



INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,503.84	-10.11	-0.7
DOW	28,606.31	112.11	0.4
S&P 500	3,483.81	0.47	0.0
NASDAQ	11,671.56	-42.31	-0.4
FTSE-100	5,919.58	87.06	1.5
SHANGHAI	3,336.36	4.18	0.1
HANG SENG	24,386.79	228.25	0.9
STI	2,533.02	9.40	0.4
NIKKEI 225	23,410.63	-96.60	-0.4
JCI	5,103.41	-1.74	0.0

MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	8,707.52	4,768.79

BURSA'S MARKET SHARE (%)

Retail	39.9%
Institutional	45.5%
Foreign	14.6%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Oct)	1,497.00	-14.50	-1.0
OIL - BRENT (USD/b)	42.93	-0.23	-0.5
CPO FUTURE (RM/ton)	2,870.00	-48.00	-1.6
RUBBER (RM/kg)	543.00	13.00	2.5
GOLD (USD/Ounce)	1,899.29	-4.43	-0.2

FOREX

	LAST CLOSE	% CHG
MYR/USD	4.15	-0.1
MYR/SGD	3.05	0.0
YUAN/MYR	1.61	-0.3
YEN/MYR	25.37	0.1
MYR/EURO	4.86	-0.2
MYR/GBP	5.36	-0.3

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
MAH SING GROUP	0.95	660.42
AT SYSTEMATIZATI	0.09	474.63
PEGASUS HEIGHTS	0.03	386.04
LUSTER INDUSTRIE	0.18	329.32
SOUTHERN CABLE G	0.33	304.95

TOP 5 GAINERS	LAST CLOSE	RM (+)
LPI CAPITAL BHD	13.20	0.38
HARTALEGA HLDGS	18.38	0.32
SCIENEX BHD	11.80	0.30
ACME HOLDINGS BH	0.68	0.30
KESM INDUS BHD	8.80	0.30

TOP 5 LOSERS	LAST CLOSE	RM (-)
NESTLE (MALAY)	139.40	-2.10
PETRONAS DAGANGA	18.98	-0.84
FRASER & NEAVE	31.74	-0.66
PPB GROUP BERHAD	19.08	-0.42
MALAYSIAN PAC IN	19.64	-0.32

Gainers – 583 Losers – 488 Unchanged – 431

Research Team

T 603 2268 3000

F 603 2268 3014

E research@publicinvestbank.com.my

HIGHLIGHTS

CIMB: Forward23+ (CIMB MK, Neutral, TP: RM3.30)

The Group unveiled a revised version of its Forward23 growth initiative dubbed Forward23+ which, among others, identifies profitable businesses to grow further and underperforming areas to address. The ultimate aim is to build a higher-performing sustainable business and organization toward becoming a top quartile ASEAN bank. We are encouraged by the initiatives unveiled, though hold court on making further assessments pending delivery of results at key milestones. It is nonetheless refreshing to note the Group's candor in recognizing what needs to be done and laying out steps to address them. Near-term prospects of the Group will continue to be weighed by asset quality concerns however, particularly in Singapore and Indonesia, amid challenging operating conditions. Our **Neutral** call is retained with an unchanged target price of RM3.30.

Digi: Stronger Contribution From Prepaid Segment (DIGI MK, Outperform, TP: RM4.75)

DiGi reported a 10% YoY decline in 3QFY20 net profit, largely due to higher depreciation cost. Noticeably, earnings improved by 11% QoQ on higher revenue, primarily the prepaid segment which posted a 10.2% increase. Prepaid ARPU improved by 10% while 67K was added to subscriber base, sequentially. This suggests some measure of success in efforts by DiGi to grow its Malaysian base to offset the shrinking migrant business. The results were broadly in line with expectations. A third interim dividend of 4.1sen per share was declared (3QFY19: 4.5sen). DiGi provides the most attractive dividend yield among the telco companies under our coverage. For FY20F, we are projecting a yield of 4% for DiGi, compared to sector average of c.3%. Maintain our **Outperform** rating on DiGi.

