



INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,369.76	8.37	0.6
DOW	23,719.37	285.80	1.2
S&P 500	2,789.82	39.84	1.4
NASDAQ	8,153.58	62.67	0.8
FTSE-100	5,842.66	164.93	2.9
SHANGHAI	2,825.90	10.53	0.4
HANG SENG	24,300.33	329.96	1.4
STI	2,571.32	31.88	1.3
NIKKEI 225	19,345.77	-7.47	0.0
JCI	4,649.08	22.38	0.5

MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	4,712.80	2,251.72

BURSA'S MARKET SHARE (%)

Retail	34.2%
Institutional	45.9%
Foreign	19.9%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Apr)	1,362.00	10.50	0.8
OIL - BRENT (USD/b)	31.48	-1.36	-4.1
CPO FUTURE (RM/ton)	2,304.00	-53.00	-2.2
RUBBER (RM/kg)	416.50	0.50	0.1
GOLD (USD/Ounce)	1,683.66	33.68	2.0

FOREX

	LAST CLOSE	% CHG
MYR/USD	4.34	-0.2
MYR/SGD	3.05	0.0
YUAN/MYR	1.62	-0.1
YEN/MYR	25.11	0.4
MYR/EURO	4.71	-0.2
MYR/GBP	5.38	0.4

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
BUMI ARMADA BHD	0.19	200.36
SAPURA ENERGY BH	0.11	169.42
HIBISCS	0.53	152.66
DGB ASIA BHD	0.03	132.80
VORTEX CONSOLIDA	0.09	97.68

TOP 5 GAINERS	LAST CLOSE	RM (+)
KESM INDUS BHD	8.30	0.89
VITROX CORP BHD	8.11	0.41
AEON CREDIT SERV	9.14	0.32
NESTLE (MALAY)	137.30	0.30
CHIN TECK PLANTS	5.40	0.30

TOP 5 LOSERS	LAST CLOSE	RM (-)
RAPID SYNERGY	5.84	-0.24
MAXIS BHD	5.30	-0.19
SHANGRI-LA HOTEL	4.48	-0.11
IMASPRO CORP BHD	2.17	-0.11
PENTAMASTER CORP	3.84	-0.06

Gainers – 634 Losers – 252 Unchanged – 374

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HIGHLIGHTS

Economics: Oil Price - Outlook Amid Twin Shocks

Fears over widening oil surplus following Saudi Arabia and Russia's decision to ramp-up production could derail oil's immediate-term recovery, though efforts are now underway to strike a new deal. At this time of writing, "commitments" are afoot to cut production by at least 10m barrels per day, though nothing concrete has emerged. Sentiment may also be affected by the prospect of rising oil builds-up amid slowing demand. Over-stretched expectation that Covid-19 pandemic may last until Spring 2021 is also adding to the uncertainty. This challenging outlook is consistent with our lower oil price projection (Brent) which is forecast to average between USD35-USD39 per barrel in 2020, which is in line with the projection by BNM (USD25 – USD35 per barrel) and EIA's (USD33 per barrel).

TNB: Minimal Earnings Impact From MCO (TNB MK, Neutral, TP: RM13.28)

We recently hosted a conference call with Tenaga Nasional (TNB). Despite expecting slower electricity demand during the Movement Control Order (MCO) period as most businesses are not allowed to be in operation, earnings impact is expected to be minimal. We understand that the bulk of TNB's earnings are derived from "revenue-cap" entities, hence earnings are guaranteed at 2% demand growth. Meanwhile, its Generation business is expected to continue to receive full capacity payments despite less despatch to the Grid, as long as the power plants are kept available. We are keeping our forecasts unchanged, as we believe earnings will remain intact at the moment. In addition, earnings from its investment in GAMA will be no longer affect earnings from FY20 onwards, as it has been fully provided for. We maintain our **Neutral** call on TNB, with an unchanged target price of RM13.28.

