

Bulletin Today

BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM-KLCI	1,569.25	(2.23)	(0.14)
Volume: Total (mil):	3,963.02	(286.08)	(6.73)
Total Value (RM' mil):	2,829.86	(204.08)	(6.73)
Gainers	443		
Losers	581		
Unchanged	537		

TRADE STATISTICS

Participation		Bought	Sold	Net
48.31	Institution	1,425	1,309	116
20.30	Retail	566	582	(16)
31.39	Foreign	838	938	(100)
100.00		2,830	2,830	0

FTSE-BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM 70	16,355.30	(27.01)	(0.16)
FBM 100	11,418.47	(16.91)	(0.15)
FBM Palm Oil - NC	12,152.61	(2.70)	(0.02)
FBM Smallcap	17,656.01	(73.03)	(0.41)
FBM Emas	11,780.98	(19.51)	(0.17)
FBM Fledgling	20,902.07	9.47	0.05

WORLD

Index	Closing	Pts Chg	% Chg
Dow Jones	38,086	(375)	(0.98)
Nasdaq	15,612	(101)	(0.64)
FTSE 100	8,079	38	0.48
Nikkei 225	37,628	(832)	(2.16)
Hang Seng	17,285	83	0.48
Korea Kospi	2,629	(47)	(1.76)
Singapore STI	3,288	(5)	(0.16)
Thailand SET	1,364	3	0.23
Jakarta	7,155	(19)	(0.27)
Shanghai	3,053	8	0.27
Shenzhen	1,698	4	0.21

KLCI FUTURES

Index	Closing	Pts Chg	% Chg	Volume
FBM-KLCI	1,569.25	(2.23)	(0.14)	218m
FKLI - Apr 24	1,565.50	(5.50)	(0.35)	20,206
FKLI - May 24	1,569.50	(4.00)	(0.25)	16,934
FKLI - Jun 24	1,570.00	(3.00)	(0.19)	95
FKLI - Sep 24	1,557.50	(4.50)	(0.29)	226

FOREX & COMMODITIES

	Closing	Pts Chg	% Chg
CPO Futures (Jul)	3,874.00	(68.00)	(1.73)
Brent (USD/b)	89.01	0.99	1.12
Gold (USD/Ounce)	2,332.46	16.29	0.70
USD/RM	4.7760	(0.0013)	(0.03)
SGD/RM	3.5132	0.0035	0.10
JPY/RM	3.0691	(0.0061)	(0.20)

HIGHLIGHTS

- ◆ The Dow slumped 375.12 points or 1.0% to 38,085.80 and the Nasdaq slid 100.99 points or 0.6% to 15,611.76
- ◆ **OCK GROUP BHD – TO RAISE UP TO RM500.0M FROM ISLAMIC COMMERCIAL PAPERS PROGRAMME; NEUTRAL, TP: RM0.61**
- ◆ DOSM: Malaysia's inflation steady at 1.8% Y-o-Y in March
- ◆ U.S. GDP climbs much less-than-expected in 1Q2024
- ◆ U.S. weekly jobless claims unexpectedly decreased
- ◆ German consumer sentiment to rise in May
- ◆ **AirAsia X to buy Capital A's aviation business for RM6.8b via share and debt deal**
- ◆ **Inta Bina bags RM224.8m job to build business serviced apartments in Subang Jaya**
- ◆ **Al-Aqar Healthcare REIT aims to acquire yield-accretive properties from KPJ Healthcare**
- ◆ **Pantech mulls listing two subsidiaries on Main Market via SPV**
- ◆ **ViTrox's 1QCY24 net profit nearly halved Y-o-Y, extending declining profits to five quarters**
- ◆ **PavREIT's 1QCY24 NPI jumps 33.2% Y-o-Y, pays 2.48 sen distribution per unit**
- ◆ **Chin Teck's 2QFY24 net profit up sevenfold Y-o-Y**
- ◆ **TAS Offshore's 3QFY24 net profit up nine-fold Y-o-Y**

THE SLANT

- ◆ The upward streak on the FBM KLCI ended yesterday as it succumbed to a mild bout of profit taking to also slip below the 1,570 at the close, ending lower in tandem with the overnight weakness on Wall Street. The key index started the day on a positive note, but the momentum lost steam as the day wore on and it ended at its day low. Many lower liners also surrendered their gains from a day earlier amid the quick profit taking activities and market breadth turned negative.
- ◆ Following the recent strong upward streak, the key index could endure further profit taking after Wall Street suffered a steep drop overnight after the U.S reported a significantly lower-than-expected GDP reading for 1Q2024. The weak performance is re-igniting growth concerns and prompt market players to retreat to the sidelines as its weakness could also have an impact on Malaysia export performance if the external demand remains insipid. This could also mean that the 1,570 is unlikely to hold and the key index will continue with its consolidation over the near-term. On the downside, the supports are at pegged at 1,565 and 1,560 points, while the resistances remain at the 1,574-1,578 levels, followed by the 1,582 level.

