



AmInvestment Bank

AmWatch

Equity Research Team
(603- 2070 2444)

2 April 2021

BURSA MALAYSIA

| | |
|-------------------------|---------------------|
| KLCI | 1,582.64 (+9.13) |
| 52-Week Range | 1,316.94 – 1,695.96 |
| Mkt Cap (RMb) | 1,822.62 |
| Daily Volume (m shares) | 8,027.58 |
| Daily Value (RMmil) | 3,760.10 |

TOP 5 GAINERS

| | Closing Price (RM) | Chg (RM) |
|--------|--------------------|----------|
| VITROX | 15.68 | 0.74 |
| NESTLE | 135.50 | 0.50 |
| F&N | 30.44 | 0.44 |
| RAPID | 7.90 | 0.39 |
| MPI | 39.22 | 0.32 |

TOP 5 LOSERS

| | Closing Price (RM) | Chg (RM) |
|---------|--------------------|----------|
| HEIM | 25.44 | -0.36 |
| DATAPRP | 1.61 | -0.21 |
| CHEETAH | 2.63 | -0.17 |
| PETGAS | 15.84 | -0.16 |
| HLBANK | 18.58 | -0.12 |

REGIONAL MARKETS

| Market | Index | 1D (%) | YTD (%) |
|-------------|-----------|--------|---------|
| KLCI | 1,582.64 | 0.6 | -2.7 |
| Singapore | 3,181.68 | 0.5 | 11.9 |
| Thailand | 1,595.12 | 0.5 | 10.1 |
| Philippines | 6,443.09 | -1.6 | -9.8 |
| Indonesia | 6,011.46 | 0.4 | 0.5 |
| Hong Kong | 28,938.74 | 2.0 | 6.3 |
| Korea | 3,087.40 | 0.8 | 7.4 |
| Taiwan | 16,571.28 | 0.9 | 12.5 |
| Japan | 29,388.87 | 0.7 | 7.1 |
| Dow Jones | 33,153.21 | 0.5 | 8.3 |
| Nasdaq | 13,480.11 | 1.8 | 4.6 |

ECONOMIC STATISTICS

| | Close | 1D (%) | YTD (%) |
|---------------------------|----------|--------|---------|
| MYR/USD | 4.1483 | 0.1 | 3.2 |
| OPR (%) | 1.75 | 0.0 | 0.0 |
| BLR (% Maybank) | 5.40 | 0.0 | 0.0 |
| NYMEX Crude oil | | | |
| US spot (US\$/barrel) | 61.45 | 3.9 | 26.6 |
| CPO spot price (RM/tonne) | 3,980.00 | -0.2 | 3.4 |

STOCK FOCUS OF THE DAY

Bermaz Auto: Inks JV partnership with Kia Motors Corp (Korea)

Buy

We maintain our BUY call on Bermaz Auto (BAuto) with a higher fair value of RM1.80/share (from RM1.74/share previously) as we roll over our valuation to FY22F with a PE of 13x and after tweaking our earnings estimates higher. We have assigned a 3-star ESG rating on BAuto. We raise our FY22–23F net profit forecasts by 3% and 8% respectively after factoring in additional sales and earnings contribution from its joint venture with Kia Motors.

Yesterday, BAuto announced that it has formed a strategic partnership with Kia Motors Corporation (Korea) to manufacture, assembly and distribute Kia vehicles in Malaysia. A new company, to be known as Kia Malaysia, will be formed to undertake the assembly of Kia CKD vehicles in Malaysia.

Overall, we are positive on this development as we think that this will anchor BAuto's foothold as a stronger non-national auto player with two prominent brands under its belt. While it was guided that earnings contribution "would not be much" in FY22F, we believe that this would augur well for the group's next phase of growth in the medium to long term.

We are also excited on the third potential Mazda CKD programme (after the CX-5 and CX-8) will come to light soon (from our ground checks). We understand that the third Mazda CKD model would make its debut in 4QCY22.

