

**Muhibbah Engineering to See Stronger Momentum In 2014, Says Kenanga Research
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KUALA LUMPUR, March 3 (Bernama) -- Kenanga Research expects Muhibbah Engineering (M) Bhd to usher in a stronger year ahead on the back of a solid orderbook and new project bids.

"We continue to like Muhibbah Engineering due to its unique business model that offers flexibility in infrastructure, marine engineering and oil and gas jobs," the research house said in a note Monday.

Other favourable factors include the company's ability to leverage on its internationally-recognised "Favelle Favco" name, as well as long-term earnings visibility backed by stable and growing recurring income from its concessions, Kenanga said.

Muhibbah Engineering's total current orderbook stands at RM1.83 billion, which will keep the company busy until 2016, Kenanga said.

However, with its major orders to end this year, Muhibbah is actively pursuing new orders that include those in the Petronas Refinery and Petrochemical Integrated Development (RAPID) in Pengerang, Johor, marine-related works in the country and overseas offshore fabrication jobs, it said.

"With its recently-obtained Petronas fabrication licence, Muhibbah Engineering should be able to clinch oil and gas-related projects locally and globally," it said.

Meanwhile, HwangDBS Vickers Research maintains a "buy" call on Muhibbah Engineering, with a target price of RM3.2.

"We continue to like it as a strong construction-cum-O&G proxy. We expect it to capitalise on its Petronas licence," HwangDBS said in a separate note.

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