



27 MAR, 2023

Strong gains for contrarians after Covid-19 market rout

The Edge, Malaysia

Strong gains for contrarians after Covid-19 market rout

By ADAM AZIZ

This month marks exactly three years since the stock market rout in March 2020, which saw the benchmark FBM KLCI dive to a decade low of 1,219.72 points on March 19 as the black swan events of the Covid-19 pandemic and the global lockdowns spooked investors.

In hindsight, the period proved to be a huge investment opportunity for contrarians — and not just from the sector boom and bust cycles and penny stock fever that fizzled out after the pandemic.

Take the 633, or 63.9%, of the 990 companies listed on Bursa Malaysia. Those who bought their shares on March 31, 2020, and held on to them until March 23 this year would have beaten the FBM KLCI's 6.02% gain over the period.

Bloomberg data also showed that 514 counters, or 51.9% of the companies, recorded gains of at least 30% over the three-year period, representing an annualised gain of 9.14% (2.93% inflation-adjusted).

The biggest gainer among the FBM KLCI component stocks was Press Metal Aluminium Holdings Bhd, with its share price (ex-dividend) rising 193.4% to RM4.70 from RM1.60. The stock reached a record high of RM7.11 in March last year.

Following a RM970 million private placement last year, the integrated aluminium producer's net profit grew 41.5% to RM1.42 billion, or 173 sen per share, for the financial year ended Dec 31, 2022 (FY2022) from RM1 billion, or 124.1 sen per share in FY2021, on strong selling prices and higher capacity.

The share price of semiconductor player Inari Amertron Bhd more than doubled to RM2.41, from RM1.12, over the three-year period. The counter touched a high of RM4.03 in late 2021 on the back of a global semiconductor boom, coupled with a strong green-back that boosted its profits.

Sector-wise, banks — benefiting from the economic recovery and temporary upside from interest rate hikes — generally outperformed. Banking stocks that are among the 30 FBM KLCI constituents posted gains of between 31.2% and 60.9% over the three-year period, led by CIMB Group Holdings Bhd, versus Bursa Malaysia Financial Services Index's 28.3% gain.

High PERs among top gainers

Meanwhile, 74 companies with market capitalisations of between RM1 billion and RM10 billion as at March 23 saw their share price at least double over the three-year period. Similar results were seen by 36 companies with market capitalisations of between RM500 million and RM1 billion.

Gainers were led by Hextar Technologies Solutions Bhd, whose share price soared 6,521% from 37 sen on March 31, 2020, to RM29.28 on March 23 this year.

At last Thursday's closing price, the logistics and warehousing group was trading at a historical 12-month price-earnings ratio (PER) of 536 times. Its latest financial year disappointed, with a 57% drop in net profit to RM4.99 million in the first nine months ended Dec 31, 2022 (9MFY2023).

Hextar Technologies' two sister companies Hextar Global Bhd and Hextar Industries Bhd — all controlled by businessman Datuk Eddie Ong Choo Meng — also emerged among the top gainers over the three-year period, rising 621% and 522% respectively.

Another outlier is building material and construction outfit Chin Hin Group Bhd, whose share price gained 2,298% to RM3.91.

At the current price, the company, controlled by its founder Datuk Seri Chiau Beng Teik with a 57.86% stake, is trading at its trailing 12-month PER of 72 times.

In the last two years, Chin Hin has acquired 24.68% equity interest in safety glass maker Ajiya Bhd for RM104.4 million and a 32.5% stake in interior design solutions provider Signature International Bhd for RM93.6 million. Ajiya and Signature saw their share prices surge 437% and 585% respectively over the three-year period, with PERs of 29 and 61 times.

Genetec Technology Bhd had a stellar performance on the back of the e-commerce boom, with its shares trading 3,033% higher than in March 2020. It has a PER of 30 times following strong earnings growth in the period. The company, whose share price rose to RM2.82 from nine sen during that period, develops assembly lines for the manufacturing of electric vehicle batteries.

Technology stocks that topped the gainers list included LED manufacturer D&O Green Technologies Bhd (701%); Dagang NeXchange Bhd (413%), which bought a 60% stake in semiconductor wafer foundry SilTerra Malaysia Sdn Bhd; Unisem (M) Bhd (314%); Greattech Technology Bhd (311%); and UWC Bhd (278%).

