



AmWatch

Equity Research Team
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20 November 2020

BURSA MALAYSIA

KLCI	1,583.68 (-21.07)
52-Week Range	1,207.80 – 1,618.01
Mkt Cap (RMb)	1,741.15
Daily Volume (m shares)	9,559.24
Daily Value (RMmil)	4,494.36

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
EITA	1.76	0.40
SAMAIDEN	1.26	0.30
AYER	5.48	0.24
KLK	23.56	0.24
TM	4.70	0.23

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
NESTLE	138.80	-2.20
HLBANK	16.80	-0.98
PBBANK	18.38	-0.68
CARLSBG	21.90	-0.52
PPB	18.48	-0.52

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,583.68	-1.3	-0.3
Singapore	2,777.00	-0.4	-13.8
Thailand	1,369.42	0.4	-13.3
Philippines	6,997.62	-0.8	-10.5
Indonesia	5,594.06	0.7	-11.2
Hong Kong	26,356.97	-0.7	-6.5
Korea	2,547.42	0.1	15.9
Taiwan	13,722.43	-0.4	14.4
Japan	25,634.34	-0.4	8.4
Dow Jones	29,483.23	0.2	3.3
Nasdaq	11,904.71	0.9	32.7

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.0980	0.3	0.2
OPR (%)	1.75	0.0	-41.7
BLR (% Maybank)	5.40	0.0	-18.8
NYMEX Crude oil			
US spot (US\$/barrel)	41.74	-0.2	-31.6
CPO spot price (RM/tonne)	3,502.50	-0.3	16.1

STOCK FOCUS OF THE DAY

MBM Resources: Registers best-ever quarterly profit in 3Q20

Buy

We maintain BUY on MBM Resources (MBMR) with an unchanged fair value of RM4.32, based on a 9x FY21F EPS.

MBMR recorded its best-ever quarterly core profit of RM65.1mil in 3Q20. Overall, the group's 9M20 core net profit of RM87.4mil came in at 61% and 67% of our and consensus full-year forecasts respectively. We deem this to be within our expectations but above consensus. We expect a sustained strong follow-through momentum in 4Q20 on the back of improved sales volume, boosted by the SST exemption. MBMR's 9M20 core net profit dived by 43% YoY compared to 9M19's RM152.8mil due to the movement control order (MCO) in 1H20.

MBMR registered a lower 9MFY20 revenue of RM1.2bil (-23% YoY) largely due to lower contribution from its motor trading division (-22% YoY) as the MCO shut down all car showrooms and service centres throughout the nation from 18 March till 4 May 2020.

Our BUY call is also premised on the belief that the sales volume of Perodua cars would be more encouraging compared to other brands because of its more attractive pricings for its model line-ups and value propositions.

Others:

Sunway Construction: 9MFY20 net profit declines 56% YoY

Underweight

RETAIL RESEARCH

Stocks On Radar: Pne PCB, CJ Century

NEWS HIGHLIGHTS

Top Glove: Spent about half its FY20 RM1.87bil profit on share buybacks since September

Amtel: Proposes bonus issue with free warrants

Axis-REIT: Buys three properties in Johor for RM28.2mil

M & A: BuzzFeed to acquire HuffPost in stock deal with Verizon Media

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
LUSTER	14,730	0.190	2,800
MAG	2,500	0.260	650
INIX	2,000	0.210	420
CHINHIN	1,750	1.371	2,400
SIMEPROP	1,340	0.579	776
GOPENG	1,000	0.640	640
VIS	970	0.340	330
ABMB	772	2.590	2,000
HANDAL	500	0.180	90
KAB	500	1.000	500
GCAP	310	0.650	202
LEESK	150	0.600	90
WOODLAN	127	0.400	51
YNHPROP	93	2.700	251

News Highlights

Top Glove (RM6.94)

Spent about half its FY20 RM1.87bil profit on share buybacks since September

Top Glove Corp Bhd, which made a whopping net profit of RM1.87bil for its financial year ended 31 Aug, 2020, has now spent about half of that on buying back its own shares since September. It is perhaps the first company listed on Bursa Malaysia to have spent such a big sum on buying back its own shares.

The group bought RM69.96mil worth of its own shares yesterday — the eight straight trading day it has indulged in the exercise — as it continued a buying spree that has now cost it a total of RM914.19mil since September this year. — *The Edge CEO Morning Brief*

Amtel (RM1.66)

Proposes bonus issue with free warrants

Amtel Holdings Bhd, whose share price jumped 23 sen or 16.08% to close at its 14-year high of RM1.66 yesterday, 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 two existing shares held (one-for-two) on an entitlement date to be announced. The free warrants, to be issued after the bonus issue, will be on the basis of one free warrant for every two existing shares held (one-for-two). The plan involves the issuance of up to 32.52mil bonus shares and 48.78mil warrants, Amtel said in a filing with Bursa Malaysia. — *The Edge CEO Morning Brief*

Axis-REIT (RM2.13)

Buys three properties in Johor for RM28.2mil

Axis Real Estate Investment Trust's (Axis-REIT) trustee, RHB Trustees Bhd has entered into sale and purchase agreements with real estate company Axis AME IP Sdn Bhd involving three properties in Johor, costing RM28.2mil. The appraised value of the properties totalled RM31 million. Axis REIT Managers Bhd chief executive officer/executive director Leong Kit May in a statement today, said the proposed acquisitions will be entirely funded by existing bank financing. — *Bernama*

M & A

BuzzFeed to acquire HuffPost in stock deal with Verizon Media

BuzzFeed Inc has agreed to acquire Verizon Media's HuffPost in a stock deal, the companies said Thursday, uniting two of the larger players in digital media as companies across the sector search for ways to jump-start growth. The acquisition is part of a larger deal between BuzzFeed and Verizon Media, a unit of Verizon Communications Inc. Under the pact, the companies will syndicate content on each other's platforms and look to jointly explore advertising opportunities. — *WSJ.com*

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