



AmWatch

Equity Research Team
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BURSA MALAYSIA

KLCI	1,489.56 (-19.91)
52-Week Range	1,207.80 – 1,618.01
Mkt Cap (RMb)	1,633.22
Daily Volume (m shares)	5,506.96
Daily Value (RMmil)	3,719.27

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
DLADY	38.80	0.40
PRLEXUS	1.62	0.37
HEIM	20.68	0.36
SUPERMX	9.58	0.35
KPOWER	3.30	0.23

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
NESTLE	138.50	-1.80
PETDAG	19.10	-0.90
F&N	32.00	-0.58
HLFG	13.86	-0.36
PPB	18.50	-0.30

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,489.56	-1.3	-6.2
Singapore	2,538.36	0.4	-21.2
Thailand	1,263.71	1.1	-20.0
Philippines	5,867.88	-0.7	-24.9
Indonesia	5,004.33	0.1	-20.6
Hong Kong	24,242.86	1.1	-14.0
Korea	2,386.94	0.9	8.6
Taiwan	12,746.37	0.3	6.2
Japan	23,422.82	0.0	-1.0
Dow Jones	28,303.46	1.9	-0.8
Nasdaq	11,364.60	1.9	26.7

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.1560	0.1	1.6
OPR (%)	1.75	0.0	-41.7
BLR (% Maybank)	5.40	0.0	-18.8
NYMEX Crude oil			
US spot (US\$/barrel)	39.95	-1.8	-34.6
CPO spot price (RM/tonne)	2,906.00	1.6	-3.6

STOCK FOCUS OF THE DAY

Cahaya Mata Sarawak: *Still not out of the woods yet*

Underweight

We maintain our UNDERWEIGHT call and forecasts, but reduce our fair value by 20% to RM1.14/share (from RM1.42/share previously) for Cahya Mata Sarawak (CMS) based on 8x FY21F EPS (from 10x previously). We peg CMS to a lower PE following a steep 45% loss in its market value since the beginning of the year, rendering it less investable to large institutional investors.

CMS guided for its Phase 2 cement plant upgrading to begin in 1Q2021 (vs. Sept 2020 in its initial plan), while assessing the new expansion timeline for Phase 3 (vs. the initial target of early 2021). We understand that the delays were due to the introduction of additional safety precautionary measures following a Covid-19 infection.

We believe that OM Materials (Sarawak), at best, could only break even in FY20F. Indications are pointing towards the 25%-owned associate slipping into the red in 2H20 (erasing RM9mil PBT it reported in 1HFY20) as selling prices of ferrosilicon have dropped to at about US\$850/tonne at present (vs. our estimated breakeven price of US\$950/tonne and an average spot price of about US\$1,050/tonne in 1HFY20).

Also, there has been a slight hiccup in operation with four ferrosilicon furnaces (out of a total of 10) currently offline due to maintenance and travelling restrictions on expatriate engineers (from China). The good news is that all its six manganese alloy furnaces are currently operating.

Nevertheless, the A\$20mil (RM60mil) Phase 2 expansion plan of OM Materials (Sarawak) is intact. Slated for completion in FY22F, the expansion plan entails the construction of up to four more manganese alloy furnaces.

RETAIL RESEARCH

Stocks On Radar: Magni-Tech Industries, Frontken Corporation

NEWS HIGHLIGHTS

Bina Puri: JV company bags RM1.04bil Thai high-speed railway job

Genting Group: Genting HK gets €193mil German aid after asking for €570mil

TCS Group: Bags RM323mil construction contract

US: Trump calls for some Covid-19 relief measures after shutting down stimulus talks

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
DIGISTA	142,640	0.005	713
BRAHIMS	28,800	0.255	7,340
HONGSENG	19,900	1.000	19,900
VIZIONE	15,670	0.455	7,130
G3-WA	13,400	3.200	42,880
G3	12,500	2.000	25,000
SMRT	6,080	0.080	487
ASTRO	5,000	0.766	3,830
DIGISTA-WB	4,780	0.005	24
WIDAD	2,000	0.585	1,170
ASTRA	1,000	0.330	330
HIAPTEK-LA	1,000	0.160	160
NGGB	1,000	0.420	420
TDEX	1,000	0.185	185
HUBLINE	300	0.005	2
VIVOCOM	240	0.005	1
AAX	181	0.005	1
ALAM	100	0.005	1
RAPID	93	5.350	498
VIVOCOM-WE	70	0.005	0
ALAM-WA	50	0.005	0

News Highlights

Bina Puri (RM0.095)

JV company bags RM1.04bil Thai high-speed railway job

Bina Puri Holdings Bhd's wholly-owned subsidiary Bina Puri Sdn Bhd (BPSB) via a joint venture (JV) company has secured a 7.75bil baht (about RM1.04bil) contract to build a portion of a planned high-speed railway that will link Thailand's capital Bangkok to other parts of the country.

In a statement to Bursa Malaysia yesterday, Bina Puri said BPSB through its JV company SPTK Joint Venture Co Ltd had bid for and won the package which will connect Bangkok to Nong Khai and Nakhon Ratchasima. — *The Edge CEO Morning Brief*

Genting Group

Genting HK gets €193mil German aid after asking for €570mil

Cruise ship operator Genting Hong Kong Ltd (Genting HK) has applied for €570mil (about RM2.78bil) from Germany's coronavirus stabilisation fund — the largest publicly known such request by a foreign company to support the firm's struggling shipyards in the country, despite reservations over state handouts to foreign investors, Nikkei Asia reported. Nikkei Asia reported yesterday that for now Genting HK is to get an initial sum of €193mil from Germany's government.

"The payment to the operator of the Star Cruises, Dream Cruises and Crystal Cruises lines will allow work at its shipyards in northeastern Germany, grouped under MV Werften, to carry on at least until March," Nikkei Asia reported, quoting Harry Glawe, economic minister of Mecklenburg-West Pomerania, the state where MV Werften is located. "We have clearly made headway. The federal government is bailing out MV Werften," Glawe was quoted as saying. — *The Edge CEO Morning Brief*

TCS Group (RM0.405)

Bags RM323mil construction contract

TCS Group Holdings Bhd's (TCS) wholly-owned subsidiary, TCS Construction Sdn Bhd, has secured a RM323mil contract from Cosmoworld Housing Development Sdn Bhd, a subsidiary of Mah Sing Group Bhd. The contract is for the main building works of two blocks of 57-storey serviced apartments with 799 units each, 10-storey elevated car park, one level of underground car park, and one level of facility floor for M Arisa development in Kuala Lumpur. — *Bernama*

US

Trump calls for some Covid-19 relief measures after shutting down stimulus talks

President Trump renewed his calls for Congress to pass individual coronavirus relief measures, including airline aid to avert widespread layoffs, after he ended negotiations with Democrats on a larger package until after the election. With time running short before the 3 Nov vote, Trump and his aides shifted their focus Wednesday to passing a series of bills, an approach Democrats have consistently rejected as at odds with their goal of a broad multi-trillion-dollar aid package to deal with the effects of the pandemic. — *WSJ.com*

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