

Morning Toast

Idea of the Day

RGB International (RGB MK / BUY; TP: RM0.71)

Initiation: Reaching Greater Boundaries

- RGB stand out as Asia's preeminent distributor of EGM, commanding a dominant 70–80% market share
- Regulatory tailwinds in the Philippines and Cambodia, entry into emerging legal gambling markets and new online casino venture to propel earnings
- With a profit CAGR of 32%, we initiate RGB with a BUY rating and 12-month target price of RM0.71

News of the Day

- Keyfield secures two vessel charter jobs worth RM56m
- TMC Life Sciences falls to 2Q loss on contract issues as previously flagged
- Biscuit maker Hup Seng maintains record earnings streak in 4Q on higher sales
- Divfex's 51%-unit clinches new contract to supply data centre equipment worth RM18.5m
- MGB bags related-party apartment construction job in Cameron Highlands

Daily Trading Participations

	Buy (RM'm)	Sell (RM'm)	Net Buy (RM'm)
Local Institutions	962.7	1010.4	-47.7
Local Retails	450.6	496.2	-45.5
Foreign	809.4	716.2	93.2

Sources: Bloomberg

12 February 2025

Market Indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBMKLCI	1,589.95	-1.0	-3.2
FBMEmas	12,124.01	-25.5	-3.7
FBMSHA	11,934.06	-51.6	-5.2
FBMSCAP	17,291.73	-64.0	-3.7
FBMACE	5,230.79	-29.6	-2.8
F4GBM	973.78	-1.6	-3.5
F4GBMS	974.73	-4.1	-5.3

Foreign

Dow Jones	44,593.65	123.24	4.8
S&P 500	6,068.50	2.06	3.2
Nasdaq	19,643.86	-70.41	1.7
FTSE	8,777.39	9.59	7.4
Hang Seng	21,294.86	-227.12	6.2
Nikkei	38,787.02	14.15	-2.7
Shanghai CI	3,318.06	-4.11	-1.0
Strait Times	3,860.76	-14.37	1.9

Currencies

BNM Middle Rate	Last	Daily chg	YTD
USD / MYR	4.44	0.0042	-0.7
GBP / MYR	5.52	-0.0259	-1.7
JPY / MYR	2.93	-0.0104	3.0
EUR/MYR	4.60	-0.0115	-1.2
SGD / MYR	3.30	-0.0060	0.3
CNY / MYR	0.61	-0.0002	-0.1
AUD / MYR	2.81	0.0013	1.0

Bond Yield Movements

		Yield D. Chg (bps)	
MGS	3- year	3.44	0
	10- year	3.80	0
GII	3- year	3.33	0
	10- year	3.82	0
UST	2- year	4.28	1
	10- year	4.54	4

Commodities

	Last	Daily chg	D. chg %
CPO (3rd month)	4,505.00	96.0	2.2
Brent (1st month)	76.78	0.9	1.2
Gold (spot)	2,897.91	-10.4	-0.4

Source: Bloomberg

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Market Pulse



Source: Trading View, Phillip Research

The FBMKLCI lost 0.96 points or 0.1% to close at 1,589.95 points. Daily losers for FBMKLCI constituents at 16 counters outweigh the gainers at 9 counters, while 5 remain unchanged. FBMKLCI losers were led by Sime Darby Plantation Bhd, MISC Bhd and Genting Bhd which lost 2.2%, 2.0% and 1.8%, respectively. On the broader market, daily losers at 590 outweigh the gainers at 367 counters, while 502 remain unchanged. The local market tracked the negative sentiment

The 2 sectorial daily gainers are Financial (+0.1%) and REIT (+0.1) led by AMMB Holdings (+1.8%) and Tower Real Estate Investment (+1.7%) respectively. The top 3 sectorial daily losers are Technology (-1.9%), Construction (-1.0%), and Plantation (-0.7%) led by Inari Amertron Bhd (-4.0%), Sycal Ventures Bhd (-5.1%) and SD Guthrie Bhd (-2.2%) respectively.

