



### INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,496.72	-22.60	-1.5
DOW	27,940.47	439.58	1.6
S&P 500	3,398.96	67.12	2.0
NASDAQ	11,141.56	293.87	2.7
FTSE-100	6,012.84	82.54	1.4
SHANGHAI	3,254.63	-61.79	-1.9
HANG SENG	24,468.93	-155.41	-0.6
STI	2,499.33	-5.43	-0.2
NIKKEI 225	23,032.54	-241.59	-1.0
JCI	5,149.38	-94.70	-1.8

### MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	7,696.71	4,890.12

### BURSA'S MARKET SHARE (%)

Retail	36.2%
Institutional	50.3%
Foreign	13.5%

### KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Sept)	1,492.00	-14.50	-1.0
OIL - BRENT (USD/b)	40.79	1.01	2.5
CPO FUTURE (RM/ton)	2,814.00	-57.00	-2.0
RUBBER (RM/kg)	475.50	-3.00	-0.6
GOLD (USD/Ounce)	1,948.39	9.38	0.5

### FOREX

	LAST CLOSE	% CHG
MYR/USD	4.17	0.1
MYR/SGD	3.04	0.0
YUAN/MYR	1.64	-0.3
YEN/MYR	25.41	-0.4
MYR/EURO	4.91	-0.2
MYR/GBP	5.40	-1.1

### TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
XOX BHD	0.20	467.28
KONSORTIUM TRANS	0.15	244.97
ABLEGROUP BHD	0.16	156.77
GETS GLOBAL BHD	0.93	152.87
TOP GLOVE CORP B	7.15	135.61

TOP 5 GAINERS	LAST CLOSE	RM (+)
GETS GLOBAL BHD	0.93	0.27
KUMP POWERNET	3.22	0.22
UWC BHD	6.01	0.15
JAKS RESOURCES	0.88	0.12
PUBLIC BANK BHD	16.10	0.10

TOP 5 LOSERS	LAST CLOSE	RM (-)
KOSSAN RUBBER IN	10.96	-1.54
NESTLE (MALAY)	140.80	-1.30
SUPERMAX CORP	7.48	-0.93
MALAYSIAN PAC IN	16.88	-0.92
HARTALEGA HLDGS	13.00	-0.60

Gainers – 314 Losers – 846 Unchanged – 325

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## HIGHLIGHTS

### Hibiscus: Funding Its Growth (HIBI MK, Neutral, TP: RM0.65)

Hibiscus Petroleum (Hibiscus) is planning to undertake a funding exercise in which an estimated RM2bn will be raised via a private placement of convertible redeemable preference shares (CRPS) of up to 2bn units. We welcome this move as it capitalizes on the Group's strong growth trajectory as the probable acquisition of a new producing asset will boost its earnings immediately. With its new asset i.e. Marigold & Sunflower taking some time to kick-off and being capex-heavy, the current operating environment is more appropriate for an investment into a producing asset which will simultaneously generate good returns for the Group. Recall, the Group acquired its Anasuria and North Sabah producing assets during the low oil price environment. While we like the longer-term prospects of the Group, this fund-raising exercise will be dilutive near to medium-term, with significant generation of earnings from its new portfolio asset only likely from 2022 onwards. We see possible upward adjustments to production and offtakes, hence the potential enhancements to our DCF valuations. That said, we maintain our earnings forecast and DCF-based TP of RM0.65 for now, pending further details of potential asset acquisitions. Maintain **Neutral**.

### Technical: Vizione – Possible For Further Upside (7070, Technicals Buy)

VIZIONE is attempting to pick up its prior uptrend. Slightly improved RSI and MACD indicators currently signal reasonable entry level, with anticipation of continuous improvement in both momentum and trend in near term. Should resistance level of RM0.520 be genuinely broken with renewed buying interest, it may continue to lift price higher to subsequent resistance levels of RM0.535 and RM0.555. However, failure to hold on to support level of RM0.470 may indicate weakness in the share price and hence, a cut-loss signal.

