



### INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,606.42	19.44	1.2
DOW	26,652.33	-353.51	-1.3
S&P 500	3,235.66	-40.36	-1.2
NASDAQ	10,461.42	-244.71	-2.3
FTSE-100	6,211.44	4.34	0.1
SHANGHAI	3,325.11	-8.05	-0.2
HANG SENG	25,263.00	205.06	0.8
STI	2,612.35	17.82	0.7
NIKKEI 225	22,751.61	-132.61	-0.6
JCI	5,145.01	34.82	0.7

### MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	12,124.76	6,647.22

### BURSA'S MARKET SHARE (%)

Retail	40.4%
Institutional	49.6%
Foreign	10.0%

### KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (July)	1,614.00	25.50	1.6
OIL - BRENT (USD/b)	43.31	-0.98	-2.2
CPO FUTURE (RM/ton)	2,708.00	52.00	2.0
RUBBER (RM/kg)	455.50	1.00	0.2
GOLD (USD/Ounce)	1,893.86	28.64	1.5

### FOREX

	LAST CLOSE	% CHG
MYR/USD	4.26	0.2
MYR/SGD	3.08	0.1
YUAN/MYR	1.64	-0.1
YEN/MYR	25.19	0.2
MYR/EURO	4.93	0.5
MYR/GBP	5.41	0.5

### TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
BIOALPHA HOLDING	0.31	2,199.36
XOX BHD	0.19	552.41
PDZ HOLDINGS BHD	0.16	494.85
EDUSPEC HOLDINGS	0.02	300.72
PWORTH	0.03	233.87

TOP 5 GAINERS	LAST CLOSE	RM (+)
TOP GLOVE CORP B	26.12	1.42
CARLSBERG BREWER	25.70	0.70
HARTALEGA HLDGS	18.00	0.62
CAREPLUS GROUP	2.45	0.56
COMFORT GLOVE BH	4.28	0.35

TOP 5 LOSERS	LAST CLOSE	RM (-)
NESTLE (MALAY)	140.50	-1.50
APEX HEALTHCARE	3.40	-0.57
PHARMANIAGA BHD	4.03	-0.52
YSP SOUTHEAST AS	2.64	-0.26
PANASONIC MANUFA	30.86	-0.24

Gainers – 599 Losers – 452 Unchanged – 422

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## HIGHLIGHTS

### Maxis: Dragged By Higher Costs & Doubtful Debts (MAXIS MK, Underperform, TP: RM4.80)

Maxis posted a 13.6% YoY drop in headline net profit to RM343m, mainly due to lower revenue and higher costs. After adjusting for unrealized forex gains, normalized 1HFY20 net profit was slightly below our but within consensus estimates at 44% and 48% of full-year forecasts respectively. As we expect earnings to improve in 2HFY20 following the relaxation of the Movement Control Order (MCO), we are keeping our earnings forecasts unchanged. Although we are seeing positive traction in its fibre business with revenue growing by 32% YoY, its contribution remains relatively small at 6% of the group's revenue. We believe the fibre and enterprise business has yet to contribute meaningfully to the group due to the cost of gestation. We maintain our **Underperform** rating on Maxis. An interim dividend of 4 sen per share was declared (2QFY19: 5 sen per share).

### Technical: Scope Industries – Possible For Further Upside (0028, Technical Buy)

SCOPE is attempting to pick up its prior uptrend. Corresponding RSI and MACD indicators remain healthy while undergoing recent pullback, with anticipation of continuous improvement in both momentum and trend in the near term. Should resistance level of RM0.180 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance level of RM0.190. However, failure to hold on to support level of RM0.155 may indicate weakness in the share price and hence, a cut-loss signal.

### Technical: South Malaysia Industries – Possible For Chart Pattern Breakout (4375, Technical Buy)

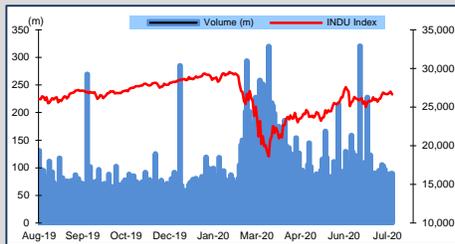
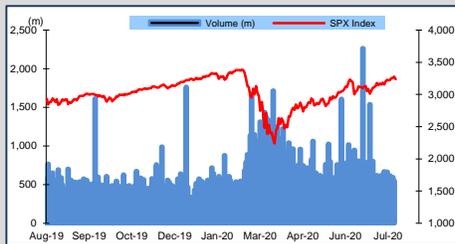
SMI is staging a potential breakout from its sideways channel. Corresponding RSI and MACD indicators remain healthy while trending sideways, with anticipation of continuous improvement in both momentum and trend in the near term. Should resistance level of RM0.145 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance level of RM0.160. However, failure to hold on to support level of RM0.125 may indicate weakness in the share price and hence, a cut-loss signal.

