



INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,344.75	-74.68	-5.3
DOW	23,185.62	1,985.00	9.4
S&P 500	2,711.02	230.38	9.3
NASDAQ	7,874.88	673.07	9.3
FTSE-100	5,366.11	128.63	2.5
SHANGHAI	2,887.43	-36.06	-1.2
HANG SENG	24,032.91	-276.16	-1.1
STI	2,634.00	-44.64	-1.7
NIKKEI 225	17,431.05	-1,128.58	-6.1
JCI	4,907.57	11.82	0.2

MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	5,676.17	4,902.60

BURSA'S MARKET SHARE (%)

Retail	24.7%
Institutional	54.5%
Foreign	20.8%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Mar)	1,331.50	-67.00	-4.8
OIL - BRENT (USD/b)	33.85	0.63	1.9
CPO FUTURE (RM/ton)	2,284.00	7.00	0.3
RUBBER (RM/kg)	435.50	-5.50	-1.2
GOLD (USD/Ounce)	1,529.83	-65.25	-4.1

FOREX

	LAST CLOSE	% CHG
MYR/USD	4.28	0.3
MYR/SGD	3.04	0.1
YUAN/MYR	1.64	-0.6
YEN/MYR	24.69	1.4
MYR/EURO	4.81	0.0
MYR/GBP	5.40	-0.8

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
SAPURA ENERGY	0.11	194.06
TRIVE PROPERTY	0.01	178.74
KNM GROUP BHD	0.12	145.24
VELESTO ENERGY	0.16	138.42
HIBISCUS	0.38	127.50

TOP 5 GAINERS	LAST CLOSE	RM (+)
DUTCH LADY MILK	40.30	0.10
HARN LEN CORP BHD	0.46	0.08
YNH PROPERTY BHD	2.72	0.07
MUAR BAN LEE GRO	1.23	0.06
ADV PACKAGIN (M)	2.10	0.05

TOP 5 LOSERS	LAST CLOSE	RM (-)
NESTLE (MALAY)	135.10	-4.10
CARLSBERG BREWER	22.82	-1.82
PPB GROUP BERHAD	16.10	-1.48
HEINEKEN MALAYSI	21.90	-1.34
HONG LEONG BANK	13.30	-1.32

Gainers – 158 Losers – 986 Unchanged – 249

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HIGHLIGHTS

Economics: IPI Jan 2020 - Cautious Mode

Industrial production (IP) slipped further in January (0.6%; December: 1.3%), hurt by the sustained drop in mining activity which was compounded by the moderation in manufacturing activity which turned cautious due to uncertainties over US and China's first trade deal. Industrial activity may slow down in the next few months due to several challenges, with the Covid-19 pandemic topping the list. This will be cushioned however by swift policy responses which may mitigate the downside risks from the challenging situation. Drawing on previous health crisis (e.g. SARS 2002/03) domestic growth could improve in the 2H especially when the outbreak is expected to slow down in the summer months. We remain cautious on the outlook of IPI in 2020 despite this positive expectation.

WCT: Loses Arbitration Case (WCTHG MK, Neutral, TP: RM0.53)

The Group has lost its case in relation to the Ministry of Interior's Head Quarters Project in Doha, Qatar, whereby WCT was the main contractor, with the Tribunal ruling in favour of the three claimants (subcontractors) and dismissing WCT's counterclaim. We are negative on this given the Group's current financial constraints (ie. high funding cost) amid the need to preserve its cash for working capital purposes. With this judgment, the Group is now required to pay the sum of QAR132.5m or equivalent of RM152.6m to the claimants. Overall outlook remains gloomy given the slower progress on its on-going construction and property projects despite its healthy order book in hand. While the Group's gearing currently stands at 0.6x, potential growth moving forward may be limited. We also believe the de-gearing exercise, particularly on the listing of its REITs, will be more challenging at this juncture and may take more time to crystalize. All said, we maintain our **Neutral** rating for WCT with a lower TP of RM0.53 (from RM0.78 previously) after making some adjustments to our SOP valuation, with a higher discount rate also applied to account for heightened market risks.

