MSM Malaysia Holdings Berhad

(5202 | MSM MK) Main | F&B

Maintain BUY

Indulging into a Sugary Earnings Cycle!

***Revised* Target Price: RM4.48**
(Previously RM3.43)

KEY INVESTMENT HIGHLIGHTS

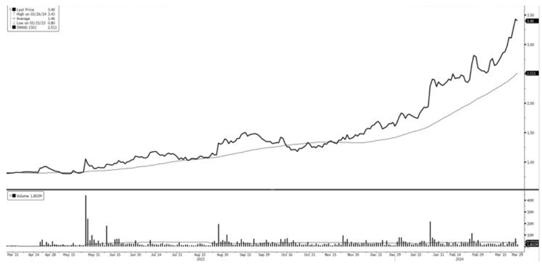
- **Normalisation of local sugar price is inevitable**
- **Higher Export sugar ASP riding on the supply-gap issues**
- **Johor refinery; ready to take-off**
- **We tweak FY24E-25F earnings forecast higher by +20%/+5%**
- **Reiterate BUY call with a new TP of RM4.48**

RETURN STATISTICS	
Price @ 02nd April 2024 (RM)	3.27
Expected share price return (%)	+36.88
Expected dividend yield (%)	+0.92
Expected total return (%)	**+37.79**

Company Background

MSM Malaysia Holdings Berhad (MSM) stands as Malaysia's leading refined sugar producer, established on 10 March 2011, and listed on the Main Market of Bursa Malaysia Securities Berhad on 28 June 2011. With an annual production capacity of approximately 2.05m Mt, MSM serves as a cornerstone in the industry, offering a diverse array of refined sugar products. Its two operating subsidiaries, MSM Prai Berhad (established in 1959) and MSM Sugar Refinery (Johor) Sdn Bhd (founded in 2018), exemplify MSM's commitment to nation and broader landscape.

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	21.0	23.2
3 months	111.2	95.8
12 months	322.4	285.4

Executive Summary

We remain optimistic on MSM and reaffirm our **BUY** call with a new target price of **RM4.48** by pegging its FY24 EPS of 37.3 sen to a PER of 12x, aligning with the historical FY14-15 average PE of 11.7x. We think our valuation is justified, as MSM anticipated to register higher EPS, on moderation of raw sugar price and comparable to levels seen in FY14-15. Excitingly, the worst is over for MSM, given the rectification in MSM Johor have been done, this would allow the group to ramp up its melting activities ahead of growing demand in APAC countries due to supply gap issues, potentially driving the share price to where it was.

Central to our investment thesis is the normalization of local and export average selling prices (ASPs) combined with improved sales volume - post Johor refinery rectification works, this would lift higher group's sugar yield and reduced cost of production proportionately, hence, paving the path for a sustainable profit and margin levels of 6-8% over FY24E-FY26F (relatively same level with-it peer).

INVESTMENT STATISTICS

FYE Sep	2024E	2025F	2026F
Revenue	3,863.7	4,090.5	4,317.0
Operating Profit	289.1	331.2	388.2
Profit Before Tax	270.3	314.1	372.8
Core PATAMI	262.2	304.7	361.6
Core EPS	37.3	43.3	51.4
DPS	3.0	3.0	3.0
Dividend Yield	0.9%	0.9%	0.9%

KEY STATISTICS	
FBM KLCI	1,547.99
Issue shares (m)	702.98
Estimated free float (%)	20.8
Market Capitalisation (RM'm)	2,298.5
52-wk price range	RM0.79-RM3.45
3-mth average daily volume (m)	3.70
3-mth average daily value (RM'm)	8.61
Top Shareholders (%)	
Felda Global	51.1
Koperasi Permodalan Felda	15.3
Amanah Saham Nasional	8.5

Investment Thesis

A sweet return. We remain sanguine on MSM's long term business prospects, given that all rectification works in the Johor Refinery have been completed. This refinery can now operate to a full throttle,

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increasing its capacity utilisation factor (UF) from 15-25% to 35-45% in FY24E-25F, thereby paving a better economies of scale in refining cost structures ahead. Additionally, we foresee that post-implementation of PADU, the government would be able to later expand the targeted subsidy range. It is possible that the expansion may not be limited to fuel ceiling prices only but also could varying to many other staples, particularly coarse grain sugar (CGS) and fine granulated sugar (FGS). Note that, CGS and FGS ceiling price have never been above RM2.85/kg and RM2.95/kg respectively. Based on our study, retail CGS prices have increased by only one sen over the past decade, from RM2.84/kg in 2013 to the current RM2.85/kg. The fact that sugar is not subsidised by the government and the industry has never struggled to deal with rising input costs before.

