

Bulletin Today

BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM-KLCI	1,446.07	(1.95)	(0.13)
Volume: Total (mil):	3,275.30	(536.38)	(14.07)
Total Value (RM' mil):	2,273.65	(114.53)	(4.80)
Gainers	354		
Losers	588		
Unchanged	427		

TRADE STATISTICS

Participation		Bought	Sold	Net
41.04	Institution	872	995	(123)
26.93	Retail	644	581	63
32.03	Foreign	758	698	60
100.00		2,274	2,274	0

FTSE-BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM 70	14,204.52	(57.65)	(0.40)
FBM 100	10,365.88	(20.67)	(0.20)
FBM Palm Oil - NC	11,406.38	31.33	0.28
FBM Smallcap	16,167.21	(78.98)	(0.49)
FBM Emas	10,699.45	(23.12)	(0.22)
FBM Fledgling	20,127.97	(42.01)	(0.21)

WORLD

Index	Closing	Pts Chg	% Chg
Dow Jones	35,430	13	0.04
Nasdaq	14,258	(23)	(0.16)
FTSE 100	7,423	(32)	(0.43)
Nikkei 225	33,321	(87)	(0.26)
Hang Seng	16,993	(361)	(2.08)
Korea Kospi	2,520	(2)	(0.08)
Singapore STI	3,085	19	0.61
Thailand SET	1,388	(14)	(0.98)
Jakarta	7,036	(5)	(0.07)
Shanghai	3,022	(17)	(0.56)
Shenzhen	1,890	(15)	(0.78)

KLCI FUTURES

Index	Closing	Pts Chg	% Chg	Volume
FBM-KLCI	1,446.07	(1.95)	(0.13)	157m
FKLI - Nov 23	1,448.00	(2.00)	(0.14)	6,835
FKLI - Dec 23	1,448.00	(3.00)	(0.21)	9,869
FKLI - Mar 24	1,434.50	(2.50)	(0.17)	37
FKLI - Jun 24	1,436.50	(4.00)	(0.28)	6

FOREX & COMMODITIES

	Closing	Pts Chg	% Chg
CPO Futures (Feb)	3,872.00	(25.00)	(0.64)
Brent (USD/b)	83.10	1.42	1.74
Gold (USD/Ounce)	2,044.24	3.27	0.16
USD/RM	4.6520	(0.0190)	(0.41)
SGD/RM	3.4931	(0.0033)	(0.09)
JPY/RM	3.1595	(0.0077)	(0.24)

HIGHLIGHTS

- ◆ The **Dow crept up 13.44 points** or less than 0.1% to **35,430.42**, but the **Nasdaq slipped 23.27 points** or 0.2% to **14,258.49**
ABLE GLOBAL BHD – 3QCY23: Recommendation and TP under review
OCK GROUP BHD – 3QCY23: BUY, TP: RM0.61
SOLARVEST HOLDINGS BHD – 2QFY24: BUY, TP: RM1.45
- ◆ U.S. GDP jumps more-than-previously-estimated in 3Q2023
- ◆ Eurozone economic confidence logs moderate rise
- ◆ German CPI eases to 3.2% Y-o-Y, lowest in 29 months
- ◆ Germany import prices continue to decline
- ◆ **MHB** secures RM1.20b subcontract for offshore substation from Petrofac
- ◆ **PJBumi** gets nod from local authority to develop industrial factories in Sungai Petani with RM42.0m GDV
- ◆ **Public Bank's** 3QCY23 net profit rises 7.0% Y-o-Y to RM1.70b
- ◆ **Axiata's** 3QCY23 loss widens on impairments, lower **CelcomDigi** contribution
- ◆ **PPB's** 3QCY23 profit halves to RM372.6m on lower Wilmar contribution
- ◆ **QL Resources** logs highest net profit of RM122.6m in 2QFY24
- ◆ **MAHB** posts RM94.8m net profit in 3QCY23 on lower finance costs, higher revenue
- ◆ **FGV's** 3QCY23 net profit falls 86.8% Y-o-Y on lower CPO prices

