

Consumer

OVERWEIGHT

Reopening and Beyond



By Ahmad Ramzani Ramli | ahmadramzani@kenanga.com.my | Tan Jia Hui | jhtan@kenanga.com.my
Raymond Ng | ngiy@kenanga.com.my

During our recent Consumer Day, we featured four companies comprising BONIA (Not Rated), INNATURE (Not Rated), SDS (ADD; TP: RM1.15), and QL (MP: TP: RM6.00). We see three common themes in them namely: (i) sustained domestic spending fueling expansion, (ii) China's reopening, and (iii) the courting of younger generation consumers. The companies are unanimous in their views that the local consumer demand will sustain, setting a conducive environment for business expansion, thanks to a stable job market, healthy balance sheet of the M40 group, while various government assistance initiatives especially subsidies on petrol and food items will help mitigate the erosion on the spending power of the B40 group amidst high inflation. They also see opportunities in China's reopening with the return of Chinese tourists that will drive additional sales for BONIA and INNATURE while QL will enjoy higher exports to China. SDS is seen benefitting from the easing supply-chain disruptions, resulting in lower input and logistics costs. BONIA strives to grow its brand's appeal to the new younger generations by constantly refreshing its product designs, and via collaborations with high-fashion celebrities and icons, while INNATURE counts on a strategy that is best summarized in its slogan of "Effective, Ethical, Vegan. We reiterate our OVERWEIGHT call on the consumer sector.

Sustained domestic spending. Retailers BONIA, INNATURE and SDS have benefitted from robust consumer spending during the recent festivities i.e. Christmas, year-end sale and Chinese New Year. This trend is likely to sustain into 2QCY23 buoyed by the coming Hari Raya shopping, and beyond, driven by a stable job market, and healthy balance sheet of the M40 group. Meanwhile, various government assistance initiatives especially subsidies on petrol and food items will help mitigate the erosion on the spending power of the B40 group amidst high inflation.

Expansion. To ride on the sustained consumer demand, the retailers have laid out expansion plans as follows: BONIA will add another seven new boutique stores in FY23; INNATURE will open seven new stores locally (predominantly in tourist spots and airports) and another seven in Indochina; and SDS is adding another 10 new 1-tonne trucks to its existing fleet of 269 to increase distribution frequencies and expand coverage to remote areas all over Peninsular Malaysia. QL will increase the number of its convenience stores with its primary focus being in suburbs (where rentals are cheaper and workers are more readily available).

China's reopening. The return of Chinese tourists will drive additional sales for BONIA and INNATURE. Prior to the pandemic, international tourists contributed to about 10-15% of their total sales. Similarly, on the heels of China's reopening, QL will enjoy higher marine exports to China which contributed 20% to its total marine revenue in 2019. Meanwhile, SDS will benefit from the easing supply-chain disruptions, resulting in lower input and logistics costs.

Courting the younger generation. BONIA strives to grow its brand's appeal to the younger generation by constantly refreshing its product designs, and via collaborations with high-fashion celebrities and icons. Meanwhile, INNATURE counts on a strategy that is best summarized in its slogan of "Effective, Ethical, Vegan.

We reiterate our **OVERWEIGHT** call on the consumer sector.

27 January 2023

Bonia Corporation Bhd

Revitalising Brands

By Tan Jia Hui | jhtan@kenanga.com.my

Company Background

BONIA Corporation Berhad (BONIA) is a luxury fashion retailer, operating in Malaysia, Singapore, and Indonesia. BONIA is involved in designing, distributing, manufacturing, and retailing leatherwear, footwear, apparel, timepiece, eyewear, accessories, and lifestyle products under its house and licensed brands. Renoma, Valentino Rudy, and Santa Barbara are licensed brands under BONIA. BONIA is also involved in real estate investment and provides management services. BONIA has started its e-commerce presence for BONIA and Braun Buffel brands via digital platforms in Southeast Asian countries. It has also invested in digital marketing and enhanced its social media brand presence through Tiktok and Little Red Book.