Technical: NTPM Holdings (5066, Technical Buy)

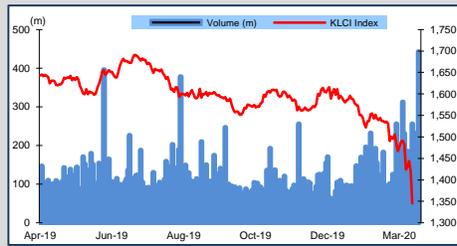
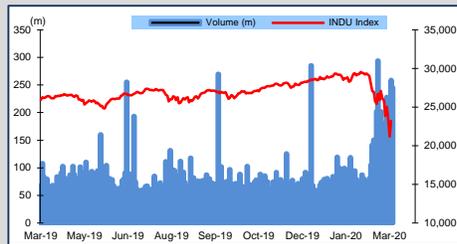
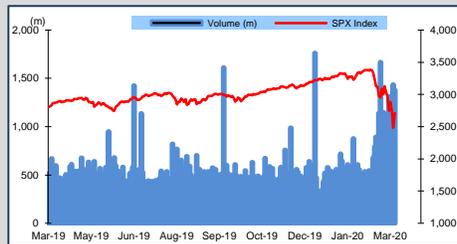
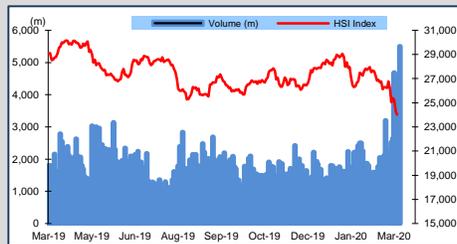
People are hoarding toilet paper amid the worsening of 2019 novel coronavirus (COVID-19) disease. Apart from that, global demand for tissue paper is expected to increase following growing awareness about personal hygiene.

Support level	Value	Resistance level	Value
1 st support	RM0.460	1 st resistance	RM0.500

Technical: SCGM (7247, Technical Buy)

SCGM continued to accelerate its strategies to further expand export sales, as well as increase product customisation. This is demonstrated by its contract won to supply an Australian F&B packaging player with customised meal trays and salad bowls, amongst other products for two years.

Support level	Value	Resistance level	Value
1 st support	RM1.16	1 st resistance	RM1.38

FBM KLCI

DOW JONES

S&P 500

HANG SENG

STRAITS TIMES


Source: Bloomberg, PublicInvest Research

Technical: Revenue Group (0200, Technical Buy)

REVENUE has put in place a series of future plans, amongst others, expansion of its electronic payment network, regional expansion to ASEAN market, enhancement of revPAY platform and provision of value-added solutions and services. The Board is cautious on the potential impact of the COVID-19 outbreak and will continue to manage the business of the group with vigilance during this period of uncertainty.

Support level	Value	Resistance level	Value
1 st support	RM0.980	1 st resistance	RM1.10

HEADLINES
Economy

§ **Global: Central banks coordinate to ensure Dollar liquidity around world.** The Fed and five counterparts united to ensure dollars keep flowing around the world after the coronavirus emergency sparked a rush for greenbacks. In coordinated statements, the Fed, BOJ, ECB, Swiss National Bank, Bank of Canada and BOE said they would use swap lines to support international supply of the world's reserve currency. (Bloomberg)

§ **US: Fed cuts rates to zero and launches massive USD700bn quantitative easing program.** The Fed, saying "the coronavirus outbreak has harmed communities and disrupted economic activity in many countries, including the US," cut interest rates to essentially zero and launched a massive USD700bn quantitative easing program to shelter the economy from the effects of the virus. The new fed funds rate, used as a benchmark both for short-term lending for financial institutions and as a peg for many consumer rates, will now be targeted at 0% to 0.25% down from a previous target range of 1% to 1.25%. (CNBC)

§ **US: Covid-19 weighs on consumer sentiment in early Feb.** US consumer sentiment fell less than expected in early March, as households responded to the 2019 novel coronavirus (Covid-19) pandemic and a sharp stock market sell-off, but also hoped that any disruptions to economic activity would be temporary. (Reuters)

