



AmInvestment Bank

# AmWatch

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## BURSA MALAYSIA

|                         |                     |
|-------------------------|---------------------|
| KLCI                    | 1,578.89 (-18.74)   |
| 52-Week Range           | 1,452.13 – 1,695.96 |
| Mkt Cap (RMb)           | 1,824.64            |
| Daily Volume (m shares) | 4,531.45            |
| Daily Value (RMmil)     | 3,717.94            |

## TOP 5 GAINERS

|        | Closing Price (RM) | Chg (RM) |
|--------|--------------------|----------|
| CARZO  | 0.935              | 0.65     |
| SBAGAN | 4.17               | 0.46     |
| BKAWAN | 21.00              | 0.40     |
| Y&G    | 1.43               | 0.33     |
| HEIM   | 22.90              | 0.22     |

## TOP 5 LOSERS

|        | Closing Price (RM) | Chg (RM) |
|--------|--------------------|----------|
| MPI    | 45.22              | -1.08    |
| PETGAS | 16.74              | -0.36    |
| MISC   | 6.97               | -0.33    |
| KLK    | 21.20              | -0.30    |
| HARTA  | 6.42               | -0.26    |

## REGIONAL MARKETS

| Market      | Index     | 1D (%) | YTD (%) |
|-------------|-----------|--------|---------|
| KLCI        | 1,578.89  | -1.2   | -3.0    |
| Singapore   | 3,071.70  | 0.1    | 8.0     |
| Thailand    | 1,629.12  | -0.7   | 12.4    |
| Philippines | 6,924.02  | -0.4   | -3.0    |
| Indonesia   | 6,068.22  | 0.7    | 1.5     |
| Hong Kong   | 25,716.00 | -2.3   | -5.6    |
| Korea       | 3,114.70  | -1.5   | 8.4     |
| Taiwan      | 17,304.33 | 0.2    | 17.5    |
| Japan       | 30,008.19 | -0.6   | 9.3     |
| Dow Jones   | 34,879.38 | -0.4   | 14.0    |
| Nasdaq      | 15,248.25 | -0.3   | 18.3    |

## ECONOMIC STATISTICS

|                           | Close    | 1D (%) | YTD (%) |
|---------------------------|----------|--------|---------|
| MYR/USD                   | 4.1485   | -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)     | 68.14    | -1.7   | 40.4    |
| CPO spot price (RM/tonne) | 4,604.50 | 0.9    | 19.6    |

## SECTOR FOCUS OF THE DAY

### Telecommunication: Increasing subscribers while maintaining ARPU **Overweight**

The telco sector's 1H2021 results were in line with our expectations notwithstanding higher employee-related resizing costs and lower lumpy contract sales of indefeasible rights of use which dampened Telekom Malaysia's (TM) 2Q2021 bottom line. Time dotCom (UNRATED) likewise registered 1HFY21 results that were within expectations notwithstanding above-industry revenue growth of 13%.

Sequentially, 2Q2021 cellular operators' (celco) core net profit rose by 20% to RM804mil on the back of a 4% increase in revenue to RM2.4bil. While Maxis' 2QFY21 core earnings growth of 8% QoQ was still commendable, this was outpaced by the other operators' lower operating costs. Lower seasonal operating expenses largely caused 2QFY21 celco EBITDA margin to inch higher by 0.9% point QoQ to 44%. On a YoY comparison, the sector's EBITDA margin was flat.

Overall, cellular net subscribers increased by 351K QoQ due to both postpaid (+266K) and prepaid (+51K) segments. This was achieved with blended 2Q2021 average revenue per user (ARPU) remaining largely stable at RM45/month, almost the same level in 1Q2017 as postpaid price declines were mostly offset by the segment's increased subscribers.

Maintain **OVERWEIGHT** rating on the sector with **BUY** call for TM, which has shown significant cost improvements and is poised to benefit from the government's MyDigital initiatives. We have downgraded Maxis to **HOLD** from **BUY** given its recent share price recovery which yields a slight upside of 6% currently to our unchanged fair value of RM5.00/share. Maxis currently trades at a fair CYF22 EV/EBITDA of 12x, at parity to its 3-year average of 12x.

Maintain **OVERWEIGHT** rating on the sector with **BUY** call for TM, which has shown significant cost improvements and poised under brighter prospects under the government's MyDigital initiatives. We have downgraded Maxis to **HOLD** from **BUY** given its recent share price recovery which yields a slight upside of 6% currently to our unchanged fair value of RM5.00/share. Maxis currently trades at a fair CYF22 EV/EBITDA of 12x, at parity to its 3-year average of 12x.

