



AmWatch

Equity Research Team
(603- 2070 2444)

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BURSA MALAYSIA

KLCI	1,457.50 (+5.77)
52-Week Range	1,207.80 – 1,694.55
Mkt Cap (RMb)	1,547.68
Daily Volume (m shares)	7,256.31
Daily Value (RMmil)	4,807.67

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
SUPERMX	7.63	0.73
RUBEREX	3.06	0.70
GENP	10.32	0.61
NESTLE	139.60	0.60
KOTRA	2.90	0.42

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
CARLSBG	26.28	-1.02
HEIM	22.60	-0.48
PANAMY	31.00	-0.34
UTDPLT	13.48	-0.32
DLADY	44.90	-0.32

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,457.50	0.4	-8.3
Singapore	2,515.24	-0.2	-22.0
Thailand	1,337.51	-0.6	-15.3
Philippines	5,570.22	0.8	-28.7
Indonesia	4,716.19	1.6	-25.1
Hong Kong	23,132.76	-0.7	-17.9
Korea	2,028.54	-0.1	-7.7
Taiwan	10,944.19	-0.6	-8.8
Japan	21,916.31	2.3	-7.4
Dow Jones	25,400.64	-0.6	-11.0
Nasdaq	9,368.99	-0.5	4.4

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.3535	0.1	6.4
OPR (%)	2.00	0.0	-33.3
BLR (% Maybank)	5.65	0.0	-15.0
NYMEX Crude oil			
US spot (US\$/barrel)	33.71	2.7	-44.8
CPO spot price (RM/tonne)	2,272.50	2.7	-24.6

STOCK FOCUS OF THE DAY

BIMB Holdings: Strong financing growth; stable asset quality

Buy

We maintain our BUY call on BIMB Holdings (BIMB) with a revised FV of RM3.90/share (previously: RM3.70/share) based on a higher derived SOP valuation as we roll forward our valuation for Bank Islam to FY21, pegging the bank to a P/BV of 1.1x. We tweak our FY20/21 earnings by -2.3%/-4.9% to reflect a lower income contribution from the takaful business and a refinement in credit cost estimate to 0.30% from 0.35% previously.

The group reported a net profit of RM209mil (+3.3% YoY) in 1Q20. 1Q20 saw higher net income (before direct expenses and provisions) of 5.4% YoY to RM848.6mil, partially offset by higher allowances for loan losses and overhead expenses. Earnings were within expectations, making up 26.5% and 28.0% of our and consensus estimate respectively.

Bank Islam (BI), the 100% subsidiary of BIMB, recorded a decline in fund-based income by 1.8% YoY or RM14.3mil in 1Q20 due to two OPR cuts of 25bps each on Jan and Mar 2020. Net income margin of BI fell 11bps QoQ to 2.38%. Syarikat Takaful Malaysia Keluarga (STMK) reported a flattish growth in PBT to RM114.2mil with a lower operating revenue contributed by a decline in sales of family takaful business.

Others:

Power Root: FY20 core net profit up 35%, meets expectations

Econpile Holdings: Barely breaks even in 3QFY20

FGV Holdings: In the red even with higher CPO price

Telecommunication: Report card portends a weaker 2Q

Buy
Underweight
Sell
Neutral

RETAIL RESEARCH

Stocks On Radar: Greatec Technology, Master-Pack Group

NEWS HIGHLIGHTS

Privatisation: LTAT confirms considering taking Boustead private

Vizione: Bags RM96mil condo job from MRCB unit

Technology: Trump move could scrap or weaken law that protects social media companies

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
SERBADK	48,130	1.713	82,440
MMAG-PA	33,080	0.145	4,797
IJM	30,000	1.900	57,000
MYEG-C87	16,500	0.080	1,320
AEM	13,000	0.058	755
PHB	13,000	0.005	65
MEDIAC	6,800	0.220	1,496
PHB-WB	6,500	0.005	33
AGES	4,500	0.155	698
ACOSTEC	3,170	0.444	1,408
AIRASIA	1,570	0.751	1,180
JADEM	1,570	0.931	1,462
GENM	1,060	2.235	2,369
MBL	1,000	1.300	1,300
TDEX	750	0.135	101
TITIJYA-PA	404	0.150	61
ARBB	400	0.360	144
HIBISCS	400	0.610	244
SHANG	333	4.510	1,502
BSTEAD	240	0.580	139
TM	200	4.260	852
TOMYPAK-WA	200	0.050	10

News Highlights

Privatisation

LTAT confirms considering taking Boustead private

Lembaga Tabung Angkatan Tentera (LTAT) makes known that it is considering to take its 59%-owned Boustead Holdings Bhd private at an indicative price of 80 sen per share compared with yesterday's closing price of 63 sen. However, the army fund said in a statement that the notification does not amount to a firm intention that it will undertake the proposal.

The indicative price of 80 sen per is about 27% premium over yesterday's closing price. Nonetheless, it is less than half of the conglomerate's net asset per share of RM1.85 as at end-2019.

It is worth noting that the conglomerate's total borrowings amounted to RM7.91 billion as at end-2019. — *theedgemarkets.com*

Vizione (RM0.355)

Bags RM96mil condo job from MRCB unit

Vizione Holdings Bhd has bagged a RM96.3mil contract to build 214 condominium units and 31 superlink villas together with ancillary facilities at Seksyen U20, Shah Alam, Selangor. The commencement of work is in two phases, which will be from May 27, 2020 and Aug 27, 2020 respectively, according to its filing to Bursa Malaysia yesterday. The contract was awarded by Pinnacle Paradise Sdn Bhd, a unit of Malaysian Resources Corporation Bhd. — *theedgemarkets.com*

Technology

Trump move could scrap or weaken law that protects social media companies

President Donald Trump said he will introduce legislation that may scrap or weaken a law that has protected internet companies, including Twitter and Facebook, in an extraordinary attempt to intervene in the media. Trump signed an executive order on Thursday afternoon after attacking Twitter for tagging his tweets for the first time about unsubstantiated claims of fraud about mail-in voting with a warning prompting readers to fact-check the posts.

In addition, Trump said his administration may "remove or change" a provision of a law known as section 230 that shields social media companies from liability for content posted by their users. — *Reuters*

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