With the launch of the PADU system, this will allow the government to streamline its aid to eligible targeted recipients while simultaneously restructuring the existing irrational sugar ceiling price to the market price. Separately, this initiative will aid sugar industry players as well, like MSM and CSR in navigating and overcoming margin losses arising from its main input cost, which is NY11 sugar, all while ensuring food security. Since November 2023, MSM has been receiving incentives amounting to RM1,000 for each metric tons from the government for the sugar it supplies to the local market (MSM is required to supply 24,000 Mt per month).

On that note, MSM's share price notably in upward trend started in November 2023 (where we upgraded MSM to BUY call with a TP of RM1.70 then to RM3.43), the stock price surged above RM2.00 in less than 2 months, which is the highest since December 2018. Not surprisingly, the share price fell sharply and was noticeably off the radar of investors from 2019-2022, when the company embarked into a 2nd refinery in Southern region. The company's share price was buoyed by fundamental instability stemming from low utilization factor (UF) in its Johor refinery. It was beset with some difficulties with boiler malfunctions, system inefficiencies and heightened raw sugar costs squeezed margins. On top of that, local sugar demand waned as Malaysia was hit multiple waves of Covid-19 infections. Thus F&B and Retail sectors struggled due strict SOPs during lockdown implementations.

Potential valuation expansion and earnings growth potential. Arguably, we believe that there is potential for valuation expansion and the earnings growth potential of F&B companies like MSM should not be underestimate. We believe the stock stands to benefit from the normalisation of the ceiling prices, which would be in stages, after the implementation of targeted subsidies. Reasonably, Malaysia's coarse sugar price have been irrational cheap compared to its neighbors such Singapore (RM6.11 - RM6.79/kg), Kalimantan (RM4.50/kg), Sumatera (RM4.20 - RM4.50/kg) and Southern Philippines (RM8.50 – RM9.50/kg). With the expected rollout of targeted subsidy in 2HCY24, we foresee the restructuring of sugar ceiling will progress, paving a sugary earnings cycle for MSM ahead. At the current level, we view the stock's 8.8x PE based on EPS of 37.3 sen as attractive, and it is 25% discount to the group's historical FY14-15 average PE of 11.7x (*refer Table 1*). Hence, we reiterate our **BUY** Call with a new TP of **RM4.48** on the stock, by pegging its FY24 EPS of 37.3 sen to PER of 12x.

Chart 1: Undervaluation of MSM share price

Table 1: Historical MSM PER normally >10x

Year	PER (x)	S. Price (RM)	EPS (sen)
FY12	13.1x	3.77	28.74
FY13	11.4x	4.14	36.23
FY14	11.8x	4.30	36.56
FY15	11.6x	4.54	39.16
FY16	28.2x	4.85	17.17
FY17	NM	3.97	-4.63

*Source: *Not meaningful (NM), Bloomberg, MIDFR*

Indulging into a Sugary Earnings Cycle!

A new dawn: fundamental issues resolved. Historically, MSM's Johor refinery encountered numerous issues since it began operations back in 2019. The root causes were mainly attributed to manpower and boiler issues and inefficient discharging activities, resulting in the underutilization of its raw sugar warehouse capacity and subsequently low melting activity. Post-rectification works in the Johor refinery, we remain upbeat about the MSM's turnaround, with the UF having increased to 30-35% in the last November-December period. The continued improvement in UF is expected to enhance the entire group UF by 50-67%, resulting in a moderation of the cost of production from RM3,024/Mt to RM2,794/Mt as well better blended operating profit per tonne, estimated to be around RM2,919-2,794/tonne over the next 3 years. The root issues are discussed as follows:

- **Raw Sugar warehouse.** MSM's Johor used to experience discharge issues, where logistic activity between vessels and the warehouse relied on tipper trucks to unload the raw sugar, leaving them with approximately 100,000 Mt or 33% of raw sugar below full capacity. However, since last year, logistic improvements have been made. A dumping station was constructed, and an overhead conveyor was installed to efficiently facilitate the loading and unloading of raw sugar, resulting in the proper utilization of the warehouse. The new equipment also ensures the creation of a fine triangle shape, in other words, proper wall-to-wall stockpile storage. With these enhancements, it can now maximize the warehouse capacity two-fold, aiming for a total of 300,000 Mt.