Others:

Banking: Loan growth eases slightly; smaller increase in provisions **Overweight**

RETAIL RESEARCH

Stocks On Radar: KPower, Reservoir Link Energy

NEWS HIGHLIGHTS

Malaysia: Manufacturers signal first employment expansion in 12 months — IHS Markit

Berjaya Corp: Value of Vincent Tan's stake rises RM642mil after share price rally

Covid-19: Fully vaccinated individuals may be allowed to travel — Muhyiddin

Semiconductor: TSMC to invest US\$100bil to increase output

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

| Stock | Quantity (‘000) | Price (RM) | Turnover (RM’000) |
|----------|--------------------|---------------|----------------------|
| BINTAI | 25,000 | 0.500 | 12,500 |
| MMAG | 24,150 | 0.275 | 6,640 |
| LUSTER | 20,000 | 0.200 | 4,000 |
| SCOMI-WB | 20,000 | 0.050 | 1,000 |
| HCK | 3,000 | 1.350 | 4,050 |
| JIANKUN | 3,000 | 0.380 | 1,140 |
| HONGSENG | 2,930 | 1.372 | 4,020 |
| KAB | 2,850 | 1.832 | 5,220 |
| SOLUTN | 2,540 | 1.390 | 3,530 |
| OPTIMAX | 1,100 | 1.618 | 1,780 |
| CNASIA | 1,000 | 1.400 | 1,400 |
| PARLO | 400 | 0.330 | 132 |
| SERBADK | 250 | 1.720 | 430 |
| HEXTAR | 200 | 1.290 | 258 |
| MGRC | 200 | 1.140 | 228 |

News Highlights

Malaysia

Manufacturers signal first employment expansion in 12 months — IHS Markit

Malaysian manufacturers signalled the first expansion in employment levels in 12 months in the latest IHS Markit Malaysia Manufacturing Purchasing Managers' Index (PMI) survey period in March 2021 as preparation for orders in the future reportedly required additional capacity and pushed the seasonally-adjusted employment index to the highest since April 2019 as the global economy contended with the impact of the Covid-19 pandemic.

In a statement yesterday, IHS Markit said despite headwinds from supply shortages and ongoing Covid-19 related issues, Malaysian manufacturers displayed a stronger degree of optimism regarding the outlook for output in the coming year. — *The Edge CEO Morning Brief*

Berjaya Corp (RM0.435)

Value of Vincent Tan's stake rises RM642mil after share price rally

The value of Tan Sri Vincent Tan's equity stake in Berjaya Corp Bhd (BCorp) has increased by RM642.4mil or 143%, after the steep climb in share price in slightly over two weeks.

The executive chairman controls a 50.83% direct and indirect stake, or 2.54 billion shares in BCorp, which was founded by himself, after selling 40mill shares via a direct business transaction. Based on the group's closing share price of 43.5 sen yesterday, Tan's stake in the conglomerate is now worth RM1.10bil. — *The Edge CEO Morning Brief*

Covid-19

Fully vaccinated individuals may be allowed to travel — Muhyiddin

Individuals who complete two doses of the Covid-19 vaccine may be allowed to travel interstate or even abroad, Tan Sri Muhyiddin Yassin said. The Prime Minister said a decision will be made on the matter at the National Security Council (MKN) meeting.

Apart from that, he said the Government had also started negotiations and discussions with several countries for Malaysians who had been vaccinated to travel there. — *Bernama*

Semiconductor

TSMC to invest US\$100bil to increase output

Taiwan Semiconductor Manufacturing Co a major chip supplier to Apple Inc, said it would invest US\$100bil over the next three years to increase production capacity as demand surges.

In a statement, the company said it expects strong demand over the next several years, a trend driven by growth in 5G and high computing capabilities and accelerated by the Covid-19 pandemic. — *WSJ.com*

DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only and it is issued by AmInvestment Bank Berhad (“AmInvestment”) without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation or expression of views to influence any one to buy or sell any real estate, securities, stocks, foreign exchange, futures, investment or other products. AmInvestment recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmInvestment believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmInvestment has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete or up-to-date and they should not be relied upon as such. All information included in this report constitute AmInvestment’s views as of this date and are subject to change without notice. Notwithstanding that, AmInvestment has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmInvestment’s affiliates and/or related corporations (collectively, “AmBank Group”).

This report is prepared for the clients of AmBank Group and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmInvestment’s prior written consent. AmInvestment, AmBank Group and its respective directors, officers, employees and agents (“Relevant Person”) accept no liability whatsoever for any direct, indirect or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given in relation to this report. Any such responsibility is hereby expressly disclaimed.

AmInvestment is not acting as your advisor and does not owe you any fiduciary duties in connection with this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and/or may trade or otherwise effect transactions for their own account or the accounts of their customers which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held to be invalid in whole or in part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.