Technical: Dynaciate Group (5178, Technical Buy)

With the active progression from construction segment and acquisition of the two pieces of industrial land and factories, DYNACIA is confident to generate positive synergy and long-term growth moving forward.

Support level	Share price	Resistance level	Share price
1 st support	RM0.105	1 st resistance	RM0.120

Technical: Jadi Imaging 7223, Technical Buy)

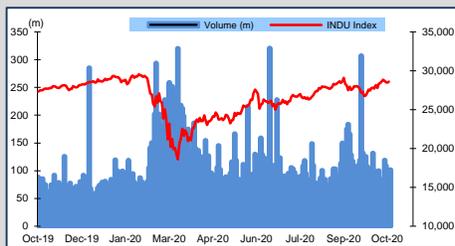
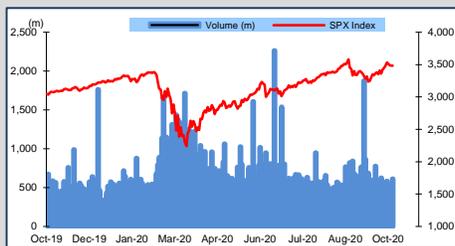
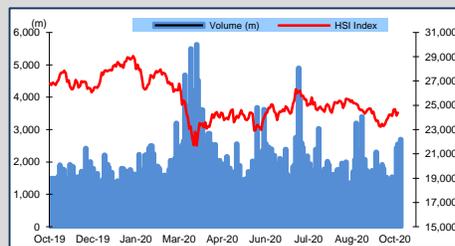
JADI anticipates the demand for bulk toners in China to continue to surpass the rest of the markets globally. The chemical toner production plant is anticipated to be completed in the second half of 2020, which is expected to position the group with favourable prospects in the toner manufacturing industry globally.

Support level	Share price	Resistance level	Share price
1 st support	RM0.105	1 st resistance	RM0.125

Technical: Kronologi Asia (0176, Technical Buy)

KRONO is seeing positive trends following temporary disruption in its business trajectory and the group's various data management solutions

FBM KLCI

DOW JONES

S&P 500

HANG SENG

STRAITS TIMES


Source: Bloomberg, PublicInvest Research

and geographic footprint across key Asian markets will continue to add value to the group.

Support level	Share price	Resistance level	Share price
1 st support	RM0.560	1 st resistance	RM0.600

HEADLINES

Economy

§ **Global: IMF chief says 'much more decisive' action needed to deal with debt problems.** The head of the IMF on Sunday called for significant steps to address the increasingly unsustainable debt burdens of some countries, urging creditors and debtors to start restructuring processes sooner rather than later. IMF MD Kristalina Georgieva said a six-month extension of the Group of 20 major economies' freeze in official bilateral payments would help low-income countries hammered by the Covid-19 pandemic, but more urgent action was needed. She urged creditors and countries facing debt distress to start restructuring debts without delay. (Reuters)

§ **US: Industrial production unexpectedly drops 0.6% in Sept.** Industrial production in the US unexpectedly decreased in the month of Sept, according to a report released by the Federal Reserve on Friday. The Fed said industrial production fell by 0.6 in Sept after rising by 0.4% in Aug. The drop surprised economists, who had expected production to increase by 0.5%. Production declined for the first time in five months but has still recovered more than half of its Feb to April decline, although it remains 7.1% below its pre-pandemic Feb level. (RTT)

§ **US: Consumer sentiment rises amid improvement in expectations.** With an improvement in consumer expectations more than offsetting concerns about current conditions, the University of Michigan released a report on Friday showing a much bigger than expected increase in US consumer sentiment in the month of Oct. The preliminary report said the consumer sentiment index rose to 81.2 in Oct from the final Sept reading of 80.4. Economists had expected the index to inch up to 80.5. The bigger than expected increase by the headline index came as the index of consumer expectations climbed to 78.8 in Oct from 75.6 in Sept, reaching its highest level since March. (RTT)