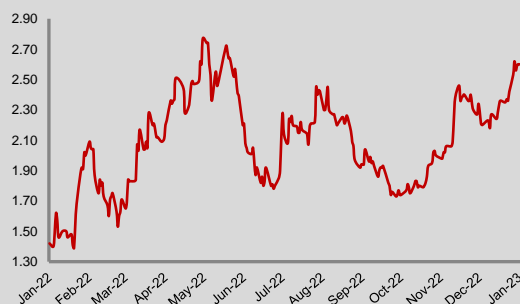
Shopping vibes. Consumer spending remains robust, underpinned by the festivities sales (i.e., Hari Raya, Christmas, year-end holiday sale, and Chinese New Year) and the reopening of the economy with further booster from the return of international tourists. BONIA guided that its global tourist sales contribution was c.10-15% of its revenue before the pandemic. Thus, with China reopening its borders and the “revenge travel” effect, we believe tourist spending surge will be solid to boost BONIA’s earnings.

Expansion is on the way. BONIA plans to expand by 4-5 boutiques stores in FY23 (mix of BONIA and BRAUN BUFFEL stores in Klang Valley and Sabah) with new concept stores and relocate its existing stores to more strategic locations. Besides, BONIA is also expanding their products offerings, such as ready-to-wear (RTW) series and timepieces. The newly launched RTW is skewed toward high-margin product range, such as leather wear.

Courting the younger generations. BONIA’s rebranding, and brand-building efforts via omnichannel strategy started in 2019. Understanding that the fashion trend is based on seasonality and demographics, BONIA also engaged with young and creative designers to attract customers. BONIA has successfully shifted its customers’ age profile to a younger age group of 20-39 years old compared to 50-60 years and above before 2018 based on BONIA’s customer demographics data.

	Rating	Fair Value
Last Price	-	RM2.55
Kenanga	-	Not Rated
Consensus	-	-

Share Price Performance



KLCI	1,498.39
YTD KLCI chg	0.2%
YTD stock price chg	12.3%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	BON MK Equity
Market Cap (RM m)	511.1
Shares Outstanding	200.4
52-week range (H)	2.73
52-week range (L)	1.24
3-mth avg daily vol:	368,486
Free Float	18%
Beta	1.0

Major Shareholders

Bonia Holdings Sdn B	27.3%
Freeway Team Sdn Bhd	22.3%
Chiang Sang Sem	10.2%

Summary Earnings Table

FY Oct (RM m)	2022A	2023F	2024F
Turnover	333	344.3	351.3
EBIT	60.9	65.8	68.6
PBT	56.3	56.2	53.8
Core Net Profit	39.9	40	38.1
Core EPS (sen)	19.9	20.0	19.0
EPS growth (%)		0.3	-4.8
NDPS (sen)	19	8	12.3
Core PER (x)	12.8	12.8	13.4
BVPS (RM)	1.99	2.00	2.02
PBV (x)	1.3	1.3	1.3
Net Div. Yield (%)	7.5	3.1	4.8

*Based on consensus estimates



27 January 2023

Innature Bhd

In Nature We Trust

By Tan Jia Hui | jhtan@kenanga.com.my

Company Background

INNATURE Berhad (INNATURE) is the master franchise for The Body Shop (TBS) which opened its first store in Malaysia in 1984, Vietnam in 2009, and Cambodia in 2018. INNATURE is a leading regional retailer and distributor of cruelty-free cosmetic and personal care products under The Body Shop (TBS) brand and serves customers through stores and e-commerce. INNATURE continuously practices good ESG practices through campaigns, and its products are 100% vegan with natural ingredients and packed in environment-friendly recycled plastic bottles.

