



# AmWatch

Equity Research Team  
(603- 2070 2444)

29 July 2020

## BURSA MALAYSIA

KLCI	1,609.94 (+18.46)
52-Week Range	1,207.80 – 1,648.71
Mkt Cap (RMb)	1,687.27
Daily Volume (m shares)	11,691.56
Daily Value (RMmil)	6,256.13

## TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
HARTA	19.90	1.60
SUPERMX	19.00	1.56
PETDAG	21.54	1.24
VITROX	11.42	1.14
NESTLE	139.80	0.70

## TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
BURSA	10.04	-0.38
HLFG	13.50	-0.20
CARLSBG	25.08	-0.18
SAM	7.16	-0.13
ALLIANZ	13.66	-0.12

## REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,609.94	1.2	1.3
Singapore	2,582.97	0.3	-19.9
Thailand	1,340.92	-1.4	-15.1
Philippines	5,927.11	1.1	-24.2
Indonesia	5,112.99	-0.1	-18.8
Hong Kong	24,772.76	0.7	-12.1
Korea	2,256.99	1.8	2.7
Taiwan	12,586.73	0.0	4.9
Japan	22,657.38	-0.3	-4.2
Dow Jones	26,379.28	-0.8	-7.6
Nasdaq	10,402.09	-1.3	15.9

## ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.2533	0.0	4.0
OPR (%)	1.75	0.0	-41.7
BLR (% Maybank)	5.40	0.0	-18.8
NYMEX Crude oil			
US spot (US\$/barrel)	41.04	-1.3	-32.8
CPO spot price (RM/tonne)	2,835.00	1.1	-6.0

## STOCK FOCUS OF THE DAY

**Bursa Malaysia: A record high DATV for securities market**

**Hold**

We downgrade our call on Bursa Malaysia (Bursa) to HOLD from BUY with a revised fair value of RM9.30/share (previously RM8.20/share) due to high valuation of the stock which is already trading at a PE of over 30x.

We tweak our FY20/21 earnings by +4.1%/-2.6% after adjusting our daily average trading value (DATV) and effective clearing fee rate assumptions for the securities market. We now expect a DATV of RM3.0/RM2.5bil in FY20/21 (previously RM2.8/RM2.5bil). We now peg the stock to a PE of 28.0x based on the average of the listed stock exchanges regionally (previously 24.0x).

Bursa reported a strong 2Q20 earnings of RM86mil (+33.2% QoQ) on the back of higher securities trading revenue with a strong DATV of RM3.8bil vs. RM2.5bil in the preceding quarter. It was slightly lower than our expected profit of RM90–91mil for the quarter due to higher staff costs.

Thus far, 3Q20 DATV for equities is still looking robust with the strong trading participation of retail participants and IVTs. Quarter to date (up until 27 July 20), we are still seeing a strong DATV for equities of RM5.3bil. Nevertheless, we expect the DATV to taper starting 4Q20 with the loan moratorium likely to end on 30 September after which borrowers are required to start servicing their loan repayments from 1 October 2020. This is expected to reduce the level of cash to be diversified to stocks in search for higher yields as seen recently.

## RETAIL RESEARCH

**Stocks On Radar:** Rubberex Corporation (M), Asia Poly Holdings

## NEWS HIGHLIGHTS

**Bursa Malaysia:** Says retail-driven rally not debt-fuelled, will remain vigilant

**Ranhill:** Gets Indonesian city's approval to build and operate water treatment plant

**Securemetric:** Launches cloud-based digital signature platform

**Consumer:** Starbucks says business 'steadily recovering' as stores reopen

## DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
DYNACIA	66,300	0.173	11,470
PTRANS	50,000	0.205	10,250
MYSCM-PA	24,000	0.065	1,560
FRONTKN	22,200	3.415	75,810
HBGLOB	11,470	0.010	115
VIZIONE	7,000	0.360	2,520
AMEDIA	6,000	0.005	30
MQTECH	5,000	0.100	500
HEKTAR	3,770	0.700	2,639
GUNUNG	3,500	0.630	2,205
SCNWOLF	3,390	0.180	611
HOHUP	1,030	0.533	549
CNASIA	650	0.630	410
SHH	600	0.400	240
GPACKET	400	0.640	256
SUNSURIA	252	0.400	101
SHANG	182	4.240	773
JFTECH	100	3.320	332
KIPREIT	100	0.700	70

