

## Malaysia Morning Cuppa

### Top Story

**Mr DIY Group (MRDIY MK, BUY, TP: MYR2.20)**

A Prime Beneficiary Of Sector Tailwinds; Keep BUY

Results Review

Maintain BUY and MYR2.20 TP, 23% upside and c.2% FY24F yield. Mr DIY's 1Q24 results met expectations, supported by outlet expansion and steady margins. Given the improved broader market sentiment, we see valuation rerating potential for the company considering its entrenched position to capture consumer spending and capitalise on the recent positive developments in the sector. In addition, the relatively higher trading liquidity vs other large-cap consumer peers is favourable to attract the interest of returning foreign investors.

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*Today's Report:* [Mr DIY Group : A Prime Beneficiary Of Sector Tailwinds; Keep BUY \(10 May 2024\)](#)

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### Other Story

**Globetronics Technology (GTB MK, NEUTRAL, TP: MYR1.29)**

Volume Loadings Remain Subdued

Results Review

*Today's Report:* [Globetronics Technology : Volume Loadings Remain Subdued \(10 May 2024\)](#)

*Previous Report:* [Globetronics Technology : New Business To Drive Growth In FY24 \(22 Feb 2024\)](#)

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## Top BUYs

	TP (MYR)	Upside (%)	Shariah	Catalysts
<b>AMMB (AMM MK)</b>	5	19.0	N	<ul style="list-style-type: none"> <li>Focus on manufacturing sector and public infrastructure projects to drive loans growth, with provisions expected to be strengthened using one-off tax credit in 3QFY24 (Mar)</li> <li>Near-completion of capital rebuild exercises to enable greater dividend payout from current 35-40% range</li> <li>Attractive valuation of 0.7x P/BV (sub-historical and peer mean) against 9% ROE</li> </ul>
<b>Axiata (AXIATA MK)</b>	3.40	20.1	Y	<ul style="list-style-type: none"> <li>Key big cap stock laggard with valuation at -1.5SD from historical EV/EBITDA mean</li> <li>Value unlocking from asset monetisation and balance sheet de-leveraging</li> <li>Earnings tailwinds from frontier markets' economic recovery and peaking US interest rates</li> </ul>
<b>CIMB (CIMB MK)</b>	7.60	12.6	N	<ul style="list-style-type: none"> <li>Continued ROE recovery, with FY23F earnings target at 10-11% (FY22: 10.2%)</li> <li>Asset quality issues mostly addressed, credit cost stabilising at 45-55bps (FY22: 51bps)</li> <li>Loan portfolio reshaping and cost take-outs bearing fruit</li> </ul>
<b>Dayang Enterprise (DEHB MK)</b>	2.95	9.7	Y	<ul style="list-style-type: none"> <li>We like DEHB as a direct beneficiary of higher maintenance, construction and modification (MCM) and hook-up commissioning (HUC) activities guidance from Petronas with additional earnings boost from its recent 3-year Asset Integrity Findings or AIF contract win.</li> <li>Its marine segment is also likely to benefit from stronger daily charter rates and better vessel utilisation.</li> <li>Further contract flows are expected from the new tender for Petronas' 5-year HUC and MCM contracts.</li> </ul>
<b>Gamuda (GAM MK)</b>	6.30	15.6	Y	<ul style="list-style-type: none"> <li>Commendable earnings visibility backed by a c.MYR27bn outstanding orderbook spread across Malaysia, Taiwan, Singapore, and Australia</li> <li>Job prospects appear bright with the group being pre-qualified for infrastructure projects in Australia easily worth &gt;MYR10bn in total</li> <li>A front runner to be involved in the Bayan Lepas Light Rail Transit project (estimated cost: MYR10bn) via subsidiary SRS Consortium</li> </ul>
<b>Guan Chong (GUAN MK)</b>	3.30	11.5	Y	<ul style="list-style-type: none"> <li>We remain bullish on Guan Chong's anticipated robust performance in FY24F, driven by margin expansion (higher ratio and revenue).</li> <li>GUAN stands to benefit from more than just a one-off advantage stemming from securing low raw material costs early in the current environment of elevated bean prices.</li> <li>Proactive hedging strategy aiming to safeguard margins in the forward selling mechanisms.</li> </ul>
