

Malaysia Morning Cuppa

Top Story

AMMB (AMM MK, BUY, TP: MYR4.80)

An Opportunity Well Grasped; Stay BUY

Results Review

Keep BUY, new MYR4.80 TP from MYR4.70, 11% upside, c.5% FY25F (Mar) yield. AMMB's core 9MFY24 results met expectations. As expected, the bank utilised its MYR538m tax credit in a kitchen-sinking exercise, chiefly to further solidify asset quality. We reiterate our rating on the stock, premised also on growth and dividend upside, as well as its attractive valuation.

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Today's Report: [AMMB : An Opportunity Well Grasped; Stay BUY \(27 Feb 2024\)](#)

Previous Report: [AMMB : A Golden Opportunity; Stay BUY \(20 Feb 2024\)](#)

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Inari Amertron (INRI MK, BUY, TP: MYR3.58)

Margin Undermined By New Products' Ramp Up

Results Review

Analyst: Lee Meng Horng +603 2302 8115

Today's Report: [Inari Amertron : Margin Undermined By New Products' Ramp Up \(27 Feb 2024\)](#)

Previous Report: [Inari Amertron : Upbeat On FY24F With Positive Developments; BUY \(24 Nov 2023\)](#)

Petronas Dagangan (PETD MK, NEUTRAL, TP: MYR22.58)

Delay In Subsidy Receipts

Results Review

Analyst: Sean Lim CFA +603 2302 8128

Today's Report: [Petronas Dagangan : Delay In Subsidy Receipts \(27 Feb 2024\)](#)

Previous Report: [Petronas Dagangan : Stay On Course \(24 Nov 2023\)](#)

FGV Holdings (FGV MK, NEUTRAL, TP: MYR1.58)

Spike In 4Q23 Earnings

Results Review

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Today's Report: [FGV Holdings : Spike In 4Q23 Earnings \(27 Feb 2024\)](#)

Previous Report: [FGV Holdings : Trading Close To Peer Valuation, U/G To NEUTRAL \(24 Jul 2023\)](#)

SKP Resources (SKP MK, NEUTRAL, TP: MYR0.78)

Earnings Weakness In The Price

Results Review

Analyst: Soong Wei Siang +603 2302 8130

Today's Report: [SKP Resources : Earnings Weakness In The Price \(27 Feb 2024\)](#)

Previous Report: [SKP Resources : QoQ Strength On Seasonality \(1 Dec 2023\)](#)

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[ELK-Desa Resources : 3QFY24: A Decent Showing](#)

Cahaya Mata Sarawak (CMS MK, NEUTRAL, TP: MYR1.06)

FY23 Missed Expectations

Results Review

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Today's Report: [Cahaya Mata Sarawak : FY23 Missed Expectations \(27 Feb 2024\)](#)

Previous Report: [Cahaya Mata Sarawak : Segmental Challenges Weigh On Results \(30 Nov 2023\)](#)

BM Greentech (BMGREEN MK, NEUTRAL, TP: MYR0.97)

Solid Performance In The Price

Results Review

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Today's Report: [BM Greentech : Solid Performance In The Price \(27 Feb 2024\)](#)

Previous Report: [BM Greentech : Better ESG Disclosure, But Valuation Remains Fair \(28 Dec 2023\)](#)

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[Auto & Autoparts : Strong Start To The Year](#)

Top BUYs

	TP (MYR)	Upside (%)	Shariah	Catalysts
AMMB (AMM MK)	4.80	11.4	N	<ul style="list-style-type: none"> 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) Near-completion of capital rebuild exercises to enable greater dividend payout from current 35-40% range Attractive valuation of 0.7x P/BV (sub-historical and peer mean) against 9% ROE
Axiata (AXIATA MK)	3.40	24.1	Y	<ul style="list-style-type: none"> Key big cap stock laggard with valuation at -1.5SD from historical EV/EBITDA mean Value unlocking from asset monetisation and balance sheet de-leveraging Earnings tailwinds from frontier markets' economic recovery and peaking US interest rates
CIMB (CIMB MK)	6.88	7.0	N	<ul style="list-style-type: none"> Continued ROE recovery, with FY23F earnings target at 10-11% (FY22: 10.2%) Asset quality issues mostly addressed, credit cost stabilising at 45-55bps (FY22: 51bps) Loan portfolio reshaping and cost take-outs bearing fruit
CTOS Digital (CTOS MK)	1.93	30.4	Y	<ul style="list-style-type: none"> Unique leading position and growth proposition (3-year CAGR of 34%) in secular digitalisation trends such as e-KYC and credit rating-related solutions Synergy from new acquisitions to accelerate growth avenue via its various digital solutions, analytical insights, and exposure to fintech firms on the back of the growing digital economy
Dayang Enterprise (DEHB MK)	2.47	21.9	Y	<ul style="list-style-type: none"> 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. Its marine segment is also likely to benefit from stronger daily charter rates and better vessel utilisation. Further contract flows are expected from the new tender for Petronas' 5-year HUC and MCM contracts.
Gamuda (GAM MK)	6.46	27.2	Y	<ul style="list-style-type: none"> Commendable earnings visibility backed by a c.MYR27bn outstanding orderbook spread across Malaysia, Taiwan, Singapore, and Australia Job prospects appear bright with the group being pre-qualified for infrastructure projects in Australia easily worth >MYR10bn in total A front runner to be involved in the Bayan Lepas Light Rail Transit project (estimated cost: MYR10bn) via subsidiary SRS Consortium
IOI Properties (IOIPG MK)	2.50	7.8	Y	<ul style="list-style-type: none"> 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 Projects in Xiamen will likely benefit from China's reopening Long-term plan to REIT the property assets will be a significant value-unlocking exercise, which should benefit shareholders
Kerjaya Prospek (KPG MK)	1.93	17.4	Y	<ul style="list-style-type: none"> Steady job replenishment trends with YTD new job wins already reaching MYR1bn vs target of MYR1.3bn for FY23 Job replenishment prospects backed by ongoing developments such as the Seri Tanjung Pinang Phase 2 in Penang and Bukit Bintang City Centre A major catalyst includes securing industrial building jobs via its Samsung C&T collaboration
KKB Engineering (KKB MK)	2.02	11.6	Y	<ul style="list-style-type: none"> Poised to benefit from Sarawak-centric development projects by virtue of Sarawak Economic Development Corp's 10.7% stake in the group A front-runner for fabrication jobs for hydrogen and methanol production projects Robust capex spending could see more wellhead platform fabrication jobs for the group
Malaysia Airports (MAHB MK)	8.66	2.6	N	<ul style="list-style-type: none"> Clear beneficiary from recovery in tourism and aviation industry - passenger traffic is recovering with encouraging momentum Incoming operating agreement with the Government to support airports development and services uplift with the establishment of the Airport Development Fund Additional boost from China's travellers from 2H23 onwards
Samaden Group (SAMADEN MK)	1.55	15.0	N	<ul style="list-style-type: none"> Beneficiary of Malaysia's transition towards renewable energy (RE), being a diversified player in the space - solar, bioenergy and hydro Recurring income from its expanding RE assets with a current gross capacity of c.51.5MW Potential venture into the Cambodian bioenergy market from its MoU with Mong Sotheary Trading, Management Venture Asia (Cambodia), and Panna Energy
UEM Sunrise (UEMS MK)	1.60	50.9	Y	<ul style="list-style-type: none"> 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 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 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.
Yinson (YNS MK)	3.06	23.4	N	<ul style="list-style-type: none"> We continue to like this counter for its exponential growth trajectory (3-year CAGR of 41%) backed by maiden contributions from three upcoming vessels Monetisation of a partial stake of these projects are on the cards once they start contributing stable cash flows Global FPSO demand remains robust and Yinson is comfortable of securing another project once either of the projects reach their tail-end conversion stages.

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Neutral:	Share price may fall within the range of +/- 10% over the next 12 months
Take Profit:	Target price has been attained. Look to accumulate at lower levels
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