THE SLANT

- ◆ Although the key index opened higher yesterday, it ended the day on another downbeat note, albeit the losses were relatively minute. Market conditions were generally tepid with few noteworthy leads as the last results reporting cycle for the year nears its conclusion. The lower liners and broader market shares also maintained their pullback with healthcare stocks the day's big losers and leaving market breadth decidedly negative. Traded volumes were lower at 3.3b units.
- ◆ There is little change to the immediate market outlook with the key index to remain subdued by the lack of buying interest. Under the prevailing environment, the FBM KLCI is likely to continue drifting for now after it failed to hold on to the psychological 1,450 level. As it is, local institutional players have been unwinding some of their positions after they provided support last month and their selling could still send the key index lower, notwithstanding the return of foreign funds of late. The FBM KLCI have also decoupled from the positive trend among the key global indices and could still head lower as the selling pressure looks to stay. The immediate support is at the 1,445 level, which is followed by the 1,440-1,442 levels. On the other hand, the immediate hurdle is the 1,450 level, followed by the 1,445 level.

- Similarly, the broader market shares are finding little traction and has seen profit taking hold over the past few sessions. With the waning buying interest, the selling spree could also persist for the time being.

RESULTS UPDATE

◆ ABLE GLOBAL BHD – 3QCY23: Recommendation and TP under review

RM m	3QCY23	3QCY22	YoY chg (%)	2QCY23	QoQ chg (%)
Revenue	176.8	139.1	27.0	156.3	13.1
PBT	21.0	12.6	66.7	14.1	49.5
PATAMI	16.2	8.3	94.9	10.5	54.2
EPS (sen)	5.3	2.7	94.5	3.4	54.1

Y-o-Y. Revenue increased 27.0% to RM176.8m in 3QCY23, from RM139.1m in the same quarter last year, mainly attributable to a 26.4% increase in sales in the F&B segment, combined with the recovery in the sales of the tin manufacturing segment which showed a growth of 29.6% this quarter. Its gross profit margin also improved to 18.5%, from 17.8%, which we attribute to the lower milk powder prices that partially offset the impact of elevated sugar prices. Tracking the top line growth, its PATAMI surged 94.9% to RM16.2m, from RM8.3m, which was also partly contributed by lower share of loss from its joint venture as well as lower net loss on foreign exchange.

Q-o-Q. On similar grounds, its revenue expanded 13.1% due to higher demand in both its F&B and tin manufacturing segments. Its PATAMI also jumped 54.2%, lifted by an improved gross profit margin of 18.5%, from 14.6% in the preceding quarter.

Dividend. Able Global declared a third interim dividend of 2.0 sen per share, bringing the total dividend for 9MCY23 to 4.5 sen (9MCY22: 3.0 sen).

9MCY23's revenue and PATAMI surpassed our expectations, accounting for 85.4% and 100.4% of our CY23 full year forecasts respectively. We are reviewing our recommendation and TP on Able Global. Our last recommendation was a **BUY** with a **TP** of **RM1.69**, derived from pegging unchanged target PERs of 20.0x and 8.0x to its CY23F earnings of its F&B and tin manufacturing segments respectively.

◆ OCK GROUP BHD – 3QCY23: BUY, TP: RM0.61

RM m	3QCY23	3QCY22	YoY chg (%)	2QCY23	QoQ chg (%)
Revenue	196.3	162.1	21.1	177.5	10.5
PBT	16.7	12.9	29.7	15.3	9.1
PATAMI	10.3	8.2	25.3	10.3	0.3
EPS (sen)	1.0	0.8	25.7	1.0	0.0

Y-o-Y. Revenue saw a growth of 21.1% to RM196.3m in 3QCY23, from RM162.1m in the previous corresponding period, driven by higher revenue contributions from all segments, namely the Telecommunication Network Services (TNS), Green Energy and Power

Solution, Trading and M&E Engineering Services segments, with its core TNS segment's revenue expanding by 14.1%. In line with the top line growth, its PATAMI also increased by 25.3% to RM10.3m, from RM8.2m.

Q-o-Q. On similar grounds, the topline improved 10.5% due to higher revenue generated from all segments, but its bottom line increased marginally by just 0.3%, partly dragged by higher administrative expenses incurred in this quarter by RM4.0m.

9MCY23's results were broadly within our expectations, with its revenue and PATAMI making up 74.4% and 72.3% of our CY23 estimates respectively. We maintain our **BUY** recommendation on OCK with a **TP** of **RM0.61** derived from ascribing an unchanged target EV/EBITDA multiple of 6x to our CY24F EBITDA.

