

Bulletin Today

BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM-KLCI	1,598.18	(4.16)	(0.26)
Volume: Total (mil):	2,719.30	(108.45)	(3.84)
Total Value (RM' mil):	2,444.56	360.27	17.28
Gainers	457		
Losers	546		
Unchanged	527		

TRADE STATISTICS

Participation	Bought	Sold	Net
49.96 Institution	1,187	1,109	78
19.15 Retail	453	484	(31)
33.89 Foreign	805	852	(47)
100.00	2,445	2,445	0

FTSE-BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM 70	17,976.65	58.50	0.33
FBM 100	11,866.80	(10.58)	(0.09)
FBM Palm Oil - NC	12,551.86	28.78	0.23
FBM Smallcap	17,184.84	(4.01)	(0.02)
FBM Emas	12,165.88	(10.23)	(0.08)
FBM Fledgling	19,738.46	(49.85)	(0.25)

WORLD

Index	Closing	Pts Chg	% Chg
Dow Jones	43,408	140	0.32
Nasdaq	18,966	(21)	(0.11)
FTSE 100	8,085	(14)	(0.17)
Nikkei 225	38,352	(62)	(0.16)
Hang Seng	19,705	41	0.21
Korea Kospi	2,482	10	0.42
Singapore STI	3,744	(14)	(0.38)
Thailand SET	1,462	2	0.16
Jakarta	7,180	(15)	(0.21)
Shanghai	3,368	22	0.66
Shenzhen	2,038	28	1.38

KLCI FUTURES

Index	Closing	Pts Chg	% Chg	Volume
FBM-KLCI	1,598.18	(4.16)	(0.26)	162m
FKLI - Nov 24	1,595.00	(9.50)	(0.59)	6,222
FKLI - Dec 24	1,599.00	(9.50)	(0.59)	353
FKLI - Mar 25	1,588.50	(10.00)	(0.63)	25
FKLI - Jun 25	1,597.00	(9.00)	(0.56)	21

FOREX & COMMODITIES

	Closing	Pts Chg	% Chg
CPO Futures (Feb)	4,815.00	(109.00)	(2.21)
Brent (USD/b)	72.81	(0.50)	(0.68)
Gold (USD/Ounce)	2,650.60	18.52	0.70
USD/RM	4.4713	(0.0014)	(0.03)
SGD/RM	3.3304	(0.0061)	(0.18)
JPY/RM	2.8767	(0.0153)	(0.53)

HIGHLIGHTS

- ◆ The Dow ended the day up 139.53 points or 0.3% at 43,408.47, but the Nasdaq closed down 21.32 points or 0.1% to 18,966.14
HAP SENG PLANTATION – 3QCY24: BUY, TP: RM2.35
KAWAN FOOD BHD – 3QCY24: BUY, TP: RM2.20
MI TECHNOVATION BHD – 3QCY24: Recommendation and TP under review
- ◆ U.S. crude oil inventories edge modestly higher
- ◆ China keeps loan prime rates unchanged as expected
- ◆ UK inflation accelerates more-than-forecast in October
- ◆ German producer prices continue to fall in October
- ◆ **Reservoir Link** to provide well continuity services to Petronas
- ◆ **Sapura Energy** gets pan-Malaysia services contract
- ◆ **Velesto** collaborates with Petronas to implement automation, robotics on its drilling rigs
- ◆ **Petronas Chemicals** reports first-ever quarterly loss since listing
- ◆ **Perdana Petroleum** reports threefold jump Y-o-Y in 3QCY24 profit on higher charter rates, increased vessel use
- ◆ **MyEG** posts highest-ever quarterly net profit of RM195.1m in 3QCY24
- ◆ **SD Guthrie's** 3QCY24 net profit down 36.7% Y-o-Y on absence of disposal gain
- ◆ **Sports Toto's** 1QFY25 net profit falls 31.3% Y-o-Y, declares 2.0 sen dividend

THE SLANT

- ◆ The FBM KLCI lost pace yesterday to end the session below the 1,600 level again amid the return of fresh selling, mainly by foreign institutions. The key index started the day on a positive note but the gains were not sustainable amid the new round of selling as market players turned cautious on the escalating geopolitical conflict between Russia and Ukraine. Conditions in the broader market was mixed-to-lower resulting in total losers still ahead of gaining ones.
- ◆ The FBM KLCI's near-term outlook appears precarious again after it failed to hold on the psychological 1,600 level to settle close to the 200-day moving average line at around 1,595 points again. The sustained selling by foreign funds is again leaving the key index to dither as local institutions attempt to provide the much-needed support for the key index to stay above the long-term uptrend line. However, with market conditions still unsettled the key index could also dither further as it looks to find more traction to stay above the long-term uptrend line, otherwise a bearish trend could take over. This may see the key index lingering near the 1,595-1,600 levels in the day ahead with the ensuing support and resistance levels pegged at 1,590 and 1,607-1,610 points respectively.

