

Bulletin Today

BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM-KLCI	1,402.98	0.50	0.04
Volume: Total (mil):	2,441.88	85.70	3.64
Total Value (RM' mil):	2,276.31	650.69	40.03
Gainers	403		
Losers	433		
Unchanged	399		

TRADE STATISTICS

Participation		Bought	Sold	Net
52.71	Institution	1,181	1,219	(38)
23.40	Retail	531	535	(4)
23.89	Foreign	565	523	43
100.00		2,276	2,276	0

FTSE-BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM 70	13,480.00	54.98	0.41
FBM 100	10,002.63	12.67	0.13
FBM Palm Oil - NC	10,716.47	(79.03)	(0.73)
FBM Smallcap	14,883.62	(6.17)	(0.04)
FBM Emas	10,296.44	12.03	0.12
FBM Fledgling	18,627.35	(14.00)	(0.08)

WORLD

Index	Closing	Pts Chg	% Chg
Dow Jones	33,093	329	1.00
Nasdaq	12,976	278	2.19
FTSE 100	7,627	56	0.74
Nikkei 225	30,916	115	0.37
Hang Seng	18,747	(369)	(1.93)
Korea Kospi	2,559	4	0.16
Singapore STI	3,207	(0)	(0.01)
Thailand SET	1,531	(5)	(0.30)
Jakarta	6,687	(17)	(0.26)
Shanghai	3,213	11	0.35
Shenzhen	2,012	6	0.32

KLCI FUTURES

Index	Closing	Pts Chg	% Chg	Volume
FBM-KLCI	1,402.98	0.50	0.04	117m
FKLI - May 23	1,401.50	0.50	0.04	24,470
FKLI - Jun 23	1,401.00	0.50	0.04	22,234
FKLI - Sep 23	1,390.00	(1.00)	(0.07)	60
FKLI - Dec 23	1,391.00	0.50	0.04	69

FOREX & COMMODITIES

	Closing	Pts Chg	% Chg
CPO Futures (Aug)	3,493.00	86.00	2.52
Brent (USD/b)	76.95	0.69	0.90
Gold (USD/Ounce)	1,946.46	5.05	0.26
USD/RM	4.6003	(0.0262)	(0.57)
SGD/RM	3.4037	(0.0179)	(0.52)
JPY/RM	3.2725	(0.0308)	(0.93)

HIGHLIGHTS

- ◆ The Dow jumped **328.69 points** or 1.0% to **33,093.34**, while the Nasdaq spiked **277.59 points** or 2.2% to **12,975.69**
ABLE GLOBAL BHD - 1QCY23: BUY, TP: RM1.69
DATASONIC GROUP BHD - 4QFY23: BUY, TP: RM0.68
- ◆ DOSM: Malaysia's export prices dipped 0.5% in April 2023
- ◆ DOSM: Malaysia's inflation further eased to 3.3% in April 2023
- ◆ U.S. durable goods orders unexpectedly sustained surge in April
- ◆ U.S. consumer price growth reaccelerates in April
- ◆ **Boustead's** unit to build 5 combat vessels, instead of 6, at higher contract cost of RM11.20b
- ◆ **Nestcon** secures RM190.0m job to build 40-storey condominium in KL
- ◆ **Reneuco** bags RM22.9m contract for Sg Rasau Water Supply Scheme Phase 1
- ◆ **RHB's** 1QCY23 net profit surges 31.0% Y-o-Y to RM761.7m
- ◆ **MSM Malaysia's** 1QCY23 net loss widens on lower margins and high operating costs
- ◆ **DRB-Hicom** reverses into RM107.9m net profit for 1QCY23 on higher automotive earnings
- ◆ **IOI Properties** posts 93.2% Y-o-Y rise in 3QFY23 net profit on lower taxation
- ◆ Strong vehicle sale lifts **UMW 1QCY23** net profit by nearly 32.9% Y-o-Y

THE SLANT

- ◆ The FBM KLCI managed to eke-out a marginal gain at the end of Friday's session despite lingering in the negative territory for most of the day. The end-of-day buying support was on selected index-linked tech and utilities stocks that allowed the key index to end in the green in an otherwise listless session. Overall market conditions, meanwhile, were generally mixed on moderate volumes with market breadth marginally in the negative territory as many broader market shares were still in the red.
- ◆ The FBM KLCI could sustain its mild upsides over the near term, in tune with the upsides in global indices that were buoyed by the prospects of a resolution in the U.S. debt ceiling limits. This could spur more mild bargain hunting activities on some of the recently beaten down stocks in the recent market pullback. Nevertheless, there remains tentativeness in the market's upsides as the ongoing corporate results reporting season has failed to encourage more fresh buying interest and most market players could still remain on the sidelines. Consequently, we see the potential upsides remaining mild with the FBM KLCI just targeting the 1,408-1,410 levels for the time being. The other hurdle is at 1,415 points, while the main support is still at the psychological 1,400 level, followed by 1,397 points.

