



# AmWatch

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## BURSA MALAYSIA

KLCI	1,518.43 (-11.92)
52-Week Range	1,207.80 – 1,618.01
Mkt Cap (RMb)	1,659.92
Daily Volume (m shares)	6,106.15
Daily Value (RMmil)	3,892.83

## TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
PHARMA	5.19	0.50
SUPERMX	9.96	0.42
RUBEREX	6.48	0.39
CFM	1.60	0.25
KESM	8.73	0.23

## TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
NESTLE	139.10	-1.10
F&N	32.30	-0.70
PBBANK	15.82	-0.32
KLK	22.22	-0.28
CARLSBG	19.70	-0.20

## REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,518.43	-0.8	-4.4
Singapore	2,552.42	0.8	-20.8
Thailand	1,273.43	0.5	-19.4
Philippines	5,937.05	0.1	-24.0
Indonesia	5,093.10	0.8	-19.2
Hong Kong	24,649.68	2.2	-12.6
Korea	2,403.73	0.5	9.4
Taiwan	12,955.91	0.5	8.0
Japan	23,558.69	-0.3	-0.4
Dow Jones	28,837.52	0.9	1.0
Nasdaq	11,876.26	2.6	32.4

## ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.1482	0.3	1.4
OPR (%)	1.75	0.0	-41.7
BLR (% Maybank)	5.40	0.0	-18.8
NYMEX Crude oil			
US spot (US\$/barrel)	39.43	-2.9	-35.4
CPO spot price (RM/tonne)	3,006.00	0.7	-0.3

## STOCK FOCUS OF THE DAY

### Telekom Malaysia: Navigating Covid-19 resurgence

Buy

We maintain our BUY call on Telekom Malaysia (TM) with an unchanged DCF-based fair value of RM5.05/share based on a WACC of 7.4% and terminal growth rate of 2%. Our FY20F–FY22F earnings, which are 15%-17% above consensus, are maintained following a virtual engagement session with management yesterday. Amid the rising Covid-19 cases nationally in a potential second wave, the group has not experienced any operational disruptions except for some service centres in malls or selected areas under currently enhanced movement control orders. Management remains committed on TM's Performance Improvement Programme, which envisions the reduction of operating expenditure by RM500mil-600mil over 5 years while the government's Jalanan Digital Negara (JENDELA) infrastructure plan is likely to mitigate substantive capex increases as the programme over the next 2 years will be focused on expanding 4G coverage from 5mil currently to 7.5mil premises.

### Others:

Mynews Holdings: Korean convenience stores popping in

Hold

Plantation Sector: Palm inventory up 1.2% MoM in September

Neutral

## RETAIL RESEARCH

Stocks On Radar: Tek Seng Holdings, JCY International

## NEWS HIGHLIGHTS

**Covid-19:** 25% of SMEs face closure risk amid new wave

**Covid-19:** CMCO for Selangor, KL, Putrajaya and Sabah

**Airlines:** Malindo to cut 2,200 staff, reduce fleet size

**India:** Announces economic stimulus to boost demand by US\$10bil

## DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
WIDAD	38,380	0.555	21,300
MESB	29,490	0.300	8,850
MYEG-C1H	20,000	0.130	2,600
AME	10,000	1.880	18,800
BRAHIMS	9,200	0.255	2,350
AMEDIA	5,500	0.035	193
G3	4,190	1.888	7,910
MBL	3,350	0.701	2,350
DANCO-WA	3,000	0.260	780
HONGSENG-PA	2,900	1.000	2,900
AGES	1,000	0.135	135
YKGI	1,000	0.100	100
EMICO	437	0.300	131
ACME	300	0.310	93
MCOM	242	0.260	63
YNHPROP	112	2.733	306
CAELY	70	0.490	34
MUIIND	50	0.120	6

# News Highlights

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## **Covid-19**

*25% of SMEs face closure risk amid new wave*

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Up to one-quarter of Malaysia's small and medium enterprises (SMEs) are at risk of closure over the next few months because of the Covid-19 pandemic, says the SME Association of Malaysia.

Its vice president Chin Chee Seong said many SMEs have started to face the possibility of being wound up, adding it is unfortunate that the second wave of Covid-19 infections has come just after the six-month loan moratorium ended. — *The Edge CEO Morning Brief*

## **Covid-19**

*CMCO for Selangor, KL, Putrajaya and Sabah*

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More states have been placed under the conditional movement control order or CMCO, as new daily cases stubbornly remained above 300 since 5 Oct. The latest states and federal territories where CMCO will be imposed for two weeks are Kuala Lumpur, Putrajaya and Selangor — starting tomorrow till 27 Oct — and Sabah, from yesterday till 26 Oct.

The Ministry of Health reported 563 new Covid-19 cases yesterday — its second highest new daily cases recorded. This caused the number of active confirmed infections, which carry high transmission risks, to soar by 1,176 cases in four days to a new record high of 5,039 cases. — *The Edge CEO Morning Brief*

## **Airlines**

*Malindo to cut 2,200 staff, reduce fleet size*

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Malindo Airways Sdn Bhd is set to cut more than half of its 3,200-strong workforce due to a collapse in business because of the Covid-19 pandemic, according to a management note seen by The Vibes. The hybrid-full service carrier will shed 2,200 jobs and reduce its fleet size to five Boeing 737 jets and six ATR turboprops, said the note.

It said the affected staff are expected to “complete their clearance” by 30 November, while “multitasking” will be required of those still on Malindo's payroll. — *thevibes.com*

## **India**

*Announces economic stimulus to boost demand by US\$10bil*

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India on Monday announced steps to stimulate consumer demand, including advance payment of a part of the wages of federal government employees during the festival season and more capital spending as it tries to bolster the pandemic-hit economy.

The government will allow its employees to spend tax-exempt travel allowances on goods and services, Nirmala Sitharaman, India's finance minister told a news briefing. — *Reuters*

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