Table 1: Our Picks

Company	Ticker	Rating	Price (RM)	TP (RM)	Upside (%)
Fundamental					
Banking					
Affin Bank	ABANK MK	Sell	2.83	2.40	-15.2
Alliance Bank	ABMB MK	Hold	5.29	4.70	-11.2
Ambank	AMM MK	Buy	5.80	6.30	8.6
CIMB Bank	CIMB MK	Buy	8.40	9.30	10.7
Hong Leong Bank	HLBK MK	Buy	20.40	24.30	19.1
Maybank	MAY MK	Buy	10.46	11.40	9.0
Public Bank	PBK MK	Buy	4.45	5.10	14.6
RHB Bank	RHBBANK MK	Buy	6.48	7.50	15.7
Construction					
AME Elite	AME MK	Buy	1.66	2.15	29.5
Gamuda	GAM MK	Buy	4.48	5.55	23.9
Kerjaya Prospek	KPG MK	Buy	2.13	2.60	22.1
Sunway Construction	SCGB MK	Hold	3.98	4.50	13.1
Binastra	BNASTRA MK	Buy	1.85	2.30	24.3
EMS					
Natongate	NATGATE MK	Buy	1.97	3.00	52.3
Gaming					
Genting Malaysia	GENM MK	Buy	2.22	3.30	48.6
Genting	GENT MK	Buy	3.58	4.75	32.7
RGB International	RGB MK	Buy	0.40	0.71	77.5
Healthcare					
Optimax	OPTIMAX MK	Buy	0.59	0.80	35.6
UMediC	UMC MK	Buy	0.59	0.78	33.3
Rubber Glove					
Hartalega	HART MK	Buy	3.52	4.55	29.3
Kossan	KRI MK	Buy	2.44	3.15	29.1
Top Glove	TOPG MK	Hold	1.22	1.44	18.0
Industrial					
Critical	CHB MK	Buy	0.86	1.65	93.0
HE Group	HEGROUP MK	Buy	0.41	0.84	107.4
MN Holdings	MNHLDG MK	Buy	1.04	1.45	39.4
Oil & Gas					
Bumi Armada	BAB MK	Buy	0.66	0.93	40.9
Dayang Enterprise	DEHB MK	Buy	2.12	4.50	112.3
Pantech	PGHB MK	Buy	0.89	1.30	46.1
Uzma	UZMA MK	Buy	0.70	1.45	107.1
T7 Global	T7G MK	Buy	0.47	0.66	41.9
Property					
Legenda Properties	LAGENDA MK	Buy	1.32	2.00	51.5

SkyWorld Development	SKYWLD MK	Buy	0.51	1.10	115.7
Renewable					
Solarvest	SOLAR MK	Buy	1.74	2.00	14.9
Pekat	PEKAT MK	Buy	1.15	1.15	0.0
BM Greentech	BMGREEN MK	Buy	1.89	2.65	40.2
Technology					
D&O	DOGT MK	Buy	1.75	3.00	71.4
Frontken	FRCB MK	Buy	3.90	6.00	53.8
Greatech	GREATEC MK	Buy	2.01	3.00	49.3
Pentamaster	PENT MK	Buy	3.63	4.80	32.2
TT Vision	TTVHB MK	Buy	0.59	1.05	78.0
UWC	UWC MK	Buy	2.93	3.57	21.8
Telco					
OCK Group	OCK MK	Buy	0.43	0.85	100.0
Maxis	OCK MK	Buy	3.48	4.20	20.7
CelcomDigi	MAXIS MK	Buy	3.80	4.15	9.2
Telekom Malaysia	CDB MK	Buy	6.77	8.35	23.3
Axiata Group	T MK	Hold	2.28	2.45	7.5
Transport					
AGX Group	AGX MK	Buy	0.56	0.84	51.4
Technical					
SP Setia	SPSB MK	Buy	1.42	2.00	40.8
Naim Holdings	NAIM MK	Buy	1.10	1.49	35.5
Airasia X	AAX MK	Buy	1.84	2.18	18.5
Seal Incorporated	SEAL MK	Buy	0.74	0.89	19.6
SNS Network Technology	SNS MK	Buy	0.55	0.94	72.5
JCY International	JCYH MK	Buy	0.47	0.75	59.6

Source: Bursa, Bloomberg, Phillip Research, price as of 10 February 2025

Malaysian news highlights

Malaysia continues to attract foreign investment due to clear policies — Anwar

The Malaysian government's meeting with United Kingdom (UK)-based technology company Arm Ltd on Monday proves that clear policies such as the National Semiconductor Strategy, along with the country's other advantages, continue to make Malaysia a prime destination for foreign investment, said Prime Minister Datuk Seri Anwar Ibrahim. In a Facebook post, he said that during his meeting with Arm executive vice president and chief commercial officer Will Abbey, accompanied by Economy Minister Datuk Seri Rafizi Ramli, they exchanged views on the direction of computing technology to help Malaysia strengthen its position as a hub especially in relation to the semiconductor and data centre ecosystem. (Source: [TheEdgeMarkets](#))

Selection of companies for vehicle inspection service based on procurement and financial procedures — MOT