Technical: Karex – Possible For Further Recovery (5247, Technical Buy)

KAREX is staging a potential breakout from its sideways channel. Corresponding RSI and MACD indicators remain healthy while undergoing congestion phase, with anticipation of continuous improvement in both momentum and trend in the near term. Should resistance level of RM0.435 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance levels of RM0.450 and RM0.480. However, failure to hold on to support level of RM0.410 may indicate weakness in the share price and hence, a cut-loss signal.

Technical: Malayan United Industries – Possible For Further Recovery (3891, Technical Buy)

MUIIND is recovering from its consolidation phase with growing trading volume. Improving RSI and MACD indicators currently signal reasonable entry level, with anticipation of continuous improvement in both momentum and trend in the near term. Should resistance level of RM0.110 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance levels of RM0.115 and RM0.125. However, failure to hold on to support level of RM0.090 may indicate weakness in the share price and hence, a cut-loss signal.

HEADLINES

Economy

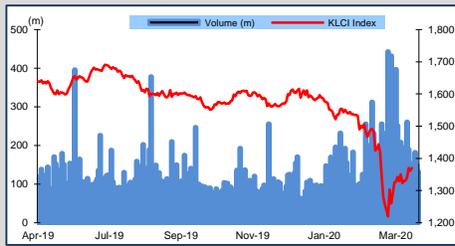
§ **Global: World economy faces USD5trn hit that is like losing Japan.** The coronavirus pandemic is set to rob the global economy of more than USD5trn of growth over the next two years, greater than the annual output of Japan. That is the warning from Wall Street banks as the world plunges into its deepest peacetime recession since the 1930s, after the virus forced governments to demand that businesses close and people stay home. Although the downturn is predicted to be short-lived, it'll take time for economies to make up the lost ground. Even with unprecedented levels of monetary and fiscal stimulus, GDP is unlikely to return to its pre-crisis trend until at least 2022. That's a similar timescale to the aftermath of the global financial crisis just over a decade ago, though the recovery could yet prove even more sluggish than economists are predicting. It underscores the massive task for policy makers, who must deliver enough stimulus to drive the rebound but avoid reopening their economies too soon and allowing the virus to return. (Bloomberg)

§ **US: Jobless claims exceed 6m for second straight week.** Number of Americans seeking unemployment benefits in the last three weeks has blown past 15m, with weekly new claims topping 6m for the second straight time last week amid tough measures to control the novel coronavirus outbreak that have abruptly ground the country to halt. The weekly jobless claims report strengthens economists' expectations of job losses of up to 20m in April and their conviction that the economy is in deep recession. The government reported that the economy purged 701,000 jobs in March. That was the most job losses since the Great Recession and ended the longest employment boom in US history that started in late 2010. Data for the prior week was revised to show 219,000 more applications were received than previously reported, taking the tally for that period to 6.867m. (Reuters)

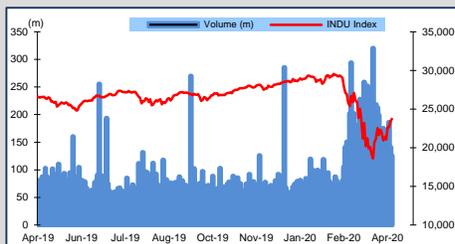
§ **US: Wholesale inventories slump more than expected in February.** Reflecting decreases in inventories of both durable and non-durable goods, the Commerce Department released a report showing a bigger than expected decrease in US wholesale inventories in the month of February. The Commerce Department said wholesale inventories slid by 0.7% in February after falling by a revised 0.6% in January. Economists had expected wholesale inventories to decrease by 0.5% compared to the 0.4% drop originally reported for the previous month. The bigger than expected decline in wholesale inventories came as inventories of durable goods slumped by 0.8% and inventories of non-durable goods fell by 0.4%. The report also said wholesale sales tumbled by 0.8% in February following a 1.3% jump in the previous month. (RTT)

§ **US: Consumer sentiment shows record nosedive in April.** Preliminary data released by the University of Michigan showed a record-breaking decline in US consumer sentiment in the month of April. The report said the consumer sentiment index plummeted to 71.0 in April after plunging to 89.1 in March. Economists had expected the index to tumble to 75.0. Surveys of Consumers chief economist Richard Curtin noted the 30-point drop seen over the past two months was 50% larger than the prior record. The steep drop by the headline index came as the current economic conditions index sank to 72.4 in April from 103.7 in March, with the 31.3-point nosedive nearly twice the prior record decline. The index of