- ◆ The lower liners and broader market shares could also be angling to find some support after their recent sell-down. However, any recovery may still be measured due to the continuing lack of buying interest.

RESULTS UPDATE

ABLE GLOBAL BHD - 1QCY23: BUY, TP: RM1.69

RM m	1QCY23	1QCY22	YoY chg (%)	4QCY22	QoQ chg (%)
Revenue	146.1	130.8	11.7	127.8	14.4
PBT	9.7	5.5	77.3	8.7	11.5
PATAMI	7.1	4.1	72.4	8.1	-12.1
EPS (sen)	2.31	1.34	72.4	2.63	-12.2

Y-o-Y. Revenue improved by 11.7% to RM146.1m, from RM130.8m in the same quarter last year, mainly attributable to stronger sales in the F&B segment, which showed a growth of 22.2%. The increase in sales was partly weakened by softer sales in the tin manufacturing segment that declined 18.0%. The group also recorded a 72.4% growth in PATAMI to RM7.1m, from RM4.1m, as the F&B segment reverses into a profit before tax of RM5.5m in 1QCY23, from a loss before tax of RM1.9m in 1QCY22, on higher revenue and the positive contribution from the Mexico joint venture. Its gross profit margin also improved to 13.9%, from 12.3% last year.

Q-o-Q. Similar to the reasons stated above, revenue expanded by 14.4%, mainly contributed by the F&B segment. However, PATAMI shrank by 12.1%, due to higher effective tax rates.

Dividend. Able Global declared a first interim dividend of 1.0 sen per share.

1QCY23's revenue and PATAMI were in line with our expectations, making up 26.0% and 21.1% of our full-year forecasts respectively. Pending an analyst briefing, we reiterate our **BUY** recommendation on Able Global with the same **TP of RM1.69**, by pegging target PERs of 20.0x and 8.0x to the forecast CY23 earnings of its F&B and tin manufacturing segments respectively.

DATASONIC GROUP BHD – 4QFY23: BUY, TP: RM0.68

RM m	4QFY23	4QFY22	YoY chg (%)	3QFY23	QoQ chg (%)
Revenue	104.9	54.3	93.1	82.1	27.8
PBT	30.8	15.2	>100	25.0	22.9
PATAMI	22.7	13.4	69.8	16.7	35.7
EPS (sen)	0.80	0.47	70.2	0.68	17.6

Cumulative. Datasonic concluded FY23 with the highest-ever revenue of RM344.7m, increasing about 2.5x from RM136.4m last year, and exceeding our expectations by 10.7%. Although its PATAMI surged more than seven-fold to RM76.4m, from RM10.2m, it came in 6.2% lower-than-expected due to the higher-than-expected effective tax rate.

Y-o-Y. Revenue surged 93.1% to RM104.9m, from RM54.3m in the same quarter last year, mainly attributed by higher demand from its customers, of which RM92.7m, or 88.3% of the revenue was contributed by the supply of smart cards, passport and personalisation services. In tune with the surge in revenue, its PATAMI increased by 69.8% to RM22.7m, from RM13.4m last year.

Q-o-Q. On similar grounds, its top line increased 27.8% while the bottom line improved by 35.7% due to the lower tax expenses, as compared to the preceding quarter.

Dividend. Datasonic has declared a fourth interim dividend of 0.75 sen per share, bringing the total dividend for FY23 to 2.0 sen.

Prior to gathering more information from the analyst briefing, we maintain our BUY rating for Datasonic with the same **TP** of **RM0.68**, which is derived by ascribing an unchanged target PER of 21x to our FY24F EPS forecast.

