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Hot Stock

# Orkim surges after higher-than-expected dividend

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KUALA LUMPUR (Nov 26): Orkim Bhd (KL:ORKIM) surged on Thursday after the petroleum product tanker operator declared a higher than expected interim dividend.

The projection is for distribution of up to 5.4 sen per share for 2026, and the company is already planning to pay 4.6 sen per share as the first interim dividend. BIMB Securities, Apex Securities, and RHB Research all expect another payout to shareholders for the year and kept their "buy" calls.

Apex Securities, which has the highest target price at RM1.24, said “while higher depreciation and operating expenses may weigh on near-term earnings, we expect incremental contributions from newly delivered vessels to support medium-term earnings growth moving forward”.

Shares of Orkim added as much as 21.5 sen or 33% to 84 sen, erasing their decline over the past two months. Orkim was trading at 83.5 sen, valuing the company at RM835 million, as more than one million shares changed hands at 11.20am.

Still, the stock has lost nearly 27% of its value so far this year as the industry reeled from uncertainty over Malaysia's shipping income tax exemption, which was originally set to expire at the end of year of assessment 2026. The tax holiday has since been exempted for 10 years.




Earnings growth for 2027 could be stronger, underpinned by contribution from additional vessels, potentially higher charter rates from contract renewals and new charter agreements, and alongside sustained utilisation, said BIMB Securities.

“We view the current valuation [as] undemanding for its stable earnings, defensive tanker exposure, and attractive dividend yield,” the research house added.