§ **China: Cuts reserve requirement ratio.** China's central bank lowered the reserve requirement ratio for qualified banks in order to shore up the economy hit by the outbreak of coronavirus epidemic. To improve liquidity and pushdown borrowing costs, the PBOC reduced the reserve requirement ratio, or RRR, by 50-100 bps for qualifying banks. This was the second cut in RRR this year. (RTT)

§ **Japan: BoJ strengthens steps to ensure financial market stability.** The BoJ said it will provide ample liquidity and ensure stability in the financial markets amid high volatility triggered by coronavirus outbreak fears. Taking into account the rapid fall in liquidity in the bond market, the BoJ conducted unscheduled outright purchase of Japanese government bonds (JGBs). The bank said it will conduct additional outright purchases as needed. BoJ is set to buy JPY200bn of five to ten year JGBs. (RTT)

§ **Hong Kong: Cuts benchmark interest rate, following fed's move.** The Hong Kong Monetary Authority (HKMA) reduced its benchmark interest rate, following the Fed's move. The HKMA lowered its base rate by 64 bps to 0.86%, hours after the Fed's 100 bps cut. (Bloomberg)

Markets

- § **DRB-Hicom (Outperform, TP: RM2.80): China State Construction Engineering seeks RM129.7m claims.** China State Construction Engineering (M) SB (CSCE) has filed a RM129.7m statement of claim against DRB-Hicom at the Asian International Arbitration Centre relating to a development and infrastructure contract in Kuala Lumpur. The arbitration was initiated by CSCE, a subcontractor of the project pertaining to a dispute related to contracts awarded by its 51%-owned subsidiary Media City Ventures SB. DRB-Hicom stated that its legal advisors are reviewing the claims and will take all the necessary steps to defend against the claim and ensure all its rights are protected. (SunBiz)
- § **Tan Chong Motor: To jointly undertake construction projects in Indochina.** Tan Chong Motor Holdings has teamed up with An Tam Construction and Trading Co Ltd (Antaco Vietnam) to jointly carry out construction project activities in Indochina. With Tan Chong Motor expansion into Indochina and Myanmar, particularly Vietnam, there are series of projects, that is, extension of assembly plant, body shop, trim and chassis and new warehouses that need to be constructed to cater for the business expansion. (The Edge)
- § **Tadmax: Sells 35% stake in Pulau Indah power plant for RM58.45m.** Tadmax Resources is disposing of its 35% stake in a power plant on Pulau Indah, Selangor for RM58.45m cash. The group had inked an agreement to sell the stake in Pulau Indah Power Plant SB (PIPP) to Worldwide Holdings. PIPP is the special purpose vehicle undertaking the development of the combined-cycle gas turbine power plant with capacity of 1,200MW. The disposal is in line with the heads of agreement executed on Sept 14, 2018 with Worldwide and Korea Electric Power Corp (Kepco) which has also been endorsed by the Energy Commission. (SunBiz)
- § **TH Heavy: Proposes acquisition of O&G engineering unit to revive financial health.** TH Heavy Engineering (THHE) has signed a non-binding memorandum of understanding (MOU) with ICE Petroleum Ventures SB in relation to the acquisition of its engineering unit ICE Petroleum Engineering SB (ICE). The proposed acquisition is part of its regularisation. The MOU allows the parties to negotiate exclusively and outline the salient terms in relation to the share sale agreement. (The Edge)
- § **Notion VTec: Takes legal action against insurers to demand for additional RM12m compensation.** Notion VTec has filed for a Writ of Summons and Statement of Claim for due service on AXA Affin General Insurance (AXA) and two other co-insurers, QBE Insurance (M) (QBE) and MSIG Insurance (M) (MSIG), in relation to an additional claim of RM12.2m, a sum that the insurers have refused to pay. The amount is in addition to the final sum of RM22.22m that AXA offered to Notion VTec on Jan 16 for the business interruption loss settlement in relation to a fire incident that occurred in the hard disk drive maker's facility in Oct 2017. (The Edge)
- § **Multi Sports: To be delisted on Wednesday.** Multi Sports Holdings will be delisted from the Main Market of Bursa Malaysia on Wednesday (March 18) after Bursa Securities dismissed its appeal for an extension of time to submit its regularisation plan. The regulator has decided to de-list the company pursuant to paragraph 8.04 of Bursa's Main Market listing requirements. Upon the delisting of the company, the company will continue to exist but as an unlisted entity. (The Edge)