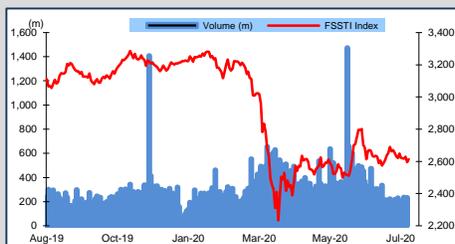
## HEADLINES

### Economy

§ **US: Weekly jobless claims unexpectedly rise as labour market takes step back.** The number of Americans filing for unemployment benefits unexpectedly rose last week for the first time in nearly four months, suggesting the labour market was stalling amid a resurgence in new Covid-19 cases and depressed demand. The weekly jobless claims report from the Labor Department also showed nearly 32m people were collecting unemployment checks in early July. Relentless labour market weakness puts pressure on the US Congress to extend a USD600 weekly jobless benefit supplement, which expires on July 31. "There is no gradual and uneven recovery for the labour market," said Chris Rupkey, chief

**FBM KLCI**

**DOW JONES**

**S&P 500**

**HANG SENG**

**STRAITS TIMES**


Source: Bloomberg, PublicInvest Research

economist at MUFG in New York. "Washington policymakers looking for signs that additional stimulus is necessary can judge for themselves with the millions and millions of jobless workers getting unemployment benefits. The economy cannot carry on for long, if it has to drag almost 32m unemployed workers with it. (Reuters)

§ **US: Leading economic index extends rebound in June.** Reflecting improvements brought about by the incremental reopening of the economy, the Conference Board released a report showing another significant increase by its reading on leading US economic indicators in the month of June. The Conference Board said its leading economic index jumped by 2.0% in June after soaring by an upwardly revised 3.2% in May and plunging by 6.3% in April. Economists had expected the index to surge up by 2.5% in June compared to the 2.8% spike originally reported for the previous month. Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board, noted labor market conditions and stock prices made particularly strong positive contributions. (RTT)

§ **EU: Consumer confidence unexpectedly weakens in July.** Eurozone consumer confidence deteriorated slightly in July, defying expectations for further strengthening, preliminary survey data from the European Commission showed. The flash consumer confidence indicator for euro area fell to -15 from -14.7 in June. Economists had forecast an improvement to -12. The reading had improved strongly in May and June after plummeting in March and April due to the impact of the coronavirus, or Covid-19, pandemic. For the EU, the flash consumer confidence index showed a reading of -15.6, which was unchanged from June. In May, the score was -19.5. Both indicators remain well below their long-term averages of -11.1 and -10.5, respectively, the commission said. (RTT)

§ **UK: German GfK consumer confidence to strengthen in August.** German consumer confidence is set to continue strengthening into August from the weaker level caused by the coronavirus pandemic, as the reduction in the value-added tax boosted the propensity to buy, survey data from market research group GfK showed. The forward-looking consumer sentiment index rose to -0.3 points from revised -9.4 in July. The expected reading was -5.0. The consumer climate has risen significantly for the third consecutive period. GfK said German consumers are gradually putting the coronavirus shock of earlier this year behind them. (RTT)

§ **UK: Manufacturers expect output to recover in months ahead – CBI.** British manufacturers expect output to begin recovery in months ahead for the first time since the Covid-19 crisis hit the economy, the quarterly Industrial Trends Survey from the Confederation of British Industry showed. A balance of manufacturers forecasting output to recover in the next quarter came in at +15%, the first increase since February 2020. According to the survey, the output volumes declined in the quarter to July, with the balance falling to -59% from -57% in June. (RTT)

§ **Singapore: Consumer prices decline slows in June.** Singapore's consumer prices declined at a softer rate in June, data from the Monetary Authority of Singapore and the Ministry of Trade and Industry revealed. The consumer price index fell 0.5% YoY in June, following a 0.8% decrease in May. Economists had expected a 0.6% decline. This fall in the CPI was largely due to a smaller decline in private transport costs. MAS core CPI, which excludes the costs of accommodation and private road transport, fell 0.2% annually in June, same as in the preceding month. (RTT)