Meanwhile, 179 companies with market capitalisations below RM500 million saw their share prices at least double in the last three years. However, a sizeable portion of these companies are penny stocks. A closer look indicated that 54 companies in this category have seen their share prices double or more in value, with a share price increase of at least 50 sen.

20% of companies on Bursa trading lower than in March 2020

While this analysis shows that companies on Bursa generally posted gains over the three-year period, 206 of them, or 20.8%, ended up in red territory — even lower than their share price at end-March 2020.

Among the FBM KLCI component stocks, Dialog Group Bhd lost 21.3% during that period while Maxis Bhd, which was hit by poor sentiment over the nationwide 5G rollout, and Tenaga Nasional Bhd, affected by a cash flow squeeze amid elevated coal prices, saw their share prices fall 14.9% and 8.4% respectively. Sime Darby Plantation Bhd, which faced a US ban on its products over sustainability concerns and only recently resolved the issue, fell 6.1%.

Glove makers, which enjoyed a super bull run during the pandemic, also ended up in the red, led by Hartalega Holdings Bhd (down 64.6% to RM2.02) and Top Glove Corp Bhd (down 44.8% to RM1.02) although their share prices have rebounded from their lows at the start of this year.

For companies with market values of between RM500 million and RM1 billion, UEM Edgenta Bhd led decliners with a 54.2% drop in share price — ahead of troubled oil and gas outfit Sapura Energy Bhd's 43.8% decline. This was due to a sharp decline in earnings for the property management services company in recent years, with a rebound only seen in its latest quarter.

Real estate investment trusts (REITs) also ended the three-year period in negative territory, with the Bursa Malaysia REIT Index the only sector with a 5.99% decline. However, analysts are expecting higher dividend payouts among REITs this year, suggesting that the downside has already been priced in with economic activity normalising post-pandemic.

It remains to be seen if the gains over the last three years will be sustained amid current market uncertainties. Will this volatility present another good opportunity for long-term investors?

CONTINUES ON PAGE 32

Bursa Malaysia top gainers/losers (since March 31, 2020)

KLCI component stocks

COMPANY	MARKET CAP (RM BIL)	SHARE PRICE (MARCH 23, 2023) (RM)	SHARE PRICE (MARCH 31, 2020) (RM)	HIGHEST SINCE MARCH 1, 2020 (RM)	LOWEST SINCE MARCH 1, 2020 (RM)	% CHANGE (YTD)	% CHANGE (1-YEAR)	% CHANGE SINCE MARCH 31, 2020
Press Metal	38.73	4.70	1.602	7.11	1.39	-3.4	-22.4	193.4
Inari Amertron	9.00	2.41	1.124	4.03	0.94	-6.8	-22.0	114.4
CIMB Group Holdings	55.57	5.21	3.239	5.73	2.61	-8.0	4.3	60.9
Hong Leong Bank	43.40	20.02	12.46	20.98	11.09	-1.6	0.4	60.7
Petronas Chemicals	54.40	6.80	4.422	9.88	3.60	-19.1	-25.4	53.8
Sime Darby	14.65	2.15	1.423	2.38	1.34	-5.2	-2.9	51.1
Genting Malaysia	14.62	2.58	1.715	3.02	1.56	-0.7	-5.0	50.4
Malayan Banking	102.34	8.49	5.809	8.55	5.52	1.1	1.6	46.2
Hong Leong Financial	20.61	18.00	12.701	19.66	10.57	-2.3	-6.5	41.7
Telekom Malaysia	18.42	4.82	3.448	6.26	3.00	-9.3	0.5	39.8
RHB Bank	23.36	5.50	3.979	5.92	3.63	-5.0	-2.1	38.2
Public Bank	76.67	3.95	2.866	4.60	2.28	-7.4	-11.7	37.8
Genting	17.56	4.56	3.362	5.21	2.61	3.8	3.8	35.6
AMMB Holdings	12.37	3.74	2.851	4.24	2.72	-9.7	8.3	31.2
Petronas Gas	32.77	16.56	13.037	17.51	12.27	-2.0	3.2	27.0
QL Resources	13.87	5.70	4.815	6.58	4.41	4.1	17.9	18.4
IHH Healthcare	51.25	5.82	5.072	7.27	4.57	-6.4	-10.1	14.7
Kuala Lumpur Kepong	22.43	20.80	18.612	28.12	16.05	-3.5	-14.5	11.8
CelcomDigi	50.91	4.34	3.911	4.44	3.03	9.3	12.9	11.0
MISC	31.96	7.16	6.475	7.56	5.33	-3.0	2.8	10.6
Petronas Dagangan	20.82	20.96	19.352	23.12	15.71	-7.1	1.0	8.3
PPB Group	23.56	16.56	15.36	18.69	14.69	-5.0	-1.2	7.8
IOI Corp	24.08	3.88	3.678	4.57	3.26	-2.7	-3.8	5.5
Nestle Malaysia	31.56	134.60	129.266	140.00	125.96	-3.9	1.2	4.1
Axiata Group	27.54	3.00	2.961	3.92	2.25	-1.3	-16.7	1.3
Sime Darby Plantation	29.25	4.23	4.505	5.15	3.09	-9.0	-12.2	-6.1
Tenaga Nasional	55.00	9.56	10.441	11.03	7.71	-0.7	7.5	-8.4
Maxis	31.48	4.02	4.725	4.94	3.05	6.0	2.3	-14.9
Dialog Group	13.03	2.31	2.934	3.85	1.69	-5.7	-15.6	-21.3
MR DIY	15.56	1.65	NA	2.78	1.04	-17.2	-28.9	NA