- **Boilers.** Previously, the boilers faced challenges, struggling to generate the necessary steam volume due to issues related to fabrication quality and occasional leaks. Boilers 1 and 2 operated below its intended capacity due to maintenance difficulties. Over the past few years, the practicality for melting activities rested on just one of them, demonstrating its capability to handle up to only 70-80,000 Mt. To address these challenges, 3 boiler experts were engaged to improve its effectiveness.

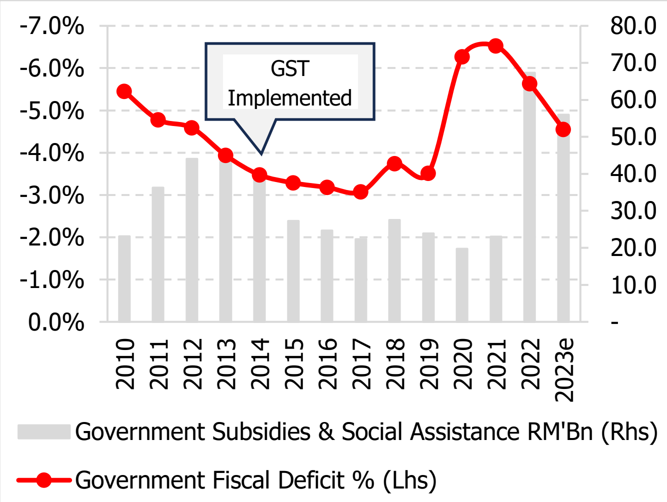
  With an anticipated recovery in the raw sugar warehouse, supported by enhanced boiler capabilities, there is a potential upturn in melting activities, reaching an estimated range of 140,000 to 200,000 Mt by year-end. This potential increase, in UF ranging from 50-60%, is expected to yield a noteworthy reduction in the refining cost, estimated at below RM700/Mt, down from RM800/Mt. Additionally, a spare boiler, Boiler No. 3, which is designated for backup and maintenance, is scheduled to be completed by 1QCY25 to mitigate reliability issues. This strategic setup is deemed crucial for ensuring the continuity of the high melting rate envisioned by the management.

- **Manpower**. In the context of maintenance operations, the frequent turnover of employees in recent years has posed challenges to productivity, along with inadequate maintenance practices. To address this, management has established a specialized refinery team, leveraging knowledge transfer sessions facilitated by experts from other refineries. A robust maintenance program has been implemented for the boilers, complemented by the expansion, and enhanced retention program for the technical team.

Opportunities arise amidst the uncertainty. Looking at the sugar regional landscape, the market share remains competitive as most of the regional F&B players bought directly, enjoying a low-mill gate price from the producer countries which are from Brazil, Thailand, and India. However, due to peculiar weather situation for the past 2 years which resulted in fallen yields, this has prompted India to impose export ban (still ongoing as of now) in attempt to safeguard its national interest. Since that, the concerns among the regional F&B players increased providing opportunities. Recall back, MSM Johor which is strategically located in Tanjung Langsat Port, with capex of RM14m, has just finished its new refine sugar warehouse expansion to around 10,000 Mt. The need for expansion is to align with ramp up activities post-rectification, as the management foresee there is supply gap amidst the uncertainty in other sugar producing countries. Apart from that, the closure of two external warehouses in Johor, saved about RM0.9m in FY22.

