

Bulletin Today

BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM-KLCI	1,615.18	(5.96)	(0.37)
Volume: Total (mil):	4,554.93	162.54	3.70
Total Value (RM' mil):	3,114.84	313.02	11.17
Gainers	255		
Losers	954		
Unchanged	465		

TRADE STATISTICS

Participation	Bought	Sold	Net
45.65 Institution	1,556	1,288	267
22.20 Retail	744	640	104
32.15 Foreign	816	1,187	(371)
100.00	3,115	3,115	0

FTSE-BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM 70	18,478.35	(216.04)	(1.16)
FBM 100	12,052.64	(73.02)	(0.60)
FBM Palm Oil - NC	11,643.35	(40.31)	(0.35)
FBM Smallcap	19,447.68	(236.02)	(1.20)
FBM Emas	12,465.78	(82.04)	(0.65)
FBM Fledgling	22,674.87	(76.38)	(0.34)

WORLD

Index	Closing	Pts Chg	% Chg
Dow Jones	39,935	81	0.20
Nasdaq	17,182	(161)	(0.93)
FTSE 100	8,186	33	0.40
Nikkei 225	37,870	(1285)	(3.28)
Hang Seng	17,005	(306)	(1.77)
Korea Kospi	2,711	(48)	(1.74)
Singapore STI	3,430	(30)	(0.88)
Thailand SET	1,292	(7)	(0.50)
Jakarta	7,240	(22)	(0.31)
Shanghai	2,887	(15)	(0.52)
Shenzhen	1,547	1	0.07

KLCI FUTURES

Index	Closing	Pts Chg	% Chg	Volume
FBM-KLCI	1,615.18	(5.96)	(0.37)	168m
FKLI - Jul 24	1,614.00	(9.50)	(0.59)	10,351
FKLI - Aug 24	1,618.50	(9.00)	(0.55)	5,878
FKLI - Sep 24	1,601.50	(10.00)	(0.62)	435
FKLI - Dec 24	1,610.00	(8.50)	(0.53)	41

FOREX & COMMODITIES

	Closing	Pts Chg	% Chg
CPO Futures (Oct)	3,918.00	(7.00)	(0.18)
Brent (USD/b)	82.37	0.66	0.81
Gold (USD/Ounce)	2,364.56	(33.14)	(1.38)
USD/RM	4.6613	(0.0107)	(0.23)
SGD/RM	3.4725	(0.0014)	(0.04)
JPY/RM	3.0288	(0.0070)	(0.23)

HIGHLIGHTS

- ◆ The Dow gained 81.20 points or 0.20% to 39,935.07, but the Nasdaq ended with a loss of 160.69 points or 0.93% to 17,181.72
INFOMINA BHD – 4QFY24: Recommendation and TP under review
SASBADI HOLDINGS BHD – 3QFY24: BUY, RM0.28
- ◆ DOSM: Malaysia's leading index rises 3.8% Y-o-Y in May; economy remains resilient
- ◆ U.S. GDP growth accelerates more-than-expected in 2Q2024
- ◆ U.S. weekly jobless claims dip to 235k
- ◆ China unexpectedly cuts MLF rate by 20 bps
- ◆ SCIB accepts RM162.0m contract in Perak
- ◆ Ahmad Zaki gets RM152.0m contract to build Port Dickson specialist hospital
- ◆ JAKS Resources inks land lease MOU with TDM unit for LSS5 project
- ◆ Iqzan to be delisted from 30 July, 2024 after Bursa dismisses extension appeal
- ◆ Nestlé Malaysia's 2QCY24 net profit down 48.3% Y-o-Y to RM93.6m on lower domestic sales
- ◆ IGB REIT, IGB Commercial REIT's net property income up in 2QCY24 on higher rental income
- ◆ Texchem returns to the black in 2QCY24 after six quarters of losses
- ◆ ViTrox's 2QCY24 net profit falls 25.4% Y-o-Y, dragged down by higher R&D investment, forex losses

THE SLANT

- ◆ There were more downsides on Bursa Malaysia with stocks slipping for a second successive day amid weak investor sentiments that sent most market players to the sidelines. The broad selloff cumulated in total losers overwhelming gainers by nearly a 4-to-1 ratio, with the broader market shares bearing the brunt of the selldown. On the key index, however, there was mild support to limit the day's losses as it closed at the 1,615 level. Construction stocks were the biggest losers yesterday.
- ◆ Near-term market conditions are still unsettled and this could still see FBM KLCI listed stocks remaining choppy in the day ahead. Although there appears to be pockets of buying interest that could provide mild support, sentiments are still affected by the technology stocks' selloff and weak corporate results from some of the world's biggest companies that sent many key global stock indices lower of late. As a result, the selling on Bursa Malaysia may linger into the last trading day of the week, even as there may be some support that could help to limit some of the market's weakness. On the downside, the FBM KLCI's supports are pegged at 1,610 points and 1,605 points respectively. On the other hand, the hurdles are at the 1,620 points and 1,625 points respectively.