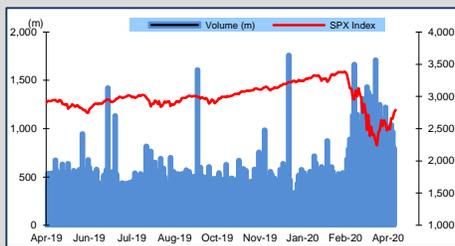
FBM KLCI



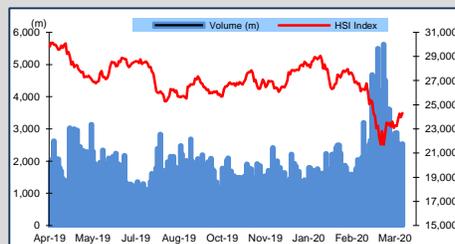
DOW JONES



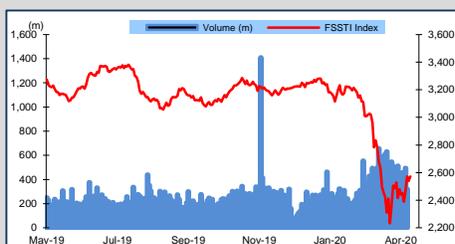
S&P 500



HANG SENG



STRAITS TIMES



Source: Bloomberg, PublicInvest Research

consumer expectations also slumped to 70.0 in April from 79.7 in March, although Curtin noted the decrease was not nearly as steep as the record 16.5-point drop in December of 1980. (RTT)

- § **EU: German exports rise, imports fall more-than-expected.** Germany's exports growth accelerated, while imports fell more than expected in February, data from Destatis revealed. Exports grew 1.3% MoM, much faster than the 0.1% rise in January. Economists had expected a 1% decline. Meanwhile, imports declined by more-than-expected 1.6%, following a 0.6% rise in January. Imports were forecast to fall 0.7%. The trade surplus rose to a seasonally adjusted EUR21.6bn from EUR18.7bn in January. There was a strong decrease in foreign trade with China due to coronavirus pandemic, Destatis said. Major effects of the coronavirus crisis on foreign trade results can be expected from the reference month of March. On a yearly basis, exports gained 0.4% in February, in contrast to a 1.9% fall in January.. (RTT)
- § **UK: GDP falls unexpectedly in February.** The UK economy shrank unexpectedly in February due to a large fall in construction, data from the Office for National Statistics showed. GDP fell 0.1% MoM in February, confounding expectations for a monthly growth of 0.1%. In three months to February, GDP grew 0.1%, following no growth in three months to January. "The figures show that in the three months to February, which was before the full effects of Coronavirus took hold, the economy continued to show little to no growth," Rob Kent-Smith, Head of GDP at ONS said. In February, the dominant service sector showed nil growth after rising 0.1% in January. At the same time, industrial production grew 0.1% driven by a 0.5% rise in manufacturing. However, construction output declined 1.7% as wet weather and flooding hampered house building. (RTT)
- § **UK: Bank of England to temporarily finance UK government spending.** The Bank of England has agreed temporarily to finance government borrowing in response to Covid-19 if funds cannot immediately be raised from debt markets, reviving a measure last used to any large degree during the 2008 financial crisis. Britain's government typically borrows money direct from markets through bond issuance, and this week financial markets showed a strong appetite to fund more than GBP10bn pounds of government bonds, some at record-low yields. But markets were far choppier last month - before the BoE said it would buy GBP200bn pounds of assets, mostly bonds - and an announcement gives the BoE scope to finance the government directly. (Reuters)
- § **Japan: Economy faces 'extremely high' uncertainty on pandemic hit – central bank head.** Uncertainty over Japan's economic outlook is "extremely high" as the coronavirus pandemic hits output and consumption, central bank Governor Haruhiko Kuroda said, stressing his readiness to take additional monetary steps to prevent a deep recession. While aggressive central bank actions across the globe have eased financial market tensions somewhat, corporate funding strains were worsening, Kuroda. "The spread of the coronavirus is having a severe impact on Japan's economy through declines in exports, output, demand from overseas tourists and private consumption," he said. As a state of emergency took effect, imposing a sweeping, mandatory lockdown on the population, even with less stringent restrictions compared with other countries, analysts polled by Reuters expect Japan to slip into a deep recession this year as the virus outbreak wreaks havoc on business and daily life. (Reuters)

