



### INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,627.01	-8.70	-0.5
DOW	30,814.26	-177.26	-0.6
S&P 500	3,768.25	-27.29	-0.7
NASDAQ	12,998.50	-114.14	-0.9
FTSE-100	6,735.71	-66.25	-1.0
SHANGHAI	3,566.38	0.47	0.0
HANG SENG	28,573.86	77.00	0.3
STI	3,004.87	4.87	0.2
NIKKEI 225	28,519.18	-179.08	-0.6
JCI	6,373.41	-54.90	-0.9

### MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	5,850.14	4,062.93

### BURSA'S MARKET SHARE (%)

Retail	40.4%
Institutional	45.1%
Foreign	14.5%

### KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Jan)	1,631.00	-6.00	-0.4
OIL - BRENT (USD/b)	55.10	-1.32	-2.3
CPO FUTURE (RM/ton)	3,423.00	-104.00	-2.9
RUBBER (RM/kg)	551.00	-0.50	-0.1
GOLD (USD/Ounce)	1,828.45	-26.95	-1.5

### FOREX

	LAST CLOSE	% CHG
MYR/USD	4.04	0.0
MYR/SGD	3.04	-0.2
YUAN/MYR	1.61	0.1
YEN/MYR	25.70	-0.1
MYR/EURO	4.90	-0.3
MYR/GBP	5.51	-0.2

### TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
PRG HOLDINGS BHD	0.29	425.18
PNE PCB BHD	0.42	275.21
XOX BHD	0.11	221.29
AT SYSTEMATIZATI	0.19	171.46
SEALINK INTERNAT	0.18	134.57

TOP 5 GAINERS	LAST CLOSE	RM (+)
MALAYSIAN PAC IN	28.72	0.74
KOBAY TECHNOLOGY	4.35	0.70
NESTLE (MALAY)	138.90	0.70
EURO HOLDINGS BH	5.62	0.62
JF TECHNOLOGY	6.02	0.50

TOP 5 LOSERS	LAST CLOSE	RM (-)
PUBLIC BANK BHD	21.20	-0.50
CENTRAL GLOBAL B	0.62	-0.19
HONG LEONG FINAN	17.16	-0.18
HENGYUAN REFININ	5.40	-0.17
PETRON MALAYSIA	4.78	-0.15

Gainers – 512 Losers – 571 Unchanged – 481

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## HIGHLIGHTS

### Mega First: Anticipating Higher Availability Factor (MFCB MK, Outperform, TP: RM8.62)

The final quarter results are set to be released on 26th Feb and we expect to see a strong finish to FY20 on the back of higher availability factor despite some margin pressure coming from the resources and packaging segments due to freight-related issues. While waiting on the progress of the 5th turbine for the Don Sahong plant, the Group has set its sight on growing the solar and packaging segments. Meanwhile, the final dividend will be the key indicator to watch as it will be the base for the Group's step-up dividend payout plan. Reiterate our **Outperform** call with an unchanged TP of RM8.62.

### Technical: Hexza Corporation (3298, Technical Buy)

Besides having a property arm, HEXZA is engaged in the manufacture of formaldehyde resins, ethyl alcohol, natural vinegar and cooler.

Support level	Share price	Resistance level	Share price
1 <sup>st</sup> support	RM1.16	1 <sup>st</sup> resistance	RM1.28

### Technical: Jasa Kita (8648, Technical Buy)

JASKITA is primarily engaged in manufacturing, assembling and trading of premium quality power tools, electric induction motors, hand tools and other industrial equipment.

Support level	Share price	Resistance level	Share price
1 <sup>st</sup> support	RM0.100	1 <sup>st</sup> resistance	RM0.125