- ◆ The lower liners are also expected to remain insipid over the near term due to the lack of leads that is also leaving most market players on the sidelines. As a result, the broader market indices are also set for further rangebound trend.

RESULTS UPDATE

◆ HAP SENG PLANTATION BHD – 3QCY24: BUY, TP: RM2.35

RM m	3QCY24	3QCY23	YoY chg (%)	2QCY24	QoQ chg (%)	9MCY24	9MCY23	YoY chg (%)
Revenue	177.3	164.6	7.7	182.8	(3.0)	519.8	493.3	5.4
PBT	71.4	49.2	45.2	36.8	94.1	156.7	93.9	66.9
PAT	55.4	37.8	46.5	27.7	100.4	119.6	70.7	69.2
EPS (sen)	6.9	4.7	46.5	3.5	100.3	15.0	8.8	69.2

Y-o-Y. Revenue increased by 7.7% to RM177.3m, from RM164.6m, due to higher CPO and PK prices during the quarter (3QCY24: RM4,098/tonne and RM2,731/tonne vs. 2QCY23: RM3,924/tonne and RM2,142/tonne) and improvements in sales volumes for both CPO and PK. Core PAT (excluding fair value adjustments on biological assets) increased by 75.5% to RM46.1m, from RM26.3m, mainly as the group benefited from higher CPO and PK production resulting from higher FFB production which also resulted in lower unit production cost for the quarter.

Q-o-Q. Revenue, however, declined by 3.0% to RM177.3m, from RM164.6m, as CPO prices and sales volume came in c.4.0% lower than its preceding quarter. Nonetheless, its core PAT jumped by 48.6% to RM46.1m, from RM31.0m on lower unit production cost for the reason stated above.

Earnings exceed expectations: 9MCY24's core PAT exceeded our expectations, accounting for 100.4% of our previous CY24 expectations, while its revenue came in at about 74.8% of our previous CY24 forecast. We expect the upcoming quarter's earnings performance to come in stronger due to the sustained CPO price performance Q-o-Q which currently ranges around RM4,800/MT level, but any price upside may be limited due to palm oil trading at a substantial premium against soybean oil which may imply increasing price volatility ahead. We reiterate Hap Seng Plantation's **BUY** recommendation with a higher **TP** of **RM2.35 (+RM0.13)**, derived from CY24's NTA pegged to target P/B of 0.9x, after imputing an adjustment to our CPO price assumption for CY24 and CY25 to RM4,200/MT (previously RM4,000/MT).

◆ KAWAN FOOD BHD – 3QCY34: BUY; TP:RM2.20

RM m	3QCY24	3QCY23	YoY chg (%)	2QCY24	QoQ chg (%)	9MCY24	9MCY23	YoY chg (%)
Revenue	83.8	75.6	10.9	71.1	17.9	235.6	216.8	8.7
PBT	4.9	8.6	(43.0)	10.4	(53.1)	26.5	24.0	10.5
PAT	1.0	7.7	(87.5)	8.4	(88.6)	18.6	21.3	(12.6)
EPS (sen)	0.3	2.2	(87.4)	2.3	(88.4)	5.1	5.9	(12.7)

Y-o-Y. Revenue increased by 10.9% to RM83.8m in 3QCY24, from RM75.6m in 2QCY23, boosted by higher sales contribution from the European (+65.9%), North America (+25.4%), and Rest of Asia (+19.1%) markets. Despite an improved GP margin and lower operating expenses

in 2QCY24, its PAT was dragged lower (by 87.5%) after recording a RM11.3m unrealised foreign exchange loss due to weakening of the Dollar against the Ringgit as well as higher tax incurred.

Q-o-Q. A 17.9% jump in 3QCY24's revenue was mainly attributed to higher sales to the Rest of Asia as well as the North America markets, with both markets' revenue surpassing the sales contribution from the local market.

Missed expectations. Kawan Food's 9MCMY24 results missed our expectations with its earnings making up only 53.3% of our full-year forecast and its 9MCMY24 revenue making up only 71.4% of our previous full-year forecast. However, we keep our **BUY** recommendation on Kawan with a higher **TP of RM2.20 (+RM0.18)**, based on 20.0x target PER pegged to our rolled-over CY25F EPS.

