

Company Name : MyEG Services Berhad
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Analysts See MyEG As Hidden Gem Poised To Soar



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KUALA LUMPUR (Sept 2): While healthcare stocks are hogging investors' attention amid the ongoing Covid-19 pandemic, some analysts have expanded their focus to other stocks with strong upside potential.

Foremost among them seems to be MyEG Services Bhd, the electronic government services provider.

Among the most bullish is CGS-CIMB Securities Sdn Bhd, which expects MyEG share price to rise by another 25% within the next few months, with a RM1.80 target on a continued strong revenue stream from its foreign worker-related services.

Especially notable is how MyEG’s stock price has doubled from this year’s low of 76.5 sen when the Movement Control Order (MCO) was imposed on March 18, to RM1.48 on May 20 despite a sharp drop in the processing of new foreign worker permits and renewals during these two months of lockdown.

It closed three sen lower yesterday at RM1.46.



CGS-CIMB is also looking towards MyEG stock possibly retracing its five-year high of RM2.90 should the firm widely seen as a frontrunner, win some or all of the National Integrated Immigration System (NIISe) project valued at about RM5 billion.

Other analysts positive towards MyEG include MIDF Research, Kenanga Research and Rakuten Trade Research, indicating the stock “is on the verge of a potential breakout”.

Even without NIISe, there have been some recent positive developments for MyEG, the latest being a partial lifting of the freeze on foreign workers recruitment till year-end following the extension of the recovery movement control order (RMCO).

The government is now allowing employers to rehire foreign workers who have lost their jobs recently but are still residing in Malaysia with a legal working permit within the same sector, thus restoring a key revenue stream for MyEG.

CGS-CIMB further noted the MyEG group had indicated the increase in online service market share transactions for Road Transport Department and Immigration-related services should offset the decline in recruitment service processes.

Interestingly, MyEG recently started a data-sharing collaboration with the Department of Labour for the purposes of monitoring and enforcement related to the Covid-19 screening of foreign workers.

This will boost the potential for MyEG to leverage its one-stop Covid-19 portal, which is an alternative channel for employers to register and arrange for testing of their workers for RM150 per test.

“We learnt that MyEG has approximately completed 100,000 Covid-19 tests booked through its portal.

“MyEG targets to carry out 500,000 Covid-19 test screenings in 2020,” CGS-CIMB added.