- ◆ The lower liners are also likely to endure further profit taking amid the turn in market sentiments with the recent momentum buying to also end.

COMPANY UPDATE

- ◆ **OCK GROUP BHD – TO RAISE UP TO RM500.0M FROM ISLAMIC COMMERCIAL PAPERS PROGRAMME; NEUTRAL, TP: RM0.61**

OCK Group Bhd has proposed to undertake the issuance of an Islamic Commercial Papers Programme (ICP programme) based on the Shariah principal of Wakalah Bi Al-Istithmar, aiming to raise up to RM500.0m in nominal value over a tenure of seven years from the first issuance date. The drawdown is expected to be in multiple tranches with each tranche having a tenure of up to 12 months. The ICP programme is accredited by MARC Ratings with a preliminary short-term rating of MARC-1.

The proceeds raised from the programme will be allocated towards restructuring its existing short-term financing and/or borrowings with the aim of lowering its finance costs, particularly the U.S.-denominated debts. Furthermore, these proceeds will provide the group with additional working capital to undertake more projects, further extending its growth trajectory by capitalising on the opportunities stemming from the increasing telecommunications activities amid the ongoing rollout of the 5G network in the region.

Since there is no immediate impact on our EBITDA forecast from the proposed issuance, we maintain our **NEUTRAL** recommendation on OCK with the same **TP** of **RM0.61** by ascribing an unchanged target EV/EBITDA multiple of 6x to our CY24F EBITDA.

GLOBAL AND ECONOMIC UPDATE

- ◆ After moving sharply lower early in the session, stocks regained ground over the course of the trading day on Thursday but remained mostly lower. The Dow slumped 375.12 points or 1.0% to 38,085.80 after plunging by more than 700 points in early trading and the Nasdaq slid 100.99 points or 0.6% to 15,611.76 after the U.S.' 1Q2024 GDP was lower-than-expected. [RTT News](#)
- ◆ **DOSM: Malaysia's inflation steady at 1.8% Y-o-Y in March**
Malaysia's consumer inflation came in lower-than-expected in March from a year earlier as prices of healthcare and food rose at a slower pace. The CPI rose 1.8% Y-o-Y, unchanged vs. February's 1.8% Y-o-Y gain. Core CPI was 1.7% Y-o-Y in March. [The Edge Markets](#)
- ◆ **U.S. GDP climbs much less-than-expected in 1Q2024**
U.S. economy grew by much less-than-expected in 1Q2024, expanding 1.6% Q-o-Q after surging by 3.4% Q-o-Q in 4Q2023. Economists had expected GDP to jump by 2.5% Q-o-Q. The notable slowdown in GDP growth primarily reflected decelerations in consumer spending, exports,

and state and local government spending and a downturn in federal government spending. [RTT News](#)

◆ **U.S. weekly jobless claims unexpectedly decrease**

There was an unexpected decrease by first-time claims for U.S. unemployment benefits in the week ended 20 April, 2024. It fell to 207k, a decrease of 5k from the previous week's unrevised level of 212k. The dip surprised economists, who had expected jobless claims to inch up to 214k. [RTT News](#)

◆ **German consumer sentiment to rise in May**

German consumer confidence is set to rise again in May. The forward-looking consumer sentiment index rose to -24.2 in May. The reading was expected to rise moderately to -25.9. The score hit a two-year high but it remained at an extremely low level. [RTT News](#)

CORPORATE NEWS

◆ **AirAsia X to buy Capital A's aviation business for RM6.8b via share and debt deal**

AirAsia X Bhd (AAX), which will be taking over **Capital A Bhd's** aviation business, has announced the mechanics of its plan. It will first undertake an internal reorganisation that involves the setting up of a new company (NewCo) that will take over the listing status of AAX. Existing shareholders of AAX will swap their shares in AAX with shares of the NewCo — Airasia Group Sdn Bhd — on a 1-to-1 basis. Prior to the share-swap, AirAsia Bhd (AAB) will transfer its 12.8% stake in AAX to Capital A. The NewCo will then acquire Capital A's aviation business — AAB and AirAsia Aviation Group Ltd (AAAGL) — for RM6.8b. It will be issuing new shares worth RM3.0b in the NewCo — 2.31b shares at RM1.30 each — to acquire AAAGL.

As for AAB, it will acquire it for RM3.8b, to be satisfied by assuming RM3.8b of the RM3.83b worth of debt that Capital A owes AAB. The balance of the debt owed is to be settled by Capital A within one year after the NewCo acquires AAB.