## Markets

- § **Prestariang: Seeks to raise RM35m through one-for-three rights issue.** Prestariang announced another cash call. It is planning to raise a further RM35.37m via a renounceable rights issue of ordinary shares with free detachable warrants. The rights issue will involve up to 176.84m new shares at an issue price of 20 sen per rights share, on the basis of one rights share for every three Prestariang shares held. The rights issue will come with free detachable warrants, on the basis of one warrant for every one rights share subscribed. (The Edge)
  
- § **MTouche: To raise up to RM18m via private placement for media platform development.** MTouche Technology has proposed a private placement to raise up to RM18.06m for the development of a new over the top media platform. Up to 777.6m shares or 30% of the group's issued share capital will be issued to independent third-party investors to be identified later. (The Edge)
  
- § **Opcom: Secures RM21.4m contract from TM.** Opcom Holdings' 70%-owned subsidiary, Opcom Cables SB, has secured a RM21.37m contract from Telekom Malaysia Bhd (TM) for the manufacture, supply and delivery of optical fibre cables. The company said the award was valid from Aug 1, 2020 until May 20, 2022, and expected to contribute positively towards the group's earnings and net assets for the period. (Bernama)
  
- § **Nexgram: Partners Indonesian firm to sell PPE in Indonesia.** Nexgram Holdings subsidiary has partnered with Indonesian firm PT Mitra Abadi Propertindo Utama (MAPU) to distribute personal protection equipment (PPE) in Indonesia. Nexgram said its wholly-owned Nexgram Biomedic SB (NBSB) has inked a conditional offtake and purchase agreement with MAPU, under which NBSB will sell PPE — including AAMI isolation gowns powder-free nitrile examination gloves — to MAPU that MAPU will promote, market and distribute in Indonesia. Under the agreement, NBSB will sell 2m pieces of the isolation gowns and 500,000 boxes of gloves to MAPU every month, starting from November 2020 until October 2021. There is also an option to extend the deal for another 24 months on mutual agreement of both parties. (The Edge)
  
- § **Rubberex: Offer not fair, not reasonable, says independent adviser.** Rubberex Corp (M) have been advised to reject the takeover offer from chemical firm Hextar Global's ED Datuk Ong Choo Meng and his 90%-held Hextar Rubber SB for the remaining Rubberex shares at RM1.80 apiece. Its independent adviser MainStreet Advisers SB said the offer was "not fair and not reasonable". (The Edge)
  
- § **Vivocom: Plans 10-to-1 share consolidation.** Vivocom International Holdings is planning to consolidate every 10 shares in the ACE Market-listed construction firm into one new share. (The Edge)
  
- § **Willowglen: Gets RM8.5m contract from TNB.** Willowglen Msc has been awarded a contract worth RM8.5m from Tenaga Nasional Bhd for the supply, installation and testing of field terminal units for its distribution automation project. The contract commenced on July 22 and is expected to be completed by Jan 20, 2024, the technology solutions provider said in a filing. (The Edge)

## MARKET UPDATE

§ The FBM KLCI might open lower today as US stocks ended Thursday sharply, with technology giants Apple and Microsoft at the vanguard of a selloff in large-capitalization stocks. The tech duo's decline accounted for more than half of the Dow's losses, with investors parsing weak data on employment and growing concerns that another Congressional financial aid package for businesses and pandemic-stricken households may be held up by political wrangling. The Dow Jones Industrial Average closed 353.51 points lower, 1.3%, at 26,652.33, while the S&P 500 index finished off 40.36 points, or 1.2%, at 3,235.66. The technology-heavy Nasdaq Composite Index lost 244.71 points, or 2.3%, to reach 10,461.42. In Europe trading was muted, with the Stoxx 600 Europe index finishing fractionally higher, and while the UK's FTSE closing with a slight 0.1% gain.

Back home, the FBM KLCI closed up 19.44 points or 1.23% at 1,606.42 while trade volume across Bursa Malaysia rose past 12bn securities again this week as the rubber glove- and healthcare-related sectors continued to be a major theme in the local equities market due to the Covid-19 pandemic. In Asia, the Nikkei closed 0.6% lower, at 22,751.61, while China's CSI 300 gauge was virtually unchanged at 4,712.44. Hong Kong's Hang Seng index rose 0.8% to close at 25,263.