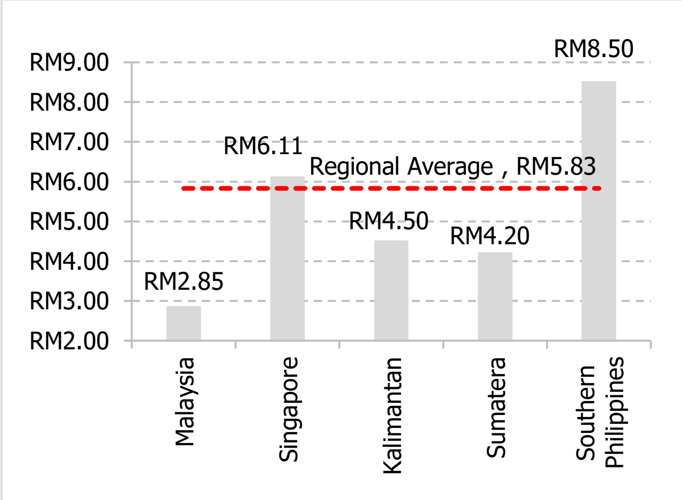
Recently, there were a few potential clients who have started to engage with MSM, partly due to the reliability risks associated with being highly dependent on 2 producer countries (India and Thailand), as a decline in yield has limited their exports. On the other hand, MSM's sugars undergo careful refinement after a stringent clarification process. This is not only making its fine sugar easier to integrate into the production line but also adds more value to its brand equities in the eyes of potential clients. During our recent site visit, it was noted that the expanded refine sugar warehouse is currently operating at a utilization rate of 10%. However, with ongoing ramp-up melting activities – better demand from new potential clients, the refined sugar warehouse is anticipated to achieve a utilisation rate of 40-50% over the next 2 years.

Chart 2: Federal Government Fiscal Deficit



Source: CEIC, MOF, MIDFR

Chart 3: Malaysia's CGS Ceiling price way to cheap



Source: Company, MIDFR

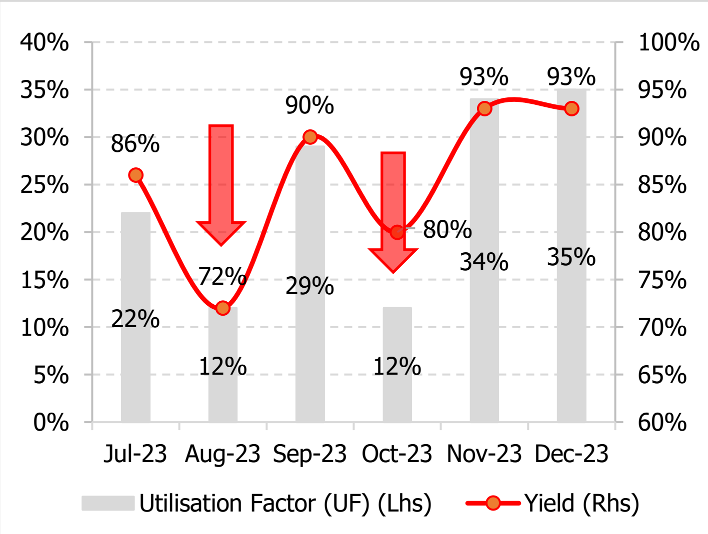
Change of Tide. We foresee a normalization of the sugar ceiling price in stages once the targeted subsidy is implemented which we expect to be in 2HCY24. Using PADU, we believe will allow the government to streamline aid to eligible recipients while simultaneously restructuring the existing irrationally low sugar ceiling price to align with the market price. Reasonably, Malaysia's CGS have been inexpensively priced compared to its neighbors such as Singapore (RM6.11 - RM6.79/kg), Kalimantan (RM4.50/kg), Sumatera (RM4.20 - RM4.50/kg), and Southern Philippines (RM8.50 – RM9.50/kg). What stands out is that the sugar ceiling price has never exceeded RM2.85 per kg for coarse sugar and RM2.95 per kg for refined sugar. Based on our study, retail sugar prices have increased by only 1 sen over the past decade, from RM2.84/kg in 2013 to the current RM2.85/kg.

Recently, due to the financial challenges stemming from its primary input cost, which is NY11 sugar, MSM has been receiving government support since Nov-2023 to ensure its continued operational stability. It is in the form of incentives which amounts to RM1,000 for each metric ton. In return, MSM is obligated to supply 24,000 metric tons of sugar to the local market on a monthly basis. While we do anticipate the incentive would not to be prolonged, given the fiscal and subsidies situation, we foresee a normalisation of sugar ceiling price would take in stages. Based on our sensitivity analysis, an increase of +10 cents of sugar price in FY25 will increase MSM bottom-line to RM304m (+16%yoy), or RM25.4m (+16%yoy) on monthly basis.

Snapshot of FY23 results. In summary, MSM FY23's performance remains decent, with its topline surging to RM3.09bn (+20%yoy) while earnings losses dropped to -RM49.9m (+72%yoy). The revenue was well generated by its robust ASP from each segment. Notably, the wholesale, industry and the export revenues were up by double digit growth thanks to the higher ASP realized, which increased from RM2,700/Mt to above RM3,000/Mt (>+10%yoy). This has led to an operating profit of RM11.8m from loss of -RM150.6m in prior year.

