



AmWatch

Equity Research Team
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8 January 2021

BURSA MALAYSIA

KLCI	1,602.95 (+10.98)
52-Week Range	1,207.80 – 1,695.96
Mkt Cap (RMb)	1,780.05
Daily Volume (m shares)	6,558.86
Daily Value (RMmil)	5,059.12

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
NESTLE	139.50	1.50
PETDAG	21.30	0.62
MPI	24.74	0.54
PPB	19.10	0.50
EURO	4.23	0.40

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
HEIM	21.58	-0.62
DLADY	36.30	-0.58
BAT	13.28	-0.56
TOYOVEN	2.20	-0.36
VITROX	14.10	-0.30

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,602.95	0.7	-1.5
Singapore	2,906.97	1.5	2.2
Thailand	1,513.78	1.4	4.4
Philippines	7,119.61	1.0	-0.3
Indonesia	6,153.63	1.4	2.9
Hong Kong	27,548.52	-0.5	1.2
Korea	3,031.68	2.1	5.5
Taiwan	15,214.00	1.5	3.3
Japan	27,490.13	1.6	0.2
Dow Jones	31,041.13	0.7	1.4
Nasdaq	13,067.48	2.6	1.4

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.0375	0.7	0.4
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	50.83	0.4	4.8
CPO spot price (RM/tonne)	3,970.00	1.8	3.1

SECTOR FOCUS OF THE DAY

Plantation Sector: Indonesia output to rebound in 2021F

Neutral

We are neutral on the palm oil sector as we believe that there is a balance between the positive and negative factors. Also, we think that at a CPO price of more than RM3,500/tonne, there are more downside risks instead of upside.

We reckon that industry palm production would rebound in 2021F after sliding in 2020E. CPO output was weak in Malaysia and Indonesia in 2020E, dragged by the lagged impact of the drought and haze, which took place in 3Q2019. On a positive note, we expect industry palm demand to recover in 2021F after being hit by Covid-19 in 2020E. We have assumed an average CPO price of RM2,500/tonne for Malaysia in 2021F vs. 2020's average MPOB spot price of RM2,765/tonne.

The smaller plantation companies under our coverage such as IJM Plantations (IJMP) and TSH Resources are currently trading at FY21F PE of 22.0x to 25.0x while the larger and integrated companies are trading at multiples of 24.0x to 27.0x (excluding Sime Darby Plantation and FGV Holdings). We have a BUY on TSH Resources with a fair value of RM1.25/share. Our fair value is based on FY21F PE of 25x.

We would turn positive on the plantation sector if industry palm output turns out to be lower than expected. If industry palm production is weaker than estimated, then palm inventory would stay low. Although palm inventory in Malaysia is below two million tonnes currently, there is risk that palm stockpiles would increase on the back of a recovery in production.

Others:

Mah Sing Group: More launches in 2021; glove production to start April

Buy

Sapura Energy: Jerun CPP job to drive order book momentum

Buy

QUICK TAKE

PPB Group: Closes GSC Cheras Leisure Mall and Times Square

Hold

RETAIL RESEARCH

Stocks On Radar: Tek Seng Holdings, DPI Holdings

NEWS HIGHLIGHTS

Covid-19: Malaysia's new daily infections top 3,000

Plantation: Dramatic fall in CPO prices seen as Mistry predicts 'a year of two halves'

UMW: Exceeds 2020 vehicles sales target

Automobile: Tesla's stock market value tops Facebook's in huge trading

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
BINTAI	15,000	0.530	7,950
HEXTAR	13,910	0.860	11,960
YONGTAI	10,000	0.160	1,600
G3	2,620	1.950	5,110
BCMALL	1,690	0.344	581
SNTORIA	1,500	0.135	203
TFP	1,100	0.235	259
KNUSFOR	900	0.700	630
PA	500	0.250	125
TOPGLOV	350	5.714	2,000
AHP	265	0.860	228
DKLS	250	1.330	333
MAYBULK	150	0.535	80
UOAREIT	100	1.100	110

News Highlights

Covid-19

Malaysia's new daily infections top 3,000

Malaysia's newly-confirmed daily Covid-19 cases rose past the 3,000 mark for the first time yesterday, after the country reported a fresh record high figure of 3,027 infected individuals, who brought the nation's cumulative number of infections to 128,465 so far. Eight additional deaths were reported.

Health director-general Tan Sri Dr Noor Hisham Abdullah out of the 3,027 newly-confirmed Covid-19 cases, the 3,021 local transmission cases comprise 1,577 Malaysians and 1,444 foreigners. Six others were imported cases. — *The Edge CEO Morning Brief*

Plantation

Dramatic fall in CPO prices seen as Mistry predicts 'a year of two halves'

In a year of two halves seen for crude palm oil (CPO) prices, Godrej International Ltd director Dorab Mistry predicted yesterday that Malaysia CPO prices may fall dramatically in the second half of 2021 in anticipation of higher oil palm output after an expected stronger prices for CPO in 1H21.

Mistry, who was speaking at the Palm Oil Trade Fair and Seminar 2021 today, said "explosive" CPO price moves may happen between now and 31 March 2021 before prices are seen recovering in the second quarter of 2021. — *The Edge CEO Morning Brief*

UMW (RM3.34)

Exceeds 2020 vehicles sales target

UMW Holdings Bhd has exceeded its vehicle sales targets for 2020 following strong sales achieved by both UMW Toyota Motor (UMWT) and its 38% associated company, Perodua.

In a statement, UMW said the sales tax exemption announced by the government, which took effect from 15 June 2020, boosted demand and drove sales in the second half of the year. "UMWT registered its highest monthly sales for the year in December 2020 with 9,246 units sold, culminating in total sales of 59,320 units for 2020." — *Bernama*

Automobile

Tesla's stock market value tops Facebook's in huge trading

Shares of Tesla surged to a record high in heavy trading on Thursday, with the electric car maker's stock market value exceeding Facebook's for the first time.

Shares in the company led by Elon Musk jumped nearly 8% to end the session at US\$816, putting its market capitalization at US\$774bil and making it Wall Street's fifth-most-valuable company, behind Google-parent Alphabet and ahead of Facebook. Facebook's stock market value was US\$765bil after its shares rose about 2%, according to Refinitiv data. — *Reuters*

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