

# RHB Research maintains Buy on Westports

KUALA LUMPUR: RHB Research has maintained its Buy call on Westports with a fair value of RM3.29 as its Ocean Three is expected to optimise the port rotations of the shipping networks of the alliance members and schedule reliability, translating to a higher market share and throughput for Westports.

In a note on Wednesday, the research house said Westports' three largest customers yesterday formed a new alliance called Ocean Three.

"Pending approval by the Federal Maritime Commission, this alliance is targeted to be officially effective by end-2014. It aims to optimise port rotations and schedule," it said.

It added that the new alliance will have the strongest presence in the Europe-Asia trade (estimated 20% market share), ahead of transpacific trade (13%) and transatlantic trade (6%).

"Ocean Three has been largely anticipated following the termination of the P3 alliance after it was rejected approval by China's regulators.

"This new alliance makes more commercial sense, in our view, with each member contributing cargo feeds to transshipment hubs where their respective geographic strength lies," it said.