GLOBAL AND ECONOMIC UPDATE

- ◆ Stocks moved sharply higher over the course of the trading day on Friday, extending the rebound seen during Thursday's session after the President and the Republicans signal progress in their debt ceiling negotiations. The Dow jumped 328.69 points or 1.0% to 33,093.34, while the Nasdaq spiked 277.59 points or 2.2% to 12,975.69. [RTT News](#)
- ◆ **DOSM: Malaysia's export prices dipped 0.5% in April 2023**
Malaysia's export prices recorded a decline of 0.5% to 141.9 points in April 2023, from 142.6 points in the preceding month. The import unit value index shrank 0.8% to 128.2 points, from 129.2 points. Accordingly, Malaysia's terms of trade showed an increase of 0.3% M-o-M to 110.7 points in April 2023. [The Edge Markets](#)
- ◆ **DOSM: Malaysia's inflation further eased to 3.3% in April 2023**
Malaysia's inflation continued to ease to 3.3% in April 2023, after it declined to 3.4% in March 2023, from 3.7% in January and February 2023, again due to restaurants and hotels (6.6%), and food and non-alcoholic beverages (6.3%). The latest CPI meets the expectation of a Bloomberg poll among economists, which showed that April CPI would ease to 3.3%.the increase in April's inflation was offset by the slower increase in the transport group of 2.3%, as compared to 2.4% in March. [The Edge Markets](#)
- ◆ **U.S. durable goods orders unexpectedly continue to surge in April**
New orders for U.S. manufactured durable goods continued to surge in April. Durable goods orders jumped by 1.1% in April after spiking by 3.3% in March. Economists had expected durable goods orders to slump by 1.0%. Orders for transportation equipment led the way higher once again, shooting up by 3.7% in April after soaring by 9.9% in March. [RTT News](#)

- ◆ **U.S. consumer price growth reaccelerates in April**
Consumer price growth in the U.S. reaccelerated in April; the annual rate of consumer price growth accelerated to 4.4% in April after slowing to 4.2% in March. The faster consumer price growth came as a surprise to economists who had expected the pace of growth to slow to 3.9%. On a monthly basis, consumer prices rose by 0.4% in April after inching up by 0.1% in March, while core consumer prices also increased by 0.4% in April after rising by 0.3% in March. [RTT News](#)

CORPORATE NEWS

- ◆ **Boustead's unit to build 5 combat vessels, instead of 6, at higher contract cost of RM11.20b**
Boustead Holding Bhd's 68.9%-owned subsidiary, Boustead Naval Shipyard Sdn Bhd (BNS) has inked a 6th supplemental contract with the government regarding the construction of littoral combat ships (LCS). The duration of the contract shall be extended with the 1st vessel to be delivered, fully tested and trialled in August 2026 and the 5th vessel in April 2029. The total contract price is revised to RM11.20b. [The Edge Markets](#)
- ◆ **Nestcon secures RM190.0m job to build 40-storey condominium in KL**
Nestcon Bhd has been awarded a RM190.0m construction contract from Nescaya Etika Sdn Bhd for the construction of a 40-storey condominium in Kerinchi, comprising of 637 units. This is their 4th contract win this year. The 28-month contract will be completed on 30 September, 2025. [The Edge Markets](#)
- ◆ **Reneuco bags RM22.9m contract for Sg Rasau Water Supply Scheme Phase 1**
Reneuco Bhd has accepted a letter of award from ZBS Optima Trading Sdn Bhd as a subcontractor for the Sg Rasau Water Supply Scheme Phase 1 in Selangor. The value of the contract is RM22.9m and expected to commence in May 2023 until May 2024. The contract is to collect, excavate, handle, lay, fix, join, test, flush, sterilise and commission mild steel pumping main and associated works. [The Edge Markets](#)
- ◆ **RHB's 1QCY23 net profit surges 31.0% Y-o-Y to RM761.7m**
RHB Bank Bhd's net profit surged 31.0% Y-o-Y to RM761.7m in 1QCY23, from RM582.3m a year ago, largely thanks to higher non-fund based income and lower expected credit loss. Quarterly revenue swelled 39.6% Y-o-Y to RM3.92b, from RM2.81b in 1QCY22. [The Edge Markets](#)
- ◆ **MSM Malaysia's 1QCY23 net loss widens on lower margins and high operating costs**
MSM Malaysia Bhd's net loss widened to RM35.9m in 1QCY23, from RM27.7m in the same quarter last year, as a result of lower margins and higher operating costs. The group also faced higher production costs, owing to a weak Ringgit and a 65% increase in gas cost, which resulted in higher refining costs. Quarterly revenue was down 1.3% Y-o-Y to RM588.4m in 1QCY23, from RM595.9m, due to reduced export sales volume in order to prioritise local sales demand. [The Edge Markets](#)

- ◆ **DRB-Hicom reverses into RM107.9m net profit for 1QCY23 on higher automotive earnings**
DRB-Hicom Bhd posted a net profit of RM107.9m in 1QCY23, compared with a net loss of RM25.7m a year ago, driven by higher earnings from its automotive sector. Quarterly revenue rose 33.7% Y-o-Y to RM4.10b, from RM3.07b on the back of the improved performance of the group's automotive and banking sectors. [The Edge Markets](#)