### Technical: Integrated Logistics (5614, Technical Buy)

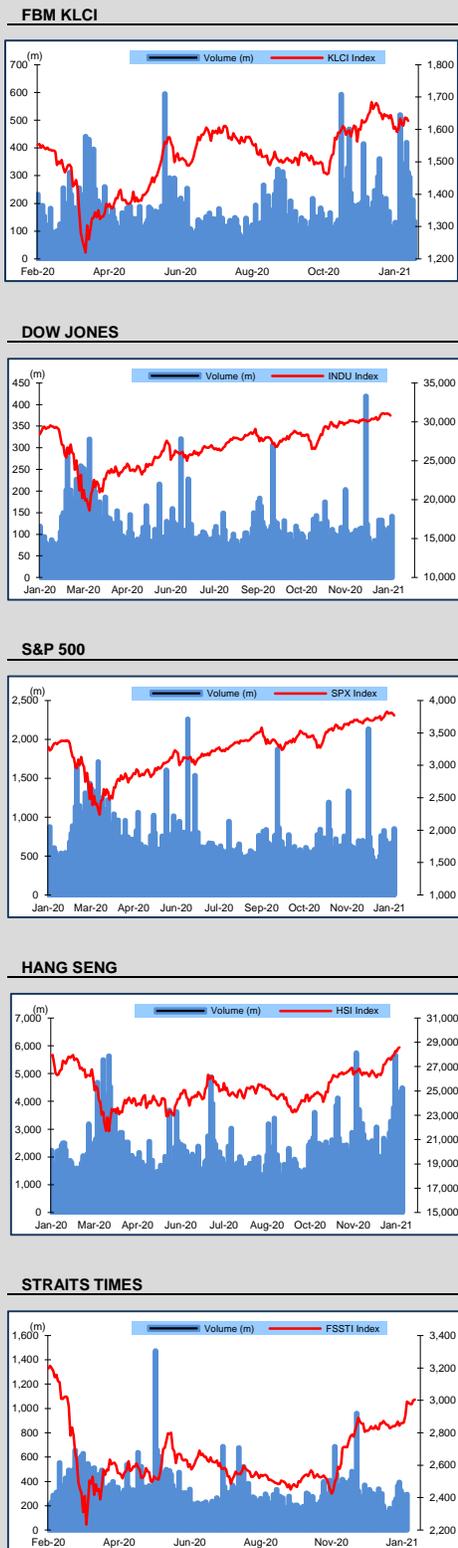
ILB is actively investing on the solar renewable energy businesses following the divestment of most of the group's warehousing and logistics operations over the past few years.

Support level	Share price	Resistance level	Share price
1 <sup>st</sup> support	RM0.580	1 <sup>st</sup> resistance	RM0.650

## HEADLINES

### Economy

§ **US: Business inventories rise in Nov.** US business inventories increased in Nov, supporting expectations that inventory investment was likely the main driver of economic growth in 4Q. Business inventories rose 0.5% in Nov after increasing 0.8% in Oct, the Commerce Department said. Inventories are a key component of GDP. Nov's increase was in line with economists' expectations. Inventories fell 3.2% on a YoY basis in Nov. Retail inventories rose 0.7% in Nov, as estimated. That followed a 0.9% increase in Oct. Motor vehicle inventories jumped 1.9%, instead of 1.5% as previously reported. (Reuters)



Source: Bloomberg, PublicInvest Research

§ **US: Producer prices rise slightly less than expected in Dec.** A report released by the Labor Department showed US producer prices increased by slightly less than expected in Dec. The Labor Department said its PPI for final demand rose by 0.3% in Dec after inching up by 0.1% in Nov. Economists had expected producer prices to rise by 0.4%. The increase in producer prices largely reflected a spike in energy prices, which surged up by 5.5% in Dec after jumping by 1.2% in Nov. Meanwhile, the report said food prices edged down by 0.1% in Dec after climbing by 0.5% in the previous month. Excluding food and energy prices, core producer prices crept up by 0.1% in Dec, matching the uptick seen in the previous month. (RTT)

§ **US: Retail sales continue to slump amid spike in coronavirus cases.** Retail sales in the US continued to decline in Dec, according to the Commerce Department. The Commerce Department said retail sales fell by 0.7% in Dec after tumbling by a revised 1.4% in Nov. Economists had expected retail sales to come in unchanged compared to the 1.1% slump originally reported for the previous month. The continued decrease in retail sales reflected steep drops in sales by non-store retailers, electronics and appliance stores, food service and drinking places and department stores. On the other hand, sales by gas stations spiked by 6.6%. (RTT)

