



AmWatch

Equity Research Team
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BURSA MALAYSIA

KLCI	1,604.75 (-5.40)
52-Week Range	1,207.80 – 1,618.01
Mkt Cap (RMb)	1,757.61
Daily Volume (m shares)	14,827.39
Daily Value (RMmil)	5,268.46

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
NESTLE	141.00	2.00
DLADY	37.98	0.78
LIHEN	4.74	0.34
KLK	23.32	0.32
BKAWAN	16.12	0.30

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
MPI	23.02	-0.56
MISC	6.90	-0.51
AYER	5.24	-0.46
HEIM	21.54	-0.46
PANAMY	30.52	-0.32

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,604.75	-0.3	1.0
Singapore	2,788.59	0.4	-13.5
Thailand	1,364.59	1.1	-13.6
Philippines	7,051.78	1.3	-9.8
Indonesia	5,557.52	0.5	-11.8
Hong Kong	26,544.29	0.5	-5.8
Korea	2,545.64	0.3	15.8
Taiwan	13,773.29	1.3	14.8
Japan	25,728.14	-1.1	8.8
Dow Jones	29,438.42	-1.2	3.2
Nasdaq	11,801.60	-0.8	31.5

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.0872	-0.4	-0.1
OPR (%)	1.75	0.0	-41.7
BLR (% Maybank)	5.40	0.0	-18.8
NYMEX Crude oil			
US spot (US\$/barrel)	41.82	0.9	-31.5
CPO spot price (RM/tonne)	3,510.00	0.2	16.4

STOCK FOCUS OF THE DAY

Media Prima: Home shopping, digital transformation charting new path **Buy**

We upgrade Media Prima (MPR) to BUY from HOLD with a higher fair value of RM0.25/share, pegged to a higher PB ratio of 0.5x (previously RM0.22/share, PB 0.4x) after reflecting the group's latest 3QFY20 book value per share (BVPS) of RM0.50. The higher PB ratio which is at a +1.5SD premium to its 1-year historical PB of 0.35x, premised upon our belief that the group is seeing benefits from its previous Odyssey transformation plan to grow commerce and digital revenues.

We narrow our FY20F–FY22F loss projections amid better margin assumptions across the board following realization of cost savings and better-than-expected recovery post-MCO. MPR's results exceeded expectations, recording a core profit of RM16mil in 3QFY20 which brings 9MFY20 core loss to RM18mil. This is after excluding a RM19mil net exceptional loss from termination benefits and impairment charge on financial instruments.

Despite the challenging operating environment, we believe that MPR's commerce and digital propositions continue to gain traction and are able to cushion declines in traditional adex and circulation. Coupled with its new Omnia proposition for bundling advertising-related solutions as well as benefits seen from its cost optimization initiatives, we believe that the stock is undervalued at the current price, hence we upgrade our call to BUY.

Others:

TSH Resources: Higher CPO prices offset weaker volume growth **Buy**

KL Kepong: Affected by high tax rate and loss in associate and JV **Hold**

Petronas Chemicals: Stabilising outlook amid one-off JV cessation charge **Hold**

RETAIL RESEARCH

Stocks On Radar: Malayan Cement, Homeritz Corporation

NEWS HIGHLIGHTS

Batu Sapi: King declares emergency

Top Glove: Mops up more of own shares for seventh consecutive day

Eita Resources: Proposes bonus issue with free warrants

M&A: Proposed S\$460mil merger will give DBS vast new market across India

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
PHB	150,000	0.020	3,000
PHB-WB	100,000	0.010	1,000
MMAG	74,030	0.330	24,430
SIME	50,000	2.420	121,000
WIDAD	12,900	0.525	6,770
DNEX	5,500	0.240	1,320
EASTLND	3,000	0.110	330
AIRASIA	2,820	0.766	2,160
MAG	2,500	0.260	650
RAPID	2,430	5.486	13,330
INIX	2,000	0.210	420
MCEHLDG	1,660	2.494	4,140
ORION	1,520	0.100	152
NOVAMSC	1,300	0.110	143
MTRONIC	1,000	0.185	185
AMEDIA	900	0.145	131
AT	900	0.241	217
AEM	300	0.197	59
FARLIM	216	0.225	49
SUCCESS	175	0.480	84
KAREX	114	0.875	100
SUPERMX	50	8.000	400

News Highlights

Batu Sapi

King declares emergency

Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah yesterday made a Proclamation of Emergency in the Batu Sapi parliamentary constituency, in effect cancelling the by-election for the seat. The Proclamation of Emergency based on Clause (1) Article 150 of the Federal Constitution was made after studying the explanation given by Prime Minister Tan Sri Muhyiddin Yassin, who had presented his advice based on a decision taken in a Cabinet meeting.

"With this declaration, whatever proceedings that had started for the purpose of conducting the by-election for P.185 Batu Sapi would not be continued for the sake of controlling and preventing the outbreak of a fourth wave of the Covid-19 pandemic, and another date will be set for the by-election," Istana Negara said in a statement. — *Bernama*

Top Glove (RM7.01)

Mops up more of own shares for seventh consecutive day

Top Glove Corp Bhd purchased RM69.94mil worth of shares in its latest share buy-back exercise yesterday, marking the seventh consecutive trading day of buying its own shares this month. In a bourse filing, the glove maker said it bought 10mil shares, at between RM6.89 and RM7.01 apiece. Its cumulative net outstanding treasury shares to date now stand at 115.42mil shares, equivalent to a 1.41% stake.

Top Glove has spent RM489.23mil so far this month. This is on top of the RM355mil it forked out in September for share buybacks. — *The Edge CEO Morning Brief*

Eita Resources (RM1.36)

Proposes bonus issue with free warrants

Elevator manufacturer Eita Resources Bhd has proposed the issuance of bonus shares, together with free warrants, to reward its shareholders. The bonus issuance will be on the basis of one bonus share for each existing share held (one-for-one) on an entitlement date to be announced.

As for the free warrants, to be issued after the bonus issue, will be on the basis of one free warrant for every three existing shares held (one-for-three). The plans will involve the issuance of up to 130mil bonus shares and 86.67mil warrants, Eita said in a filing with Bursa Malaysia. — *The Edge CEO Morning Brief*

M&A

Proposed S\$460mil merger will give DBS vast new market across India

India's central bank has proposed a scheme to merge the ailing Lakshmi Vilas Bank (LVB) with DBS Bank. The move would involve DBS, Southeast Asia's biggest bank, injecting 25bil rupees (S\$463mil) of fresh capital into its wholly owned India subsidiary DBS Bank India.

Despite the size of LVB's non-performing assets, a merger would give DBS a valuable customer base and a sizeable branch network in India. DBS has only around 30 branches in India, but could gain LVB's over 560 branches and 970 ATMs across the country, especially in Tamil Nadu. — *The Straits Times*

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