- ◆ **IOI Properties posts 93.2% Y-o-Y rise in 3QFY23 net profit on lower taxation**
IOI Properties Group Bhd posted a 93.2% Y-o-Y jump in its 3QFY23 net profit to RM115.4m, from RM59.7m, on lower taxation. Quarterly revenue, however, declined 23.5% Y-o-Y to RM564.7m, from RM737.4m on lower performance from the property development segment, mainly due to lower sales contribution from China's operations, which were disrupted by the resurgence of Covid-19 cases. [The Edge Markets](#)

- ◆ **Strong vehicle sale lifts UMW 1QCY23 net profit by nearly 32.9% Y-o-Y**
UMW Holdings Bhd's net profit soared 32.9% Y-o-Y to RM134.4m in 1QCY23, thanks to strong vehicle sales. This was higher than the RM101.2m logged in the same quarter a year earlier. Quarterly revenue grew 20.0% Y-o-Y to RM4.38b against RM3.65b in 1QCY22, contributed primarily by its automotive segment. [The Edge Markets](#)

Table 1: Entitlements (29/5/2023 – 5/6/2023)

Stock Code	Stock Name	Entitlements	Description	Ex-Date	Lodgement Date	Payment/Cessation Date
5212	PAVILION REAL ESTATE INVESTMENT TRUST	Interim	0.0365	29/05/2023	30/05/2023	20/06/2023
7095	PIE INDUSTRIAL BHD	Interim	0.05	29/05/2023	30/05/2023	20/06/2023
7095	PIE INDUSTRIAL BHD	Special Cash	0.02	29/05/2023	30/05/2023	20/06/2023
7233	DUFU TECHNOLOGY CORP. BHD	Final	0.04	29/05/2023	30/05/2023	-
2305	AYER HLDGS BHD	1st & Final	0.20	29/05/2023	30/05/2023	14/06/2023
9466	KKB ENGINEERING BHD	1st & Final	0.06	29/05/2023	30/05/2023	15/06/2023
7082	SYF RESOURCES BHD	Rights Issue	1:2	29/05/2023	30/05/2023	-
5225	IHH HEALTHCARE BHD	Special Cash	0.096	30/05/2023	31/05/2023	30/06/2023
5296	MR DIY GROUP (M) BHD	Interim	0.006	30/05/2023	31/05/2023	23/06/2023
1619	DRB-HICOM BHD	Final	0.02	30/05/2023	31/05/2023	28/06/2023
6599	AEON CO. (M) BHD	Final	0.04	30/05/2023	31/05/2023	15/06/2023
7722	ASIA BRANDS BHD	Final	0:14	30/05/2023	31/05/2023	15/06/2023
7203	WANG-ZHENG BHD	1st & Final	0.015	30/05/2023	31/05/2023	15/06/2023
7154	CLASSITA HLDGS BHD	Rights Issue	5:2	30/05/2023	31/05/2023	-
5209	GAS MALAYSIA BHD	2nd Interim	0.0862	31/05/2023	01/06/2023	15/06/2023
2852	CAHYA MATA SARAWAK BHD	1st & Final	0.03	31/05/2023	01/06/2023	28/06/2023
5010	TONG HERR RESOURCES BHD	Final	0.20	31/05/2023	01/06/2023	14/06/2023
3867	MALAYSIAN PACIFIC INDUSTRIES BHD	2nd Interim	0.25	01/06/2023	02/06/2023	21/06/2023
3301	HONG LEONG INDUSTRIES BHD	2nd Interim	0.37	01/06/2023	02/06/2023	20/06/2023
7090	APEX HEALTHCARE BHD	Final	0.035	01/06/2023	02/06/2023	16/06/2023
7090	APEX HEALTHCARE BHD	Special Cash	0.02	01/06/2023	02/06/2023	16/06/2023
5237	MPHB CAPITAL BHD	Interim	0.05	01/06/2023	02/06/2023	20/06/2023
7035	CCK CONSOLIDATED HLDGS BHD	1st & Final	0.035	01/06/2023	02/06/2023	20/06/2023
5843	KUMPULAN PERANGSANG SELANGOR BHD	Final	0.025	01/06/2023	02/06/2023	20/06/2023
6012	MAXIS BHD	1st Interim	0.04	02/06/2023	06/06/2023	28/06/2023
9075	THETA EDGE BHD	Final	0.015	02/06/2023	06/06/2023	19/06/2023

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Published by:

Inter-Pacific Research Sdn Bhd
199701033506 (449005-X)

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