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KUALA LUMPUR (March 2): MSM Malaysia Holdings Bhd was up by 13 sen or 2.93% to RM4.56 at 11.47am today on the back of the hike in sugar prices.

On Feb 28, the government announced a hike in the retail price of coarse grain white refined sugar by 11 sen per kg to RM2.95 per kg.

Meanwhile, the price of fine grain white refined sugar was increased to RM3.05 per kg, up by 10 sen.

CIMB IB Research upgraded its call on MSM from "reduce" to "hold" with a raised target price of RM4.33 compared to a previous target of RM3.88 per share.

"Overall, we are more positive on MSM following the sugar price revision. This, coupled with improving earnings prospects due to a series of ASP adjustments for sugar, lead us to raise our rating," CIMB analyst Ivy Ng Lee Fang said in a note March 1.

In November last year, MSM had appealed to the government for a 20% to 30% raise in the retail ceiling price of refined sugar as higher raw sugar prices pressured margins.

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