§ **US: Business inventories rise slightly less than expected in Aug.** Business inventories in the US increased by slightly less than expected in the month of Aug, according to a report released by the Commerce Department of Friday. The Commerce Department said business inventories rose by 0.3% in Aug after inching up by 0.1% in July. Economists had expected inventories to climb by 0.4%. The increase in business inventories came as wholesale and retail inventories both grew by 0.4%, while manufacturing inventories came in unchanged line. The report also said business sales climbed by 0.6% in Aug following a 3.4% spike in the previous month. (RTT)

§ **US: Retail sales blow expectations in Sept, dark clouds gathering.** US retail sales accelerated in Sept, rounding out a strong quarter of economic activity, but the recovery from the Covid-19 recession is at a crossroads as government money runs out and companies continue to layoff workers. Retail sales jumped 1.9% last

month as consumers bought motor vehicles and clothing, dined out and splashed out on hobbies. That followed an unrevised 0.6% increase in Aug. Economists polled by Reuters had forecast retail sales would rise 0.7% in Sept. Some said Sept's surge was likely exaggerated by difficulties stripping seasonal fluctuations from the data after the shock caused by Covid-19. Unadjusted retail sales fell 2.8% after dropping 1.0% in Aug. (Reuters)

- § **EU: Eurozone trade surplus increases on exports.** The euro area trade surplus increased in Aug as the growth in exports exceeded the rise in imports, data from Eurostat revealed Friday. Exports grew 2% on a monthly basis and imports advanced 0.5%. However, exports and imports continued to stay below the pre-crisis level, Eurostat reported. Compared to Feb, the month before restrictions were imposed, both exports and imports were down by 11% and 10.7%, respectively. (RTT)
- § **EU: German econ forecasts solid as long as coronavirus contained - Altmaier.** The German government is unlikely to make significant changes to its autumn economic forecasts, Economy Minister Peter Altmaier said on Sunday, while cautioning that a failure to contain the coronavirus pandemic could spell trouble. Berlin currently expects gross domestic product to shrink in 2020 by 5.8% before rebounding by 4.4% next year. But, Altmaier said, "that of course assumes we will bring the pandemic under control, that we break the rapid increase in infections, and we succeed in returning to the situation we had from May to August." (Reuters)
- § **China: Passes export-control law following US moves.** China passed a law restricting exports of controlled items, allowing the government to act against countries that abuse export controls in a way that harm's China's interests, state media said. The new Chinese law, passed on Saturday by the National People's Congress Standing Committee, the country's top legislative body, will take effect on Dec 1, Xinhua said. Controlled items include military and nuclear products, as well as other goods, technologies and services and relevant data, according to National People's Congress. (Reuters)
- § **China: Cental bank head says economy to expand about 2% this year.** China will see its economy expand by about 2% this year as it has put the coronavirus pandemic under control, the country's central bank governor Yi Gang said on Sunday. "The Chinese economy remains resilient with great potential. Continued recovery is anticipated, which will benefit the global recovery," he said. (Reuters)
- § **Japan: BOJ has no plan to change inflation target, forward guidance - Kuroda.** BOJ Governor Haruhiko Kuroda said on Sunday there was no need to change the central bank's inflation target or forward guidance. By committing to increase the monetary base until inflation stably overshoots its 2% target, the BOJ already has a framework "quite similar" to the US Federal Reserve's average inflation target, Kuroda said. "We have no intention to change our inflation targeting policy and forward guidance," Kuroda said. Kuroda maintained his fairly upbeat view on Japan's economy, saying it was likely to follow an improving trend though risks were skewed to the downside due to uncertainty regarding the fallout from Covid-19. (Reuters)

