



AmInvestment Bank

AmWatch

Equity Research Team
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13 September 2021

BURSA MALAYSIA

KLCI	1,575.97 (-2.92)
52-Week Range	1,452.13 – 1,695.96
Mkt Cap (RMb)	1,823.69
Daily Volume (m shares)	4,600.04
Daily Value (RMmil)	2,843.73

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
CARLSBG	22.98	0.78
GENETEC	31.90	0.66
WIDETEC	4.94	0.63
VITROX	19.24	0.48
FPI	4.55	0.48

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
KLUANG	4.13	-0.34
NESTLE	134.70	-0.30
SBAGAN	3.91	-0.26
KLK	20.98	-0.22
MPI	45.00	-0.22

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,575.97	-0.2	-3.1
Singapore	3,098.80	0.9	9.0
Thailand	1,635.35	0.4	12.8
Philippines	6,970.51	0.7	-2.4
Indonesia	6,094.87	0.4	1.9
Hong Kong	26,205.91	1.9	-3.8
Korea	3,125.76	0.4	8.8
Taiwan	17,474.57	1.0	18.6
Japan	30,381.84	1.2	10.7
Dow Jones	34,607.72	-0.8	13.1
Nasdaq	15,115.49	-0.9	17.3

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.1355	-0.3	2.9
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	69.72	2.3	43.7
CPO spot price (RM/tonne)	4,616.50	0.2	19.9

STOCK FOCUS OF THE DAY

Top Glove Corp: ESG concerns allayed but ASP still declining

Hold

We maintain HOLD on Top Glove with a higher fair value (FV) of RM3.77 (vs. RM3.66/share previously). Top Glove has announced that it is now allowed to sell its Malaysia-made gloves to the US. This is a positive development as it indicates that ESG concerns have been alleviated. We have accordingly upgraded our ESG rating to 3 stars from 2 stars for Top Glove.

We gather that the approval was granted to Top Glove Malaysia to sell its gloves in the US as the US Customs and Border (CBP) now believes that Top Glove's disposable gloves are no longer produced or manufactured in any part with forced labour.

Pending the 4QFY21 results due on 17 Sep, we maintain our earnings estimates for FY21/FY22/FY23 at RM8.54bil/RM2.80bil/RM1.51bil. Our key assumptions for blended gloves ASP for FY21/FY22/FY23 are US\$87.50/US\$30.50/US\$26.50.

We maintain HOLD as the positive news from the ESG perspective is offset by the prospect of lower ASP. Due to higher incoming supply of gloves in the near term, we believe that ASP should decline in 3Q and 4Q of 2021. As a result, the positive impact from the removal of the CBP ban is offset by lower earnings for FY22 and FY23.

Others:

Plantation Sector: Palm inventory up 25.3% MoM in August

Neutral

QUICK TAKE

Plantation Sector: News flow for week 6 – 10 Sept

Neutral

RETAIL RESEARCH

Stocks On Radar: KESM Industries, Supercomnet Technologies

NEWS HIGHLIGHTS

National Recovery Plan: Schools, except for phase one states, to reopen 3 Oct
Covid-19 vaccination: Three million adolescents set to receive shots this year — Khairy

US: Stock market faces possible autumn pullback, analysts warn

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (’000)	Price (RM)	Turnover (RM’000)
DNONCE	67,860	0.800	54,290
TIGER-OR	60,000	0.010	600
SERBADK	50,000	0.390	19,500
DNEX	5,300	0.730	3,870
MPAY	5,000	0.280	1,400
DATAPRP	4,000	0.950	3,800
RGTBHD-WB	2,490	0.230	573
SOLID	2,400	0.250	600
CNASIA	2,240	0.665	1,490
JIANKUN	2,000	0.280	560
KENANGA	2,000	1.300	2,600
NCT	1,060	0.471	499
TOPGLOV	345	3.390	1,170
SERSOL-WA	200	0.325	65

News Highlights

National Recovery Plan

Schools, except for phase one states, to reopen 3 Oct

Schools will reopen in stages from 3 Oct according to the phases of states under the National Recovery Plan (PPN), Education Minister Datuk Dr Mohd Radzi Md Jidin told a press conference yesterday.

Radzi, who is also a senior minister, said the 2021 schooling session will be extended to March 2022 so that intervention among weak students can be carried out on the grounds that they have not attended classes for some time. — *Bernama*

Covid-19 vaccination

Three million adolescents set to receive shots this year — Khairy

Some three million adolescents aged 12–17 in the country are set to receive the Covid-19 vaccine before the new schooling session begins in January next year, says Health Minister Khairy Jamaluddin.

Khairy said the vaccination process would begin this month in several states. — *Bernama*

US

Stock market faces possible autumn pullback, analysts warn

After a record-breaking bull run for the US stock market this year, many Wall Street analysts are starting to warn that investors could be in for a bumpy ride in the coming weeks and months.

Analysts at firms including Morgan Stanley, Citigroup Inc., Deutsche Bank AG and Bank of America Corp. published notes this month cautioning about current risks in the US equity market. — *WSJ.com*

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