

CIMB IB Research downgrades MSM Malaysia, cuts target to RM3.76

theedgemarkets.com / theedgemarkets.com
June 01, 2017 08:08 am MYT



KUALA LUMPUR (June 1): CIMB IB Research has downgraded MSM Malaysia Holdings Bhd to Reduce at RM4.298 with a lower target price of RM3.76 (from RM4.33) and said MSM's 1Q17 core net loss of RM35 million was below house and market expectations.

In a note May 31, the research house said MSM swung into losses as it was not able to fully pass on the higher raw sugar costs.

"We project 2Q17 to remain challenging due to locked-in raw sugar costs.

"We cut our FY17-19F EPS by 3-66% to reflect weaker refining profit margin.

"Downgrade to Reduce with a lower target price of RM3.76 (based on 15.5x P/E)," it said.

<http://www.theedgemarkets.com/article/cimb-ib-research-downgrades-msm-malaysia-cuts-target-rm376>