- ◆ Conditions in the broader market are also unsettled and their weakness spell may continue for the time being. There could be further selling into strength activities as market players could opt to trim their positions ahead of the weekend.

RESULTS UPDATE

- ◆ **INFOMINA BHD – 4QFY24: Recommendation and TP under review**

FYE May (RM m)	4QFY24	4QFY23	YoY chg (%)	3QFY24	QoQ chg (%)	FY24	FY23	YoY chg (%)
Revenue	58.5	57.5	1.7	50.8	15.3	225.2	251.3	(10.4)
PBT	10.8	10.4	3.3	11.3	(4.9)	42.3	49.4	(14.4)
PATAMI	8.0	8.4	(3.9)	8.8	(8.4)	33.1	40.9	(19.2)
EPS (sen)	1.3	1.4	(3.9)	1.5	(8.4)	5.5	6.8	(19.2)

Within expectations. INFOM's FY24 revenue and PATAMI were within our expectations, making up 99.9%/99.1% of our full year forecast respectively. For FY24, the group posted a 10.4% decline in revenue compared to FY23, mainly due to the inclusion of the one-off overage fee charges in FY23 with the group focusing more on strengthening its customers' relationship during the year.

Y-o-Y. Revenue increased marginally by 1.7% to RM58.5m, from RM57.5m in 4QFY23, with a 26.8% jump in the revenue recognition from turnkey projects. PATAMI, however, slid by 3.9% to RM8.0m, from RM8.4m in 4QFY23, affected by lower GP margin from turnkey projects.

Q-o-Q. Topline jumped by 15.3% due to a 22.6% increase in revenue recognition from renewal projects. However, a lower GP margin from turnkey projects and higher administrative expenses dragged the bottom-line down by 8.4%.

We are reviewing our recommendation and TP on INFOM pending more information from an analyst briefing today. Our last recommendation was a BUY with a TP of RM1.68, which was derived from our previous FY25F EPS pegged to the target PER of 23.0x.

- ◆ **SASBADI HOLDINGS BHD – 3QFY24: BUY, RM0.28**

RM m	3QFY24	3QFY23	YoY chg (%)	2QFY24	QoQ chg (%)	9MFY24	9MFY23	YoY chg (%)
Revenue	16.0	29.4	(45.7)	35.0	(54.4)	66.2	79.6	(16.8)
PBT	1.0	6.3	(83.8)	9.8	(89.7)	9.7	16.4	(41.0)
PAT	0.2	4.6	(94.7)	7.0	(96.5)	6.3	11.7	(46.3)
EPS (sen)	0.1	1.1	(94.4)	1.6	(96.3)	1.4	2.7	(47.3)

Y-o-Y. 3QFY24's revenue declined 45.7% to RM16.0m, from RM29.4m, resulted from a significant decrease in revenue contribution from the Print Publishing segment due to poor retail sales in bookstores. PAT declined in tandem by 94.7% to RM0.2m, from RM4.6m.

Q-o-Q. 3QFY24's revenue declined by 54.4% to RM16.0m, from RM35.0m in the preceding quarter, due to the group's high seasonality effect as demand for print publishing products typically record significant jump during the start of new academic year in 2QFY24. PAT, meanwhile, shrank to RM0.2m, from RM7.0m, representing a 96.5% decline.

Below expectations. Sasbadi's 9MFY24 revenue and earnings came in well below our expectations, accounting for about 72.8% and 63.9% of our previous forecast respectively, mainly as retail sales disappointed which was attributed to lower book orders from bookstores. Following the results, we revised our sales volume and margin assumptions as we believe the weaker retail performance may potentially indicate a longer-term shift in customers' purchase away from retail stores. Nonetheless, we expect the school sales to remain robust moving forward, while the government book voucher is likely to improve its earnings until 2QFY25. We reiterate our **BUY** call for Sasbadi, but with a lower **TP** of **RM0.28 (-RM0.05)** by ascribing an unchanged target PER of 10.0x to our revised FY25F EPS.