## RETAIL RESEARCH

**Stocks On Radar:** Eversafe Rubber, BIG Industries

## ECONOMIC REPORTS

**Malaysia:** Downside in unemployment rate remains sticky  
**Malaysia:** Expect OPR to stay at 1.75%

## NEWS HIGHLIGHTS

**Covid-19 self-test kit:** Govt to revise down price by year-end, says Tengku Zafrul  
**IGB Commercial REIT:** Tepid interest evidence of harsh conditions in office market  
**Uzma:** Plans to raise RM18mil  
**Technology:** Facebook unveils its first smart glasses

## DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

| Stock        | Quantity ('000) | Price (RM) | Turnover (RM'000) |
|--------------|-----------------|------------|-------------------|
| CIMB         | 138,440         | 4.800      | 664,520           |
| KIPREIT      | 50,000          | 0.980      | 49,000            |
| SYF          | 48,600          | 0.430      | 20,900            |
| NIHSIN-PA    | 30,000          | 0.020      | 600               |
| VSOLAR       | 25,000          | 0.088      | 2,200             |
| SENDAI       | 10,500          | 0.230      | 2,420             |
| OCK          | 9,000           | 0.460      | 4,140             |
| PARKWD       | 5,500           | 0.329      | 1,810             |
| DATAPRP      | 4,200           | 0.950      | 3,990             |
| AXETERIA     | 2,500           | 0.242      | 605               |
| CNASIA       | 2,260           | 0.668      | 1,510             |
| CHINA100-MYR | 1,700           | 1.865      | 3,170             |
| YTLPOWER     | 1,610           | 0.646      | 1,040             |
| PBA          | 1,600           | 0.750      | 1,200             |
| PCHEM        | 1,500           | 8.087      | 12,130            |
| MNRB         | 1,410           | 1.163      | 1,640             |
| OSK          | 1,400           | 0.814      | 1,140             |
| SUNSURIA     | 1,300           | 0.450      | 585               |
| OKA          | 1,200           | 0.729      | 875               |
| ENRA         | 1,000           | 0.700      | 700               |
| PRTASCO      | 950             | 0.221      | 210               |
| THPLANT      | 917             | 0.509      | 467               |
| KOSSAN       | 900             | 2.844      | 2,560             |
| MMCCORP      | 850             | 1.682      | 1,430             |
| WASEONG      | 799             | 0.617      | 493               |
| WTK          | 750             | 0.410      | 308               |
| IHH          | 700             | 6.600      | 4,620             |
| NICE         | 500             | 0.200      | 100               |
| PUC          | 500             | 0.180      | 90                |
| TAANN        | 446             | 2.734      | 1,220             |
| MULPHA       | 445             | 2.223      | 989               |
| RHBBANK      | 425             | 4.945      | 2,100             |
| TONGHER      | 422             | 2.559      | 1,080             |
| UMW          | 399             | 2.882      | 1,150             |
| SOP          | 373             | 3.328      | 1,240             |
| SENTRAL      | 359             | 0.783      | 281               |
| NHFATT       | 329             | 2.097      | 690               |
| SIME         | 250             | 2.106      | 527               |
| PTARAS       | 230             | 2.601      | 598               |
| GLOTEC       | 212             | 0.720      | 153               |
| SHANG        | 209             | 3.542      | 741               |
| TASCO        | 163             | 1.008      | 164               |
| ORIENT       | 159             | 4.635      | 737               |
| TENAGA       | 123             | 9.224      | 1,130             |
| HONGSENG     | 120             | 1.920      | 230               |
| MUDAJYA      | 116             | 0.176      | 20                |
| AVI          | 100             | 0.150      | 15                |
| CTOS         | 100             | 1.930      | 193               |
| HAILY        | 80              | 0.590      | 47                |
| TAKAFUL      | 70              | 3.951      | 277               |

# News Highlights

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## **Covid-19 self-test kit**

*Govt to revise down price by year-end, says Tengku Zafrul*

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The government is looking at further revising down the price of Covid-19 self-test kits by year end to make them accessible to everyone, said Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz.

The government has set the retail ceiling price for Covid-19 antigen RTKs at RM19.90 per set and RM16 per set for the wholesale price, effective 5 Sep. — *Bernama*

## **IGB Commercial REIT**

*Tepid interest evidence of harsh conditions in office market*

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Few may disagree that IGB Bhd signifies quality real estate assets given its track record, be it shopping malls or office space.

Hence, the lukewarm response to the units offered by its listing exercise of IGB Commercial Real Estate Investment Trust (REIT) is taken as a strong indicator of the hazy outlook on the domestic office space market, in which supply is expected to outstrip demand in the next three years, if not longer. — *The Edge CEO Morning Brief*

## **Uzma (RM0.61)**

*Plans to raise RM18mil*

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Uzma Bhd has proposed to undertake a private placement to raise up to RM17.6mil for capital expenditure as well as to fund part of its operational expenditure.

In its filing with the stock exchange, the oil and gas company said the exercise would entail the issuance of up to 32mil new ordinary shares in the company at an issue price to be determined later. — *StarBiz*

## **Technology**

*Facebook unveils its first smart glasses*

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Facebook Inc launched its first smart glasses on Thursday in a step toward its aim of offering true augmented-reality spectacles.

The glasses, which were created in partnership with Ray-Ban maker EssilorLuxottica, allow wearers to listen to music, take calls or capture photos and short videos and share them across Facebook's services using a companion app. Facebook said the glasses line, called "Ray-Ban Stories", would start at US\$299. — *Reuters*

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