



# AmWatch

Equity Research Team  
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24 July 2020

## BURSA MALAYSIA

KLCI	1,606.42 (+19.44)
52-Week Range	1,207.80 – 1,659.38
Mkt Cap (RMb)	1,676.89
Daily Volume (m shares)	9,534.08
Daily Value (RMmil)	4,939.45

## TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
TOPGLOV	26.12	1.42
CARLSBG	25.70	0.70
HARTA	18.00	0.62
CAREPLS	2.45	0.56
COMFORT	4.28	0.35

## TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
NESTLE	140.50	-1.50
AHEALTH	3.40	-0.57
PHARMA	4.03	-0.52
YSPSAH	2.64	-0.26
PANAMY	30.86	-0.24

## REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,606.42	1.2	1.1
Singapore	2,612.35	0.7	-18.9
Thailand	1,359.65	0.2	-13.9
Philippines	6,029.01	-0.6	-22.9
Indonesia	5,145.01	0.7	-18.3
Hong Kong	25,263.00	0.8	-10.4
Korea	2,216.19	-0.6	0.8
Taiwan	12,413.04	-0.5	3.5
Japan	22,751.61	-0.6	-3.8
Dow Jones	26,652.33	-1.3	-6.6
Nasdaq	10,461.42	-2.3	16.6

## ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.2595	0.2	4.1
OPR (%)	1.75	0.0	-41.7
BLR (% Maybank)	5.40	0.0	-18.8
NYMEX Crude oil			
US spot (US\$/barrel)	41.02	-2.0	-32.8
CPO spot price (RM/tonne)	2,739.50	0.9	-9.2

## STOCK FOCUS OF THE DAY

**Pavilion REIT:** 1HFY20 revenue falls 39% but Pavilion Mall KL occupancy remains strong **Buy**

We maintain our BUY recommendation on Pavilion REIT (PREIT) with a lower fair value of RM1.91 (from RM1.99) based on an unchanged target yield of 4.5%. We cut our FY20–22 distributable income by 25.1%, 4.0% and 3.4% respectively. We have factored in higher rebates for FY20 (28% from 20%) while lowering our average FY21–FY22 rental rate by 3%.

PREIT reported its 1HFY20 revenue and distributable income of RM181.0mil (-38.7% YoY) and RM49.1mil (-63.4% YoY) respectively, which are below expectations at 24% and 27% of our and consensus estimates.

The weaker revenue is mainly due to the enforcement of the movement control order (MCO) beginning 18 March 2020; further rent rebates from April 2020 to June 2020 given to tenants of non-essential services and supplies; and lower income from car park and advertisements. As a result, 1HFY20 NPI and distributable income fell by 46% and 63.4% to RM104.1mil and RM49.1mil respectively.

Management indicated a stronger 2HFY20 given the improved situation and it has discontinued its rebates after June 2020. Also, Pavilion KL's occupancy rate remained strong at 96.4% as of June 2020 vs. previous year's 95.6%.

### Others:

**Maxis:** New unlimited prepaid plan buoys subscribers

**Hold**

## RETAIL RESEARCH

**Stocks On Radar:** TSH Resources, Asia Poly Holdings

## NEWS HIGHLIGHTS

**Covid-19:** Use of face masks compulsory in crowded public spaces from 1 Aug

**Opcom:** Wins Telekom job to supply optical fibre cables

**Vivocom:** Plans 10-to-1 share consolidation

**Covid-19:** Disney delays 'Mulan' indefinitely, postpones 'Star Wars' and 'Avatar' sequels

## DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
MYSCM-PA	140,000	0.060	8,400
VC-PA	80,000	0.035	2,800
GOCEAN	49,450	0.200	9,891
IKHMAS	35,000	0.051	1,785
AGES	27,000	0.140	3,780
YILAI	7,250	1.080	7,830
TAWIN-PA	6,400	0.105	672
ASIAPLY	5,000	0.300	1,500
GUNUNG-WB	5,000	0.133	665
ENGAH	4,800	0.650	3,120
JAKS	4,000	0.810	3,240
TEKSENG	1,100	0.648	712
IMASPRO	680	2.200	1,496
GLBHD	591	0.380	225
KAB	550	1.080	594
KLK	450	22.800	10,260
WIDAD-WA	450	0.180	81
ANCOMLB	200	0.520	104
KIPREIT	100	0.700	70

# News Highlights

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**Covid-19**

*Use of face masks compulsory in crowded public spaces from 1 Aug*

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The use of face masks in crowded public spaces and on public transportation will be made compulsory beginning Aug 1. Senior Minister (Security Cluster) Datuk Seri Ismail Sabri Yaakob said those who flout this directive can be slapped with a RM1,000 compound notice under the Prevention and Control of Infectious Diseases Act 1988. — *Bernama*

**Opcom (RM0.385)**

*Wins Telekom job to supply optical fibre cables*

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Opcom Holdings Bhd's subsidiary has been awarded a RM21.37mil contract from Telekom Malaysia Bhd to manufacture and supply optical fibre cables. The contract, awarded to Opcom Cables Sdn Bhd, begins Aug 1 and ends May 20, 2022, Opcom said in a bourse filing yesterday. — *Focus Malaysia*

**Vivocom (RM0.035)**

*Plans 10-to-1 share consolidation*

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Vivocom International Holdings Bhd is planning to consolidate every 10 shares in the ACE Market-listed construction firm into one new share. The exercise will see Vivocom's share base consolidated to about 680mil shares, from about 6.8bil shares presently, under the maximum scenario, which assumes all the group's outstanding warrants E are exercised prior to the consolidation.

Barring any unforeseen circumstances and subject to all required approvals being obtained, the board expects the share consolidation to be completed by the fourth quarter of 2020. — *The Edge CEO Morning Brief*

**Covid-19**

*Disney delays 'Mulan' indefinitely, postpones 'Star Wars' and 'Avatar' sequels*

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Walt Disney Co is making massive changes to its movie-release schedule, including canceling the planned August release of "Mulan," as the coronavirus pandemic continues to roil Hollywood. Disney said on Thursday it is not only forgoing its planned 21 Aug premiere, but is also delaying the release of future installments in the "Avatar" and "Star Wars" series by a year. While "Mulan" doesn't yet have a new date, Disney said it was moving its next "Avatar" and "Star Wars" movies by around a year each, to 2022 and 2023, respectively. — *WSJ.com*

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