# News Highlights

---

## **Bursa Malaysia (RM10.04)**

*Says retail-driven rally not debt-fuelled, will remain vigilant*

---

Bursa Malaysia Bhd says the recent rush in retail participation that helped drive the strong rally in the local market, is largely due to a reallocation of cash by investors due to the current low-interest environment, and not fuelled by debt.

Chairman Tan Sri Abdul Wahid Omar, during a briefing on the group's latest quarterly earnings yesterday, said share margin financing levels seen across retail investors are not at elevated levels, as investors were merely switching their investments from term deposit into the share market in search of better yields. — *The Edge CEO Morning Brief*

## **Ranhill (RM0.945)**

*Gets Indonesian city's approval to build and operate water treatment plant*

---

Ranhill Utilities Bhd said it has received a letter of acceptance from the mayor of Bandung for its proposal to build, operate and transfer a water treatment plant in the Indonesian city, subject to negotiations with the relevant government agencies.

In a filing with Bursa Malaysia, Ranhill said upon conclusion of the negotiations, Ranhill will execute the project agreement with the relevant parties. The group will be involved in the operations and maintenance of the 30-million-litre-a-day treatment plant for 30 years, with the water tariff set at 3,200 rupiah per cubic metre. — *The Edge CEO Morning Brief*

## **Securemetric (RM0.13)**

*Launches cloud-based digital signature platform*

---

Securemetric Bhd has launched SigningCloud, a cloud-based pay-per-use digital signature platform for electronic documents. The platform caters to a wide range of users, from individuals to large organisations, and complies with the Digital Signature Act 1997, Securemetric said in a statement yesterday. Fees begin from RM5 per document, the company said, and SigningCloud users' accounts were protected with more than just passwords through a two-factor authentication method. — *Focus Malaysia*

## **Consumer**

*Starbucks says business 'steadily recovering' as stores reopen*

---

Starbucks Corp said on Tuesday its business around the world was "steadily recovering" as most of its stores have reopened with the easing of coronavirus-led restrictions. Shares of the Seattle-based coffee chain rose about 3% in extended trading after it also reported a smaller-than-expected drop in third-quarter comparable store sales as more people used its drive-thru and delivery options to buy coffee and food. About 97% of global company-operated locations are now open. This includes 96% of US stores and 99% of outlets in China. — *Reuters*

**DISCLOSURE AND DISCLAIMER**

This report is prepared for information purposes only and it is issued by AmInvestment Bank Berhad (“AmInvestment”) without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation or expression of views to influence any one to buy or sell any real estate, securities, stocks, foreign exchange, futures, investment or other products. AmInvestment recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmInvestment believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmInvestment has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete or up-to-date and they should not be relied upon as such. All information included in this report constitute AmInvestment’s views as of this date and are subject to change without notice. Notwithstanding that, AmInvestment has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmInvestment’s affiliates and/or related corporations (collectively, “AmBank Group”).

This report is prepared for the clients of AmBank Group and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmInvestment’s prior written consent. AmInvestment, AmBank Group and its respective directors, officers, employees and agents (“Relevant Person”) accept no liability whatsoever for any direct, indirect or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given in relation to this report. Any such responsibility is hereby expressly disclaimed.

AmInvestment is not acting as your advisor and does not owe you any fiduciary duties in connection with this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and/or may trade or otherwise effect transactions for their own account or the accounts of their customers which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held to be invalid in whole or in part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.