



AmInvestment Bank

AmWatch

Equity Research Team
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1 April 2021

BURSA MALAYSIA

KLCI	1,573.51 (-35.68)
52-Week Range	1,316.94 – 1,695.96
Mkt Cap (RMb)	1,810.49
Daily Volume (m shares)	8,471.45
Daily Value (RMmil)	4,301.55

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
PANANMY	31.00	0.62
PGLOBE	1.19	0.295
IGBB	2.77	0.15
VITROX	14.94	0.14
BJLAND	0.405	0.13

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
MPI	38.90	-1.04
NESTLE	135.00	-0.60
F&N	30.00	-0.50
RAPID	7.51	-0.48
CARLSBG	23.86	-0.46

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,573.51	-2.2	-3.3
Singapore	3,165.34	-0.8	11.3
Thailand	1,587.21	-0.1	9.5
Philippines	6,443.09	-1.6	-9.8
Indonesia	5,985.52	-1.4	0.1
Hong Kong	28,378.35	-0.7	4.2
Korea	3,061.42	-0.3	6.5
Taiwan	16,431.13	-0.7	11.5
Japan	29,178.80	-0.9	6.3
Dow Jones	32,981.55	-0.3	7.8
Nasdaq	13,246.87	1.5	2.8

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.1450	-0.1	3.1
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	59.16	-2.3	21.9
CPO spot price (RM/tonne)	4,020.00	0.4	4.4

SECTOR FOCUS OF THE DAY

Banking Sector: BNM Financial Stability Review for 2H2020

Overweight

BNM released the Financial Stability Review for 2H20. The Malaysian economy will rebound to 6–7% in 2021 from -5.6% in 2020. This will be supported by an improvement in external demand from the global technology upcycle, improving private consumption from less strict movement restrictions as well as the vaccine rollout.

Also, 2021 will see a gradual improvement in labour market conditions with unemployment rate of between 4% and 5% and continued policy support for households and businesses. 9.7% of the total business loan accounts were under debt repayment assistance as at end-December 2020. By value, this was 17.0% of the total business loans.

2H20 saw some recovery in the operating environment of businesses although the recovery was uneven. The manufacturing sector experienced improvements but tourism-related industries continued to face challenges. Nevertheless, the share of loan exposure to tourism-related industries remained small at 2.5% of the total banking system loans. Meanwhile, the share of loan exposure to consumer-related sectors (including wholesale, retail trade, hotels and restaurants) stood at 7.5% of total loans.

We retain our OVERWEIGHT stance with our top BUYs on Hong Leong Bank (fair value RM20.30/share), RHB Bank (FV RM6.80/share), Maybank (FV RM9.80/share) and CIMB Group (RM5.50/share).

Others:

Sunway: FY20 dragged by property investment segment

Buy

Maxis: Challenging another large tax bill

Hold

Tan Chong Motor: Losses widens in 4Q20; the worst is not over

Underweight

Glove Sector: Gas price hikes, regulatory risks abound

Neutral

QUICK TAKE

Mynews Holdings: CU at Centrepoint!

Buy

RETAIL RESEARCH

Stocks On Radar: Inari Amertron, Guan Chong

NEWS HIGHLIGHTS

Bank Negara: Liberalises foreign exchange policy to attract FDI

Khazanah Nasional: Sells SilTerra to DNex and CGP Fund for RM273mil cash

US: Biden unveils US\$2.3 trillion infrastructure plan

Technology: Microsoft wins US\$21.9bil contract with US Army to supply AR headsets

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (‘000)	Price (RM)	Turnover (RM’000)
THETA	32,500	0.700	22,750
CONNECT-PA	25,000	0.080	2,000
MMAG	11,860	0.333	3,950
MESTRON	10,000	0.275	2,750
OPTIMAX	6,390	1.621	10,360
DIALOG	6,000	3.000	18,000
WIDAD	5,300	0.464	2,460
MGRC	5,000	1.040	5,200
SKBSHUT	4,350	0.625	2,720
NGGB	2,500	0.400	1,000
AIRASIA	1,050	1.067	1,120
KAB	1,000	2.000	2,000
NEXGRAM	1,000	0.055	55
HONGSENG	548	1.300	713
YTL	287	0.780	224
RAPID	236	8.517	2,010
BRAHIMS	196	0.280	55

News Highlights

Bank Negara

Liberalises foreign exchange policy to attract FDI

Bank Negara Malaysia (BNM) has announced further measures to liberalise its foreign exchange policy (FEP) to strengthen Malaysia's position in the global supply chain and foster a conducive environment in attracting foreign direct investment (FDI) into the country.

In a statement, the central bank added that these measures will provide greater flexibility for export-oriented industries to better support Malaysia's economic recovery. These measures will be effective 15 April, with further details to be provided in the revised Foreign Exchange Notice 4 to be issued by BNM then. — *The Edge CEO Morning Brief*

Khazanah Nasional

Sells SilTerra to DNeX and CGP Fund for RM273mil cash

Dagang NeXchange Bhd (DNeX) has teamed up with Beijing Integrated Circuit Advanced Manufacturing and High-End Equipment Equity Investment Fund Center (Limited Partnership) – also known as CGP Fund – to acquire Khazanah Nasional Bhd's loss-making semiconductor unit for RM273mil cash.

In a statement yesterday, DNeX said it will take up a 60% stake in SilTerra Malaysia Sdn Bhd for RM163.8mil, while CGP Fund will acquire the remaining 40% for RM109.2mil. — *The Edge CEO Morning Brief*

US

Biden unveils US\$2.3 trillion infrastructure plan

President Joe Biden unveiled a US\$2.3 trillion infrastructure plan centered on fixing roads and bridges, expanding broadband internet access and boosting funding for research and development, plus higher corporate taxes to pay for the package.

"It's not a plan that tinkers around the edges," Biden said during a speech in Pittsburgh, where he kicked off his presidential campaign. "It's a once-in-a-generation investment in America." — *WSJ.com*

Technology

Microsoft wins US\$21.9bil contract with US Army to supply AR headsets

Microsoft Corp on Wednesday said it has won a deal to sell the US Army augmented reality (AR) headsets based on its HoloLens product and backed by Azure cloud computing services. The contract could be worth up to US\$21.88bil over 10 years, a Microsoft spokesman told Reuters. — *Reuters*

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