BLOOMBERG

Companies with RM1b to RM10b in market capitalisation

COMPANY	MARKET CAP (RM BIL)	SHARE PRICE (MARCH 23, 2023) (RM)	SHARE PRICE (MARCH 31, 2020) (RM)	HIGHEST SINCE MARCH 1, 2020 (RM)	LOWEST SINCE MARCH 1, 2020 (RM)	% CHANGE (YTD)	% CHANGE (1-YEAR)	% CHANGE SINCE MARCH 31, 2020
Hextar Technologies	3.15	24.50	0.370	29.280	0.290	43.6	727.1	6,521.6
Genetec Technology	2.12	2.82	0.090	3.822	0.081	18.0	11.0	3,033.3
Chin Hin Group	6.92	3.91	0.163	4.290	0.147	21.1	201.7	2,298.8
D&O Green Technologies	5.21	4.21	0.525	6.002	0.446	-1.6	-11.3	701.9
PMB Technology	5.25	4.15	0.548	5.200	0.484	-1.2	20.1	657.3
Hextar Global	2.70	2.10	0.291	2.436	0.282	-7.0	43.1	621.6
Ancom Nylex	1.05	1.13	0.172	1.350	0.137	9.7	-9.1	557.0
Dagang NeXchange	1.77	0.56	0.109	1.263	0.080	9.8	-45.3	413.8
Burni Armada	3.61	0.61	0.135	0.715	0.115	27.1	45.2	351.9
Berjaya Food	1.66	0.945	0.219	1.127	0.198	-7.3	42.7	331.5
Unisem M	4.98	3.09	0.745	4.422	0.736	12.7	-2.3	314.8
Greattech Technology	6.06	4.84	1.175	7.500	0.690	0.0	3.0	311.9
UWC	3.70	3.36	0.888	7.019	0.543	-16.4	-15.8	278.4
Sam Engineering	2.47	4.56	1.271	6.15	1.06	-7.5	-5.4	258.8
PIE Industrial	1.37	3.57	0.997	4.12	0.68	37.3	23.6	258.1
Boustead Plantations	1.52	0.68	0.195	0.98	0.15	10.2	-21.8	248.7
Malaysian Pacific Industries	5.77	29.00	8.811	50.33	8.35	0.8	-22.8	229.1
Coastal Contracts	1.15	2.16	0.680	2.67	0.54	-8.9	17.4	217.6
Rapid Synergy	1.87	17.50	5.700	17.50	5.29	9.6	63.6	207.0
Hibiscus Petroleum	1.93	0.96	0.325	1.45	0.25	-8.7	-18.5	195.4
Panasonic Manufacturing	1.40	23.00	23.154	30.60	19.81	0.4	-15.1	-0.7
Cahaya Mata Sarawak	1.19	1.11	1.150	2.38	0.81	3.7	1.8	-3.5
Pavilion REIT	4.10	1.34	1.394	1.59	1.11	14.3	17.9	-3.9
Capital A	3.12	0.75	0.790	1.28	0.52	20.0	19.0	-5.1
Leong Hup	1.90	0.52	0.556	0.92	0.42	5.1	1.0	-6.5
MRCB	1.50	0.335	0.364	0.56	0.28	13.6	-3.2	-8.0
Carlsberg Brewery M	6.42	21.00	22.991	29.07	16.32	-8.2	2.7	-8.7
YTL Corp	6.30	0.575	0.639	0.92	0.48	-0.9	6.5	-10.0
Fraser & Neave	9.35	25.48	28.975	31.45	19.15	19.7	21.1	-12.1
SP Setia Group	2.49	0.61	0.736	1.55	0.42	1.7	-49.7	-17.1
Shangri-La Hotels	1.33	3.03	4.259	4.77	3.01	-12.2	-9.6	-28.9
Sports Toto	1.95	1.45	2.067	2.22	1.38	-10.5	-14.5	-29.9
Genting Plantations	5.27	5.87	8.401	9.23	5.38	-5.4	-29.1	-30.1
Kossan Rubber	3.50	1.37	2.024	7.59	0.96	27.4	-21.6	-32.3
Capitaland M Trust	1.38	0.515	0.773	0.82	0.47	1.2	3.8	-33.4
UEM Sunrise	1.29	0.255	0.395	0.59	0.19	0.0	-26.1	-35.4
Dutch Lady	1.67	26.10	41.172	46.10	25.94	-13.7	-17.8	-36.6
Magnum	1.57	1.09	1.749	2.20	1.09	-14.4	-34.3	-37.7
Top Glove	8.17	1.02	1.847	8.37	0.59	12.7	-46.3	-44.8
Hartalega	6.90	2.02	5.710	17.04	1.43	18.8	-56.9	-64.6