Markets

- § **DRB-Hicom (Outperform, TP: RM2.80): Proton to produce face shields to aid frontliners in fight against Covid-19.** Proton Holdings will be producing face shields to assist the frontliners in the fight against the Covid-19 pandemic, with the national automaker aiming to produce 60,000 units within 20 days. The group said production is set to begin on April 13 at its headquarters in Shah Alam, which will be undertaken by staff members who volunteered their services. "The face shields will be delivered in batches and we will work closely with the Ministry to distribute them according to the level of need in each district," said Proton deputy CEO Datuk Radzaif Mohamed. (The Edge)
- § **Omesti: Bags a two-year contract from TM valued at RM95.6m.** Omesti secured a letter of award (LOA) from Telekom Malaysia for a business support system platform valued at RM95.6m. The contract entails design, development, customisation, configuration, delivery, installation, integration, conversion, migration, testing, commissioning & training for the system for a period of two year commencing from fourteen days after the expiry of Malaysia's movement control order (MCO). The renewal of the application software subscription for the third through fifth year has a total price of RM104.99m. It will be subject to TM's approval at the end of the initial two-year period and based on the number of verified active monthly subscribers. (SunBiz)
- § **Techbond: New Vietnam factory operations commencement delayed due to Covid-19.** Techbond Group said the commencement of operations at its new Vietnam factory has been postponed, as the Covid-19 outbreak has resulted in the delay of the issuance of certifications by the Vietnamese authorities. Therefore it will not be able to commence operations in April 2020, as stated in its prospectus dated Nov 13, 2018. However, the group said the delay will not have a material financial impact to the group. (The Edge)
- § **Notion VTec: Ventures into PPE amid demand surge.** Riding on the surge of demand for personal protective equipment (PPE) amid the COVID-19 pandemic, Notion VTec says it is venturing into the manufacturing of protective face shields and components related to medical ventilators. Subject to approvals being obtained from all relevant authorities, it expects production to start by end-May at its main factory. The products will be sold locally, it said, adding the new business will be financed using internal funds. It expects the new venture to have a positive impact on its earnings and net asset per share for the FYE Sept 30, 2020. (The Edge)
- § **F&N: Considering options for RM156m Perlis land acquisition as seller rescinds agreement.** Fraser & Neave Holdings (F&N) said it is considering its options regarding the RM156m acquisition of land in Perlis from MSM Perlis SB, as the latter had indicated that it will not grant any extension of time to satisfy the conditions in the agreement. MSM Perlis also said it will refund the retention sum held by its solicitors and the deposit to F&N AgriValley as per the SPA. (The Edge)
- § **Aeon Credit: Feels bite of higher funding costs, 4Q net profit up 0.9%.** Aeon Credit Service (M)'s net profit rose by a meagre 0.9% to RM88.4m in its 4Q ended Feb 29, 2020 compared with RM87.6m reported for the same quarter of the previous year, attributed to higher funding costs. For the full FY, the group reported a net profit of RM292.05m, a 17.6% decline from RM354.6m registered in the previous FY. The board has recommended a final single-tier dividend of 14 sen per share to be paid on July 16. (SunBiz)