### Technical: YLI – Possible For Further Upside (7014, Technicals Buy)

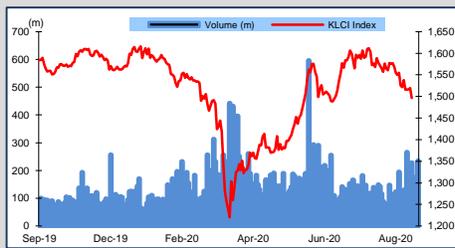
YLI is attempting to pick up its prior uptrend. Slightly improved RSI and MACD indicators currently signal reasonable entry level, with anticipation of continuous improvement in both momentum and trend in near term. Should resistance level of RM0.250 be genuinely broken with renewed buying interest, it may continue to lift price higher to subsequent resistance level of RM0.265. However, failure to hold on to support level of RM0.215 may indicate weakness in the share price and hence, a cut-loss signal.

## HEADLINES

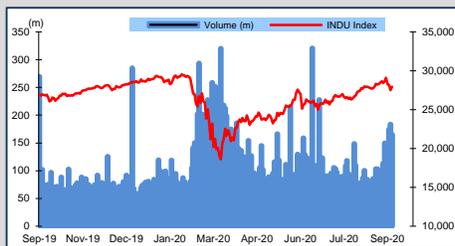
### Economy

§ **US: Job openings push higher, more workers quitting.** US job openings increased further in July, though more workers quit their jobs in the retail as well as professional and business services industries likely because of fears of exposure to Covid-19 and problems with childcare. Despite the surge in vacancies reported by the Labor Department in its monthly Job Openings and Labor Turnover Survey, or JOLTS, the number of unemployed people competing for a new job remained relatively high in July. (Reuters)

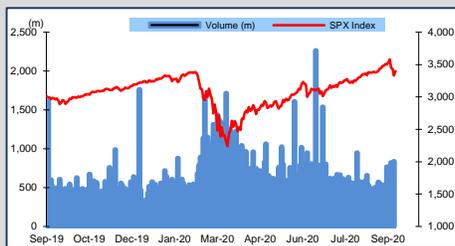
**FBM KLCI**



**DOW JONES**



**S&P 500**



**HANG SENG**



**STRAITS TIMES**



Source: Bloomberg, PublicInvest Research

§ **EU: ECB forecasts said to show more confidence in economic outlook.** Some ECB policy makers have become more confident in their forecasts for the region's economic recovery, potentially reducing the need for more monetary stimulus this year, according to euro-area officials familiar with the discussions. The latest projections for output and inflation will show only slight changes to the June outlook, the people said, asking not to be named because the report will only be published after the Governing Council meets on Thursday. The ECB predicted a record 8.7% contraction for 2020 back in June. That figure will now show an improvement, one person said, with private consumption in particular doing much better than expected. T (Bloomberg)

§ **UK: Temp job placements rise as economy reopens - REC/KPMG.** UK firms raised temporary job placements in Aug following the relaxation of public health measures and reopening of the UK economy after the Covid-19 outbreak, the latest KPMG and REC Report on Jobs showed Wednesday. According to the report compiled by IHS Markit, permanent placements increased only slightly, while temp billings expanded at the fastest rate for 20 months. Increased worker availability and muted demand for staff continued to weigh on starting pay in Aug. Both starting salaries and temporary wages declined at weaker rates. (RTT)

§ **UK: Home-price growth at four-year high in rush for green space.** Surging demand pushed UK house-price growth to the highest level in four years as city dwellers sought homes with bigger backyards. Inquiries, sales and new listings all rose in Aug, according to the Royal Institution of Chartered Surveyors. Its measure of price gains was the highest since 2016, and property agents said they expect homes with outdoor space will become even more desirable as more people work remotely. The report comes amid concerns that the bounceback from the coronavirus is under threat from renewed outbreaks, the end of government subsidies and a disorderly Brexit transition at the end of the year. (Bloomberg)

§ **China: Aug PPI -2.0% YoY, CPI up 2.4% YoY.** China's factory gate prices fell in annual terms for the seventh straight month in Aug, but at the slowest rate since March, official data showed on Wednesday, suggesting the country's industries continue to recover from the Covid-19 outbreak. The producer price index (PPI) fell 2.0% last month from a year earlier, the National Bureau of Statistics said, in line with expectations for a 2.0% decline in a Reuters poll. It fell 2.4% YoY in July. (Reuters)

