
Kinsteel rises to 8 month high on Maybank upgrade

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Bloomberg reported that Kinsteel Bhd rose to an eight month high after Maybank Investment Bank Bhd raised its stock rating, saying demand will rebound as building construction gains momentum.

As per report, shares of Kinsteel climbed 5.2%, set for the highest level since September 12th 2009, outpacing the benchmark Composite Index's 0.5% gain. Its stock rating was raised to 'buy' from 'fully valued' by Maybank Investment.

Maybank Investment said in a report that "We have turned optimistic on the roll out of domestic construction projects to effect a resurgence in long steel demand. Stable selling prices suggest that inventory write down are passé."

Maybank Investment said that Malaysia's government has unveiled MYR 67 billion of stimulus measures aimed at reviving economic growth. While more construction contracts expected from the middle of this year, demand for steel will rebound in the first quarter of 2010. It added that "Positive news flow from construction awards from mid 2009 should continue to drive interest in steel stocks."

(Sourced from www.bloomberg.net)

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