

Company Name : Frontken Corporation Berhad
Date : 15 March 2024
Source : The Edge Markets

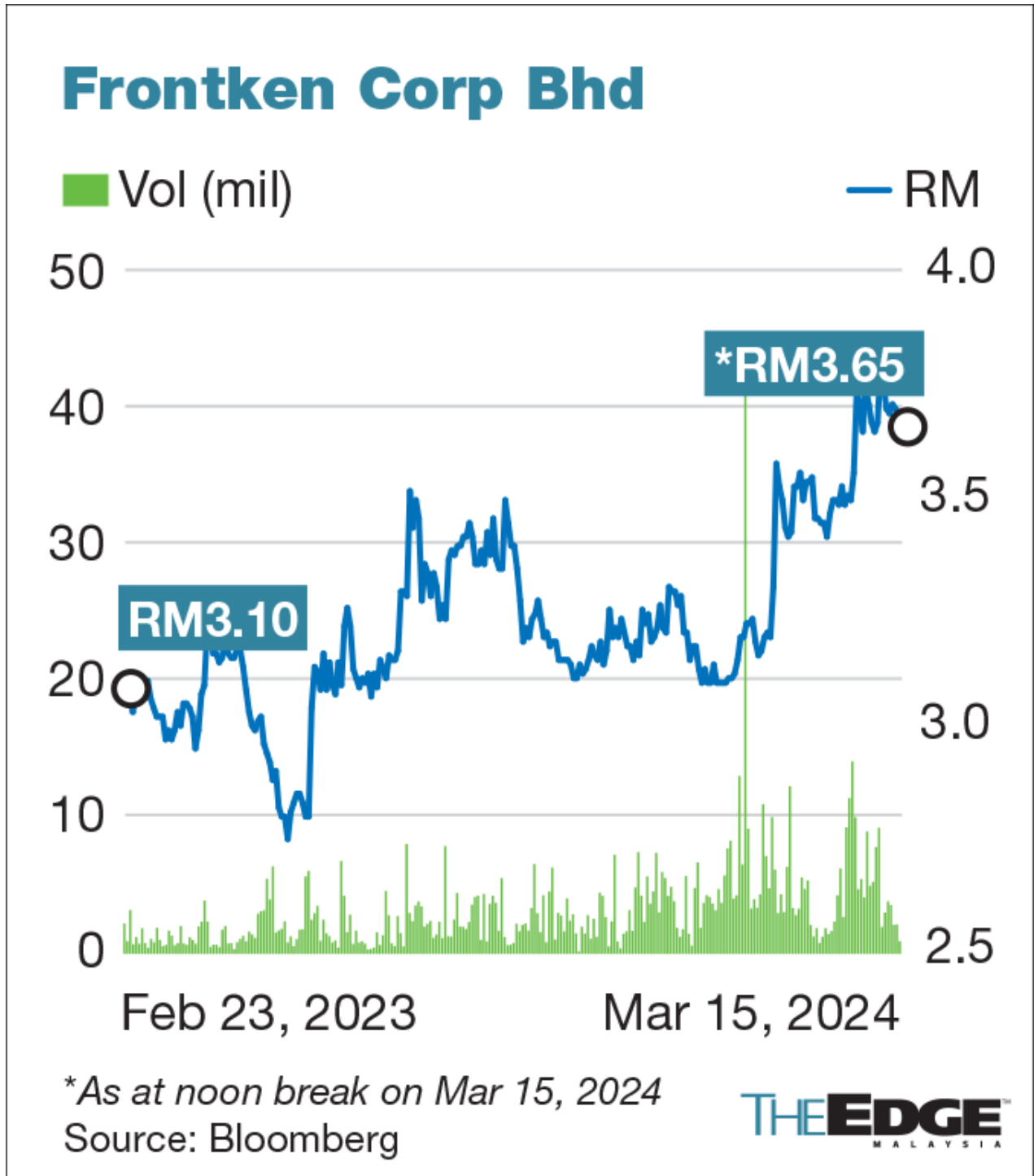
Frontken Serves As Proxy For Front-End Semiconductor Industry, Says HLIB



KUALA LUMPUR (March 15): Hong Leong Investment Bank (HLIB) said Frontken Corp Bhd has recently captured the attention of the local investing community, catalysing from the rising demand and interest for AI-related stocks. The surge has fuelled strong demand for AI chips and cloud services, propelling prominent players like Nvidia, AMD and Google to experience meteoric rises in their share prices.

In a technical tracker on Friday, the research house said Frontken is trading within its uptrend support range of RM3.64-3.70.

“A successful breakout above RM3.74 will spur the price toward RM3.87-4.00-4.10 levels, forming a higher high pattern. Cut loss at RM3.50,” it said.



HLIB said semiconductor sales are expected to rebound in 2024, with the World Semiconductor Trade Statistics (WSTS) forecasting a 13% year-on-year (y-o-y) growth.

It said in Taiwan Semiconductor Manufacturing Company's (TSMC) 4Q2023 earnings call, the company guided that earnings have bottomed out on a y-o-y basis and anticipates a healthy growth year in 2024.

"The strong growth is bolstered by the continued strong ramp-up of industry-leading 3nm technologies, high demand for 5nm technologies, and robust AI-related demand.

"The expected increase in output from foundries will drive demand for Frontken's services, enabling them to maintain production yields and extend the useful life of chamber components. This positions Frontken as a proxy to the front-end semiconductor industry," it said.