Pending the acquisitions, the NewCo will issue free warrants on the basis of 1 warrant-for-every 2 NewCo shares held with an exercise price to be determined later, before it undertakes a RM1.0b private placement. The bulk of the placement proceeds of RM954.5m will be used to fund NewCo's newly consolidated aviation business, comprising RM450.0m to RM550.0m for aircraft funding, RM300.0m for repayment of AAB's borrowings, and RM104.5m to RM204.5m for working capital. [The Edge Markets](#)

◆ **Inta Bina bags RM224.8m job to build business serviced apartments in Subang Jaya**

Inta Bina Group Bhd has secured a contract from Tropicana Metropark Sdn Bhd worth RM224.8m to undertake the main building works of a 38-storey business serviced apartment in Subang Jaya. The job scope includes the construction of 30 floors of business serviced apartments comprising 553 units and eight podium floors — six floors of parking, one

floor for residents' facilities, and one floor of business space. Construction is slated to commence on 2 May, 2024 and is expected to last 34 months. This is the third construction contract the group secured this month. [The Edge Markets](#)

- ◆ **Al-'Aqar Healthcare REIT aims to acquire yield-accretive properties from KPJ Healthcare**
Al-'Aqar Healthcare Real Estate Investment Trust (Al-'Aqar REIT) is actively targeting to acquire yield-accretive properties from **KPJ Healthcare Bhd** as part of its asset expansion plan. The proposed exercise will be funded through a combination of unit issuance and cash via bank borrowings. The REIT plans to initiate a private placement to raise funds primarily for financing repayment, lowering gearing levels, and preparing for future acquisitions. This strategic move is set to enhance the REIT's portfolio, contributing towards achieving an asset value of RM3.0b by 2028. [The Edge Markets](#)

- ◆ **Pantech mulls listing two subsidiaries on Main Market via SPV**
Pantech Group Holdings Bhd is considering listing two 100%-owned subsidiaries — Pantech Stainless & Alloy Industries Sdn Bhd and Pantech Steel Industries Sdn Bhd — on the Main Market of Bursa Malaysia via a special purpose vehicle (SPV). Plans for this are still at the preliminary stage and extensive preparatory work needs to be carried out. [The Edge Markets](#)

- ◆ **ViTrox's 1QCY24 net profit nearly halved Y-o-Y, extending declining profits to five quarters**
ViTrox Corp Bhd's net profit nearly halved in 1QFY24, falling 47.8% Y-o-Y to RM17.2m, from RM33.0m a year earlier, primarily due to unfavourable product mix and higher research and development expenditures to support the introduction of new products. Quarterly revenue also declined 10.3% Y-o-Y to RM119.6m, from RM133.3m, due to softer demand for its automated board inspection. The most recent figures reveal a continued downward trend, marking the fifth consecutive quarter of Y-o-Y decline. [The Edge Markets](#)

- ◆ **PavREIT's 1QCY24 NPI jumps 33.2% Y-o-Y, pays 2.48 sen distribution per unit**
Pavilion Real Estate Investment Trust's (PavREIT) net property income (NPI) for 1QCY24 jumped 33.2% Y-o-Y to RM136.0m, from RM102.1m in the previous year's corresponding quarter, with gross revenue climbing 39.7% Y-o-Y to RM218.5m, from RM156.4m, thanks largely to contribution from its newly acquired mall, Pavilion Bukit Jalil. The increase was also attributed to higher occupancy rates and higher revenue rent from its other retail malls. The REIT declared a distribution of 2.48 sen per unit for 1QCY24, to be paid with its distribution for 2QCY24. [The Edge Markets](#)

- ◆ **Chin Teck's 2QFY24 net profit up sevenfold Y-o-Y**
Chin Teck Plantations Bhd's net profit surged sevenfold Y-o-Y for 2QFY24 to RM20.8m, from RM2.9m a year earlier, thanks to higher palm oil production as well as lower operating and administrative expenses. Quarterly revenue also increased by 11.1% Y-o-Y to RM51.3m, from RM46.1m, thanks to increased sales volume of fresh fruit bunches (FFB), crude palm oil (CPO) and palm kernels (PK). *The Edge Markets*
- ◆ **TAS Offshore's 3QFY24 net profit up nine-fold Y-o-Y**
TAS Offshore Bhd's net profit leapt by nine-fold Y-o-Y for 3QFY24 due to more vessels delivered. Its net profit surged by 826.9% Y-o-Y to RM6.1m, from RM654k a year earlier, while its revenue jumped 522.6% Y-o-Y to RM34.6m, from RM5.6m a year earlier. The group has declared an interim dividend of 1.0 sen per share for FY24, payable on 18 June, 2024. *The Edge Markets*

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