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TNB falls on Khazanah's share sale

by FARA AISYAH

SHARES of Tenaga Nasional Bhd (TNB) fell to the lowest since September 2015 following major shareholder Khazanah Nasional Bhd's sale of 85 million TNB shares at RM12.33 each.

The price was 2% lower compared to the stock's last closing price of RM12.58 on Wednesday.

As such, TNB was down 52 sen or 4.13% to close at RM12.06 yesterday.

The power utility saw some RM2.96 billion in market capitalisation wiped off in yesterday's trade alone, and is now valued at RM68.58 billion.

"Khazanah's share placement price of RM12.33 each,

which is below the market price, has spooked the market a bit.

"In addition, the Industrial Production Index (IPI) which was released yesterday did not help the movement of TNB's shares as it showed the electricity sector index grew by 4.9% in February 2019, from 7.8% in January.

"The sector's slower growth affects TNB as it is a utility company," Inter-Pacific Securities Sdn Bhd research head Pong Teng Siew told *The Malaysian Reserve*.

Bloomberg reported yesterday that Khazanah had offered to sell TNB shares under a share placement to raise RM1.05 billion.

It also noted that Khazanah

is subject to a 60-day lock-up, and that JPMorgan Chase & Co and CIMB Investment Bank Bhd are joint bookrunners for the share placement.

Pong said the share placement is expected to have only a temporary impact on the counter.

"It is a one-off placement by Khazanah. So, I do not expect it to have a lasting effect on the TNB's stocks," he said.

Meanwhile, Department of Statistics chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the IPI registered a 1.7% year-on-year (YoY) growth in February 2019, over the same month in the previous year.

The growth in February 2019 was driven by the increase in

the index of electricity and manufacturing sectors.

The manufacturing sector index recorded a growth of 3.7% YoY compared to February 2018.

The major subsectors contributing to the increase in February 2019 were food and beverage and tobacco products (6.3%), non-metallic mineral products, basic metal and fabricated metal products (4.6%), and electrical and electronics products (3.1%).

The mining sector index recorded a decline of 5% YoY, due to the decrease in the natural gas index (-5.6%) and crude oil index (-4.3%).

The electricity sector index grew by 4.9% in February 2019 compared to February 2018.