§ **Japan: Machine tool orders decline slows slightly.** Japan's machine tool orders continued to fall at a sharp rate in Aug, albeit at a slower pace, preliminary data from the Japan Machine Tool Builders' Association showed on Wednesday. Machine tool orders decreased 23.3% YoY following a 31.1% slump in July. The pace of decline slowed for a third straight month after a 52.8% crash in May. In Aug, domestic demand decreased 38.6% and foreign orders shrunk 12%. (RTT)

§ **Australia: Consumer confidence surges in Sept.** Australia's consumer sentiment strengthened in Sept even though the economy plunged into its first recession since 1992, survey data from Westpac showed Wednesday. The Westpac-Melbourne Institute Index of Consumer Sentiment climbed 18% to 93.8 in Sept from 79.5 in Aug. The indicator logged sharp fall in Aug in reaction to the deteriorating virus situation in Victoria. But this month's 18% rebound was a pleasant surprise, Westpac said. (RTT)

## Markets

§ **Magni-Tech (Outperform: TP: RM2.85): Sells industrial land in Pulau Pinang for RM22m.** Magni-Tech Industries said that it is disposing of a piece of freehold industrial land with a factory on site in Seberang Perai, Pulau Pinang for RM22m cash. (The Edge)

*Comments: Upon completion, Magni is expected to generate a c.RM15.1m gain from the sale. We are positive on this development as it will further improve Magni's cash position to fund for its future business plans or M&A activities should an opportunity arises. Based on its latest quarterly results announcement, Magni is currently sitting on a cash pile of RM320m. We maintain our **Outperform** call with an unchanged TP of RM2.85.*

§ **AirAsia (Underperform, RM0.50): Forms new engineering services ram to serve airlines in the region.** AirAsia Group has established a new wholly-owned unit which aims to be Asia's leading provider of engineering services for AirAsia's group of airlines and other commercial airlines. The unit, Asia Digital Engineering SB (ADE), will be an avenue to earn additional income, which will contribute to the overall increase in revenue for AirAsia. The group said ADE will operate as a centralised and independent maintenance, repair & overhaul (MRO) unit to service all of AirAsia's group airlines and third party airlines in the region, focusing on key services such as line maintenance, workshop, engineering support, component and warehouse, as well as digital and innovation. (The Edge)

§ **Pansar: To acquire Sarawak builder for RM151m, plans cash call.** Pansar is buying a construction and civil engineering firm in Sarawak in a RM151m deal. To pay for the acquisition, Pansar has proposed to issue 346m new redeemable convertible preference shares (RCPS), on the basis of one RCPS for every two Pansar shares. Based on the indicative issue price of 53 sen, the exercise will raise as much as RM183.6m for the company. Pansar has entered into a deal with PE Holdings SB to acquire a 100% stake in Perbena Emas SB. (StarBiz)

§ **Dutch Lady: Mulls sale of Petaling Jaya factory land.** Dutch Lady Milk Industries is assessing the prospects of a potential sale of its current factory land in Petaling Jaya. The land comprises factory buildings, office complex and warehouse, and carries a net book value of RM28.4m or 0.44 sen per share as at end last year. The assessment came as the group had received shareholders' approval last July for the purchase of land in Bandar Enstek, Negeri Sembilan to construct its new manufacturing facilities. It was also brought about considering the current economic climate which resulted from the Covid-19 pandemic, Dutch Lady said. (The Edge)

§ **Ho Wah Genting: Mulls partnership with China's biotech firm to produce Covid-19 vaccine.** Ho Wah Genting is considering appointing Xinkexian (Beijing) Biotechnology Co, Ltd (XKX) as its non-exclusive manufacturer to produce Covid-19 vaccines. Ho Wah has entered into a MoU with XKX for a possible partnership. "The MoU aims to appoint XKX as a non-exclusive manufacturer to produce the vaccines upon successful completion of the R&D of vaccines, immunological treatment and diagnostic product development in relation to the Covid-19 virus and upon approval from the US FDA," said Ho Wah. (The Edge)