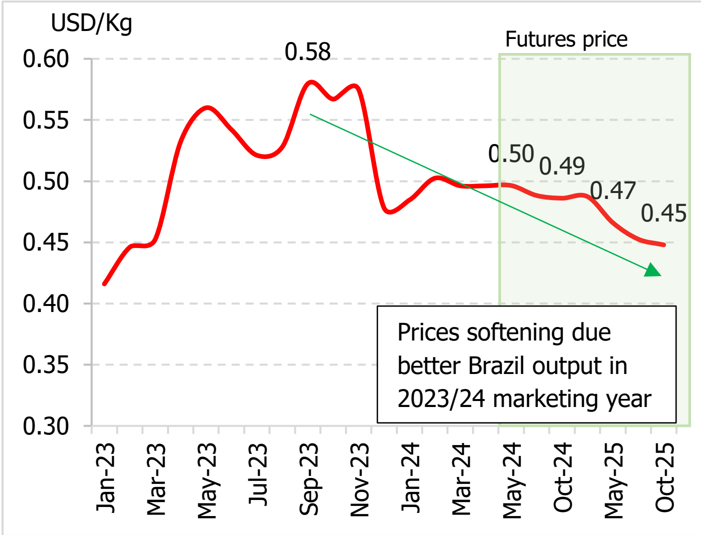
Operational wise, utilization factor (UF) in Johor refinery for 2HFY23 averaged 24%. The disappointment was due to planned shutdown in Aug (UF: 12%) to replace a critical vapour steam valve, compounded by a major shutdown for plant maintenance in Oct (12%). Nonetheless, post-rectification works, with both boilers currently in operation, MSM Johor is able to operate without any major hiccups and the UF manage to reach above 30% levels (*Chart 4*). In recent briefing, the management guided in December 2023, MSM Johor had managed to reach over 1,400Mt melting per day, equivalent to a UF of 47%, this led to MSM Johor historic profit for the first time since plant commercialization. Remarkably, highest 2023 monthly yield was recorded in both November and December 2023 at 93% (highest 2022 in November 2022 at 92%). With that, the management foresee in FY24, MSM Johor to achieve breakeven at minimum 40% UF, while MSM Prai UF c. 80% – 85%.

Chart 4: Johor refinery utilization factor for 2HFY23



Source: Company, MIDFR

Chart 5: Softening raw sugar prices ahead



Source: MIDFR

Sugar Price Outlook. Sugar output in CY24 remains muddled, with the top 3 sugar-producing countries, such as Brazil, India and Thailand, being impacted by peculiar weather patterns (El-Nino and emerging La-Nina event), which led to poorest monsoon rainfall in 5 years in India, and severe drought in Thailand. Having said that, sugar production in India for 2023/24 is anticipated to inch up by +2.9%yoy to 34m Mt, while Thailand is expected to be lower by -32%yoy to 7.5m MT (17-year low). These bearish factors, however, are cushioned by optimism in Brazil, as recent developments suggest that Brazilian sugar output so far in the 2023/24 marketing year through mid-March is up +26%yoy to 42m Mt. Broadly, an El Nino weather pattern typically brings heavy rains to Brazil and drought to India; this will lead to a possible unchanged sugar crop production in CY24 in a way.

On that note, the NY11 futures price contract has fallen (*Chart 5*) and skewed towards consolidation mode as the supply risks scaled down. With sugar futures price seems to be in a downward trend now, falling from USD0.50/Kg to USD0.45/Kg, this should leave some margin to be fetched by MSM this year onward.

Strong earnings to be sustained

Earnings Forecast. Post-results update, we tweak MSM's earnings slightly higher, consistently above RM262.2-RM361.5m over FY24-26F, riding on normalization of profit backed by new potential sales volume from export market – due to supply gap and a new hybrid pricing mechanism as we chipped in the government incentive program to Wholesale; CGS 1kg average selling price. Our underlying earnings assumptions are detailed in *Table 3* below:

Table 2: Earnings Outlook for FY24E-26F

(All in RM'm unless stated otherwise)	FY2022	FY2023	FY2024E	FY2025F	FY2026F
Revenue	**2,566.0**	**3,091.2**	**3,863.7**	**4,090.3**	**4,316.8**
Operating Profit	-150.6	11.8	289.1	331.0	388.0
Profit Before Tax	-178.5	-28.0	270.3	314.0	372.6
Net Profit	**-178.7**	**-49.9**	**262.2**	**304.5**	**361.5**
EPS (sen)	NM	NM	37.3	43.3	51.4
PER (x)	NM	NM	8.8x	7.5x	6.4x
Div. Yield (%)	NM	NM	0.9%	0.9%	0.9%

*Source: Company, MIDFR estimates, *Not meaningful (NM)*

Table 3: Revenue driver for FY24E-26F

(All in RM'm unless stated otherwise)	FY2022	FY2023	FY2024E	FY2025F	FY2026F
Group Utilisation Factor (UF)	46%	48%	58%	61%	67%
Total Sales Volume 'tonne	**977,001**	**976,809**	**1,190,000**	**1,260,000**	**1,370,000**
Wholesale Sales Volume	353,163	399,117	411,091	423,423	436,126
Industry Sales Volume	392,935	368,316	379,365	390,746	402,469
Export Sales Volume	216,939	209,376	399,544	445,830	531,405
Blended Average Selling (RM/Mt)	**2,528**	**3,094**	**3,247**	**3,246**	**3,151**
Average Selling Wholesale	2,710	3,252	3,644	3,680	3,647
Average Selling Industry	2,703	2,838	3,216	3,133	3,033
Average Selling Exports	2,351	2,920	2,866	2,933	2,833

Source: Company, MIDFR estimates

Our key assumptions are discussed as follow:

- **Revenue.** As aforementioned, we anticipate revenue to remain exciting, raising +12% CAGR over FY24-26F, to reflect higher contribution from export's sales volume, which is expected to grow by two-fold to nearly 400,000Mt level. Reasonably, this is achievable, as the group is banking on higher MSM Johor UF c. 35% and new potential clients particularly from Indonesia and Philippines – due to supply shortage. Our sensitivity analysis suggests that a +5% increase in Johor refinery could add another 50,0000Mt to the sales volume, translating to an estimated additional RM20.9m to the bottom line. Additionally, with the rollout of PADU system, the government delivery of financial aid will be refined to better assist the eligible targeted recipients.

  On that note, we forecast the support from the government to MSM will gradually decline, moving towards a hybrid mechanism where the incentive and restructuring of the existing irrational sugar ceiling price will come in tango, at least in FY25. This should help the blended average selling price to stay above RM3,000/Mt level (*Table 3*), paving an ample room for MSM to absorb the high cost of production. Our sensitivity analysis suggests an increase of +10 cents of sugar price in FY25 will increase MSM bottom-line to RM304m (+16%yoy), or RM25.4m on monthly basis.

- **COGS & Earnings.** Sugar is not subsidized (it was only started last November) by the government, and the industry never struggled to deal with rising input costs (amidst weakening ringgit) before. The increase in the cost of production was driven by the rise in raw sugar, NY11. Post-pandemic, NY11 showed an upward trend, trading in a range above USD0.29-0.50/Kg. This relatively translates to an estimated blended raw sugar cost of RM2,000-2,500/Mt, after factoring the weakened average USDMYR ranging from 4.120 to 4.588.

Looking ahead, as we USDMYR to strengthen to an average of 4.25-4.15 over FY24-26 (in-house estimates), and with the combination of softening futures raw sugar price (*Chart 5*), we estimate the blended raw sugar cost to be within the range of RM2,466-2,283/Mt. This has left our estimated refining costs to remain c. RM453-701/Mt on natural gas price pricing at RM47-55/mmbtu. On that note, operating profit to stabilize about RM289.1-388.2m, with margin of 7.5-9.0% over the next 3 years, paving the path for a sustainable net profit of RM262.2 to RM361.6m, with a margin level of 6-8% over FY24E-FY26F (6-9% profit margin is comfortable margin for sugar refinery).

Valuation. At the current level, we view the stock's 8.8x PE based on EPS of 37.3 sen as attractive, and it is 25% discount to the group's historical FY14-15 average PE of 11.7x. Hence, we think it deserves a re-rating, we reiterate our **BUY** Call with a revised TP of **RM4.48** (from RM3.43), pegging its FY24 EPS of 37.3 sen to PER of 12x. We think our valuation is justified, we anticipate MSM to register higher EPS, on moderation of raw sugar price and comparable to levels seen in historic profit FY14-15. Excitingly, the worst is over for MSM, given the rectification in MSM Johor have been done, this would allow the group to ramp up its melting activities ahead of growing demand in APAC countries due to supply gap issues.