◆ **SOLARVEST HOLDINGS BHD – 2QFY24: BUY, TP: RM1.45**

RM m	2QFY24	2QFY23	YoY chg (%)	1QFY24	QoQ chg (%)
Revenue	139.9	98.2	42.5	143.4	(2.4)
PBT	9.8	7.3	33.3	9.4	3.9
PATAMI	7.2	5.0	43.2	6.7	7.2
EPS (sen)	1.1	0.8	42.1	1.0	8.0

Within Expectation: Solarvest's 6MFY24 earnings came in mostly in line with our expectations, accounting for about 45.8% of our FY24 full year earnings estimates, on the back of higher construction progress in the LSS4 projects which benefited its EPCC segment, further supported by an increase in electricity sales contribution from its 29.6MWp LSS4 asset commissioned during the quarter.

Y-o-Y. 2QFY24's revenue was 42.5% higher than the previous corresponding year, due to better LSS4 construction progress from its EPCC segment. The PATAMI jumped in tandem with its top line, by recording a 43.2% increase to RM7.2m, from RM5.0m last year.

Q-o-Q. 2QFY24's revenue, however, shrank slightly by 2.4% to RM139.9m, from RM143.4m. Nonetheless, the PATAMI still expanded by 7.2% to RM7.2m, from RM6.7m, partly helped by an increase in electricity sales.

We maintain our **BUY** recommendation and the unchanged **TP** of **RM1.45**. Our TP remains derived from a sum-of-parts valuation.

GLOBAL AND ECONOMIC UPDATE

- ◆ After ending the previous session modestly higher, stocks showed a lack of direction over the course of the trading day on Wednesday. The Dow crept up 13.44 points or less than 0.1% to 35,430.42, but the Nasdaq slipped 23.27 points or 0.2% to 14,258.49. [RTT News](#)

- ◆ **U.S. GDP jumps more-than-previously-estimated in 3Q2023**
U.S. real GDP in 3Q2023 was upwardly revised to 5.2% Q-o-Q from the previously reported 4.9% Q-o-Q. Economists had expected the pace of growth to be upwardly revised to 5.0% Q-o-Q. The faster growth primarily reflected accelerations in consumer spending and private inventory investment and an upturn in exports that were partly offset by a deceleration in nonresidential fixed investment. The core personal consumption expenditures, which exclude food and energy prices, was also downwardly revised to 2.3% Q-o-Q, from 2.4% Q-o-Q. [RTT News](#)
- ◆ **Eurozone economic confidence logs moderate rise**
Eurozone's economic confidence index rose to 93.8 in November, from 93.5 in October. The reading came in line with expectations. The industrial confidence index fell unexpectedly to -9.5, from -9.2 in the previous month. The score was forecast to improve to -8.8. The services sentiment index rose unexpectedly to 4.9, from 4.6 a month ago, while the score was expected to fall to 4.3. The index measuring confidence among retailers came in at -7.0 compared to -7.4 in October. The construction confidence indicator improved to -4.8, from -5.5. The consumer confidence index matched the flash estimate of -16.9, up from -17.8 in October. [RTT News](#)
- ◆ **German CPI eases to 3.2% Y-o-Y, lowest in 29 months**
German's CPI registered an annual increase of 3.2% Y-o-Y in November, following a 3.8% Y-o-Y rise in October. The 4.5% Y-o-Y annual decline in energy prices had a particularly dampening effect on the rate of inflation in November due to base effects. On a monthly basis, consumer prices dropped 0.4% vs. an expected fall of 0.2%. [RTT News](#)
- ◆ **Germany import prices continue to decline**
German import prices posted an annual fall of 13.0% Y-o-Y in October, after a 14.3% Y-o-Y decrease in September, primarily due to a high base effect originating from the high price increases in 2022 as a result of the war in Ukraine. M-o-M, import prices advanced 0.3% after rising 1.6% in September. Export prices were down 2.4% Y-o-Y annually, following September's 4.1% Y-o-Y decrease. On a monthly basis, prices registered a 0.1% drop, reversing a 0.4% gain in September. [RTT News](#)