Markets

- § **Top Glove (Trading Buy, TP: RM9.70): Says labour issues in US DOL report resolved, seeks quick lifting of import ban.** Top Glove said it has resolved issues highlighted by the US Department of Labour (DOL) in a report that listed rubber gloves among products manufactured through child or forced labour. It had taken to improve work conditions, which it has submitted to the US Customs and Border Protection to secure an “expeditious resolution and revocation” of the ban on importing its products into the country. (The Edge)
- § **AWC: Bags facility management contract in Putrajaya.** AWC has bagged a contract to provide management maintenance and operational services at a commercial office building in Putrajaya. The contract is valid for three years, starting on Nov 1 with an option to extend for another two years. The value of the three-year contract is RM6.51m while the extended contract is worth RM4.31m, it added. (The Edge)
- § **Brem Holdings: Buys land in Serendah for RM68m.** Brem Holdings is buying six parcels of leasehold industrial land in Serendah, Selangor for RM68.26m to replenish its land bank. The vacant plots measure 528,439 sqm in total and are located near the Sungai Buaya interchange and toll plaza on the North-South Expressway. The purchase price translates to RM129.17 per sqm. The lands have a remaining lease term of 75 years. The acquisition will be financed through internally-generated funds or bank borrowing, and is expected to be completed by end-2021. (The Edge)
- § **Mah Sing: To spend up to RM150m in capex for Phase 1 of rubber glove business.** Mah Sing Group will be spending up to RM150m in capex for the first phase of its proposed rubber glove venture, which will be funded via internal funds, bank borrowings and sukuk issuance. The capex entails the purchase of 12 new glove production lines and other plant and machinery such as boilers, chillers, compressors and wastewater treatment plant as well as the refurbishment work of a warehouse in Klang. (The Edge)
- § **Destini: Calls off acquisition of Indonesian port services provider.** Destini has terminated the share sale agreement it entered into with PT Berkah Sadaya Adikarya to acquire 99.9% of its holdings in port services provider PT Muara Badak Perkasa. It said after taking into consideration the current market conditions and the situation of the Covid-19 pandemic in both Malaysia and Indonesia, it has mutually agreed with Berkah Sadaya to terminate the agreement. (The Sun Daily)
- § **IPO: Mr DIY 3.91 times oversubscribed.** Mr DIY Group's IPO has been oversubscribed by 3.91x, based on the total demand under the institutional offering and the applications received under the retail offering. For the institutional offering, the oversubscription rate was 4.71x, while the retail offering, applications for a total of 169.94m shares with a value of RM271.9m were received from the public and eligible persons. (The Sun Daily)

MARKET UPDATE

§ The FBM KLCI might open lower today after US stocks gave up early gains to close in mixed territory Friday, even after upbeat news on retail sales and a positive development on a potential vaccine for the coronavirus. The Dow Jones Industrial Average gained 112.11 points, or 0.4%, to 28,606.31. The S&P 500 crept up 0.47 point, remaining nearly flat, to 3,483.81, closing with its third-straight week of gains. The Nasdaq Composite declined 42.32 points, or 0.4%, to 11,671.56, but still managed to close the week 0.8% higher. The U.S. trading session got off to a strong start after drugmaker Pfizer (PFE) said it could file for emergency use authorization from the Food and Drug Administration by late November for the Covid-19 vaccine it is making with BioNTech. Meanwhile, the Stoxx Europe 600 rose 1.3%, thanks to strong results from the auto and luxury goods sectors. The French CAC 40 surged 2% as LVMH Moët Hennessy reported strong growth at its Louis Vuitton and Dior brands, partly offsetting steep declines elsewhere. Shares of LVMH climbed 7.3% in Paris.

Back home, the FBM KLCI dropped 0.67% or 10.11 points at 1,503.84 points, reflecting the lacklustre trading on blue chips. The benchmark index was dragged by Petronas Dagangan Bhd, Axiata Group Bhd and IOI Corp Bhd. On the regional front, the Hong Kong Hang Seng finished 0.94% or 228.25 points higher at 24,386.79 points. Meanwhile, the Shanghai Composite was up 0.13% or 4.18 points at 3,336.36 points. Across the causeway, Singapore's Straits Times Index was up by 0.32% or 8.03 points at 2,351.65 points while the Nikkei 225 dropped 0.41% or 96.90 points at 24,410.63 points.