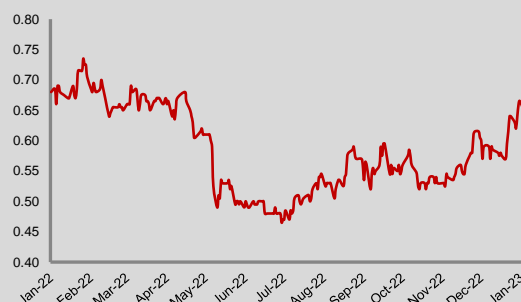
Coming tourists booster. Chinese tourists will be the catalyst for its next sales uptrend. According to its historical sales contribution, international tourists contribute 15% of total revenue. Thus, we believe INNATURE will be able to perform better in the 2HCY23 with the return of international tourists to Malaysia, Cambodia, and Vietnam. INNATURE did not experience any intense “revenge spending” impact on their products after the pandemic-related restrictions were lifted. Their main products are skincare and body care (constitute 60% of sales for both products range). Unlike cosmetic, we believe such personal products are stickier to customers once the products are found to be suitable.

Aggressive expansion. INNATURE expects to open seven stores in Malaysia, including workshop and temporary stores (kiosks) in tourist areas (in Langkawi), airports (KLIA and KLIA 2), and various shopping malls. INNATURE is also expanding in Cambodia and Vietnam with 2 and 5 stores, respectively, to capture the return of international tourists in both countries. Product-wise, INNATURE is introducing new products by reformulating and rejuvenating its old products, via new look, packaging, and pricing.

Courting younger consumers. There is an increased awareness in the younger generation to build up their image by using skincare products. We understand from INNATURE that the younger generation has the ability and willingness to spend on skincare and cosmetic products, as indicated by an increase in sales contribution from that particular age group. INNATURE products are 100% vegan and certified “cruelty-free” by Cruelty-Free International making the products suitable to diverse and large markets.

	Rating	Fair Value
Last Price	-	RM0.64
Kenanga	-	Not Rated
Consensus	-	-

Share Price Performance



KLCI	1,498.39
YTD KLCI chg	0.2%
YTD stock price chg	9.4%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	INNATURE MK Equity
Market Cap (RM m)	451.8
Shares Outstanding	705.9
52-week range (H)	0.76
52-week range (L)	0.46
3-mth avg daily vol:	983,628
Free Float	7%
Beta	1.0

Major Shareholders

Etheco Sdn Bhd	51.0%
Bluplanet Sdn Bhd	17.9%
Prudential Plc	5.9%

Summary Earnings Table

FY Oct (RM m)	2021A	2022F	2023F
Turnover	131.9	153.8	173.0
EBIT	21.2	28.7	33.9
PBT	10.1	28.4	33.4
Core Net Profit	7.3	21.3	24.7
Core EPS (sen)	1.0	3.0	3.5
EPS growth (%)		191.8	16.0
NDPS (sen)	3.0	2.0	2.1
Core PER (x)	61.9	21.2	18.3
BVPS (RM)	0.20	0.21	0.21
PBV (x)	3.1	3.1	3.0
Net Div. Yield (%)	4.7	3.1	3.3

*Based on consensus estimates

27 January 2023

SDS Group

Neighbourhood Baker Goes Places

By Raymond Ng | ngiy@kenanga.com.my

Company Background

SDS Group Berhad is engaged in the manufacturing and distribution of bakery products through its retail and wholesale networks. The group produces varieties of loafs, breads, buns, rolls and cakes which are distributed across Peninsular Malaysia under brand name of "Top Baker" and "Daily's". Its retail segment mainly operates F&B outlets under "S.D.S" brand within high footfall neighborhood areas to distribute baked goods and confectionery products.

