



AmWatch

Equity Research Team
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BURSA MALAYSIA

KLCI	1,494.43 (+6.29)
52-Week Range	1,207.80 – 1,694.55
Mkt Cap (RMb)	1,568.52
Daily Volume (m shares)	4,942.38
Daily Value (RMmil)	2,473.13

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
SUPERMX	7.72	0.87
TOPGLOV	15.70	0.80
AJI	16.58	0.76
HARTA	12.50	0.56
COMFORT	3.11	0.34

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
CARLSBG	25.06	-0.42
PETDAG	20.60	-0.40
PANAMY	28.68	-0.28
PENTA	5.05	-0.26
KESM	7.40	-0.26

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,494.43	0.4	-5.9
Singapore	2,574.10	-1.2	-20.1
Thailand	1,329.76	0.0	-15.8
Philippines	6,105.18	-1.4	-21.9
Indonesia	4,901.82	0.0	-22.2
Hong Kong	24,301.28	-1.0	-13.8
Korea	2,093.48	-1.9	-4.7
Taiwan	11,542.62	-1.0	-3.8
Japan	21,995.04	-2.3	-7.0
Dow Jones	25,595.80	2.3	-10.3
Nasdaq	9,874.15	1.2	10.0

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.2835	-0.2	4.7
OPR (%)	2.00	0.0	-33.3
BLR (% Maybank)	5.65	0.0	-15.0
NYMEX Crude oil			
US spot (US\$/barrel)	39.70	3.1	-35.0
CPO spot price (RM/tonne)	2,479.00	0.4	-17.8

STOCK FOCUS OF THE DAY

IHH Healthcare: *Expecting better case mix in 2HFY20*

Buy

We maintain our BUY recommendation for IHH Healthcare with a higher fair value of RM6.58/share. Our valuation is based on DCF with a WACC of 7.0%. We lower our WACC 7.0% from 7.4% to reflect a lower risk-free rate.

IHH's 1QFY20 core net profit of RM189.4mil (+1% YoY) was largely within our and street's expectations, accounting for 24% of our and consensus' full-year earnings estimates. IHH's 1QFY20 revenue fell 2.4% YoY (-7.3% QoQ) to RM3,555.2mil. This was largely attributed to the impact of Covid-19 pandemic. Since late January 2020, patients have been postponing non-urgent and non-essential treatments as well as visits to hospitals and healthcare facilities.

We believe IHH's 2QFY20 performance will continue to be subdued, dampened by the Covid-19 outbreak as: 1) patients delay non-essential and non-emergency treatments; and 2) a slowdown in medical tourism. We believe as lockdowns begin to ease, patient volume will gradually recover from 2HFY20 onwards. In the long term, we expect the group to continue to grow on the back of sustained demand growth in all of its markets, expansion in multiple countries, better operational metrics, and tighter cost controls.

Others:

Leong Hup International: *Now selling roasted chicken*

Mynews Holdings: *Expecting foot traffic to recover by end-2020*

ATA IMS: *Disappointing FY20; uncertainties lie ahead*

Sapura Energy: *Bumpy rides ahead despite improved 1QFY21*

Buy

Hold

Underweight

Sell

QUICK TAKE

Media Prima: *Next round of job cuts confirmed*

Hold

RETAIL RESEARCH

Stocks On Radar: *Comfort Gloves, SCGM*

ECONOMIC REPORT

Malaysia: *Returns to trade surplus*

NEWS HIGHLIGHTS

QL Resources: *Plans bonus shares and dividend as 4Q profit holds firm*

Greatech: *Says no dividend plans for now*

Covid-19: *Gilead prices remdesivir at US\$2,340 per patient in developed nations*

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
LAMBO	126,890	0.020	2,538
TAWIN-PA	35,000	0.001	35
ENGTEX	14,100	0.504	7,105
KAB	9,220	0.939	8,660
IDMENSN	7,500	0.030	225
GHLSYS	7,040	1.871	13,170
GPACKET	3,430	0.639	2,193
MYSCM	2,800	0.182	510
ENRA	2,300	0.650	1,495
PWRWELL	2,000	0.340	680
MMAG-WB	700	0.195	137
SHANG	329	4.250	1,398
CMSB	250	1.600	400
SLIC	250	0.180	45
EDEN	200	0.185	37
STAR	115	0.360	41
YNHPROP	86	2.952	254
HAPSENG	50	8.500	425

News Highlights

QL Resources (RM9.50)

Plans bonus shares and dividend as 4Q profit holds firm

Poultry farmer QL Resources Bhd, which reported a net profit for the fourth quarter ended March 31, 2020 (4QFY20) of RM42.97 million — little changed from RM43.26 million in the corresponding quarter last year — is planning to undertake a bonus share issuance on the basis of one bonus share for every two QL shares held on an entitlement date to be fixed.

The proposed issuance, which will involve up to 811.22 million bonus shares, is to reward the group's existing shareholders for their continued loyalty and support, the group said in a stock exchange filing yesterday. As at June 15, QL's issued share capital was RM620.03 million comprising 1.62 billion shares. The bonus issue is expected to raise its number of issued shares to up to 2.43 billion. — *The Edge Malaysia Morning CEO Brief*

Greatech (RM3.86)

Says no dividend plans for now

Factory automation solutions provider Greatech Technology Bhd, which has been one of the best-performing tech stocks on Bursa Malaysia this year, has no plans to pay out any dividends in the next two to three years. Greatech chief executive officer Tan Eng Kee, who controls 71% of the company, said he prefers to delay any dividend payout so as to enable Greatech to grab hold of emerging growth opportunities. — *The Edge Malaysia Morning CEO Brief*

Covid-19

Gilead prices remdesivir at US\$2,340 per patient in developed nations

Gilead Sciences Inc on Monday priced its Covid-19 antiviral remdesivir at US\$2,340 per patient for wealthier nations and agreed to send nearly all of its supply of the drug to the United States over the next three months. Remdesivir is expected to be in high demand as one of the only treatments so far shown to alter the course of Covid-19. After the intravenously administered medicine helped shorten hospital recovery times in a clinical trial, it won emergency use authorization in the United States and full approval in Japan. — *Reuters*

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