MARKET UPDATE

§ In another wild trading session, US markets clawed back most of the previous day's losses to close sharply higher last Friday as investors took heart from a series of moves by the Trump administration. 500,000 new coronavirus tests will be available next week, the Energy Department was asked to purchase oil for the US strategic petroleum reserve, the Federal Reserve said it will start buying bonds across all durations as the White House and Congress agreed to a deal on economic relief for the coronavirus outbreak. The Dow and S&P 500 surged 9.4% and 9.2% higher as the Nasdaq Composite gained 9.3%. Over the weekend, the Federal Reserve cut its benchmark rate to near zero and said it would also start buying USD700bn worth of Treasury bonds and mortgage-backed securities. European markets were also higher last Friday though still logging significant losses for the week. European Union banking regulators are delaying stress tests and easing capital rules to encourage financial institutions to continue lending. Italy is facing total shutdown meanwhile as the numbers of new infections continue to rise while UK Prime Minister Boris Johnson has said up to 10,000 in the country may be infected with the virus. Italy's FTSE MIB and U.K's FTSE 100 jumped 7.1% and 2.5% higher. France's CAC 40 and Germany's DAX gained 1.8% and 0.8%. Asian markets attempted dramatic comebacks though some key benchmarks still ended lower on the day. Australia's ASX 200 recovered from a near-8% drop to end 4.4% higher. The Nikkei 225 fell 6.1%, though coming back from a 10% loss earlier on. The Shanghai Composite and Hang Seng indices were 1.2% and 1.1% lower.

WCT Holdings has been ordered to pay a total of 132.54million riyals (RM152.7m) following an unfavourable final award ruling in an arbitration case ordered by the Court of Arbitration of the International Chamber of Commerce. Supermax Corporation is buying a five-acre piece of industrial land in Klang for RM20m for future expansion of its manufacturing capacity.

TECHNICAL OUTLOOK

FBM KLCI: 1344.75 (-74.68; -5.26%)

Resistance: 1360, 1400, 1430

Support: 1190, 1250, 1310

FBM KLCI Daily Chart



Succumbing to intensified selling pressure, the local benchmark gapped down last Friday. At the close, the FBM KLCI was down 74.68 points to end at 1344.75. Market breadth remained negative as losers outnumbered gainers 986 to 158. At this juncture, the index is anticipated to stage a technical rebound, which could be short lived should there still be excessive selling pressure. FBMKLCI is hence expected to trend sideways in the near term, hovering around 1360 mark to accommodate the potentially persistent selling pressure. Support levels for the index are at 1190, 1250 and 1310, while the resistance levels are at 1360, 1400 and 1430.

**ECONOMIC MONITOR** (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
16-Mar-20	China Retail Sales YoY	Feb	-4.0%	--
18-Mar-20	US Housing Starts	Feb	1502K	1567K
18-Mar-20	Euro-Zone CPI YoY	Feb	1.2%	1.2%
19-Mar-20	US Initial Jobless Claims	14-Mar	219K	211K
20-Mar-20	US Existing Home Sales	Feb	5.50m	5.46m
20-Mar-20	Malaysia Foreign Reserves	13-Mar	--	USD103.4bn
23-Mar-20	Euro-Zone Consumer Confidence	Mar	--	-6.6

CORPORATE MONITOR**COMPANY VISITS / BRIEFING**

<u>Company</u>	<u>Date</u>	<u>Time</u>
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RESULTS

<u>Company</u>	<u>Financial Quarter</u>	<u>Date</u>
Bermaz Auto	3QFY20	16-Mar-20
Top Glove	2QFY20	19-Mar-20
SCGM	3QFY20	26-Mar-20