◆ **MI TECHNOVATION BHD – 3QCY24: Recommendation and TP under review**

RM m	3QCY24	3QCY23	YoY chg (%)	2QCY24	QoQ chg (%)	9MCMY24	9MCMY23	YoY chg (%)
Revenue	117.7	98.4	19.6	127.2	(7.4)	352.0	259.3	35.7
PBT	(4.3)	20.9	NM	33.1	NM	59.5	51.3	16.0
PATAMI	(7.2)	14.2	NM	27.6	NM	47.2	43.3	9.0
EPS (sen)	(0.8)	1.6	NM	3.1	NM	5.3	4.8	9.3

Y-o-Y. Revenue grew by 19.6% to RM117.7m in 3QCY24, from RM98.4m in the previous corresponding period, driven by a 22.7% increase in revenue from its semiconductor equipment business unit (SEBU), supported by a higher volume of machine deliveries, particularly to the Taiwan and Southeast Asia markets, while the semiconductor material business unit (SMBU) also saw revenue increase by 16.3% on sustainable demand from Taiwan and China. However, the group recorded its first quarterly loss since its listing in 2018 with a net loss of RM7.2m, compared to a PATAMI of RM14.2m in 3QCY23, primarily attributed to an unrealised foreign exchange loss of RM28.4m due to the strengthening Ringgit.

Q-o-Q. Revenue declined 7.4% compared to the previous quarter, as a 5.0% growth in the SMBU segment was offset by a 12.9% drop in the SEBU segment. Similarly, the group slipped into the red during the quarter, mainly due to unfavourable forex movements.

Mi Technovation's 9MCMY24 revenue was in line with our expectations, representing 76.4% of our CY24 forecast, but its PATAMI fell short, accounting for only 64.8% of our full year forecast, largely impacted by significant forex losses in 3QCY24. Excluding one-off items and foreign exchange movements, the group's 9MCMY24 core PAT of RM59.4m came in above our expectations. We are reviewing our recommendation and TP on Mi Technovation, pending more information from an analyst briefing today. Our last recommendation was a BUY with a TP of RM2.80, derived from pegging an unchanged target PER of 28x to our CY25F EPS.

GLOBAL AND ECONOMIC UPDATE

- ◆ After seeing weakness throughout much of the session, stocks recovered in the latter part of the trading day on Wednesday. The Dow ended the day up 139.53 points or 0.3% at 43,408.47, but the Nasdaq closed down 21.32 points or 0.1% to 18,966.14. [RTT News](#)

- ◆ **U.S. crude oil inventories edge modestly higher**
Crude oil inventories in the U.S. saw a modest increase in the week ended 15 November, 2024. The crude oil inventories crept up by 0.5m barrels last week after rising by 2.1m barrels in the previous week. The uptick by crude oil inventories was roughly in line with economist estimates. At 430.3m barrels, U.S. crude oil inventories remain about 4% below the five-year average for this time of year. [RTT News](#)

- ◆ **China keeps loan prime rates unchanged as expected**
The People's Bank of China (PBoC) left its benchmark lending rates unchanged on Wednesday as it monitors the impact of recent policy adjustments. The PBoC maintained its one-year loan prime rate (LPR) at 3.10%. Likewise, the five-year LPR, the benchmark for mortgage rates, was retained at 3.60%. The bank had cut its both LPRs by 25 bps each in October. [RTT News](#)

- ◆ **UK inflation accelerates more-than-forecast in October**
UK consumer price inflation accelerated more-than-expected in October, lowering the chances of a rate cut at the upcoming monetary policy meeting in December. The consumer price index rose 2.3% on a yearly basis, following September's 1.7% increase, which was the lowest since April 2021. The rate again exceeded the Bank of England's 2% target and also remained above economists' forecast of 2.2% Y-o-Y. Core inflation that strips out prices of energy, food, alcohol and tobacco, edged up unexpectedly to 3.3% Y-o-Y, from 3.2% Y-o-Y in September. The core rate was seen at 3.1% Y-o-Y. On a monthly basis, the CPI climbed 0.6% after remaining unchanged in September. [RTT News](#)

- ◆ **German producer prices continue to fall in October**
Germany's producer prices declined further in October, though at a slightly slower pace compared to September. Producer prices dropped 1.1% on a yearly basis, following a 1.4% fall in the prior month. Prices have been falling since July 2023. The annual decline was again driven by the fall in energy prices. Meanwhile, capital, consumer, and intermediate goods were more expensive. M-o-M, producer prices rebounded 0.2% after falling 0.5% in September. [RTT News](#)

CORPORATE NEWS

- ◆ **Reservoir Link to provide well continuity services to Petronas**
Reservoir Link Energy Bhd was appointed as a panel contractor for integrated well continuity services by Petronas. The appointment will run for five years until 9 October, 2029. Under the agreement, the group will provide services, including slickline, electric wireline, wellhead maintenance, perforation, and workover for production enhancement and abandonment. The potential value of the services was not disclosed. Under the terms of appointment, the group will provide the above said services to the petroleum arrangement contractors through a “mini bidding exercise” during which the specific pricing for the works will be set. [The Edge Markets](#)

