

# Today's Shares: Pavilion REIT Up Nearly 2% As RM360 Million Placement Gains Traction

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Pavilion Real Estate Investment Trust (PAVREIT) rose 1.95% to RM1.57 by 2.39 pm, driven by news of its RM360 million private placement aimed at partially financing the RM480 million acquisition of Banyan Tree Kuala Lumpur and Pavilion Hotel KL. Trading volume reached a robust 1.03 million units, signalling strong investor interest.

The upbeat midday session continued from a firm opening at RM1.56, with the unit fluctuating between RM1.56 and RM1.58. Markets welcomed the fundraising as it reduces reliance on higher-cost debt, since the REIT intends to refinance part of its RM3.39 billion borrowings with cheaper unsecured debt following the placement.

Analysts have previously maintained a positive outlook on Pavilion REIT. Maybank Investment Bank reaffirmed its Buy rating, citing the REIT's strong assets: Pavilion KL, Pavilion Bukit Jalil, Intermark Mall and attractive dividend yield averaging above 6%, supported by Malaysia's stable OPR environment. RAM Ratings also highlighted pavilion's 90%+ occupancy across its properties and a diversified mall portfolio as key strengths that enhance income visibility.

Looking ahead, further support for PAVREIT could come from Bank Negara Malaysia's maintained interest rate policy and the infusion of tourism and consumer spending post-Chinese market reopening, which bolsters retail footfall—likely benefiting Pavilion's retail assets.

Should the hotel acquisitions and fund-raising efforts channel into earnings efficiently, Pavilion REIT may sustain its buying momentum through year-end. However, ongoing macroeconomic variables—such as inflation, interest rate trajectories, and tourism trends—will remain critical in shaping investor sentiment.

At time of writing, Pavilion REIT was trading noticeably higher on midday activity, with the broader REIT sector's resilience in focus amid sustained capital management efforts.