The selection process for vehicle inspection service companies at Motor Vehicle Inspection Centres (PPKM) is carried out based on procurement and financial procedures, to ensure that the services are of high quality, transparent, and competitive. The Ministry of Transport (MOT) informed that all 12 companies that submitted proposals in the Request For Proposal (RFP) process before the closing date of Oct 31, have been evaluated according to the procedures set out in the Treasury Circular 2.8. (Source: [TheEdgeMarkets](#))

Discussions on Sarawak-Singapore undersea cable to be finalised soon — Abang Johari

The construction method for the 1,000-megawatt (MW) undersea electricity transmission project from Sarawak to Singapore is expected to be finalised in the first quarter of this year, according to Sarawak Premier Tan Sri Abang Johari Tun Openg. He also expects this to be followed by a conditional agreement between Malaysia and Singapore. Earlier, he delivered a public lecture at the ISEAS-Yusof Ishak Institute, here. (Source: [TheEdgeMarkets](#))

MOF says no final decision yet on new excise tax regulations for auto industry

The Ministry of Finance (MOF) said it has yet to make a final decision on the possible enforcement of the new excise tax regulations, which could lead to a significant increase in vehicle prices. In a statement on Tuesday, MOF said it, together with the Ministry of Investment, Trade and Industry (Miti) and the automotive industry, is currently reviewing the vehicle valuation method to ensure that the imposition of tax is carried out in a fair, neutral and consistent manner. (Source: [TheEdgeMarkets](#))

Malaysia, Türkiye should collaborate in key sectors to achieve US\$10b trade target, says Anwar

Malaysia and Türkiye need to collaborate in various sectors, including semiconductors, agri-commodities, electrical and electronics (E&E) as well as food and beverages (F&B) to achieve the US\$10 billion (RM44.68 billion) bilateral trade target, says Prime Minister Datuk Seri Anwar Ibrahim. On Monday, Turkish President Recep Tayyip Erdogan, who is on a two-day official visit to Malaysia at the invitation of Anwar, said Türkiye aimed to double its trade with Malaysia to US\$10 billion after surpassing the US\$5 billion (RM22.34 billion) mark in 2024. (Source: [TheEdgeMarkets](#))

Malaysia commits to deepening airport partnership with Türkiye — Anwar

Prime Minister Datuk Seri Anwar Ibrahim conveyed his appreciation to the Turkish government's trust in Malaysia Airports Holdings Bhd (MAHB) (KL:AIRPORT), reaffirming the strong partnership in managing Istanbul Sabiha Gokcen International Airport (ISGA). He emphasised that the confidence in MAHB's investment reflects the strength of bilateral relations, assuring that Malaysia remains dedicated to collaborating closely with local authorities, construction firms and management teams to ensure the partnership's continued success. (Source: [TheEdgeMarkets](#))

Global news highlights

Trump to consider exemption for Australia on steel, aluminium tariffs

US President Donald Trump agreed to consider exempting Australia from his steel and aluminium tariffs in view of the country's trade surplus with the US, following a phone call with Prime Minister Anthony Albanese. Trump substantially raised tariffs on steel and aluminium imports on Monday, cancelling exemptions and duty-free quotas for major suppliers in a move that could boost the risk of a multi-front trade war. His action reinstated a 25% tariff on millions of tons of steel and aluminium imports that had been entering the US duty free under quota deals, exemptions and thousands of product exclusions. (Source: [TheEdgeMarkets](#))

New Zealand weighs whether to relax foreign homebuyer ban

New Zealand's government is considering whether to relax a ban on foreigners buying residential property, Finance Minister Nicola Willis said. New Zealand has one of the world's most prohibitive policies on foreigners buying residential real estate. Other than citizens and tax residents, only Australian and Singaporean citizens have the right to purchase houses, due to pre-existing trade agreements. (Source: [TheEdgeMarkets](#))

Thai PM orders study on impact of US trade policy on exports

Thailand's Prime Minister Paetongtarn Shinawatra has ordered a study on the potential impact of US trade policy on Thai exports, an official said on Tuesday, underlining concerns that its trade surplus with Washington could become an issue. Thailand had a surplus last year of US\$35.4 billion (RM158.25 billion) with the US, according to the commerce ministry, which has cited challenges to growing exports, a key driver of Thailand's economy, due to President Donald Trump's uncertain trade policies. (Source: [TheEdgeMarkets](#))