- ◆ **Sapura Energy gets pan-Malaysia services contract**
Sapura Energy Bhd has secured a contract to provide pan-Malaysia services from Petronas Carigali Sdn Bhd. The contract involves offshore maintenance, construction, and modification (MCM) as well as hook-up and commissioning (HUC) services for Package C2 for the Sarawak asset (SKA Oil). The scope of works would cover the provision of manpower, tools and equipment, materials, consumables, and other related services to HUC brownfields and greenfield including project management services, supervision and construction personnel. The contract's tenure is five years, but its value is not specified as it is a call-out contract with agreed unit rates. [The Edge Markets](#)

- ◆ **Velesto collaborates with Petronas to implement automation, robotics on its drilling rigs**
Velesto Energy Bhd is exploring the implementation of robotics and mechanised automation process for its drilling rig operations. The group has inked a MOU with Petroliam Nasional Bhd (Petronas) through the Malaysia Petroleum, Management (MPM) and the National Oilwell Varco LP (NOV) for the implementation. The MOU aims to establish a collaborative framework that leverages NOV’s drilling automation system and other energy carbon optimisation solutions, including robotics technology, on Velesto-operated rigs. Under the MOU, Petronas will provide steer and operational guidance on the deployment of the technology, whereas Velesto will oversee the integration and optimisation of these systems on its drilling rigs. NOV will provide technical support and training for local implementation and knowledge transfer. [The Edge Markets](#)

- ◆ **Petronas Chemicals reports first-ever quarterly loss since listing**
Petronas Chemicals Group Bhd sank into the red for the first time ever since its listing more than a decade ago on paper losses in 3QCY24. Net loss for the quarter was RM789.0m due to an unrealised forex loss totalling RM1.1b, and the group said it would have made an estimated profit after tax of RM352.0m without the loss. A sharp depreciation in the USD severely affected its results, mainly due to its investment in Pengerang Petrochemical Company Sdn Bhd (PPC). Quarterly revenue, however, rose 17.7% Y-o-Y to RM7.99b from higher sales volume and product prices as well as contribution from PPC. [The Edge Markets](#)

- ◆ **Perdana Petroleum reports threefold jump Y-o-Y in 3QCY24 profit on higher charter rates, increased vessel use**
Perdana Petroleum Bhd reported a net profit of RM75.8m in 3QCY24, up 233.2% Y-o-Y from RM22.8m in 3QCY23. Quarterly revenue also rose 22.5% Y-o-Y to RM127.3m, from RM103.9m, on higher vessel utilisation of 78% (vs. 76% previously) and much higher daily charter rates, while revenue contribution from third-party vessels rose 27.0% Y-o-Y from last year. No dividend was declared for the quarter under review. *The Edge Markets*
- ◆ **MyEG posts highest-ever quarterly net profit of RM195.1m in 3QCY24**
MyEG Services Bhd posted its highest-ever quarterly net profit of RM195.1m in 3QCY24, a 62.6% Y-o-Y increase from RM120.0m in the same quarter last year, primarily supported by fees from Web3 services on the Zetrix blockchain, sales of Zetrix tokens, and a fair value gain from its investment in **HeiTech Padu Bhd**. Quarterly revenue also grew 27.8% Y-o-Y to RM248.1m, from RM194.1m, driven by the fair value gain in its investment in HeiTech Padu as a result of mark-to-market practice. *The Edge Markets*
- ◆ **SD Guthrie's 3QCY24 net profit down 36.7% Y-o-Y on absence of disposal gain**
SD Guthrie Bhd reported a 36.7% Y-o-Y drop in net profit to RM766.0m for 3QCY24, compared with RM1.21b a year earlier due to the absence of a gain on land disposal, despite higher crude palm oil (CPO) prices. The group's recurring earnings before interest and taxes stood at RM765.0m in 3QCY24, a 3.0% Y-o-Y drop from RM785.0m a year ago. However, higher CPO prices in 3QCY24 led to 10.3% higher revenue Y-o-Y of RM5.27b compared with RM4.77b in 3QCY23. There was no dividend declared for 3QCY24. *The Edge Markets*
- ◆ **Sports Toto's 1QFY25 net profit falls 31.3% Y-o-Y, declares 2.0 sen dividend**
Sports Toto Bhd's 1QFY25 net profit fell 31.3% Y-o-Y to RM41.3m, from RM60.2m a year ago, dragged down by lower lottery sales as well as lower sales performance and forex loss impact arising from its UK luxury car unit, HR Owen plc. Quarterly revenue fell 9.5% Y-o-Y to RM1.44b, from RM1.59b, as its lottery unit saw a decrease in the number of draws to 40, from 42 previously, and its luxury car unit saw lower sales. The group has declared a first interim dividend of 2.0 sen per share for 1QFY25, similar to last year. The dividend payment date is 17 January, 2025. *The Edge Markets*

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