Key risks. Key risks to our earnings and TP as follow:

- **The government incentive.** The cessation of the government incentive of RM1.00 for 24,000Mt of CGS 1kg would immediately reverse its profitability. This is because the incentive is directly provided to sugar industry players in consideration of the high cost of production and the CGS ceiling price cap.
- **MSM Johor Utilization Factor.** A lower-than-expected utilization factor at MSM Johor, stemming from the possibility of other defects in the boilers, could erode export ASP margins, as the southern refinery was built for export purposes. The decline in the previous export margin, attributed to lower ASP, was due to slower supply of finished products in the preceding contracts.
- **Expansion of export ban from other producer countries.** As a significant portion of MSM's raw sugar is imported from Brazil, an extension of the export ban from Brazil could endanger the availability of raw sugar in the market, potentially leading to a spike in NY11, the world sugar price.
- **Weakness in USDMYR.** Our sensitivity analysis suggest; -11 cents down in USDMYR could reduce blended operating profit by RM269/Mt.

FINANCIAL SUMMARY

Income Statement (RM'm)	2022A	2023A	2024E	2025F	2026F
Revenue	2,566.0	3,091.2	3,863.7	4,090.5	4,317.0
Operating Profit	-150.6	11.8	289.1	331.2	388.2
PBT	-178.5	-28.0	270.3	314.1	372.8
PAT	-178.7	-49.9	262.2	304.7	361.6
Core earnings / loss	-183.2	-49.9	262.2	304.7	361.6
Core EPS (sen)	-25.4	-7.1	37.3	43.3	51.4
PER (x)	-12.9x	-46.1x	8.8x	7.5x	6.4x
DPS (sen)	0.0	0.0	3.0	3.0	3.0
Dividend yield (%)	0.0%	0.0%	0.9%	0.9%	0.9%

Profitability Margins	2022A	2023A	2024E	2025F	2026F
OP margin	-5.9%	0.4%	7.5%	8.1%	9.0%
PBT margin	-7.0%	-0.9%	7.0%	7.7%	8.6%
Core PAT margin	-7.0%	-1.6%	6.8%	7.4%	8.4%

Balance Sheet (RM'm)	2022A	2023A	2024E	2025F	2026F
PPE	1,205.5	1,189.7	1,285.5	1,325.2	1,364.6
ROU assets	98.7	95.1	128.7	143.7	158.7
Non-current assets	1,923.8	1,901.5	2,033.9	2,088.5	2,142.9
Inventories	360.5	311.9	479.5	505.0	528.4
Receivables	282.6	393.1	425.5	450.5	475.5
Current assets	880.3	989.3	962.9	1,164.6	1,421.6
Total Assets	2,811.8	2,890.8	2,996.8	3,253.1	3,564.6
Long-term debt	299.2	230.0	199.2	149.2	99.2
Non-current liabilities	355.9	281.6	255.9	205.9	155.9
Borrowings	580.3	903.2	580.3	580.3	580.3
Current liabilities	941.1	1,144.1	1,034.8	1,057.6	1,078.5
Share capital	718.3	718.3	718.3	718.3	718.3
Retained earnings	102.4	52.5	885.3	1,168.9	1,509.4
Equity	1,514.7	1,465.1	1,706.0	1,989.6	2,330.1

Cash Flow (RM'm)	2022A	2023A	2024E	2025F	2026F
PBT	-178.7	-49.9	270.3	314.1	372.8
Cash flow from operations	29.0	-116.7	626.3	578.8	612.3
Cash flow from investing	-32.8	-27.8	-55.0	-55.0	-55.0
Cash flow from financing	27.2	202.5	-71.1	-71.1	-71.1
Net cash flow	23.4	57.9	500.2	452.7	486.2
Net cash/(debt) b/f	178.1	221.0	278.3	778.5	1,231.3
Net cash/(debt) c/f	200.9	278.3	778.5	1,231.3	1,717.4

Source: Company, MIDFR

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MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS	
STOCK RECOMMENDATIONS	
BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	Stock price is expected to *rise* by >10% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	Stock price is expected to *fall* by >10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.
SECTOR RECOMMENDATIONS	
POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.
ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell	
☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology