

MARKETS/FROM THE BROKERS

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Compiled by SunBiz Team

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Government tops Q1 bond issuances with RM51.5 billion

KUALA LUMPUR: The government remained the top overall bond issuer with RM51.5 billion, while CIMB Bank Bhd led corporate bond issuances at RM2.87 billion, according to Bond Pricing Agency Malaysia Sdn Bhd's (BPAM) Bond League Tables for Q1'25.

The BPAM report showed that Cagamas Bhd dominated the sukuk segment with RM6.23 billion.

The report, released quarterly, serves as a vital resource for market participants aiding in research, marketing, and strategic profiling, and showcasing key trends and top performers in Malaysia's bond market in Q1 of this year.

In trading activity, the government recorded the highest volume at RM331.05 billion, followed by Cagamas in corporate bonds (RM0.94 billion) and Danalinfra Nasional Bhd in sukuk (RM5.97 billion).

Malaysian Trustees Bhd retained its position as the top bond trustee, handling RM18.69 billion across 137 issues, while CIMB Investment Bank Bhd was the top lead arranger by value (RM17.06 billion), and Maybank Investment Bank Bhd led by number of issuances, standing at 135.

Compared to Q4'24, the government increased bond issuances by RM20 billion, Cagamas's sukuk issuances rose by 40%, and government bond trading volumes grew by 34%.

BPAM, established in 2004 and accredited by the Securities Commission Malaysia, continues to provide critical pricing and benchmark services to over 130 financial institutions, reinforcing transparency in the fixed-income market. As of June 30, 2021, BPAM officially becomes a wholly owned subsidiary of RAM Holdings Bhd.

Ringgit closes slightly higher against dollar in late comeback

THE ringgit, which faced pressure against the US dollar following US President Donald Trump's announcements on global reciprocal tariffs, closed relatively stable yesterday, said an analyst.

At 6pm, the ringgit traded marginally higher at 4.4400/4460 against the greenback from Wednesday's close of 4.4510/4565.

Bank Muamalat Malaysia Bhd chief economist Dr Mohd Afzanizam Abdul Rashid said the ringgit traded weaker in the morning session against the US dollar to RM4.4822 but regained ground by late afternoon.

He said traders, investors, and analysts were weighing the potential fallout due to the tariff announcements.

"In response, the Ministry of Investment, Trade and Industry expressed openness to engage in discussions with the US, signalling Malaysia's pragmatic stance. A tit-for-tat approach, after all, could backfire-import tariffs essentially function as a domestic tax burden."

Meanwhile, the ringgit traded lower against major currencies yesterday.

It declined against the Japanese yen to 3.0289/0332 from 2.9783/9821, weakened against the euro to 4.8969/9035 from 4.8098/8157 and decreased against the British pound to 5.8470/8549 from 5.7632/7703 on Wednesday.

On the other hand, the local note was higher against Asean currencies except for the Singapore dollar.

It rose against the Thai baht to 12.9529/9769 from 13.0260/0490, and gained against the Indonesian rupiah at 265.1/265.6 from 266.3/266.7.

However, the ringgit fell against the Singapore dollar to 3.3229/3276 from 3.3150/3193 at Wednesday's close. – Bernama

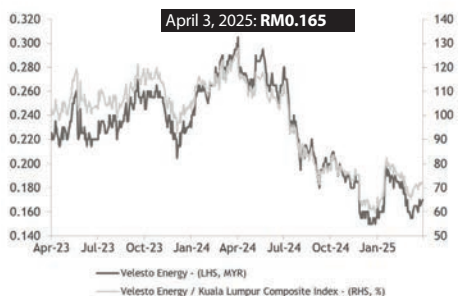
Exchange Rates

FOREIGN CURRENCY	SELLING TT/OD	BUYING TT	BUYING OD
1 US Dollar	4.5475	4.4135	4.4035
1 Australian Dollar	2.8690	2.7520	2.7360
1 Brunei Dollar	3.3750	3.2760	3.2680
1 Canadian Dollar	3.1890	3.1040	3.0920
1 Euro	4.9570	4.7980	4.7780
1 New Zealand Dollar	2.6180	2.5210	2.5050
1 Singapore Dollar	3.3750	3.2760	3.2680
1 Sterling Pound	5.9350	5.7500	5.7300
1 Swiss Franc	5.2120	4.9930	4.9780
100 UAE Dirham	125.2600	118.8000	118.6000
100 Bangladesh Taka	3.8210	3.5580	3.3580
100 Chinese Renminbi	63.0000	60.3400	N/A
100 Danish Krone	68.1200	62.6900	62.4900
100 Hongkong Dollar	59.0400	56.1100	55.9100
100 Indian Rupee	5.4100	5.0800	4.8800
100 Indonesian Rupiah	0.0284	0.0257	0.0207
100 Japanese Yen	3.0720	2.9750	2.9650
100 New Taiwan Dollar	N/A	N/A	N/A
100 Norwegian Krone	44.8600	41.2600	41.0600
100 Pakistan Rupee	1.6500	1.5500	1.3500
100 Philippine Peso	8.0600	7.6000	7.4000
100 Qatar Riyal	126.1500	119.7600	119.5600
100 Saudi Riyal	122.5800	116.3600	116.1600
100 South Africa Rand	24.9600	22.5500	22.3500
100 Sri Lanka Rupee	1.5800	1.4500	1.2500
100 Swedish Krona	47.5100	43.2600	43.0600
100 Thai Baht	13.8000	12.2400	11.8400

Source: Malayan Banking Bhd/Bernama

Velesto Energy Bhd

Buy. Target price: RM0.19



Source: Maybank Investment Bank

WE gathered that Velesto's tenderbook increased by >30% to RM4.3 billion in Jan 2025 (from RM3.2 billion in July 2024), due to an increase in tenders for N3 & N8 in Thailand, Indonesia and Vietnam. Winning regional jobs could re-rate Velesto's share price as it could lift its utilisation rates and offer earnings visibility from 2H'25 till end-2026. We believe such wins would demonstrate that Velesto is regionally competitive and should be able to mitigate concerns of fewer domestic jobs amid expectation of a Petronas capex downcycle.