## TECHNICAL OUTLOOK

FBM KLCI: 1606.42 (+19.44; +1.23%)

Resistance: 1610, 1622, 1636

Support: 1550, 1580, 1600

### FBM KLCI Daily Chart



The local benchmark climbed higher yesterday, staging a potential breakout of a choppy congestion phase. At the close, the FBM KLCI was up 19.44 points to end at 1606.42. Market breadth turned positive again as gainers outpaced decliners 599 to 452. At this juncture, the index is anticipated to trend sideways between the 1600 and 1610 marks with slight bullish bias should the buying interest in both finance and healthcare sectors persist. Support levels for the index are at 1550, 1580 and 1600, while the resistance levels are at 1610, 1622 and 1636. Notably, the FBM KLCI should regain stronger footing to pick up its prior uptrend only if the index manages to penetrate and remain above its the immediate resistance of 1610-point in the near term.

## ECONOMIC MONITOR (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
24-Jul-20	Euro-Zone Markit PMI Manufacturing	Jul	50.1	47.4
24-Jul-20	Euro-Zone Markit PMI Services	Jul	51.0	48.3
24-Jul-20	US Markit PMI Manufacturing	Jul	52.0	49.8
24-Jul-20	US New Home Sales	Jun	700K	676K
27-Jul-20	Euro-Zone M3 Money Supply YoY	Jun	--	8.9%
28-Jul-20	Malaysia Exports YoY	Jun	--	-25.5%
28-Jul-20	Malaysia Imports YoY	Jun	--	-30.4%
30-Jul-20	US Initial Jobless Claims	25-Jul	--	1416K
30-Jul-20	Euro-Zone Consumer Confidence	Jul	--	-15.0
30-Jul-20	Euro-Zone Unemployment Rate	Jun	7.6%	7.4%
31-Jul-20	China Manufacturing PMI	Jul	50.8	50.9
31-Jul-20	China Non-manufacturing PMI	Jul	--	54.4

## CORPORATE MONITOR

### COMPANY VISITS / BRIEFING

<u>Company</u>	<u>Date</u>	<u>Time</u>
D.B.E Gurney Resources	23-24 Jul	10:30am

### 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>	
Aurora Italia International	LEAP Market	0.10	-	-	-	-	24-Jul-20
Optimax Holdings	ACE Market	0.30	70,000,000	-	4-Aug-20	4-Aug-20	18-Aug-20

**CORPORATE MONITOR****OFF-MARKET TRANSACTIONS (>1,000,000)**

23-Jul-2020

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Green Ocean Corp	49,452,950	9,890,000	0.20
Yi-Lai	7,250,000	7,830,000	1.08
Ikhmas Jaya Group	25,000,000	1,270,000	0.05
JAKS Resources	4,000,000	3,240,000	0.81
Eng Kah Corp	4,800,000	3,120,000	0.65
Ageson	16,498,000	2,310,000	0.14
Asia Poly Holdings	5,000,000	1,500,000	0.30

**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>
Jaycorp	First single tier interim dividend of 3.5 sen per ordinary share	0.035	8-Jul	21-Jul	22-Jul	30-Jul
Oriental Holdings	A Special Final Single Tier Dividend of 10 sen per ordinary stock	0.100	21-May	22-Jul	23-Jul	7-Aug
Oriental Holdings	Final Single Tier Dividend of 8 sen per ordinary stock	0.080	21-May	22-Jul	23-Jul	7-Aug
UOA Development	First and final single tier dividend of 14.00 sen per ordinary share	0.140	30-Jun	22-Jul	23-Jul	21-Aug
Brite-Tech	Final Single Tier Dividend of 0.80 sen per share	0.080	10-Jul	23-Jul	24-Jul	7-Aug
Matrix Concepts	Single Tier Fourth Interim Dividend Of 2.50 Sen Per Ordinary Share	0.025	9-Jul	23-Jul	24-Jul	7-Aug

TE- Tax Exempt

## RATING CLASSIFICATION

### STOCKS

<b>OUTPERFORM</b>	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
<b>NEUTRAL</b>	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
<b>UNDERPERFORM</b>	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
<b>TRADING BUY</b>	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.
<b>TRADING SELL</b>	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
<b>NOT RATED</b>	The stock is not within regular research coverage.

### SECTOR

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

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