



AmWatch

Equity Research Team
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27 July 2020

BURSA MALAYSIA

KLCI	1,589.61 (-16.81)
52-Week Range	1,207.80 – 1,653.77
Mkt Cap (RMb)	1,692.18
Daily Volume (m shares)	12,492.81
Daily Value (RMmil)	6,704.85

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
BLDPLNT	6.40	0.40
BAT	10.74	0.36
BKAWAN	15.08	0.30
MPI	12.26	0.20
VITROX	10.16	0.19

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
PETDAG	20.62	-0.94
TOPGLOV	25.44	-0.68
NESTLE	140.00	-0.50
PHARMA	3.63	-0.40
SAM	7.42	-0.39

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,589.61	-1.0	0.1
Singapore	2,579.51	-1.3	-20.0
Thailand	1,340.92	-1.4	-15.1
Philippines	6,003.26	-0.4	-23.2
Indonesia	5,082.99	-1.2	-19.3
Hong Kong	24,705.33	-2.2	-12.4
Korea	2,200.44	-0.7	0.1
Taiwan	12,304.04	-0.9	2.6
Japan	22,751.61	-0.6	-3.8
Dow Jones	26,469.89	-0.7	-7.2
Nasdaq	10,363.18	-0.9	15.5

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.2630	0.1	4.2
OPR (%)	1.75	0.0	-41.7
BLR (% Maybank)	5.40	0.0	-18.8
NYMEX Crude oil			
US spot (US\$/barrel)	41.14	0.3	-32.6
CPO spot price (RM/tonne)	2,749.50	0.4	-8.8

STOCK FOCUS OF THE DAY

Westports Holdings: Resilient in the face of a pandemic

Buy

We raise our FY20–22F net profit forecasts by 10%, 7%, and 2% respectively, and upgrade our FV by 17% to RM4.45 (from RM3.81 previously) as we now value Westports at 23x its revised FY21F EPS, in line with its average historical forward P/E (vs. 2x multiple discount at 21x previously).

We believe the worst may be over for seaport operators as economies, businesses and borders reopen, translating to a recovery in global trade, and hence improvement in seaports' throughput. Upgrade Westports to BUY from HOLD.

Westports' 1HFY20 core net profit of RM310.2mil (excluding RM23mil one-off items such as written-off PPE and impairment on trade receivables) beat expectations, coming in at 55% of both our full-year forecast and the full-year consensus estimates. We believe the variance against our forecast came largely from a lower-than-expected contraction in its container throughput volume in 2Q, i.e. at only 17% YoY vs. our expectations of more than 20%.

Others:

Kossan Rubber: New capacity planned for 1H2021

Buy

QUICK TAKE

Plantation Sector: News flow for week 20 – 24 July

Neutral

RETAIL RESEARCH

Stocks On Radar: Poh Kong Holdings, FGV Holdings

NEWS HIGHLIGHTS

Covid-19: MCO may be enforced again if cases reach three digits

Airlines: Difficult for Malaysia Airlines, AirAsia merger to work - Khazanah

Economic data: US Europe take diverging paths

Covid-19: Latin America leads in number of cases, Reuters count shows

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
GOCEAN	10,000	0.200	2,000
YILAI	10,000	1.050	10,500
TOMYPAK-WA	7,200	0.132	952
ARBB	5,710	0.340	1,943
IKHMAS	5,000	0.051	255
MLAB	3,400	0.065	221
TROP	1,500	0.800	1,200
PLABS	1,150	0.261	300
GFM	1,000	0.165	165
COMPLET	782	0.665	520
WIDAD	759	0.495	376
WIDETEC	553	0.420	232
XDL	300	0.060	18
IMASPRO	180	2.100	378

News Highlights

Covid-19

MCO may be enforced again if cases reach three digits

The government will re-implement the movement control order (MCO) if the number of Covid-19 cases climbs to three digits, said Senior Minister (Security Cluster) Datuk Seri Ismail Sabri Yaakob.

Ismail Sabri, who is also the defence minister, said the government was always monitoring the Covid-19 situation and said one of the main causes for the figures returning to double digits was the public's complacency. — *Bernama*

Airlines

Difficult for Malaysia Airlines, AirAsia merger to work - Khazanah

Khazanah Nasional Bhd has stressed that a merger between Malaysia Airlines Bhd and low-cost airline AirAsia would be difficult to carry out. Khazanah managing director (MD) Datuk Shahril Ridza Ridzuan said the different business model and work culture of the two entities would make a merger between the two an unlikely option. — *Bernama*

Economic data

US Europe take diverging paths

The US economy lagged in July and Europe's bounced back, according to fresh surveys of purchasing managers, evidence that the two economic powerhouses are recovering at different speeds from the coronavirus pandemic. The divergence between the US and Europe suggested that European countries could be benefiting from the strict lockdowns they pursued in the spring, as well as current policies regarding mask wearing, social distancing and bans on large gatherings. — *WSJ.com*

Covid-19

Latin America leads in number of cases, Reuters count shows

Coronavirus cases in Latin America for the first time have surpassed the combined infections in the US and Canada, a Reuters tally showed on Sunday amid a surge of infections in Brazil, Mexico, Peru, Colombia and Argentina. The quickly growing number of cases make Latin America the region most impacted by the pandemic globally, with 26.83% of worldwide cases.

Latin America now has 4,327,160 total cases of Covid-19 compared to 4,308,495 infections in the US and Canada, according to the count based on data provided by the governments of each country. The US continues to be the individual country with the highest number of infections and deaths, with more than 4.2mil cases and roughly 146,000 deaths, followed by Brazil, with 2.4mil cases and nearly 87,000 dead. — *Reuters*

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