GLOBAL AND ECONOMIC UPDATE

- ◆ U.S. stocks saw some heavy selling in the final hour of Thursday's session as the mood turned a bit cautious amid concerns about mega-cap firms' earnings. The Dow managed to settle higher, gaining 81.20 points or 0.20% at 39,935.07, but the Nasdaq ended with a loss of 160.69 points or 0.93% at 17,181.72. [RTT News](#)
- ◆ **DOSM: Malaysia's leading index rises 3.8% Y-o-Y in May; economy remains resilient**
Malaysia's leading index grew 3.8% Y-o-Y to 114.2 points in May, from 110.0 points in the same period last year. The growth reflected a resilient economy, underpinned by increasing tourism activities and promising external demand. On a monthly basis, it edged up 0.8%, mainly contributed by the number of new companies registered in May. [The Edge Markets](#)
- ◆ **U.S. GDP growth accelerates more-than-expected in 2Q2024**
Economic growth in the U.S. accelerated by more-than-expected in 2Q2024, primarily reflected increases in consumer spending, private inventory investment and non-residential fixed investment. The annualised real gross domestic product surged by 2.8% in 2Q2024 after jumping by 1.4% in 1Q2024. Economists had expected GDP to increase by 2.0%. [RTT News](#)
- ◆ **U.S. weekly jobless claims dip to 235k**
There was a modest decline of first-time claims for U.S. unemployment benefits in the week ended 20 July, 2024. It fell to 235k, a decrease of 10k from the previous week's revised level of 245k. Economists had expected jobless claims to dip to 238k. [RTT News](#)
- ◆ **China unexpectedly cuts MLF rate by 20 bps**
China's central bank unexpectedly reduced the medium-term lending facility (MLF) rate by 20 bps for the first time since August, after cutting several benchmark lending rates on Monday. The PBoC cut the rate on one-year medium-term lending facility to 2.3%, from 2.5%. It also injected CNY200.0b into the market via MLF and conducted CNY235.1b of seven-day reverse repos at an interest rate of 1.7% today. [RTT News](#)

CORPORATE NEWS◆ **SCIB accepts RM162.0m contract in Perak**

Sarawak Consolidated Industries Bhd has accepted a contract from Awana JV Suria Saga Sdn Bhd worth RM162.0m for an engineering, procurement, construction, and commissioning (EPCC) project over a 23-month period in Kualim, Perak. The project, known as “Program Perumahan Penjawat Awam” (PPAM Kualim), involves the construction of both affordable housing and commercial units across two phases. The first phase will consist of 346 single-storey affordable terraced houses and 28 two-storey shop offices. Meanwhile the second phase will include 455 double-storey affordable terraced houses.

Notably, the contract was secured in relation with the previous settlement cum appointment of contractor agreement signed on 15 April, 2024 between SCIBP and Awana after both parties had mutually agreed to scrap the EPCC contract back in July 2023. In addition, Awana must also repay an outstanding amount of RM19.1m, which includes the remaining debt balance of RM18.6m and an additional RM492.4k advanced on their behalf by SCIB Industrialised Building System Sdn Bhd.

The Edge Markets

◆ **Ahmad Zaki gets RM152.0m contract to build Port Dickson specialist hospital**

Ahmad Zaki Resources Bhd has secured a contract from the public works department worth RM152.0m to design and build the Port Dickson Specialist Hospital in Negeri Sembilan. The contract will commence on 6 August, 2024 and span over 156 weeks. The latest contract is the group’s second win from the public works department in 2024. *The Edge Markets*

◆ **JAKS Resources inks land lease MOU with TDM unit for LSS5 project**

JAKS Resources Bhd has signed a memorandum of understanding (MOU) with a subsidiary of **TDM Bhd** to collaborate on a land lease as part of its bid for the fifth Large Scale Solar (LSS5) programme. It signed the MOU with TDM’s 70%-owned subsidiary, TDM-YT Plantation Sdn Bhd, for the proposed lease of land in the Merang sub-district in Setiu, Terengganu. The MOU outlines JAKS Solar Power and TDM-YT Plantation’s plan to conduct feasibility studies for using the land for the LSS5 project and to negotiate the terms of the lease agreement. The MOU is a non-binding and non-exclusive agreement. It shall be submitted by JAKS Solar Power as part of the tender document for the LSS5 project to demonstrate intent and capability to enter into the proposed lease agreement with TDM-YT Plantation. *The Edge Markets*

