

Maybank Research maintains 'hold' on TH Plantations

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KUALA LUMPUR: Maybank Investment Bank Research maintained its "hold" call on TH Plantations Bhd amid missed estimates on lower-than-expected crude palm oil (CPO) average selling price (ASP) and weaker-than-expected fresh fruit bunch output.

The research house said on Wednesday it was keeping its recommendation on the counter given the limited upside to its unchanged target price of 55 sen on 0.8 times forward price-to-net asset peg, representing its five-year mean.

"Trading at 12 times FY21 price-to-earnings ratio with no dividend appeal amid its disposal plan to deleverage (given its high net gearing of 136%), we prefer Sarawak Oil Palm (current price: RM4.04, Buy, TP: RM5.59) for small and medium capitalised stocks. "In addition, the MCO may delay its disposal plans," it said.