Based on Velesto's media release on Feb 27, the group expects its N5 rig to commence work by June 2025. We expect this to be a LT job from an oil major with local operations, which could last till end-2026. As updated by Velesto, our revised blended UR assumptions for FY25-26 tweaked to 74%/81% (from 76%/81% previously) to account for slightly longer idle periods for N3 & N5, while N8's job has been extended by another 2 months by Carigali-Hess.

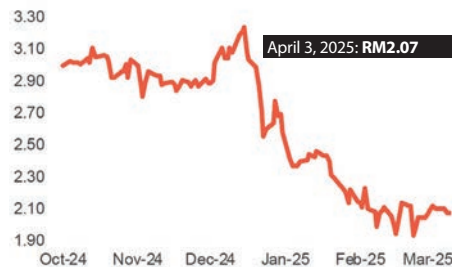
On March 25, Velesto announced a proposed capital reduction exercise, to position for increased future distribution to shareholders. As at end-FY24, the group has fully repaid its term loans and is now in a net cash position of RM69.6 million (5% of current market cap).

Key risks include: (i) a severe decline in crude oil prices; (ii) the group not being able to secure contracts, resulting in a decline in utilisation rates; and (iii) not being able to lock-in higher DCRs for future jobs.

BUY with RM0.19 TP. – Maybank Investment Bank, April 3

IJM Corporation Bhd

Outperform. Target price: RM3.80



Source: PublicInvest Research

IJM Corp has signed a 20-year lease with international law firm Simmons & Simmons LLP (Simmons & Simmons), making them the anchor tenant at 25 Finsbury Circus, UK. Under the lease, Simmons & Simmons will occupy 62% of the building across multiple floors, with the option to increase its space to up to 80%. This lease highlights the property's strong appeal and is expected to enhance IJM's international investment property portfolio, generating a steady stream of recurring income.

25 Finsbury Circus, formerly known as 1-5 London Wall Buildings, is located in London's central business district. It was acquired for £72.5 million (RM417 million) in Feb this year, and is undergoing a comprehensive £150 million (RM853 million) refurbishment and reconfiguration which will increase its total footprint by 26%. Upon completion, the Grade II-listed building will feature approximately 378,000 sq ft of gross internal area and net lettable area of 251,068 sq ft, with a projected GDB of approximately £420 million.

Simmons & Simmons is a global law firm with 129 years of history, 21 offices worldwide, over 1,300 lawyers and 1,000 business services professionals.

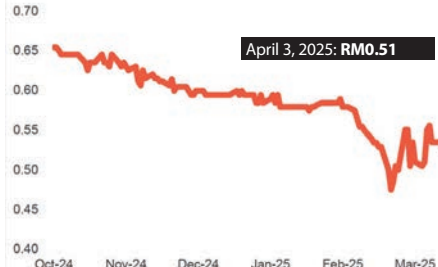
The 20-years lease offers stable and recurring income, and paves way for redevelopment works to begin. Although the lease details are still light at this juncture, we estimate the asset could yield about 7%, based on the prime rents ranging from £88 psf to £150 psf.

While we view this development positively, we keep our estimate unchanged for now, pending the completion of the refurbishment, which is expected to take 36 months.

OUTPERFORM with RM3.80 TP. – PublicInvest Research, April 3

Optimax Holdings Bhd

Outperform. Target price: RM0.83



Source: PublicInvest Research

OPTIMAX'S revenue grew 9.2% YoY to RM34.3 million in Q4'24, driven primarily by higher surgical volumes from newly established satellite clinics. Despite the topline growth, core net profit declined 3.3% YoY to RM3.1 million, attributed to increased marketing efforts aimed at raising awareness for the newly launched satellite clinics. Meanwhile, PBT declined 3.8% YoY, primarily due to higher operating costs associated with newly licensed ACCs and satellite clinics, including pre-operational staff expenses and depreciation charges. The group's overall utilisation rate remained steady at 60%.

Optimax aims to accelerate growth in its foreign patient segment, with contribution to revenue rising steadily from 10% in FY23 to 15-20% in FY24, with a target of reaching 30% in FY25. Optimax is capitalising on the growing demand for medical tourism by attracting foreign patients. Typically, this segment is more profitable as it could fetch 10-15% premium pricing compared to local patients. In Cambodia, where operations commenced in May 2024, Optimax is currently performing an average of four surgeries per month, with 10-15 cases per surgical round. Based on our channel checks, the group charges a 30-40% premium for Cambodia patients relative to local pricing for refractive surgery.

Optimax is expanding its presence into Jakarta, Indonesia, having secured five shop lots totaling approximately 10,000 sq ft, with operations targeted to commence by end of FY25. The group is required to recruit Indonesian doctors exclusively, as Malaysian doctors are permitted to practice in Indonesia for a maximum of four years.

OUTPERFORM with RM0.83 TP. – PublicInvest Research, April 3