- ◆ **Iqzan to be delisted from 30 July, 2024 after Bursa dismisses extension appeal**
Iqzan Holdings Bhd will be delisted from Bursa Malaysia on 30 July, 2024 after the regulator dismissed an appeal from the group for a further extension of time to submit its regularisation plan. Previously, the company applied for a further extension of six months until 8 December, 2024 to submit its regularisation plan to Bursa Securities. The group was required to submit the plan on 8 June, 2024, but failed to meet the deadline. This was the fifth extension granted to the group. Trading in Iqzan's share price has been suspended since September last year. [The Edge Markets](#)

- ◆ **Nestlé Malaysia's 2QCY24 net profit down 48.3% Y-o-Y to RM93.6m on lower domestic sales**
Nestlé (Malaysia) Bhd saw its net profit decline 48.3% Y-o-Y to RM93.6m in 2QCY24, down from RM180.9m a year ago, driven by a drop in domestic sales, reflecting subdued consumer sentiment and constrained purchasing power. Quarterly revenue stood at RM1.52b, down 13.1% Y-o-Y as compared to RM1.75b a year earlier. The group declared an interim dividend of 70 sen per share, which will be paid on 3 October, 2024. [The Edge Markets](#)

- ◆ **IGB REIT, IGB Commercial REIT's net property income up in 2QCY24 on higher rental income**
IGB Real Estate Investment Trust's (IGBREIT) net property income (NPI) for 2QCY24 rose 6.5% Y-o-Y to RM109.5m, from RM102.8m a year ago, helped by higher rental income. Meanwhile, net profit inched up 0.7% Y-o-Y to RM81.5m in 2QFY2024, from RM81.0m a year ago. Quarterly revenue also increased 6.0% Y-o-Y to RM150.0m, from RM141.5m. It declared a distribution per unit (DPU) of 2.56 sen for 2QCY24, vs. the 2.37 sen declared for the same period last year. This raised its year-to-date DPU to 5.52 sen, vs. 5.17 sen a year before. The income distribution is payable on 30 August, 2024.

Meanwhile, **IGB Commercial Real Estate Investment Trust's** (IGB Commercial REIT) NPI rose 10.8% Y-o-Y to RM34.5m in 2QCY24, from RM31.1m a year earlier, on higher rental income in the current quarter. It also saw net profit for the quarter increase 2.7% Y-o-Y to RM16.5m compared with RM16.1m a year earlier. Quarterly revenue also grew 8.2% Y-o-Y to RM57.3m in 2QCY24, from RM53.0m in 2QCY23. On the back of the improved quarterly results, the REIT has declared a distribution of 0.97 sen per unit for 2QCY24, payable on 30 August, 2024. [The Edge Markets](#)

- ◆ **Texchem returns to the black in 2QCY24 after six quarters of losses**
Texchem Resources Bhd returned to the black after six consecutive quarters of losses, thanks to higher sales across all business divisions, except for its food division, which was dragged down by higher foreign exchange losses in its Myanmar operations. Net profit was RM975k in 2QCY24 compared to a net loss of RM6.3m over the same period a year ago. Quarterly revenue rose 22.6% Y-o-Y to RM294.7m, from RM240.5m. [The Edge Markets](#)

◆ **ViTrox's 2QCY24 net profit falls 25.4% Y-o-Y, dragged down by higher R&D investment, forex losses**

ViTrox Corp Bhd saw its net profit fall 25.4% Y-o-Y to RM28.1m in 2QCY24, from RM37.7m a year earlier, dragged down by the group's ongoing research and development (R&D) investment as well as unfavourable foreign exchange losses. The higher spending on R&D was intended to capture future growth prospects and sustain long-term competitiveness. Quarterly revenue also fell 8.2% Y-o-Y to RM137.2m, from RM149.4m in 2QCY23, on lower sales of automated board inspection. However, this was partially offset by robust sales orders from its machine vision system. *The Edge Markets*

IMPORTANT: This report has been prepared from sources that are believed to be reliable but we do not hold ourselves responsible for its completeness and accuracy. All opinions and estimates in this report are subject to change without notice. We do not accept any liability that may arise from the use of information in this report. **Inter-Pacific Research Sdn Bhd** and or its associates may from time to time have interest and/or underwriting commitments in the company being reported. This report is for internal circulation only and the contents or any part thereof **cannot be reproduced** in any manner whatsoever except with the prior written consent of Inter-Pacific Research Sdn Bhd.

Published by:

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

West Wing, Level 13,
Berjaya Times Square,
No.1, Jalan Imbi,
55100 Kuala Lumpur

General Line : 03-2117 1888 Fax : 03-2142 7678