Oil climbs on supply worries, Trump tariffs check gains

Oil prices extended gains on Tuesday amid concerns over Russian and Iranian oil supply and sanctions threats despite worries that escalating trade tariffs could dampen global economic growth. Brent crude futures were up 98 cents, or 1.3%, at US\$76.85 a barrel by 1011 GMT, while US West Texas Intermediate crude rose 92 cents or 1.3% to US\$73.24. Both contracts posted gains of near 2% in the prior session after three weekly losses in a row. (Source: [TheEdgeMarkets](#))

Too early to see impact of US tariffs on world economy, IMF head says

US tariffs are an "evolving story" and it is too early to assess their impact on the world economy, International Monetary Fund Managing Director Kristalina Georgieva said on Tuesday. Georgieva said the world economy appeared remarkably resilient, despite a series of unprecedented shocks. The outlook for inflation was hard to predict, she suggested. (Source: [TheEdgeMarkets](#))

Corporate news

Keyfield secures two vessel charter jobs worth RM56m

Keyfield International Bhd (KL:KEYFIELD) has bagged two contracts worth a total of RM56 million for vessel charter jobs from Petronas Carigali Sdn Bhd. The contracts — a work order award and extension — granted to the company's wholly owned unit Keyfield Offshore Sdn Bhd were for the charter of two dynamic positioning 2 accommodation workboats, according to the offshore support vessel (OSV) operator's bourse filing on Monday. The award and extension were issued under Petronas' panel contractor contract for OSV services. (Source: [TheEdgeMarkets](#))

TMC Life Sciences falls to 2Q loss on contract issues as previously flagged

MC Life Sciences Bhd (KL:TMCLIFE) sank into the red in the second quarter, dragged by termination and discount of customer contracts. The healthcare provider posted a net loss for the second quarter ended Dec 31, 2024 (2QFY2025) of RM947,000 versus a net profit of RM14.52 million, as revenue fell 14.2% to RM80.43 million as compared to RM93.78 million, according to its bourse filing on Monday. (Source: [TheEdgeMarkets](#))

Biscuit maker Hup Seng maintains record earnings streak in 4Q on higher sales

Biscuit maker Hup Seng Industries Bhd (KL:HUPSENG) sustained its record earnings streak in the fourth quarter of 2024, with net profit rising 26.74% year-on-year, driven by higher sales. The commercial operation of its new oven, which commenced in the third quarter, contributed to increased production capacity, resulting in higher sales, the company said in a bourse filing on Monday. Net profit for the three months ended Dec 31, 2024 (4QFY2024) climbed to RM17.34 million — its highest since listing in 2000 — from RM13.68 million a year earlier. Earnings per share rose to 2.17 sen from 1.71 sen. (Source: [TheEdgeMarkets](#))

Divfex's 51%-unit clinches new contract to supply data centre equipment worth RM18.5m

Divfex Bhd's (KL:DFX) 51%-owned subsidiary Excel Commerce Solutions Sdn Bhd has clinched a new letter of award valued at RM18.5 million to supply and install data centre equipment systems. The project, which was awarded by Extreme Broadband Sdn Bhd, is set to commence this month and expected to be completed by August, said Divfex in a filing with Bursa Malaysia on Monday. Excel Commerce Solutions had previously secured a similar contract from Extreme Broadband in August 2024 for the supply and installation of data centre equipment systems worth RM46.6 million at the time. (Source: [TheEdgeMarkets](#))

MGB bags related-party apartment construction job in Cameron Highlands

MGB Bhd (KL:MGB) has secured a contract worth RM194.72 million to undertake the construction of a 22-storey serviced apartment in Cameron Highlands. This raises the construction and property developer's outstanding order book to RM1.27 billion, according to its bourse filing on Monday. MGB — in which LBS Bina Group Bhd (KL:LBS) owns a 57.7% stake — said the contract was awarded to MGB's wholly-owned unit MGB Construction & Engineering Sdn Bhd by LYK Architect Sdn Bhd, on behalf of Casa Inspirasi Sdn Bhd. (Source: [TheEdgeMarkets](#))

Mydin targets over RM3b in sales this year

Halal wholesaler and retailer chain Mydin Mohamed Holdings Bhd aims to rake in RM3.2 billion in sales revenue for this year. Executive director Salim Mydin said the target is achievable, given that sales revenue grew to RM3.03 billion last year compared to RM3.0 billion in 2023. "The increase in sales revenue is also influenced by several factors, such as programmes organised by the government through Jualan Rahmah Keluarga Madani and products by local entrepreneurs, including clothing, food and others. "In addition, we are also improving customers' convenience via the Mydin Online, Mydin Pay, Mydin Rewards and TikTok applications in line with current trends," he told Bernama recently. (Source: [TheEdgeMarkets](#))

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