



# AmWatch

Equity Research Team  
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## BURSA MALAYSIA

KLCI	1,617.25 (-15.94)
52-Week Range	1,207.80 – 1,695.96
Mkt Cap (RMb)	1,779.96
Daily Volume (m shares)	6,853.66
Daily Value (RMmil)	5,721.76

## TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
KESM	14.90	1.02
MPI	26.60	0.90
KLK	24.70	0.70
HEIM	22.14	0.64
NESTLE	140.00	0.50

## TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
CNASIA	1.27	-0.39
AEONCR	11.00	-0.38
TIMECOM	13.32	-0.36
OIB	2.41	-0.29
HARTA	12.22	-0.28

## REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,617.25	-1.0	-0.6
Singapore	2,983.90	-0.3	4.9
Thailand	1,536.49	0.0	6.0
Philippines	7,304.79	0.2	2.3
Indonesia	6,382.94	2.0	6.8
Hong Kong	27,908.22	0.1	2.5
Korea	3,148.45	-0.1	9.6
Taiwan	15,557.30	0.6	5.6
Japan	28,139.03	2.4	2.5
Dow Jones	31,008.69	-0.3	1.3
Nasdaq	13,036.43	-1.3	1.1

## ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.0530	0.6	0.8
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	52.25	0.0	7.7
CPO spot price (RM/tonne)	3,990.00	-0.3	3.6

## STOCK FOCUS OF THE DAY

**TSH Resources: Sale of estates to KLK to affect FFB output growth** **Buy**

We maintain BUY on TSH Resources with a higher fair value of RM1.35/share. Although we have raised TSH's FY21F net profit by 27.6%, we have reduced our PE assumption to 22x from 25x. We have also raised increased TSH's FY20E net profit by 28.7% as TSH's 4QFY20 palm earnings are expected to be healthy following the surge in CPO prices.

We have lowered the PE used to derive TSH's fair value due to higher risk of trade barriers in the palm oil industry. This is in view of the US Customs and Border Protection's move to ban palm imports from Sime Darby Plantation and FGV Holdings in 2020 due to alleged labour abuse.

We have raised TSH's FY21F core net profit by 27.6%. This is to account for lower interest expense and stronger palm EBIT margin of 15% (FY20E: 15%) as our previous assumption of 12% was too conservative.

### Others:

**Plantation Sector (MPOB): Lowest palm inventory since June 2007** **Neutral**

## RETAIL RESEARCH

**Stocks On Radar: Kawan Food, Telekom Malaysia**

## NEWS HIGHLIGHTS

**Covid-19: Malaysia reinstates MCO in five states, three FTs**

**Covid-19: UK variant detected in Malaysia — Health DG**

**HLT Global: To acquire balance 45% stake in glove making unit for RM90mil**

**Automobile: China's Baidu and Geely partner up for smart cars**

## DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity ('000)	Price (RM)	Turnover (RM'000)
WIDAD	117,000	0.688	80,500
HEXTAR	34,000	0.860	29,240
LUSTER	20,000	0.180	3,600
MENANG	14,660	0.625	9,160
APPASIA	10,000	0.670	6,700
MUIIND	10,000	0.100	1,000
XIANLNG	7,700	0.610	4,700
SCIB	3,400	1.150	3,910
VIZIONE	2,200	0.260	572
TOPGLOV	2,000	6.430	12,860
G3	1,700	1.800	3,060
ANCOM	1,300	0.900	1,170
HIAPTEK-WB	1,000	0.170	170
BIMB-WA	685	0.235	161
SIGN	500	0.400	200
YONGTAI-PA	500	1.200	600
HLCAP	471	5.626	2,650
IRIS	350	0.438	153
YONGTAI	320	0.315	101
HIAPTEK	300	0.470	141
SUNSURIA	235	0.430	101
EFRAME	200	0.655	131
EDARAN	100	0.440	44

# News Highlights

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## **Covid-19**

*Malaysia reinstates MCO in five states, three FTs*

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The government has reinstated the movement control order (MCO) in the states of Penang, Selangor, Melaka, Johor and Sabah as well as the federal territories of Kuala Lumpur, Putrajaya and Labuan for a two-week period starting 13 Jan.

In a national address yesterday, PM Tan Sri Muhyiddin Yassin said the government will allow five essential economic sectors to operate, namely the manufacturing, construction, service, trade and distribution, and agriculture and commodities sectors. — *The Edge CEO Morning Brief*

## **Covid-19**

*UK variant detected in Malaysia — Health DG*

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A case of Covid-19 variant dubbed “UK B.1.1.7” has been detected in Malaysia yesterday involving a traveller with a history of travel to the United Kingdom last month.

Health director-general Tan Sri Dr Noor Hisham Abdullah, in a posting on his Facebook page, said that the traveller was found positive for Covid-19 on 28 Dec and had been isolated for further treatment. — *Bernama*

## **HLT Global (RM1.38)**

*To acquire balance 45% stake in glove making unit for RM90mil*

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HLT Global Bhd has proposed to acquire the remaining 45% stake in its 55%-owned rubber glove subsidiary for RM90mil. In a bourse filing, the group said plans to acquire the stake in HL Rubber Industries Sdn Bhd (HLRI) via the issuance of 90mil new HLT shares at RM1 per share.

The group said that upon the issuance of the new HLT shares, its share capital would increase to as much as 814.6m shares, from 706.58mil shares currently. — *The Edge CEO Morning Brief*

## **Automobile**

*China's Baidu and Geely partner up for smart cars*

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China's search engine Baidu has announced it will partner with carmaker Geely to make smart electric vehicles (EVs). Baidu will provide “intelligent driving capabilities”, while Geely will offer design and manufacturing expertise.

Geely is one of China's largest carmakers, and also owns Volvo and a stake in Mercedes-Benz owner Daimler. — *BBC News*

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