Fleets expansion to reinforce distribution coverage. Its wholesale segment has been contributing up to 67% of revenue and 49% of EBIT to the group, thanks to its widely established distributing centre across Peninsular Malaysia. While the group is aggressively tapping into the outlying districts (which are beyond competitors' reach), SDS has been consistently expanding their fleet base by acquire at least 10 more new trucks on top of 269 existing ones to strengthen its distributing frequencies and coverage. However, we believe the acquisition could be delayed in consideration of the shortage of new trucks. Meanwhile, SDS has also managed to improve its distribution routes, curtailing the stock return rate down to an average of 13% as results of longer shelf life for up to 5 days.

Favourable pricing strategy. In tandem with normalization of supply chain disruption and China's border reopening, we gathered that SDS could be a beneficiary of the easing raw material cost while reinforcing its price advantage over competitors to be more appealing to the B40 group (which are more price-sensitive). With that said, we anticipate SDS could optimize its economies of scale when its production capacity grows in line with the resilient demand for its products.

Waiting for franchise licensing approval. SDS's retail business which comprises of F&B retail outlets under its own "SDS" brand name (selling bakery and confectionery products) is currently applying for franchise licensing from the Ministry of Domestic and Consumer Affairs. However, the process is still in the pipeline without any guidance on the approval date. We believe franchising could broaden its revenue stream by providing extra growth channels, accelerating the number of its F&B outlets at lower capex outlay and help establish a stronger brand value across Malaysia.

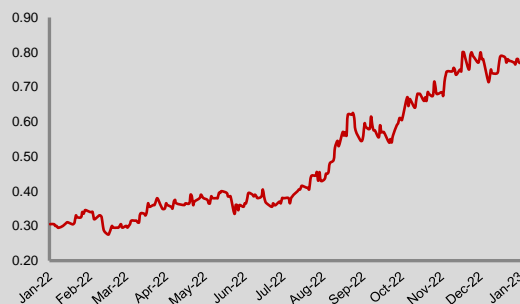
All in, we **maintain our projection of FY23F/FY24F core PATAMI of RM28.1m/RM35.7m** (implying growth of 165%/25%). The key growth catalyst primarily comes from the expansion of its wholesale distribution footprint and new outlets across Klang Valley.

We reiterate ADD with a fair value of RM1.15, premised on a 13x FY24F EPS, which is 10% discount to domestic staple food producer peers' one-year PER mean of 14.2x. We believe this is justified by the stock's relatively smaller market capitalization and lack of dividend policy. Nevertheless, the valuation is considered inexpensive, reflective of high earnings growth potential compared to consensus peers' projection of 12% in FY23. A ROE of c.28% also outweighs peers' mid-teens marking.

There is no change to our TP based on ESG given a 3-star rating as appraised by us (see Page 5).

	Rating	Fair Value
Last Price	-	RM0.76
Kenanga	ADD	RM1.15
Consensus	-	-

Share Price Performance



KLCI	1,498.39
YTD KLCI chg	0.2%
YTD stock price chg	2.7%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	SDS MK Equity
Market Cap (RM m)	311.3
Shares Outstanding	409.6
52-week range (H)	0.82
52-week range (L)	0.27
3-mth avg daily vol:	2,439,773
Free Float	25%
Beta	0.9

Major Shareholders

Tan Kim Seng	24.2%
Tan Kim Chai	24.1%
Tan Yon Haw	4.7%

Summary Earnings Table

FYE Mar (RM m)	2022A	2023F	2024F
Revenue	198.3	275.0	329.3
Gross Profit (GP)	61.6	85.4	115.3
Profit Before Tax (PBT)	14.1	37.4	47.6
Net Profit (NP)	10.6	28.1	35.7
EPS (sen)	2.6	6.9	8.8
BV/Share (RM)	0.2	0.3	0.4
PER (x)	28.9	10.9	8.6
Price/BV (x)	3.8	2.8	2.1
Net Gearing (x)	N.	N.	N.
	Cash	Cash	Cash
DPS (sen)	0.8	0.0	0.0
Div Yield (%)	1.0	0.0	0.0