As at March 23, 2023

Share price adjusted for dividends and share split/bonus/consolidation



27 MAR, 2023

Strong gains for contrarians after Covid-19 market rout

The Edge, Malaysia



LEAD

FROM PAGE 30

BLOOMBERG

Companies with RM500m to RM1b in market capitalisation

COMPANY	MARKET CAP (RM BIL)	SHARE PRICE (MARCH 23, 2023) (RM)	SHARE PRICE (MARCH 31, 2020) (RM)	HIGHEST SINCE MARCH 1, 2020 (RM)	LOWEST SINCE MARCH 1, 2020 (RM)	% CHANGE (YTD)	% CHANGE (1-YEAR)	% CHANGE SINCE MARCH 31, 2020
Pertama Digital	888.4	2.05	0.095	2.40	0.08	16.5	145.5	2,057.9
Tanco Holdings	862.6	0.465	0.03	0.56	0.03	38.8	126.8	1,450.0
Hong Seng Consolidated	689.6	0.135	0.015	1.92	0.01	-38.6	-89.6	800.0
Signature International	744.9	2.57	0.375	3.23	0.16	9.4	78.5	585.3
QES Group	529.7	0.635	0.108	0.92	0.09	0.0	17.4	488.0
Kobay Technology	836.4	2.58	0.449	6.42	0.39	-5.1	-41.4	474.6
Pecca Group	719.7	0.935	0.166	1.12	0.15	13.5	27.9	463.3
Nextgreen Global	763.8	0.925	0.175	1.31	0.18	23.3	2.8	428.6
EG Industries	529.0	1.28	0.255	1.44	0.23	137.0	111.6	402.0
Tasco	692.0	0.865	0.178	1.39	0.16	-3.9	-17.1	386.0
Microlink Solutions	895.5	0.835	0.172	1.12	0.15	-8.7	49.1	385.5
Mieco Chipboard	625.0	0.625	0.137	0.79	0.13	-3.8	-6.7	356.2
Shin Yang Shipping	638.2	0.56	0.138	0.91	0.12	-24.8	58.2	305.8
Malaysia Smelting	823.2	1.96	0.487	5.31	0.43	28.1	-55.6	302.5
Citaglobal	558.0	1.47	0.375	1.78	0.21	1.4	58.9	292.0
CI Holdings	531.4	3.28	0.875	3.98	0.74	11.9	14.2	274.9
Innoprise Plantations	651.2	1.36	0.369	1.89	0.29	-13.0	-16.0	268.6
Harrisons Holdings	623.1	9.10	2.547	9.10	2.50	37.3	97.5	257.3
Kelington Group	970.9	1.51	0.428	1.78	0.29	11.4	15.7	252.8
Kotra Industries	827.5	5.59	1.646	6.58	1.56	-13.9	41.1	239.6
Hume Cement	503.9	1.00	1.03	1.59	0.70	6.4	-9.1	-2.9
Hup Seng Industries	568.0	0.71	0.766	0.92	0.59	0.7	-9.2	-7.3
Atlan Holdings	735.6	2.90	3.638	3.75	2.57	-1.7	5.0	-20.3
GHL Systems	981.7	0.86	1.104	2.07	0.66	0.0	-41.9	-22.1
Globetronics	696.2	1.04	1.43	2.95	0.98	-8.7	-24.4	-27.3
Kejuruteraan Asastera	587.6	0.325	0.464	1.16	0.25	-17.7	-16.7	-30.0
Sapura Energy	719.1	0.045	0.08	0.19	0.03	28.6	50.0	-43.8
Ranhill Utilities	599.2	0.465	0.841	1.00	0.35	3.3	-8.6	-44.7
UEM Edgenta	823.3	0.99	2.16	2.59	0.94	-13.2	-34.9	-54.2

