Headline	Top gainers on Bursa Malaysia in 1Q19		
MediaTitle	The Malaysian Reserve		
Date	08 Apr 2019	Language	English
Circulation	12,000	Readership	36,000
Section	Money	Page No	9
ArticleSize	614 cm²	Journalist	MARK RAO
PR Value	RM 17,376		

Top gainers on Bursa Malaysia in 1Q19

Although the FBM KLCI fell 2.8% in 1Q19, some companies bucked the trend

by MARK RAO

Awana Skyway cable car in Genting Highlands. Demand for Genting's shares is underpinned by an improved 4Q18 performance, bolstered by higher traffic at its attractions and hotel business

Bernama

IT WAS a 2018 to forget for Malaysia's top corporates as dismal earnings and scarcity of market catalysts prompted investors to take to the hills, wiping out billions in value.

The aggregate earnings of the top 30 constituents of the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) slumped 22.4% year-on-year (YoY) to RM11.58 billion for the fourth quarter of the 2018 calendar year (4Q18).

Coupled with tepid economic data domestically and prolonged external risks, foreign investors fled for higher-yielding markets regionally and in Asia, and were mostly net sellers of Malaysian equities over the course of last month.

Consequently, the FBM KLCI fell 2.8% in 1Q19, picking up where the index left off in 2018 when it declined 5.9%, and market heavyweights were not spared from the rout.

Top banking constituents Public Bank Bhd and CIMB Group Holdings Bhd, as well as national utility provider Tenaga Nasional Bhd have lost billions of ringgit in market capitalisation over the quarter.

However, there were exceptions. *The Malaysian Reserve* looks at the top performing counters in terms of value gained for the first three months of the year.

IHH

IHH Healthcare Bhd's shares have risen 8% or RM3.77 billion in value over the first three months of 2019 with a market value of RM50.6 billion.

This follows a strong 4Q18 performance for the private healthcare provider which posted an over 400% YoY jump in net profit to RM509.42 million and stronger revenue at RM3.16 billion, up 9.6%.

Growth in existing operations and new hospitals in Hong Kong and Turkey, coupled with foreign-exchange gains and a tax write-back, led to the strong finish, and IHH is allocating close to RM2 billion for its existing hospital assets after years of aggressive expansion.

It remains to be seen if IHH can sustain its momentum going into 2Q19 as uncertainty over its 31.1% stake in Fortis Healthcare Ltd, the volatile Turkish lira and the Employees Provident Fund paring down on its interest have put the company under selling pressure recently.

The company's shares fell 38 sen from March 28 before closing at RM5.42 on April 2 this year, but recovered to close at RM5.60 last Friday.

Sapura Energy

A surprising inclusion on the list is the once-battered and much-maligned Sapura Energy Bhd. Despite a few tumultuous years after the global oil rout of 2014, the company has gained RM3.66 billion in market value over the course of 1Q19.

The integrated oil and gas (O&G) services provider posted its first net profit of RM500.43 million for the quarter ended Jan 31 this year after five straight quarters of losses.

Investors were generally positive on the company's deleveraging exercises — a rights issue and stake sale of its energy asset — which raised a combined RM7.6 billion.

With its net gearing subsequently improved from 1.7 times to 0.6 time and backed by a RM17.2 billion orderbook, Sapura Energy is well-placed to capitalise on the bullish outlook for the oil market.

The company's shares rallied 21.4% in the first three months of 2019 and ended the quarter with a RM5.41 billion market capitalisation.

Sime Darby Plantation

Despite net profit sinking 83.2% YoY on lower crude palm oil (CPO) and palm kernel prices, investors see the long-term value in Sime Darby Plantation Bhd which remains the world's largest oil palm plantation company based on planted area.

The palm oil producer, which reported lower profitability of RM244 million in the six-month period ended Dec 31 last year, saw its shares rising to 10.3% and market capitalisation growing by RM3.62 billion in 1Q19.

This could be fuelled by the company's plans to expand further into the downstream segment, bolstered by higher sales volume and margins, which helped offset the challenging upstream business.

Investors are also likely comforted by the company's intention to exit its Liberian operations which have been raking up losses of between RM40 million and RM50 million annually — dragging the company's bottom line.

Sime Darby Plantation produces approximately 4% of global CPO output and is the world's largest producer of certified sustainable palm oil with a 2.46 million metric tonnes production capacity.

Axiata

Another surprising inclusion in the list is telecommunications company (telco) Axiata Group Bhd, especially after it incurred a RM5.03 billion net loss last year from one-off asset write-offs and depreciation of obsolete assets.

The announcement that the company will have to pay RM2.16 billion in capital gains tax for its majority-owned company in Nepal, Ncell Pte Ltd, should have sent investors packing.

Instead, the telco has been growing its market value by RM3.45 billion over the course of 1Q19 and ended the quarter with a RM37.64 billion market capitalisation.

It appears that investors have taken heed of Axiata's promise of a profitability focused 2019, following the divestment of its loss-making Idea Cellular Ltd and plans to pare down debt.

Sixty-four percent or RM1.06 billion of the proceeds from the telco's RM1.65 billion divestment in the Singapore-based M1 Ltd will go towards repaying existing debt obligations, and with a RM5.1 billion cash balance, it will help put the company in a leaner position going forward.

Genting

Less of a surprise is Genting Bhd which has grown its market value by RM2.47 billion as its shares appreciated 10.7% to RM6.64 over the first three months of 2019.

Demand for the company's shares is underpinned by an improved 4Q18 performance, bolstered by higher traffic at its attractions and hotel business.

Its plantations, power and O&G divisions turned in mixed performances, but a steady dividend declared at 21.5 sen for 2018 — the same paid out for 2017 — kept investors sated.

Media attention, however, is centred on Genting Malaysia Bhd — part of the Genting group of companies — which agreed to purchase the "Equanimity" from the government for US$126 million (RM515.34 million).

The luxury yacht was seized by Indonesian authorities and handed to Malaysia in August last year and the public is eager to know how Genting Malaysia intends to deploy the vessel said to be formerly owned by fugitive businessman Low Taek Jho.