27 January 2023

Valuations of Food Product Manufacturers in Malaysia

Name	Market Cap (RM m)**	Last Price (RM)**	Revenue growth 1 Yr Fwd (%)	EPS growth 1 Yr Fwd (%)	PE (x)	ROE	Dividend Yield
SDS GROUP BHD	307.2	0.745	38.7%	165.0%	13.0	28.7	0.7
Peers							
APOLLO FOOD HOLDINGS BHD	326.4	4.08	-1.1%	-40.8%	14.2	6.1	2.5
ORIENTAL FOOD INDUST HOLDINGS BHD	304.8	1.27	-2.6%	3.9%	12.3	11.3	2.2
POWER ROOT BHD	862.2	2.04	12.5%	-4.0%	17.3	14.9	2.7
BERJAYA FOOD BHD	1824.4	1.04	39.1%	133.1%	12.8	34.5	2.6
Average	829.5	2.11	12.0%	23.0%	14.2	16.7	2.5

**Updated as of 26 January 2023

Source: Bloomberg, Kenanga Research

Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	★		
	Corporate Social Responsibility	★	★	★		
	Management/Workforce Diversity	★	★	★		
	Accessibility & Transparency	★	★	★	★	
	Corruption-Free Pledge	★	★	★		
	Carbon-Neutral Initiatives	★	★	☆		
	SPECIFIC	Guest Worker Welfare	★	★	★	
Sustainability Certification		★	★	☆		
Waste Management		★	★	☆		
Energy Efficiency		★	★	★		
Work Site Safety		★	★	★		
OVERALL		★	★	★		

☆ denotes half-star
★ -10% discount to TP
★★ -5% discount to TP
★★★ TP unchanged
★★★★ +5% premium to TP
★★★★★ +10% premium to TP

27 January 2023

QL Resources A Reopening Play

By Ahmad Ramzani Ramli | ahmadramzani@kenanga.com.my

QL is riding on borders reopening, both in Malaysia and China. Its marine products enjoy brisk exports (especially to China) on the heels of its reopening as well as the MYR's weakness against the USD. Meanwhile, rising income and living standard trend will drive demand for its poultry products in Vietnam and Indonesia. Meanwhile, it is on track to achieve its target of 600 Family Mart (FM) stores and Family Mart Mini (FMM) stores each in Malaysia by 2027. We maintain our forecasts, TP of RM6.00 and MARKET PERFORM call.

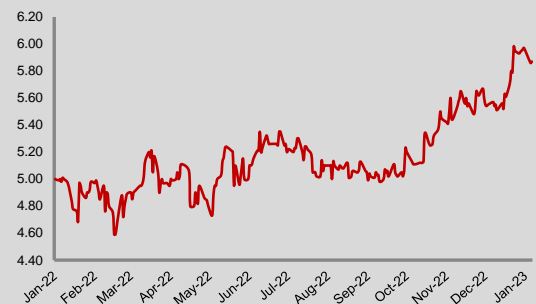
The key takeaways from our Consumer Day are as follows;