As at March 23, 2023

Share price adjusted for dividends and share split/bonus/consolidation

BLOOMBERG

Companies with market capitalisation below RM500m

COMPANY	MARKET CAP (RM BIL)	SHARE PRICE (MARCH 23, 2023) (RM)	SHARE PRICE (MARCH 31, 2020) (RM)	HIGHEST SINCE MARCH 1, 2020 (RM)	LOWEST SINCE MARCH 1, 2020 (RM)	% CHANGE (YTD)	% CHANGE (1-YEAR)	% CHANGE SINCE MARCH 31, 2020
Propel Global	105.8	0.175	0.005	0.23	0.005	-14.6	1,650.0	3,400.0
Jentayu Sustainables	332.1	0.87	0.05	0.90	0.04	20.0	83.2	1,675.5
SMRT Holdings	231.5	0.52	0.045	0.565	0.025	258.6	352.2	1,055.6
Paragon Union	201.2	2.40	0.225	2.64	0.215	29.0	38.7	966.7
Comintel Corp	317.5	0.83	0.085	0.915	0.035	2.5	20.3	876.5
Artroniq	226.5	0.69	0.08	1.17	0.055	-2.5	39.7	762.5
Heng Huat Resources	367.2	0.455	0.05	0.57	0.04	-4.2	56.9	758.5
Scanwolf Corp	96.4	0.485	0.06	0.985	0.045	-3.0	-19.2	695.1
YBS International	171.3	0.675	0.09	0.77	0.08	35.0	19.5	650.0
Texchem Resources	190.9	1.63	0.22	3.76	0.205	-20.2	3.3	640.9
Minda Global	243.5	0.145	0.02	0.19	0.02	107.1	141.7	625.0
South Malaysia Industries	116.5	0.555	0.08	1.46	0.075	-9.0	113.5	593.8
TAFI Industries	231.5	0.61	0.09	1.28	0.055	-12.9	-20.8	585.4
PIBUMI	58.6	0.715	0.105	1.18	0.105	-20.6	155.4	581.0
Kein Hing International	201.5	1.85	0.27	2.80	0.263	-12.7	78.4	577.7
PGF Capital	213.9	1.31	0.195	1.44	0.195	4.8	68.2	571.8
SDS Group	327.7	0.80	0.12	0.965	0.10	8.1	172.1	555.7
Harn Len Corp	381.5	0.715	0.11	0.875	0.095	-9.3	114.7	538.4
Konsortium Transnasional	89.3	0.19	0.03	0.24	0.03	-5.0	-5.0	533.3
Bonia Corp	442.9	2.21	0.355	2.765	0.30	-1.7	30.2	519.0
Metronic Global	23	0.015	0.153	1.160	0.015	-25.0	-87.7	-90.2
Lambo Group	30.8	0.02	0.227	1.705	0.020	-63.6	-71.4	-91.2
Fast Energy Holdings	28	0.135	1.534	3.592	0.105	3.8	-62.5	-91.2
Sanichi Technology	28.1	0.02	0.231	0.591	0.015	-20.0	-20.0	-91.3
DGB Asia	17.9	0.01	0.120	0.480	0.010	-33.3	-33.3	-91.7
Green Packet	69.6	0.035	0.490	1.440	0.035	-36.4	-70.8	-92.9
G3 Global	72.6	0.025	0.440	0.873	0.020	-16.7	-66.7	-94.3
Permaju Industries	106.7	0.055	0.980	0.995	0.035	22.2	10.0	-94.4
Kanger International	22.7	0.035	0.700	3.100	0.030	-12.5	-56.3	-95.0

As at March 23, 2023

Share price adjusted for dividends and share split/bonus/consolidation