CORPORATE NEWS

- ◆ **MHB secures RM1.20b subcontract for offshore substation from Petrofac**
Malaysia Marine and Heavy Engineering Holdings Bhd (MHB) has secured a subcontract consisting of construction engineering, fabrication, mechanical completion, load out and sea fastening, and architectural works on an engineering, procurement and construction (EPC) basis for an offshore substation high voltage direct current platform from Petrofac International (UAE) LLC worth RM1.20b. The duration of the subcontract is approximately 54 months with fabrication to begin in 2025 and be completed by 2028. [The Edge Markets](#)

- ◆ **PJBumi gets nod from local authority to develop industrial factories in Sungai Petani with RM42.0m GDV**
PJBumi Bhd has received a conditional development order from the Sungai Petani Municipal Council for the proposed development of its 4.6 ac. industrial land in Sungai Petani, Kedah. The development comprises 24 units of smart medium industrial factories with an estimated gross development value (GDV) of RM42.0m. The construction period is 18 months. [The Edge Markets](#)
- ◆ **Public Bank's 3QCY23 net profit rises 7.0% Y-o-Y to RM1.70b**
Public Bank Bhd's net profit for 3QCY23 rose 7.0% Y-o-Y to RM1.70b, from RM1.59b a year earlier, on the back of healthy loans and customer deposits growth. Quarterly revenue also rose to RM6.48b, from RM5.50b. [The Edge Markets](#)
- ◆ **Axiata's 3QCY23 loss widens on impairments, lower CelcomDigi contribution**
Axiata Group Bhd widened its net loss to RM797.4m in 3QCY23, from RM52.4m a year ago, mainly due to asset impairment and lower share of results from subsidiary **CelcomDigi Bhd**. The impairment of RM1.01b during the quarter followed the reclassification of its Nepal unit Ncell as an asset held for sale, resulting in widened discontinuing operations loss of RM824.5m. Quarterly revenue, however, improved to RM5.70b, from RM5.37b. [The Edge Markets](#)
- ◆ **PPB 3QCY23 profit halves to RM372.6m on lower Wilmar contribution**
PPB Group Bhd's net profit for 3QCY23 fell 52.5% Y-o-Y to RM372.6m, from RM784.8m in the corresponding quarter a year earlier, largely due to lower contribution from its 18.8%-owned associate, Wilmar International Ltd. Quarterly revenue dropped 11.6% Y-o-Y to RM1.46b, from RM1.70b a year ago, mainly due to the group's core grain and agribusiness segment recording a 13.8% Y-o-Y lower topline of RM1.06b vs. RM1.23b previously. [The Edge Markets](#)
- ◆ **QL Resources logs highest net profit of RM122.6m in 2QFY24**
QL Resources Bhd logged its best quarterly net profit in 2QFY24 after it posted a RM122.6m net profit, representing a 30.6% Y-o-Y surge from RM93.9m recorded in the same period last year. The quarterly earnings is the highest for at least eight quarters since December 2021, after a better operating profit more than offset a lower share of associate's profits and higher tax expense. Quarterly revenue also edged 4.0% Y-o-Y higher to RM1.69b, from RM1.64b. [The Edge Markets](#)
- ◆ **MAHB posts RM94.8m net profit in 3QCY23 on lower finance costs, higher revenue**
Malaysia Airports Holdings Bhd registered a net profit of RM94.8m in 3QCY23, against a net loss of RM9.0m in the previous year, on the back of an increase in revenue, other income, and improved share of profits from associates and joint ventures plus lower finance costs. Quarterly revenue also jumped by 48.3% Y-o-Y to RM1.28b, from RM863.6m, fuelled by higher revenue contribution from its Malaysia, Türkiye and Qatar operations. [The Edge Markets](#)

- ◆ **FGV's 3QCY23 net profit falls 86.8% Y-o-Y on lower CPO prices**
FGV Holdings Bhd posted an 86.8% Y-o-Y decrease in net profit for 3QCY23 to RM32.0m, from RM241.7m a year ago, owing to a significant fall in profit contribution from its plantation segment. Quarterly revenue also fell 20.6% Y-o-Y to RM4.91b vs. RM6.18b previously, on the back of lower crude palm oil (CPO) realised prices. [The Edge Markets](#)

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