

17 Apr 2024

| Daily Digest

Key indices

	Close	Chg	% Chg
KLCI	1,535	(8)	(0.5)
FBM EMAS	11,515	(85)	(0.7)
DJIA	37,735	(248)	(0.7)
NASDAQ	15,885	(290)	(1.8)
FTSE	7,859	(107)	(1.4)
HSI	16,249	(351)	(2.2)
NIKKEI	38,471	(762)	(2.0)
STI	3,145	(39)	(1.2)
KOSPI	2,610	(61)	(2.3)

Source: Bloomberg

Market data

	Close	3M	12M	MMA
Volume (m)	4,928	3,903	3,492	
Value (RM m)	3,719	2,790	2,284	

	Close	Prev	% Chg
CPO	4,308	4,443	-3.0
RM/ US\$	4.79	4.78	0.2
Crude oil (brent)	90.0	90.1	-0.2
MGS 10 yr	3.92	3.91	0.0

Source: Bloomberg, CIMB Securities

Relative performance
(CIMB Securities)

Top gainers (%)	1M	3M	12M
SP SETIA	25	51	110
BERJAYA FOOD	24	8	(29)
MAH SING	15	35	78
KOSSAN	14	(1)	39
AEON CREDIT	12	14	6
MBM RESOURCES	11	9	27
MRCB	10	25	80
BUMI ARMADA	10	7	(20)
MUHIBBAH ENG	9	2	7
MEGA FIRST	9	11	18
Top losers (%)	1M	3M	12M
AXIATA	(10)	(3)	(22)
GENTING M	(9)	(6)	(8)
AIRASIA X	(8)	(35)	(7)
RCE CAPITAL	(7)	(18)	30
TELEKOM	(7)	1	11
LBS BINA	(7)	4	45
PHARMANIAGA	(6)	(15)	(2)
YINSON	(4)	(10)	(15)
CELCOMDIGI	(4)	(3)	(11)
PAVILION REIT	(3)	(1)	(9)

Source: Bloomberg

Muhibbah Engineering – Airport resolution within sight

We are **maintaining** our **Buy** call on Muhibbah with a **higher SOP-derived TP** of **RM1.20** and raise core net profit estimates for FY24F/25F/26F by 2%/5%/4%. These factor in a higher Cambodian air traffic growth for FY24F (2M24: +25% YoY), potential resolution to the status of Phnom Penh Airport and revisions to our RM/USD forecast. Furthermore, its Cambodian airports remain largely insulated from the recent Middle East conflict, given its limited exposure to the region.

| News Headlines

- Globetronics in final talks with two potential customers for advanced packaging
- MyEG, HeiTech Padu form partnership to collaborate on IT projects
- GDEX plans to diversify into IT
- Comfort Gloves' units go to court over RM99m additional tax demand
- Apex Healthcare commits to boosting R&D investment to 5% of annual manufacturing revenue
- Alpha IVF makes RM13.6m net profit in 3Q, sees rising demand for fertility solutions amid resurgence in medical tourism

Newsflow

Globetronics in final talks with two potential customers for advanced packaging

Globetronics Technology Bhd is in the final stages of discussion with two prospective clients interested in leveraging advanced packaging technology, some of which will start in the second half of FY2024. The group was planning to diversify into advanced packaging to meet the growing demand for such services. The new business segment is poised to become the group's future revenue growth driver. *[The Edge]*

MyEG, HeiTech Padu form partnership to collaborate on IT projects

MyEG Services Bhd and HeiTech Padu Bhd have formed a partnership to collaborate on IT projects in Malaysia. The purpose of the agreement is to set forth the understanding of the parties with respect to their respective roles and responsibilities wherein the parties wish to collaborate in the marketing activities, sharing of related know-how and system integration of IT solution for identified projects to potential customers of the parties. *[The Edge]*

GDEX plans to diversify into IT

GDEX Bhd is planning to diversify into the provision of information technology (IT) services and solutions to enhance its revenue stream. The last-mile logistics player previously acquired equity stakes in three IT companies in 2022, namely Web Bytes Sdn Bhd (38% stake), Sweetmag Solutions Sdn Bhd (51%), and Anon Security Sdn Bhd (60%). These acquisitions marked the start of its transformation plan to turn the company around. *[The Edge]*

Comfort Gloves' units go to court over RM99m additional tax demand

Comfort Gloves Bhd said two subsidiaries of the group have commenced legal action over an additional tax demand totalling RM99.3m by the Inland Revenue Board (IRB). The additional assessment was due to the IRB's readjustment of the tax basis period when the group changed its financial year end to Dec 31, 2021, despite having obtained necessary approvals previously. *[The Edge]*

Apex Healthcare commits to boosting R&D investment to 5% of annual manufacturing revenue

Apex Healthcare Bhd has committed to reinvest 5% of its total manufacturing revenue into the research and development (R&D) of new products moving forward. The company invested RM8.5m in R&D and innovation in 2023, an increase of over 18% compared with the previous year's outlay, and representing 3.2% of its revenue gained from manufacturing activities. *[The Edge]*

Alpha IVF makes RM13.6 mil net profit in 3Q, sees rising demand for fertility solutions amid resurgence in medical tourism

Alpha IVF Group Bhd made a net profit of RM13.59m for its 3QFY24, on a revenue of RM40.7m. The revenue came mostly from the provision of assisted reproductive services focusing on in-vitro fertilisation (IVF) treatments. For its 9MFY24), Alpha IVF posted a net profit of RM38.92m, on a revenue of RM120.84m. *[The Edge]*

Forthcoming Events

Date	Event
22 Apr 2024	International Reserves of BNM as at 15 April 2024
30 Apr 2024	Monthly Highlights & Statistics for March 2024
30 Apr 2024	Detailed Disclosure of International Reserves as at end-March 2024
8 May 2024	International Reserves of BNM as at 30 April 2024
9 May 2024	Monetary Policy Statement 3rd/2024
17 May 2024	Economic & Financial Developments in the 1st Quarter 2024
23 May 2024	International Reserves of BNM as at 15 May 2024
28-29 May 2024	Global Forum on Islamic Economics & Finance
31 May 2024	Detailed Disclosure of International Reserves as at end-April 2024
31 May 2024	Monthly Highlights & Statistics for April 2024

Source: Bank Negara, CIMB Securities

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Buy	The stock's total return is expected to exceed 10% over the next twelve (12) months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next twelve (12) months.
Reduce	The stock's total return is expected to fall below 0% or more over the next twelve (12) months.
	<i>Note: The total expected return of a stock is defined as the sum of:</i> (a) <i>the percentage difference between the target price and the current price; and</i> (b) <i>the forward net dividend yields of the stock. Stock price targets have an investment horizon of twelve (12) months</i>
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Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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