MARKET UPDATE

§ The FBM KLCI might open higher today after US stocks finished the holiday-shortened week sharply higher Thursday, with the main indices recovering about half of their losses that were racked up in late March during the height of fears about the impact of COVID-19. Investors appeared to shrug off another 6.6 million jobless claims, and a wild ride in the energy sector, to focus on the Federal Reserve's announcement of new efforts to help fix parts of the financial market and economy debilitated by the coronavirus shutdowns. The Dow Jones Industrial Average gained 285.80 points, or 1.2%, to close at 23,719.37, while the S&P 500 jumped 39.84 points or 1.5% to end at 2,789.82. The Nasdaq Composite advanced 62.67 points to trade near 8,153.58, a 0.8% gain. In other U.S. data, the preliminary reading of the consumer-sentiment survey sank to 71 in early April from 89.1, marking the biggest-ever one-month decline and putting the index at lowest level since 2011, the University of Michigan said Thursday. In Europe, the Stoxx Europe 600 closed 1.6% higher on Thursday, and the FTSE 100 finished 2.9% higher.

Back home, the FBM KLCI closed up 8.37 points or 0.61% at 1,369.76 as Bursa Malaysia oil and gas (O&G) shares rose with crude oil prices, on expectation that major producers of the commodity will agree to cut output. In the region, stocks also closed mostly higher. The China CSI 300 gained 0.3%, Hong Kong's Hang Seng Index advanced 1.4% and Japan's Nikkei 225 finished virtually unchanged, off less than 0.1%.

TECHNICAL OUTLOOK

FBM KLCI: 1369.76 (+8.37; +0.61%)

Resistance: 1400, 1430, 1455

Support: 1250, 1310, 1360

FBM KLCI Daily Chart



The local benchmark bounced up further yesterday. At the close, the FBM KLCI was 8.37 points higher to end at 1369.76. Market breadth turned positive as gainers outpaced losers 634 to 252. At this juncture, the index is anticipated to trend higher towards immediate resistance level of 1400 in the near term, while attempting to cross over the large resistive gap-down window above the 1360 mark with renewed buying interest. Support levels for the index are at 1250, 1310 and 1360, while the resistance levels are at 1400, 1430 and 1455.

As for the FBM SCAP (10258.79; +157.02; +1.55%), the index is also expected to extend its current uptrend towards its subsequent resistance levels of 10500 and 11000 as the selling pressure on the trading floor is well absorbed by local buying activities, mainly supported by the retail-based optimism. Notably, local retailers have become consistent net buyers since Monday last week.

ECONOMIC MONITOR (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
10-Apr-20	China PPI YoY	Mar	-1.1%	0.0
10-Apr-20	China CPI YoY	Mar	4.9%	0.1
10 - 15 Apr	China New Yuan Loans	Mar	CNY1800.0b	CNY905.7bn
10 - 15 Apr	China Money Supply - M2 YoY	Mar	8.8%	0.1
10 - 20 Apr	China FDI YoY	Mar	--	-25.6%
14-Apr-20	Euro-Zone CPI YoY	Mar F	0.7%	0.0
13-Apr-20	Malaysia Industrial Production YoY	Feb	1.2%	0.0
14-Apr-20	China Exports YoY	Mar	-12.8%	--
14-Apr-20	China Imports YoY	Mar	-9.5%	--
16-Apr-20	US Housing Starts	Mar	1317K	1599K
16-Apr-20	US Initial Jobless Claims	Apr	--	6606K

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>
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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>	

CORPORATE MONITOR

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

9-Apr-2020

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Ekovest BHD	10,000,000	4,900,000	0.49
Omesti Bhd	2,620,000	1,180,000	0.45

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>
CAB Cakaran Corp	Final Single Tier Dividend of 0.25 sen	0.003	21-Jan	6-Apr	7-Apr	17-Apr
Inch Kenneth Kajang Rubber	Interim single tier dividend of GBP0.002 (RM0.0106)	0.011	17-Mar	6-Apr	7-Apr	20-Apr
Astro Malaysia Holdings	Fourth Interim Single-Tier Dividend of 1.5 sen	0.015	25-Mar	8-Apr	9-Apr	24-Apr
TA Enterprise	Interim single tier dividend of 1 sen	0.010	28-Feb	9-Apr	10-Apr	8-May
Malayan Banking	Second interim single-tier of 0.39 sen	0.390	27-Mar	10-Apr	13-Apr	6-May

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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