## MARKET UPDATE

§ The FBM KLCI might recover some of the losses today after U.S. stocks booked sharp gains Wednesday, snapping a three-day selloff that a day earlier drove the Nasdaq Composite into a correction at the fastest pace in history, following its record high last week. On Wednesday the Nasdaq posted its largest one day point and percentage gain since Wednesday, April 29. The Dow Jones Industrial Average rose 439.58 points, or 1.6%, to end at 27,940.47, while the S&P 500 closed at 3,398.96, an increase of 67.12 points, or 2%. The Nasdaq Composite jumped 293.87 points, 2.7%, to finish at 11,141.56. In pandemic news, the global death toll edged toward 900,000 and a trial for a potential COVID-19 vaccine being developed by AstraZeneca PLC was halted after a participant was struck by an unexplained illness. The drugmaker, in what it described as a “routine action,” paused late-stage trials of its vaccine candidate. The Stoxx Europe 600 index ended 1.6% higher, while the U.K.’s benchmark FTSE gained 1.4%.

Back home, the FBM KLCI closed down 22.6 points or 1.49% at 1,496.72, the first close under 1,500 since June 29 this year, as the broader market fell amid a confluence of factors including lower crude oil prices today and expectation of Bank Negara Malaysia’s (BNM) overnight policy rate (OPR) decision today. In the region, Hong Kong’s Hang Seng Index fell 0.6% to close at 24,468.9, while Japan’s Nikkei, settled at 23,032.5, down 1%.

## TECHNICAL OUTLOOK

FBM KLCI: 1496.72 (-22.60; -1.49%)

Resistance: 1515, 1551, 1580

Support: 1485, 1455, 1430

### FBM KLCI Daily Chart



The local benchmark slipped lower yesterday amid the global rout. The FBM KLCI was down 22.60 points to end at 1496.72. Market breadth remained negative as decliners outpaced gainers 846 to 314. At this juncture, the index is anticipated to remain under pressure and trend between the 1515 and 1485 marks in the near term with slight bearish bias, amid suppressed upward momentum. Support levels for the index are at 1485, 1455 and 1430, while the resistance levels are at 1515, 1551 and 1580. On the broader market, the construction sector remains relatively robust despite market weaknesses, at this juncture.

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

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
10-Sep-20	US Initial Jobless Claims	5-Sep	850K	881K
10-Sep-20	Malaysia BNM Overnight Policy Rate	10-Sep	1.75%	1.75%
10 - 15 Sep	China Money Supply - M2 YoY	Aug	10.7%	10.7%
10 - 15 Sep	China New Yuan Loans	Aug	CNY1250.0bn	CNY992.7bn
10 - 18 Sep	China FDI YoY	Aug	--	15.8%
11-Sep-20	US CPI YoY	Aug	1.2%	1.0%
11-Sep-20	Malaysia Industrial Production YoY	Jul	1.0%	-0.4%
15-Sep-20	China Industrial Production YoY	Aug	5.2%	4.8%
15-Sep-20	China Retail Sales YoY	Aug	0.0%	-1.1%
17-Sep-20	Euro-Zone CPI YoY	Aug F	--	-0.2%
17-Sep-20	Euro-Zone CPI Core YoY	Aug F	--	0.4%
17-Sep-20	US Initial Jobless Claims	12-Sep	--	--
17-Sep-20	US Housing Starts	Aug	1463K	1496K

**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	1QFY21	10-Sep-20
Top Glove	4QFY20	17-Sep-20
SCGM	1QFY21	28-Sep-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>	

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

9-Sep-2020			
<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Borneo Oil Bhd	20,000,000	1,100,000	0.06
MSCM Holdings Bhd	1,000,000	1,170,000	1.17
Econpile Holdings Bhd	3,000,000	1,620,000	0.54
Supermax Corp Bhd	1,350,000	11,140,000	8.25

