



# AmWatch

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30 July 2020

## BURSA MALAYSIA

KLCI	1,611.42 (+1.48)
52-Week Range	1,207.80 – 1,648.71
Mkt Cap (Rmb)	1,709.30
Daily Volume (m shares)	12,057.90
Daily Value (RMmil)	7,355.59

## TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
NESTLE	142.00	2.20
KOSSAN	17.92	0.62
RUBEREX	5.04	0.45
VITROX	11.84	0.42
PPB	19.50	0.42

## TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
BURSA	9.60	-0.44
F&N	32.06	-0.38
SUPERMX	18.68	-0.32
DLADY	40.20	-0.30
TOPGLOV	26.14	-0.26

## REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,611.42	0.1	1.4
Singapore	2,573.45	-0.4	-20.1
Thailand	1,338.35	-0.2	-15.3
Philippines	5,966.27	0.7	-23.7
Indonesia	5,111.11	0.0	-18.9
Hong Kong	24,883.14	0.4	-11.7
Korea	2,263.16	0.3	3.0
Taiwan	12,540.97	-0.4	4.5
Japan	22,397.11	-1.1	-5.3
Dow Jones	26,539.57	0.6	-7.0
Nasdaq	10,542.94	1.4	17.5

## ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.2430	-0.2	3.7
OPR (%)	1.75	0.0	-41.7
BLR (% Maybank)	5.40	0.0	-18.8
NYMEX Crude oil			
US spot (US\$/barrel)	41.27	0.6	-32.4
CPO spot price (RM/tonne)	2,706.00	-4.6	-10.3

## SECTOR FOCUS OF THE DAY

**Banking:** Targeted assistance for borrowers after 30 September **Neutral**

Prime Minister Tan Sri Muhyiddin Yassin has announced that there will be no extension of the blanket automatic moratorium which took effect from 1 April to 30 September 2020 (6 months). However, there will be a new moratorium in the form of restructuring and rescheduling (R&R) to assist individual borrowers and companies in the vulnerable segments i.e. targeted assistance for these groups.

For retail borrowers, the targeted assistance will focus on those who are unemployed. For the unemployed borrowers, the moratorium will be extended by another 3 months (1 October to 31 December 2020). Any further extension after 3 months will be at the discretion of individual banks. As for individuals who are still employed but have had their wages cut as a result of Covid-19, assistance will be provided by banks to restructure and reschedule loans for at least 6 months. This is to lower the instalment amount to commensurate with their reduced salaries.

For all individual borrowers, SMEs and entrepreneurs, we understand that banks will assist them in restructuring and rescheduling their loans as well as look into granting exemptions until the borrowers' financial conditions have stabilised.

We expect the impact of the targeted assistance to be significantly lower on banks' earnings than the modification loss in 2Q20 from the earlier automatic loan moratorium. However, banks will need to set aside additional provisioning for the loans under R&Rs for the targeted assistance (management overlay). We remain NEUTRAL on the sector, and continue to have BUYs on Maybank (FV: RM8.40/share) and RHB Bank (FV: RM6.00/share).

### Others:

**Telekom Malaysia:** Imri returns as CEO **Hold**  
**Luxchem Corporation:** 1HFY20 core net profit eases 7% YoY **Sell**

## QUICK TAKE

**Tenaga Nasional:** Buys 5% of Jimah Energy Ventures **Buy**

## RETAIL RESEARCH

**Stocks On Radar:** D&O Green Technologies, RGT

## ECONOMIC REPORT

**US:** No change to Fed funds target rate of 0–0.25% & QE stance

## NEWS HIGHLIGHTS

**Loan repayment flexibility:** BNM: Eligible borrowers can apply from 7 Aug  
**Malaysia:** Foreign workers only in construction, plantation, agriculture sectors  
**US:** Fed holds rates steady, says economic growth is 'well below' pre-pandemic level  
**Singapore:** SIA reports record S\$1.1bil loss in 1Q

## DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
MYSCM-PA	77,500	0.050	3,875
IKHMAS	22,000	0.061	1,350
DESTINI	20,000	0.250	5,000
LKL	20,000	0.550	11,000
WCT	12,600	0.480	6,048
KAB	10,000	1.000	10,000
UZMA	10,000	0.600	6,000
TOMYPAK-WA	7,200	0.132	950
MYSCM-PA	5,420	0.300	1,627
PWORTH	4,100	0.020	82
ASIAPLY-WA	3,000	0.160	480
MUIIND	3,000	0.190	570
VS	3,000	1.200	3,600
WEGMANS	3,000	0.225	675
GTRONIC	2,000	2.420	4,840
TM	1,900	3.980	7,562
SIME	1,500	2.165	3,248
NEXGRAM	1,000	0.045	45
VERTICE	1,000	0.170	170
WIDAD	900	0.630	567
SMTRACK	725	0.150	109
SHL	400	2.080	832
SHANG	245	4.120	1,009
ARREIT	50	0.680	34
XOX	50	0.310	16

# News Highlights

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## Loan repayment flexibility

*BNM: Eligible borrowers can apply from 7 Aug*

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With the blanket loan moratorium set to end on 30 Sept, banks are ready to assist borrowers affected by Covid-19 with repayment plans and other arrangements appropriate to their specific circumstances, said Bank Negara Malaysia (BNM). In a statement yesterday, BNM said affected borrowers need to apply directly with their respective banks beginning 7 Aug, in order to obtain loan repayment flexibility. — *The Edge CEO Morning Brief*

## Malaysia

*Foreign workers only in construction, plantation, agriculture sectors*

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The government has decided that only three sectors — construction, plantation and agriculture — will be allowed to employ foreign workers in future to cut the nation's reliance on foreign workers. Deputy Human Resources Minister Awang Hashim said other sectors that currently use foreign workers will be required to employ locals instead.

It is understood that the hiring of foreign workers has been frozen until year end, with the government to consider allowing the construction, agriculture and plantation sectors to hire foreign workers next year. — *The Edge CEO Morning Brief*

## US

*Fed holds rates steady, says economic growth is 'well below' pre-pandemic level*

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The Federal Reserve held interest rates steady in a decision announced Wednesday that came along with a tepid outlook on the coronavirus-plagued economy. In a move widely expected, the central bank kept its benchmark overnight lending rate anchored near zero, where it has been since 15 March in the early days of the pandemic. The post-meeting statement labeled the current state of growth as better than it was at the trough but still not up to par. — *CNBC.com*

## Singapore

*SIA reports record S\$1.1bil loss in 1Q*

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Singapore Airlines (SIA) reported on Wednesday a S\$1.12bil (RM3.46bil) net loss in the quarter ended June 30, its largest quarterly loss on record, as demand plummeted amid travel restrictions caused by the Covid-19 pandemic. Revenue for the group plunged 79.3% to S\$851mil year-on-year, while expenditure dropped 51.6% to S\$1.89bil, the company said in a regulatory filing.

"We are reviewing the shape and size of our network over the longer term, given Covid-19 and its impact on our passenger traffic and revenue, which will provide clarity on fleet size and mix that (Singapore Airlines) will need," said SIA. The review is expected to be completed by end-September. — *Straits Times*

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