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Affin Hwang Capital upgrades KLCC, raises target price to RM8.55



KUALA LUMPUR (July 9): Affin Hwang Capital Research has upgraded upgrade KLCC to “Buy” (from HOLD) with a higher SOP-derived price target of RM8.55 (from RM8.14) after incorporating a lower discount rate of 7.4% in anticipation of stronger investor demand for defensive assets, especially those with sustainable yields during an economic downturn.

In a note today, the research said that backed by triple net leases, high occupancy and low gearing, KLCC can continue to grow its dividend over 2019-21E.

“Our price target implies a fair 2020E yield of 4.7%, -1SD from KLCC’s 5-year average of 5.0% and comparable to its peak valuation of 4.4%-4.7% during 4Q16-2017,” it said.

(Source: <https://www.theedgemarkets.com/article/affin-hwang-capital-upgrades-klcc-raises-target-price-rm855>)