

Kenanga Research Cuts YTL Power Target Price To RM1.77 After Tender Loss
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KUALA LUMPUR, March 3 (Bernama) -- Kenanga Research has reduced the target share price of YTL Power International Bhd to RM1.77 in the wake of its losing a power project bid last week.

"This piece of news would likely put a cap on its share price. We decided to factor in a 10 per cent discount to its RNAV [revised net asset value] of RM1.97 a share," the research house said in a note Monday.

YTL Power lost one sen to RM1.69 as at 11:31 am in mid-morning trading.

Kenanga keeps the company's financial year 2014-2015 estimates unchanged and retains a "market perform" rating.

Risks to its call include lower dividend payouts, widening losses of its telecommunications unit, YES, and the rise in global economic threats, especially in Europe.

On Friday, YTL Power lost out to a consortium of 1Malaysia Development Bhd (1MDB)-Mitsui Co Ltd, as the latter emerged as the preferred bidder for a 2,000 megawatt coal-fired power plant tender, worth RM11 billion, from the Energy Commission.

Bids from 1MDB and YTL Power reportedly came in too close to call while other firms in the running included state-owned Tenaga Nasional Bhd and Malakoff Corp Bhd, a unit of MMC Corporation.

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