- QL reiterated its expansion plans for its marine products division comprising: (i) increasing its marine prawn aquaculture production capacity to 6k MT (from 2k MT) predominantly in Sabah with RM80m annual capex until 2026, and (ii) building a new state-of-the-art surimi production plant in Malaysia with a capex of RM400m by 2027. In Surabaya, Indonesia, a surimi production plant is on target for completion by 1QCY24 with a 12k MT capacity. Demand is expected to recover with resumption of exports to China and normalised production with the arrival of new migrant workers. Pre-pandemic, its marine exports were evenly spread over North America, Japan, Singapore, Korea, and China which is looking to catch up with the easing of restrictions. Recall that QL adjusted its ASP by 10% in July 2022 which so far has managed to avoid margin compression. PBT margin is at 22% (up 4ppts from pre-pandemic times) due to the strengthening USD as 50% of its marine products are for the export market.
- Current overall daily egg production is at 7.75m (vs 6.8m six months ago), on track to achieve its target of 9.0m eggs per day (epd) by 2026. The expansion mostly comes from Indonesia and Vietnam. On its geographical eggs production breakdown - Peninsular and East Malaysia produces 5m eggs/day (or 64%) with Vietnam at 1.8m eggs/day followed by Indonesia at 0.95m eggs/day. Vietnam is targeting 2m epd by 2024 while Indonesia has set a target of 1.4m epd by 2026. Eggs prices have seen a jump of 20% in both Indonesia and Vietnam with the absence of price control. The markets there are expected to see higher demand corresponding with the improvement in living standards. PBT margin currently stands at 4% (from 1% a year ago).
- QL reiterated its target of adding another 300 FM stores (as of Dec 2022 – 335 stores) by 2027. Normalisation of business activities reinforces its target completion by then which also includes 300 Family Mart Mini (FMM) stores (from about 300 at present). The set-up of FMM remains the same – located at highways, petrol stations and residential high-rises. QL expects to end FY23 with 96 FMM units (from 50 in Jul 22). Moving forward, the additional FM stores will mostly be in suburbs due to cheaper rent and availability of local workers (FM employs only locals). Currently there are only 6 FM stores in the east coast (in Pahang) but there have been requests by state authorities in Kelantan and Terengganu for Family Mart to open there. While FMM units have been averaging RM600/700 sales per day (from RM600), sales from FM stores averages RM6-7k/day (from its RM8k/day target) due to weaker consumer spending power hit by inflationary pressure.

MARKET PERFORM ↔

Price: **RM5.87**
Target Price: **RM6.00** ↔

Share Price Performance



KLCI 1,498.39
YTD KLCI chg 0.2%
YTD stock price chg 6.5%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	QLG MK Equity
Market Cap (RM m)	14,285.6
Shares Outstanding	2,433.7
52-week range (H)	5.99
52-week range (L)	4.56
3-mth avg daily vol	1,372,070
Free Float	23%
Beta	0.5

Major Shareholders

CBG (L) Pte Ltd	40.3%
Farsathy Holdings SdnBhd	11.9%
Employees Provident Fund	11.6%

Summary Earnings Table

FY Mar (RM m)	2022A	2023F	2024F
Turnover	5,247	6,417	7,060
EBIT	364	505	633
PBT	321	445	565
Net Profit	217	308	391
Consensus	N.m	326	358
Earnings Revision	N.m	0%	0%
EPS (sen)	8.9	12.6	16.1
EPS growth (%)	-30.2%	41.5%	27.1%
NDPS (sen)	3.5	6.0	6.0
BVPS (RM)	1.1	1.2	1.3
Core PER (x)	65.7	46.4	36.5
Price/BV (x)	5.3	5.0	4.6
Net Gearing (x)	0.3	0.3	0.2
Net Div. Yield (%)	0.6%	1.0%	1.0%

27 January 2023

Forecasts. No change to our FY23F and FY24 earnings of RM308m and RM391m, respectively.

We like QL for: (i) the sustained strong export demand for its marine products, (ii) its strong *Family Mart* convenience store franchise given its appealing Japanese-themed products and continued outlet expansion including *Family Mart Mini* targeting petrol stations and highways, and (iii) the strong growth potential of its poultry business in Indonesia and Vietnam on increased protein diet content as living standards improve. However, we are mindful of the tough operating condition for its poultry business locally given that chicken and eggs are price-controlled items in Malaysia and the weakening USD given that its exports are denominated in.

Risks to our call include; (i) higher than expected inflationary pressure, (ii) volatile monsoon season, (iii) change in fishing regulations, and (iv) a stronger USD.

Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	★		
	Corporate Social Responsibility	★	★	★		
	Management/Workforce Diversity	★	★	★		
	Accessibility & Transparency	★	★	★	★	
	Corruption-Free Pledge	★	★	★		
	Carbon-Neutral Initiatives	★	★	★		
SPECIFIC	Occupational Health & Safety	★	★	★	★	
	Product Safety	★	★	★	☆	
	Sustainable Fishing	★	★	★		
	Waste Disposal/Pollution Control	★	★	★	★	
	Migrant Worker Welfare	★	★	☆		
	Energy Efficiency	★	★	☆		
OVERALL		★	★	★		

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP

27 January 2023

Peer Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside (%)	Market Cap (RM'm)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE (%)	Net Div. (sen)	Net Div Yld (%)
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
CONSUMER																	
AEON CO. (M) BHD	OP	1.34	1.95	45.52%	1,881.4	Y	12/2022	8.9	10.2	46.4%	15.1%	15.1	13.1	1.1	7.2%	4.1	3.1%
DUTCH LADY MILK INDUSTRIES BHD	MP	29.76	32.60	9.54%	1,904.6	Y	12/2022	119.8	148.1	-69.1%	23.6%	24.8	20.1	4.5	18.9%	50.0	1.7%
FRASER & NEAVE HOLDINGS BHD	OP	24.08	26.11	8.43%	8,832.0	Y	09/2023	118.6	129.1	13.5%	8.8%	20.3	18.7	2.8	14.1%	62.5	2.6%
MR D.I.Y.	MP	1.95	2.00	2.56%	18,391.6	Y	12/2022	4.9	7.1	6.8%	44.6%	39.8	27.6	13.3	36.4%	2.6	1.3%
MYNEWS HOLDINGS BHD	OP	0.700	0.760	8.57%	477.5	N	10/2023	3.4	4.2	N.A.	23.0%	20.3	16.5	2.1	9.9%	0.0	0.0%
NESTLE (MALAYSIA) BHD	UP	135.10	115.65	-14.40%	31,681.0	Y	12/2022	270.1	295.2	11.1%	9.3%	50.0	45.8	59.1	113.2%	290.0	2.1%
PADINI HOLDINGS BHD	OP	3.60	4.30	19.44%	2,368.5	Y	06/2023	23.3	28.6	-0.3%	22.5%	15.4	12.6	2.4	16.5%	10.0	2.8%
POWER ROOT BHD	OP	2.04	2.50	22.55%	862.2	Y	03/2023	13.1	14.3	108.8%	9.5%	15.6	14.3	2.7	18.0%	10.0	4.9%
QL RESOURCES BHD	MP	5.87	6.00	2.21%	14,285.6	Y	03/2023	12.6	16.1	41.6%	27.1%	46.4	36.5	4.6	10.8%	6.0	1.0%
SECTOR AGGREGATE					82,904.5					19.9%	20.2%	35.3	29.3	6.9	19.5%		2.2%
TOBACCO PRODUCTS & BREWERIES																	
BRITISH AMERICAN TOBACCO (M) BHD	MP	12.26	11.45	-6.61%	3,500.6	N	12/2022	94.9	97.5	-4.9%	2.8%	12.9	12.6	8.8	69.5%	90.0	7.3%
CARLSBERG BREWERY MALAYSIA BHD	MP	23.18	23.05	-0.56%	7,087.2	N	12/2022	105.2	114.6	56.0%	8.9%	22.0	20.2	33.1	147.9%	106.0	4.6%
HEINEKEN MALAYSIA BHD	MP	26.68	25.80	-3.30%	8,060.0	N	12/2022	129.7	129.3	59.5%	-0.3%	20.6	20.6	20.4	99.2%	129.7	4.9%
SECTOR AGGREGATE					18,647.8					33.7%	3.6%	18.9	18.2	20.8	105.5%		5.6%

Source: Bloomberg, Kenanga Research

27 January 2023

Stock Ratings are defined as follows:**Stock Recommendations**

OUTPERFORM	: A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM	: A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM	: A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT	: A particular sector's Expected Total Return is MORE than 10%
NEUTRAL	: A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT	: A particular sector's Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published by:

KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my