



AmInvestment Bank

AmWatch

Equity Research Team
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BURSA MALAYSIA

KLCI	1,581.59 (-7.60)
52-Week Range	1,452.13 – 1,695.96
Mkt Cap (RMb)	1,829.15
Daily Volume (m shares)	4,499.92
Daily Value (RMmil)	2,913.65

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
MPI	46.50	1.60
GENETEC	31.50	1.28
VITROX	19.00	0.42
PMBTECH	6.40	0.41
IQGROUP	1.79	0.37

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
NESTLE	133.90	-1.40
KLK	20.80	-0.70
DLADY	34.00	-0.48
PETDAG	19.80	-0.30
WIDETEC	4.04	-0.26

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,581.59	-0.5	-2.8
Singapore	3,101.08	0.6	9.0
Thailand	1,648.37	-0.1	13.7
Philippines	6,877.10	-0.3	-3.7
Indonesia	6,126.94	0.0	2.5
Hong Kong	26,163.63	1.0	-3.9
Korea	3,203.33	0.1	11.5
Taiwan	17,495.30	-0.1	18.8
Japan	29,659.89	1.8	8.1
Dow Jones	35,369.09	-0.2	15.6
Nasdaq	15,363.52	0.2	19.2

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.1477	0.0	3.2
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	69.29	-1.0	42.8
CPO spot price (RM/tonne)	4,536.00	2.1	17.8

SECTOR FOCUS OF THE DAY

Oil & Gas: Upward earnings trajectory

Overweight

Excluding Serba Dinamik's 2Q2021 results which have yet to be announced, the 1HFY21 earnings delivery of the 8 companies under our coverage were mixed as 3 were above our expectations, 2 underperformed and 3 were within expectations, vs. 4 outperformers, 2 in line and 2 underperformers in 1Q2021. The companies registering above-market 1H2021 results were Bumi Armada, Hibiscus Petroleum (Hibiscus) and Petronas Chemicals while Dialog and Sapura suffered from higher-than-expected operating costs amid the continuing Covid-19-imposed movement restrictions.

However, the sector's core 2QFY21 net profit still rose 30% QoQ to RM3.3bil largely due to higher product prices for Petronas Chemicals, MISC's lumpy gains from a renegotiated lightering contract for 2 Aframax vessels and Sapura Energy's lower losses.

Maintain 2021–2022 oil price projection at US\$65–70/barrel as Brent crude oil prices have recovered above US\$70/barrel currently after falling to US\$65/barrel on 20 August this year on concerns that the Covid-19 Delta variant could dampen global demand.

Maintain OVERWEIGHT call with 8 BUY calls vs. only 1 SELL. We continue to like Dialog Group for its resilient non-cyclical tank terminal and maintenance-based operations and Yinson's strong earnings growth momentum from the full-year contributions of its FPSO vessels. We also like Sapura Energy as its completed RM10bil debt restructuring package positions the group to secure fresh global orders. Meanwhile, Petronas Gas offers highly compelling dividend yields from its optimal capital structure strategy and resilient earnings base.

RETAIL RESEARCH

Stocks On Radar: JHM Consolidation, Pelikan International Corporation

THEMATIC

MYR, RMB face weakening trend vs. USD

NEWS HIGHLIGHTS

Paramount Corp: Eyes prize of digital banking licence

Teladan Setia: Acquires land in Melaka for RM118mil

IPO: CEKD to raise RM24.28mil from ACE Market at 48 sen apiece

Sedania Innovator: To deploy green tech solutions for Pos Malaysia

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity ('000)	Price (RM)	Turnover (RM'000)
HUBLINE-WC	25,000	0.012	300
AXTERIA	11,000	0.242	2,660
GIIB	5,600	0.180	1,010
SEACERA	4,500	0.100	450
HONGSENG-PA	3,500	1.651	5,780
HARNLEN-WB	3,200	0.491	1,570
MPAY	3,120	0.275	858
HARNLEN	3,100	1.406	4,360
RGTBHD-WB	2,500	0.230	575
PA	1,800	0.415	747
IMPIANA	500	0.075	38
CNASIA	400	0.650	260
HONGSENG-PA	271	1.870	507
ANCOM-WB	200	0.620	124
PBBANK	50	4.200	210

News Highlights

Paramount Corp (RM0.79)

Eyes prize of digital banking licence

Paramount Corp Bhd is looking at having up to a 30% stake in a five-member consortium which has applied for a digital banking licence from Bank Negara.

Paramount group CEO Jeffrey Chew said the property developer is looking at a stake of 20% to 30%, should the central bank grant the consortium a digital banking licence next year. "We are not the majority shareholder in all these investments (digital business ventures)," he said during an online media briefing. — *StarBiz*

Teladan Setia (RM0.655)

Acquires land in Melaka for RM118mil

Melaka-based property developer Teladan Setia Group Bhd has proposed to acquire five parcels of land from Bakat Muhibbah Sdn Bhd totalling 136.9ha in Melaka for a cash consideration of RM117.9mil.

Yesterday, the group said its wholly-owned subsidiary Riverwell Resources Sdn Bhd (RRSB) had entered into a sale and purchase agreement with Bakat Muhibbah Sdn Bhd for the proposed acquisition. — *StarBiz*

IPO

CEKD to raise RM24.28mil from ACE Market at 48 sen apiece

Die-cutting solutions provider CEKD Bhd aims to raise RM24.28 million from its upcoming initial public offering (IPO) on Bursa Malaysia's ACE Market.

The IPO involves the public issue of 50.59mil new shares at 48 sen per share. — *The Edge CEO Morning Brief*

Sedania Innovator (RM0.70)

To deploy green tech solutions for Pos Malaysia

ACE Market-listed Sedania Innovator Bhd has announced that its subsidiary Sedania Technologies Sdn Bhd has signed a contract with Pos Malaysia Bhd to provide green tech solutions to help Pos Malaysia reduce energy consumption on a shared saving concept.

In a statement, Sedania said the first deployment will include energy efficiency and renewable energy solutions at eight Pos Malaysia sites in the Klang Valley, scheduled to start this year and be completed within three months. — *The Edge CEO Morning Brief*

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