**CORPORATE MONITOR****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>
AXIS REIT	Second Interim Income Distribution of 2.15 sen per unit	0.022	26-Aug	9-Sep	10-Sep	2-Oct
EITA Resources	First Interim Dividend of 3 sen per ordinary share	0.030	17-Aug	9-Sep	10-Sep	24-Sep
ES Ceramics Technology	Single-tier dividend of RM0.01	0.010	21-Aug	9-Sep	10-Sep	28-Sep
Fiamma Holdings	Interim single tier dividend of 1.00 sen per share	0.010	25-Aug	9-Sep	10-Sep	28-Sep
Genting Plantations	Interim Single-Tier Dividend of 6.0 sen per ordinary share	0.060	26-Aug	9-Sep	10-Sep	24-Sep
HPMT Holdings	First Interim Single Tier Dividend of 0.5 sen per ordinary share	0.005	26-Aug	9-Sep	10-Sep	25-Sep
HeveaBoard	Single-Tier First Interim Dividend of 0.5 sen per ordinary	0.005	24-Aug	9-Sep	10-Sep	9-Oct
IOI Corp	Second interim single tier dividend of 4 sen per ordinary share	0.040	25-Aug	9-Sep	10-Sep	18-Sep
Panasonic Manufacturing	Proposed final single tier dividend of 183 sen per ordinary share	1.830	29-Jun	9-Sep	10-Sep	25-Sep
Petronas Dagangan	Interim dividend of 5 sen per ordinary share	0.050	25-Aug	9-Sep	10-Sep	24-Sep
SLP Resources	Second interim dividend	0.015	7-Aug	9-Sep	10-Sep	8-Oct
Sunway Construction Group	First interim single tier dividend of 1.25 Sen per ordinary share	0.013	18-Aug	9-Sep	10-Sep	24-Sep
Wellcall Holdings	third single tier dividend of 1.00 sen per share	0.010	24-Aug	9-Sep	10-Sep	25-Sep
Genting	Interim Single-Tier Dividend of 6.5 sen per ordinary share	0.065	27-Aug	10-Sep	11-Sep	1-Oct
Genting Malaysia	Interim Single-Tier Dividend of 6.0 sen per ordinary share	0.060	27-Aug	10-Sep	11-Sep	29-Sep
Hap Seng Plantations	First interim dividend of 1.5 sen per ordinary share	0.015	26-Aug	10-Sep	11-Sep	24-Sep
IFCA MSC	First and final single-tier dividend of 1.0 sen per ordinary share	0.010	21-Jul	10-Sep	11-Sep	25-Sep
IGB	Interim dividend of 2 sen per ordinary share via distribution of treasury shares		26-Aug	10-Sep	11-Sep	30-Sep
JF Technology	Single-Tier Final Dividend of 1.50 sen per ordinary share	0.015	25-Aug	10-Sep	11-Sep	25-Sep
PPB Group	Interim dividend of 8 sen per share	0.080	27-Aug	10-Sep	11-Sep	29-Sep
Prestar Resources	Single-Tier Final Dividend of 1.0 sen per ordinary share	0.010	11-Jun	10-Sep	11-Sep	25-Sep
Systech	First and final single tier dividend of 0.2 sen per ordinary share	0.002	26-Jun	10-Sep	11-Sep	18-Sep
Telekom Malaysia	Interim single tier dividend of RM0.068 per share	0.068	27-Aug	10-Sep	11-Sep	2-Oct
Apex Healthcare	Interim single-tier dividend of 1.70 sen per ordinary share	0.017	26-Aug	11-Sep	14-Sep	30-Sep
Brite-Tech	First Interim Single Tier Dividend of 0.80 sen per share	0.008	27-Aug	11-Sep	14-Sep	25-Sep
Johore Tin	Single Tier 2nd Interim Dividend of 1.7 sen per share	0.017	26-Aug	11-Sep	14-Sep	28-Sep
Magnum	Second interim dividend via distribution of treasury shares		26-Aug	11-Sep	14-Sep	14-Sep
OpenSys M	Third interim single-tier dividend of 0.25 sen per ordinary share	0.003	24-Aug	11-Sep	14-Sep	28-Sep
Oriental Food Industries	First Single Tier Dividend of RM0.005 per share	0.005	27-Aug	11-Sep	14-Sep	6-Oct
Scicom MSC	Interim Tax-Exempt Dividend of 1.0 sen per ordinary share	0.010	28-Aug	11-Sep	14-Sep	29-Sep
Techfast Holdings	Interim Single Tier Dividend of 1.0 sen per share	0.010	26-Aug	11-Sep	14-Sep	28-Sep

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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