§ **EU: Eurozone exports continue to rise in Nov.** Eurozone exports increased for the seventh straight month in Nov, estimate from Eurostat showed. Exports grew 2% MoM and imports climbed 2.4% from October. However, compared to the month before restrictions were imposed in Feb, both flows were still down by 4.4% and 4.8%, respectively. The trade surplus totaled seasonally adjusted EUR 25.1bn compared to a EUR 25.2bn surplus in Oct. On a YoY basis, exports of goods decreased 1% and imports fell 4.2% in Nov. The trade surplus rose to an unadjusted EUR 25.8bn from EUR 20.2bn in the previous year. (RTT)

§ **UK: Economy shrinks but might avoid double-dip recession.** Britain's economy shrank in Nov as it went into a new lockdown, but the decline was smaller than expected as businesses adjusted to social distancing and schools remained open, making a double-dip recession less likely. The 2.6% monthly decline was the first since April. The scale was also far smaller than April's 18.8% collapse during Britain's first lockdown. UK's economy shrank more than its peers in 1H20 and is now 8.5% smaller than it was in Feb. A third, stricter lockdown is likely to cause Britain's economy to contract in the 1Q21. (Reuters)

§ **Indonesia: Trade balance swings to surplus.** The trade balance registered a surplus of USD2.10bn in Dec, versus a deficit of USD0.08bn a year ago. Economists had expected a surplus of USD2.30bn. In Nov, the trade surplus was USD2.59bn. Exports grew 14.63% YoY in Dec. Economists had expected a rise of 6.3%. Imports fell 0.47% annually in Dec. Economists had forecast a decrease of 12.47%. On a MoM basis, exports rose 8.39% and imports increased 14.0% in Dec. (RTT)

§ **Thailand: Central bank says might cut growth forecast after second coronavirus wave.** Thailand's central bank said it might cut its growth forecast for 2021 in response to a recent coronavirus outbreak, although the impact on economic activity has been less than the first wave of infections. The new spread could hit the country's GDP by 1.0-4.0%, depending on its severity and the effectiveness of containment measures, said Bank of Thailand (BoT). The BoT lowered its 2021 GDP growth outlook to 3.2% from 3.6%, which had taken into account some virus impact. (Reuters)

## Markets

- § **Kanger: Undertakes six remaining construction works for RM495.9m.** Kanger International (KIB), through its wholly-owned subsidiary, Kanger Ventures SB (KVSB) has entered into collaboration agreements with multiple contractors to carry out remaining construction works across six sites which has a total project value of RM495.9m. All of the six construction projects are expected to be completed by Dec 2023. (Business Times)
- § **KNM: To raise RM54.9m via placement to repay borrowings, fund ongoing projects.** KNM Group plans to raise up to RM54.93m via a private placement to pay off its bank borrowings and to fund some ongoing projects. It aims to issue up to 10% of its share capital or 296.92m shares, which will be placed out to third party investors to be identified. The placement is expected to be completed in the 1Q of 2021. (The Edge)
- § **Samaiden: Clinches RM25.8m EPCC contract from Gimzan Plywood.** Samaiden Group (SGB) through its wholly-owned subsidiary Samaiden SB (SSB) has bagged a RM25.8m project from Gimzan Plywood SB (GPSB) to undertake EPCC works for a 2MWac biomass renewable energy power plant located in the Wakaf Tapai Industrial Area, Hulu Terengganu. The work has been scheduled to commence on Feb 2, 2021, and has been targeted for completion within 23 months. (Business Times)
- § **Daya Materials: Bags RM23.8m sub-contractor job.** Daya Materials' 51%-owned subsidiary Daya CMT SB accepted a RM23.86m project from Sing Foong Niap Engineering SB, as sub-contractor in relation to the proposed construction of a recycle pulp and packaging paper plant in Kuala Langat, Selangor. The project is targeted to be completed by June 30, 2021. It is expected to contribute positively to the future earnings of the group. (SunBiz)
- § **AT Systematization: Acquires land for second glove factory.** AT Systematization's wholly-owned subsidiary AT Glove Engineering SB has entered into a sales and purchase agreement with Seacera Porcelain SB to acquire industrial land for RM10.5m for the construction of a second glove factory. The industrial land located in Larut & Matang is 72,770 square meters in size. The deal is expected to be completed within 60 days and will be satisfied in cash. (SunBiz)
- § **MESB: Proposes diversification into waste recycling business.** MESB has proposed to diversify into the waste recycling business to include the collection and recycling of wastepaper, plastics scrap and scrap ferrous metal. The group anticipate its future prospects for the present principal business in the trading and retailing of apparels and leather products to be challenging. (SunBiz)
- § **Batu Kawan: Controls 92% of CCM, does not intend to maintain listing.** Batu Kawan has updated that it now controls 92.14% of Chemical Company of Malaysia (CCM), after receiving more acceptances for its RM3.10 takeover offer. It said it will not be maintaining CCM's listing on the Main Market of Bursa Malaysia. The group said the offer will remain open for acceptance until Feb 2. (The Edge)

