

Brokerages name their picks

TA Securities prefers selected medium to small-cap stocks like KNM Group Bhd, Computer Systems Advisers (M) Bhd (CSA), Hovid Bhd and Carotech Bhd, RHB Capital Bhd, and EON Capital Bhd, said head of research Kaladher Govindan.

He said KNM and CSA offered earnings visibility while Hovid and Carotech's valuations were seen as attractive at present levels.

RHB and EON were picked for their potential mergers and acquisitions plays within the banking sector while the developments at Road Builder (M) Holdings Bhd could also provide upside potential.

Ahmad Zaki Resources Bhd, on the other hand, was expected to

benefit from the implementation of the 9MP, Kaladher said.

He added that for exposure in the auto sector, one could consider APM Automotive Holdings Bhd, whose main contracts came from Perusahaan Otomobil Kedua Sdn Bhd.

Meanwhile, OSK Securities liked Hexagon Holdings Bhd for its expanding order book and "aggressive overseas expansion," said head of research Kenny Yee.

The stock's valuation was attractive, trading at below 10 times of price-to-earnings ratio, he said, adding that the company also had a strong shareholder, the Kuok group, which owned a stake of some 17%.

Yee said Industrial Concrete Products Bhd and Hiap Teck Venture Bhd offered good exposure in the construction and steel sectors, which were recovering from the doldrums.

Among the oil and gas players, mid-cap Tanjung Offshore Bhd still provided much upside potential despite the year-to-date appreciation in share price, as more contracts were expected to be in the pipeline, he said.

Additionally, shares of IJM Plantations Bhd were also attractive since the company was one of the most efficient players in the sector and its share price had not run ahead as much as its peers, Yee added.

Stock picks

OSK	TA
• Hexagon	• KNM Group
• ICP	• CSA
• Hiap Teck	• Hovid/Carotech
• Tanjung Offshore	• Ahmad Zaki
• IJM Plantations	• EON Capital
	• RHB Capital

