



AmWatch

Equity Research Team
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BURSA MALAYSIA

KLCI	1,612.04 (-5.21)
52-Week Range	1,207.80 – 1,695.96
Mkt Cap (RMb)	1,779.30
Daily Volume (m shares)	8,474.53
Daily Value (RMmil)	5,793.54

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
HARTA	13.14	0.92
VITROX	14.40	0.46
SCIENTX	12.40	0.42
HEIM	22.50	0.36
MUDA	3.08	0.34

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
HLBANK	17.50	-0.58
F&N	32.20	-0.50
NESTLE	139.50	-0.50
HLFG	17.20	-0.42
PPB	18.96	-0.34

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,612.04	-0.3	-0.9
Singapore	2,977.17	-0.2	4.7
Thailand	1,539.85	0.2	6.2
Philippines	7,258.11	-0.6	1.7
Indonesia	6,395.67	0.2	7.0
Hong Kong	28,276.75	1.3	3.8
Korea	3,125.95	-0.7	8.8
Taiwan	15,500.70	-0.4	5.2
Japan	28,164.34	0.1	2.6
Dow Jones	31,068.69	0.2	1.5
Nasdaq	13,072.43	0.3	1.4

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.0565	0.1	0.9
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	53.21	1.8	9.7
CPO spot price (RM/tonne)	3,960.00	-0.4	2.9

SECTOR FOCUS OF THE DAY

Glove: Earnings will peak in 1H2021

Neutral

We are maintaining our NEUTRAL view on the sector as the valuations for glove companies under our coverage (Top Glove, Kossan and Hartalega) are already fully reflected in the companies' earnings outlook. We reckon the average selling prices (ASP) will begin to ease in 1H2021 following the strong increase over the past 9 months, which are already priced in.

Moreover, we are cutting our target PER by 10% across the board to reflect take into account the risk of a down cycle in the sector as a result of successful rollouts of Covid-19 vaccines. While we believe that glove makers' fundamentals remain steady for the next few years, they offer limited upside at their current share prices. Hence we advise investors to accumulate at lower levels.

We have HOLD calls for the glove stocks under our coverage. For Top Glove, we have a fair value (FV) of RM6.50 per share based on CY22 EPS over a PER of 23x. Hartalega's FV is RM12.25 per share, based on its 5-year average PER of 35x over CY22EPS. Meanwhile, Kossan is ascribed an FV of RM4.80 per share based on its 5-year average PER of 24x over FY22 EPS.

RETAIL RESEARCH

Stocks On Radar: CSC Steel Holdings, Mi Technovation

ECONOMIC REPORT

Malaysia: Downward pressure remains on distributive sales

NEWS HIGHLIGHTS

Covid-19: PM: Proclamation of emergency is not military coup, civilian govt still in place

Pharmaniaga: Secures 14mil vaccine doses from Sinovac, to be distributed by end-March

MTD ACPI: Subsidiary bags RM33.44mil contract

E-messaging: Why WhatsApp's new privacy rules sparked exodus

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
SEDANIA	20,000	0.155	3,100
MUIIND	10,000	0.100	1,000
KAB	9,500	1.000	9,500
VIZIONE	7,800	0.260	2,030
MMAG	4,150	0.451	1,870
TIGER	4,000	0.100	400
ANCOM	3,000	0.917	2,750
FSBM	2,780	0.180	500
ELSOFT	2,000	0.900	1,800
UNIWALL	725	0.690	500
DNEX	658	0.214	141
HLCAP	606	5.644	3,420
YNHPROP	400	2.500	1,000
ASIAPAC-LC	350	0.620	217
IOIPG-C2	340	0.190	65
GENM	329	2.410	793
SERBADK	146	1.670	244

News Highlights

Covid-19

PM: Proclamation of emergency is not military coup, civilian govt still in place

The proclamation of state of emergency by the King yesterday morning does not entail a military coup and the civilian government will continue to function, said Prime Minister Tan Sri Muhyiddin Yassin.

In a nationally televised address, Muhyiddin assured that there will be no curfew imposed under the emergency. He said the state of emergency is declared in order to empower the King to promulgate ordinances that may facilitate government affairs and overcome any regulations that make it difficult to deliver fast, efficient and effective public health services during the Covid-19 pandemic. "I assure you that the administrative and public service machinery of the federal and state governments will not be disturbed by this declaration of emergency." — *The Edge CEO Morning Brief*

Pharmaniaga (RM5.16)

Secures 14mil vaccine doses from Sinovac, to be distributed by end-March

Pharmaniaga Bhd is partnering with China's Sinovac Life Sciences Co Ltd for the supply of 14 million doses of Covid-19 vaccine in Malaysia. Pharmaniaga expects the vaccine to be distributed to the public by the end of March this year, according to managing director Datuk Zulkarnain Md Eusope. This will cover 22% of the country's total population.

An agreement was entered into between Pharmaniaga and Sinovac yesterday. Under the deal, Pharmaniaga will carry out the fill and finish process of the vaccine developed by Sinovac, which is one of the leading vaccine developers in China. Sinovac has completed its Phase 3 trials in Brazil and Turkey. — *The Edge CEO Morning Brief*

MTD ACPI (RM0.26)

Subsidiary bags RM33.44mil contract

MTD ACPI Engineering Bhd's wholly-owned subsidiary, MTD Construction Sdn Bhd, has accepted a contract worth RM33.44mil from the Public Works Department. The group said the contract is in relation to the completion of the remaining and related works for the Police Training Centre project in Pelangi, Bentong, Pahang. — *Bernamea*

E-messaging

Why WhatsApp's new privacy rules sparked exodus

Facebook Inc.'s WhatsApp has begun alerting its 2bil users of an update to its privacy policy -- and if they want to keep using the popular messaging app, they have to accept it. WhatsApp is now reserving the right to share data it collects about you with the broader Facebook network, which includes Instagram, regardless of whether you have accounts or profiles there.

While Facebook cannot read WhatsApp conversations as these are encrypted, by using WhatsApp, you may be sharing with it your contacts list, location, financial information and usage data, as well as your phone's unique identifier, among other types of so-called metadata. — *Bloomberg*

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