<b>IOI Properties (IOIPG MK)</b>	2.75	17.5	Y	<ul style="list-style-type: none"> <li>The property investment division is expected to grow strongly with the recent opening of IOI City Mall Phase 2 and upcoming completion of IOI Central Boulevard office in Singapore</li> <li>Projects in Xiamen will likely benefit from China's reopening</li> <li>Long-term plan to REIT the property assets will be a significant value-unlocking exercise, which should benefit shareholders</li> </ul>
<b>Kerjaya Prospek (KPG MK)</b>	2.15	16.2	Y	<ul style="list-style-type: none"> <li>Steady job replenishment trends with YTD new job wins already reaching MYR1bn vs target of MYR1.3bn for FY23</li> <li>Job replenishment prospects backed by ongoing developments such as the Seri Tanjung Pinang Phase 2 in Penang and Bukit Bintang City Centre</li> <li>A major catalyst includes securing industrial building jobs via its Samsung C&amp;T collaboration</li> </ul>
<b>KKB Engineering (KKB MK)</b>	2.02	10.4	Y	<ul style="list-style-type: none"> <li>Poised to benefit from Sarawak-centric development projects by virtue of Sarawak Economic Development Corp's 10.7% stake in the group</li> <li>A front-runner for fabrication jobs for hydrogen and methanol production projects</li> <li>Robust capex spending could see more wellhead platform fabrication jobs for the group</li> </ul>
<b>Samaiden Group (SAMAIDEN MK)</b>	1.76	28.5	N	<ul style="list-style-type: none"> <li>Beneficiary of Malaysia's transition towards renewable energy (RE), being a diversified player in the space – solar, bioenergy and hydro</li> <li>Recurring income from its expanding RE assets with a current gross capacity of c.51.5MW</li> <li>Potential venture into the Cambodian bioenergy market from its MoU with Mong Sotheary Trading, Management Venture Asia (Cambodia), and Panna Energy</li> </ul>
<b>UEM Sunrise (UEMS MK)</b>	1.60	36.8	Y	<ul style="list-style-type: none"> <li>Johor could see a major railway infrastructure boom, especially if the Government proceeds with the Light Rail Transit and Kuala Lumpur-Singapore High Speed Rail projects</li> <li>Given the emphasis on the smooth movement of people and cargo by the Malaysia and Singapore Governments, we believe areas closer to the borders could be included in the Johor-Singapore Special Economic Zone</li> <li>UEMS remains the best proxy for Johor's multi-year growth story, as 92% of its landbank is located in Iskandar Malaysia. It also has 2,334 acres of land at Gerbang Nusajaya near the Tuas Link.</li> </ul>
<b>Yinson (YNS MK)</b>	2.96	20.8	N	<ul style="list-style-type: none"> <li>We continue to like this counter for its exponential growth trajectory (3-year CAGR of 41%) backed by maiden contributions from three upcoming vessels</li> <li>Monetisation of a partial stake of these projects are on the cards once they start contributing stable cash flows</li> <li>Global FPSO demand remains robust and Yinson is comfortable of securing another project once either of the projects reach their tail-end conversion stages.</li> </ul>

## RHB Guide to Investment Ratings

<b>Buy:</b>	Share price may exceed 10% over the next 12 months
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<b>Neutral:</b>	Share price may fall within the range of +/- 10% over the next 12 months
<b>Take Profit:</b>	Target price has been attained. Look to accumulate at lower levels
<b>Sell:</b>	Share price may fall by more than 10% over the next 12 months
<b>Not Rated:</b>	Stock is not within regular research coverage

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