IPO LISTING

<u>Company</u>	<u>Listing Sought</u>	<u>Issue Price (RM/Share)</u>	<u>No. Of Shares</u>		<u>Closing Application Date</u>		<u>Listing Date</u>
			<u>Public Issue</u>	<u>Offer For Sale</u>	<u>Retail</u>	<u>Institutional</u>	
ACO Group	ACE Market	0.28	58,000,000	25,000,000	6-Mar-20	6-Mar-20	18-Mar-20

CORPORATE MONITOR

OFF-MARKET TRANSACTIONS (>1,000,000)

13-Mar-2020

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Bahvest Resources	7,000,000	1,960,000	0.28
Widad Group	2,420,000	1,060,000	0.44
Focus Dynamics Group	6,000,000	4,080,000	0.68
KNM Group	45,000,000	5,400,000	0.12
Green Packet	14,352,700	9,080,000	0.63

ENTITLEMENTS

<u>Company</u>	<u>Particulars</u>	<u>Gross DPS (RM)</u>	<u>Announcement Date</u>	<u>Ex-Date</u>	<u>Lodgement Date</u>	<u>Payment Date</u>
UMS-Neiken Group	Interim Dividend	0.030	25-Feb	16-Mar	17-Mar	31-Mar
CIMB	Second Interim Dividend	0.120	2-Mar	16-Mar	17-Mar	13-Apr
Power Root	Third interim single tier dividend of 2.0 sen each	0.020	2-Mar	16-Mar	17-Mar	2-Apr
Power Root	Special interim single tier dividend of 1.5 sen each	0.015	2-Mar	16-Mar	17-Mar	2-Apr
Inari Amertron	Second Interim Dividend	0.010	25-Feb	17-Mar	18-Mar	9-Apr
JHM	Interim Dividend	0.005	26-Feb	17-Mar	18-Mar	31-Mar
Consolidation						
Lingkaran Trans	Single tier interim dividend of 15 sen per ordinary share	0.150	27-Feb	17-Mar	18-Mar	26-Mar
Kota Holdings	Interim Dividend	0.030	20-Feb	17-Mar	18-Mar	27-Mar
Magnum						
Maxis	Fourth Interim Dividend	0.050	20-Feb	17-Mar	18-Mar	16-Apr
Kawan Food	Interim Single Tier Dividend of 2.5 sen per ordinary share	0.025	3-Mar	17-Mar	18-Mar	30-Mar
TIME dotCom	Ordinary Interim Tax Exempt (Single Tier) Dividend of 9.95 sen per ordinary share	0.095	28-Feb	17-Mar	18-Mar	31-Mar
TIME dotCom	Special Interim Tax Exempt (Single Tier) Dividend of 19.08 sen per ordinary share	0.191	28-Feb	17-Mar	18-Mar	31-Mar
Frontken Corp	Second Interim Dividend	0.015	18-Feb	18-Mar	19-Mar	13-Apr
PMB Technology	Special Dividend	0.015	24-Feb	18-Mar	19-Mar	16-Apr
Versatile Creative	Renounceable rights issue		5-Mar	18-Mar	19-Mar	17-Apr
MMS Ventures	Second Interim Dividend	0.010	25-Feb	19-Mar	20-Mar	17-Apr
SLP Resources	Fourth Interim Dividend	0.015	26-Feb	19-Mar	20-Mar	10-Apr
Bonia	Single tier interim dividend of RM0.02 per ordinary share	0.020	5-Mar	19-Mar	20-Mar	3-Apr
Kejuruteraan Asastera	Share dividend distribution of three treasury shares for one thousand ordinary shares held		3-Mar	19-Mar	20-Mar	14-Apr
Kejuruteraan Asastera	Interim Single-Tier Dividend of RM0.0025	0.003	3-Mar	19-Mar	20-Mar	14-Apr

TE- Tax Exempt

RATING CLASSIFICATION

STOCKS

OUTPERFORM	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
NEUTRAL	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
UNDERPERFORM	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
TRADING BUY	The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.
TRADING SELL	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
NOT RATED	The stock is not within regular research coverage.

SECTOR

OVERWEIGHT	The sector is expected to outperform a relevant benchmark over the next 12 months.
NEUTRAL	The sector is expected to perform in line with a relevant benchmark over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform a relevant benchmark over the next 12 months.

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Published and printed by:

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