOBAY	2.37	0.54
HEIM	24.66	0.48
CIHLDG	3.70	0.27

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
F&N	25.90	-0.40
MPI	37.50	-0.38
GENP	7.349	-0.22
CAREPLS	1.73	-0.13
DLADY	34.00	-0.12

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,579.90	-0.1	-2.9
Singapore	3,162.50	0.3	11.2
Thailand	1,625.27	-0.1	12.1
Philippines	6,875.71	-0.4	-3.7
Indonesia	6,107.54	1.0	2.1
Hong Kong	28,738.88	0.0	5.5
Korea	3,224.64	0.3	12.2
Taiwan	17,159.22	1.1	16.5
Japan	28,958.56	0.3	5.5
Dow Jones	34,466.24	0.1	12.6
Nasdaq	14,020.33	0.8	8.8

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.1210	0.1	2.5
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	70.29	0.5	44.9
CPO spot price (RM/tonne)	4,122.00	-1.3	7.1

SECTOR FOCUS OF THE DAY

REITS: Mixed 1CFY21 performance

Overweight

We maintain our OVERWEIGHT recommendation on the REIT sector. We are cautious that the reimplementing of the lockdown with tighter SOPs will dampen the companies' earnings in 2Q2021 as REITs are most likely be pressured to give another round of rental support to tenants that are not allowed to operate during this period. However, we believe the market has priced in the impact of the latest movement restriction.

Looking beyond the lockdown, we believe REITs' recovery remains strong once restrictions are lifted, underpinned by pent-up demand as consumers tend to "revenge spend and gather", similar to what happened in the past. We also believe that earnings visibility and associated risks of the REITs are more positive compared to last year, thanks to the wide rollout of vaccines both locally and globally.

Mixed 1QCY21 results. Out of the 4 companies under our coverage, 1 exceeded our expectations, 2 were in line while 1 company came in below our expectations.

We have updated our fair values (FV) for Sunway REIT (RM1.81), Pavilion REIT (RM1.59) and IGB REIT (RM1.89), having rolled forward our base year to FY23F and applied a target yield of 5%. For YTL REIT (FV RM1.11), we apply a higher target yield of 7.5% to reflect higher earnings risks arising from its overseas assets. Our top pick is Sunway REIT. We like Sunway REIT for its diversified investment portfolio (which includes retail malls, hotels, offices, university and hospital) and the large pipeline of potential assets for future injection.

Others:

Plantation Sector: Palm inventory up 1.5% MoM in May

Neutral

RETAIL RESEARCH

Stocks On Radar: Dufu Technology Corp, Maxim Global

NEWS HIGHLIGHTS

DNeX: Hon Hai buys 5% stake; what's next?

Bubble tea: Tealive's parent sells 30% stake to PE firm Creador

Technology: Austria's AT&S to set up RM8.5bil plant in Malaysia

US: China's Didi reveals IPO filing, sets stage for blockbuster NYSE float

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity ('000)	Price (RM)	Turnover (RM'000)
VIVOCOM	45,000	0.815	36,670
CIMB	32,360	4.490	145,310
HIL	21,370	1.000	21,370
SYMLIFE	10,000	0.600	6,000
PERTAMA	7,000	0.495	3,465
YONGTAI	5,000	0.270	1,350
TOPGLOV	3,000	4.840	14,520
T7GLOBAL	2,250	0.331	744
WIDETEC	1,650	2.506	4,135
TANCO	1,330	0.150	200
AHEALTH	1,000	2.880	2,880
HCK-WA	1,000	0.505	505
TAMBUN	1,000	0.670	670
HONGSENG	600	1.650	990
CSCENIC	200	1.550	310
SERBADK	100	0.780	78
IJM	53	1.900	100

News Highlights

DNeX (RM0.855)

Hon Hai buys 5% stake; what's next?

Hon Hai Precision Industry Co Ltd, the main assembler of Apple Inc's iPhones, has acquired 120mil shares or a 5.03% stake in Dagang NeXchange Bhd (DNeX) for RM108mil.

In a filing with the Taiwan Stock Exchange, Hon Hai (known globally as Foxconn Technology Group) said the share purchase was done via its Singapore subsidiary Foxconn Singapore Pte Ltd. Hon Hai bought the DNeX shares from Annedjma Capital Sdn Bhd, Azman Karim and Arcadia Acres Sdn Bhd at 90 sen per share. The stock closed at 85.5 sen on Thursday. — *The Edge CEO Morning Brief*

Bubble tea

Tealive's parent sells 30% stake to PE firm Creador

The Edge has learnt that Loob Holding Sdn Bhd — the holding company of bubble tea brand Tealive — has sold a strategic stake of 30% to private equity (PE) firm Creador. According to sources, the price was in the RM200mil to RM260mil range.

When contacted on this, Creador and Loob both in a joint statement expressed confidence the strategic partnership will take Loob to the next level, especially given Creador's track record in aiding in regional growth of its investee companies. However, they did not confirm the price of the stake. — *The Edge CEO Morning Brief*

Technology

Austria's AT&S to set up RM8.5bil plant in Malaysia

Austria-headquartered AT&S, a global manufacturer of high-end printed circuit boards (PCBs) and integrated circuit (IC) substrates, has chosen Malaysia for its first production plant in Southeast Asia.

The facility, which involves a proposed total investment of RM8.5bil (€1.7bil), will be set up in the Kulim Hi-Tech Park, Kedah, to produce high-end PCBs and IC substrates, Senior Minister and International Trade and Industry Minister Datuk Seri Mohamed Azmin Ali said in a statement yesterday. — *Bernama*

US

China's Didi reveals IPO filing, sets stage for blockbuster NYSE float

Didi Chuxing, China's biggest ride-hailing firm, on Thursday made public its filing for a US stock market listing, setting the stage for what is expected to be the world's biggest initial public offering this year.

The company — backed by Asia's largest technology investment firms, SoftBank, Alibaba and Tencent — did not reveal the size of the offering, but sources familiar with the matter had previously told Reuters that the ride-hailing giant could raise around US\$10bil and seek a valuation of close to US\$100bil. — *Reuters*

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