TECHNICAL OUTLOOK

FBM KLCI: 1503.84 (-10.11; -0.67%)

Resistance: 1515, 1551, 1580

Support: 1485, 1455, 1430

FBM KLCI Daily Chart



Succumbing to persistent profit taking activities, the FBM KLCI dropped another 10.11 points to end at 1503.84 last Friday. Nevertheless, market breadth turned positive as gainers outnumbered decliners 583 to 488. At this juncture, the index is anticipated to trend sideways between the 1515 and 1485 marks. Support levels for the index are at 1485, 1455 and 1430, while the resistance levels are at 1515, 1551 and 1580.

ECONOMIC MONITOR (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
19-Oct-20	China GDP YoY	3Q	5.5%	3.2%
19-Oct-20	China Industrial Production YoY	Sep	5.8%	5.6%
19-Oct-20	China Retail Sales YoY	Sep	1.6%	0.5%
20-Oct-20	US Housing Starts	Sep	1455K	1416K
21-Oct-20	Malaysia CPI YoY	Sep	-1.3%	-1.4%
22-Oct-20	US Existing Home Sales	Sep	6.30m	6.00m
22-Oct-20	Malaysia Foreign Reserves	15-Oct	--	USD105.0bn
22-Oct-20	Euro-Zone Consumer Confidence	Oct	-15.0	-13.9
23-Oct-20	Euro-Zone Markit PMI Services	Oct	47.0	48.0
23-Oct-20	Euro-Zone Markit PMI Manufacturing	Oct	53.0	53.7
22-Oct-20	US Initial Jobless Claims	17-Oct	865k	898k
23-Oct-20	US Markit PMI Manufacturing	Oct	535.5	53.2
26-Oct-20	US New Home Sales	Sep	1028k	1011k

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>	
Aneka Jaringan Holdings	ACE Market	RM0.33	139,890,000	-	9-Oct-20	9-Oct-20	20-Oct-20
Mr D.I.Y. Group	Main Market	RM1.60	188,400,000	753,090,000	14-Oct-20	14-Oct-20	26-Oct-20
Econframe	ACE Market	RM0.28	65,000,000	32,500,000	12-Oct-20	12-Oct-20	27-Oct-20

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

16-Oct-2020

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Konsortium Transnasional Bhd	17,600,000	1,760,000	0.10
TFP Solutions Bhd	16,000,000	1,920,000	0.12
K-Star Sports Ltd	13,000,000	2,990,000	0.23
Sime Darby Bhd	3,000,000	7,200,000	2.40
Key Asic Bhd	20,000,000	1,400,000	0.07
Nextgreen Global Bhd	4,000,000	1,680,000	0.42
Acme Holdings Bhd	21,000,000	6,240,000	0.30
AME Elite Consortium Bhd	2,000,000	4,260,000	2.13
Widad Group Bhd	6,900,000	4,210,000	0.61

**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>
Esthetics International	Final Single-Tier Dividend of 0.50 sen per ordinary share	0.005	5-Oct	19-Oct	20-Oct	19-Nov
Top Glove Corp	Single Tier Final Dividend of 8.5 sen per share	0.085	17-Sep	19-Oct	20-Oct	3-Nov
Lay Hong	Final Single Tier Dividend of 0.75 sen per ordinary share	0.008	29-Jun	20-Oct	21-Oct	12-Nov
Ewein	Single tier interim dividend of RM0.035 per ordinary share	0.035	8-Oct	22-Oct	23-Oct	6-Nov
Perak Transit	Second single tier dividend of RM0.0025 per ordinary share	0.003	19-Aug	22-Oct	23-Oct	9-Nov
Sunway Real Estate	Interim Income Distribution of 0.90 sen per unit	0.009	12-Oct	23-Oct	26-Oct	10-Nov

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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PUBLIC INVESTMENT BANK BERHAD (20027-W)
9th Floor, Bangunan Public Bank
6, Jalan Sultan Sulaiman
50000 Kuala Lumpur
T 603 2268 3000
F 603 2268 3014
Dealing Line 603 2268 3129