## MARKET UPDATE

§ The FBM KLCI might open with a negative bias today, tracking US stocks which fell for the second consecutive day on Friday as oil prices dropped in a gloomy end to the week after disappointing US retail sales data underscored the severe strains faced by the world's biggest economy. The benchmark S&P 500 index closed 0.7% lower, while the tech-heavy Nasdaq Composite was down 0.9%. The wobble in market sentiment came after a round of data released by the US commerce department on Friday showed that retail sales dropped 0.7% in December from November. In Europe, the continent-wide Stoxx 600 and London's FTSE 100 both closed down 1%, while Frankfurt's Xetra Dax fell 1.4%.

Back home, the FBM KLCI finished 8.70 points or 0.53% lower at 1,627.01, dragged mainly by profit taking on banking counters. The index earlier rose to a high of 1,637.88. Across Bursa Malaysia on Friday, 5.85bn securities were traded for RM4.06bn, compared with 6.49bn securities worth RM4.86bn on Thursday. In the region, Japan's Nikkei 225 closed 0.62% lower at 28,519.18, while South Korea's KOSPI ended 2.03% lower at 3,085.9.

## TECHNICAL OUTLOOK

FBM KLCI: 1627.01 (-8.70; -0.53%)

Resistance: 1652, 1680, 1700

Support: 1622, 1610, 1600

### FBM KLCI Daily Chart



The local benchmark slipped 8.70 points to end at 1627.01 last Friday. Market breadth turned negative as decliners outpaced gainers 571 to 512. At this juncture, the index is anticipated to trend range bound between the 1622 and 1652 marks in the near term. Support levels for the index are at 1622, 1610 and 1600, while the resistance levels are at 1652, 1680 and 1700. Notably, the healthcare as well as industrial products and services sectors are anticipated to take centre stage 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>
18-Jan-21	China FDI YoY	Dec	--	5.5%
18-Jan-21	China Industrial Production YoY	Dec	6.9%	7.0%
18-Jan-21	China Retail Sales YoY	Dec	5.5%	5.0%
18-Jan-21	China GDP YoY	4Q	6.2%	4.9%
20-Jan-21	Euro-Zone CPI YoY	Dec	-0.3%	-0.3%
20-Jan-21	Malaysia BNM Overnight Policy Rate	20-Jan	1.75%	1.75%
21-Jan-21	US Initial Jobless Claims	16-Jan	923K	965K
21-Jan-21	US Housing Starts	Dec	1560K	1547K
21-Jan-21	Euro-Zone Consumer Confidence	Jan	-15.0	-13.9
22-Jan-21	Euro-Zone Markit PMI Manufacturing	Jan	54.5	55.2
22-Jan-21	Euro-Zone Markit PMI Services	Jan	44.5	46.4
22-Jan-21	Malaysia CPI YoY	Dec	-1.3%	-1.7%
22-Jan-21	Malaysia Foreign Reserves	15-Jan	--	USD107.6bn
22-Jan-21	US Markit PMI Manufacturing	Jan	56.5	57.1
22-Jan-21	US Existing Home Sales	Dec	6.55m	6.69m

## 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>
DiGi.com	4QFY20	27-Jan-21

### 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>	
HPP Holdings	ACE Market	RM0.36	88,669,000	20,000,000	7-Jan-21	7-Jan-21	20-Jan-21

## CORPORATE MONITOR

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

15-Jan-2021

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
ConnectCounty Holdings	40,000,000	8,000,000	0.20
Widad Group	10,000,000	5,000,000	0.50
YNH Property	1,000,000	2,500,000	2.50
Kejuruteraan Asastera	11,586,600	11,590,000	1.00
PMB Technology	3,000,000	13,350,000	4.45
Kanger International	25,000,000	3,500,000	0.14
Malayan United Industries	10,000,000	1,000,000	0.10
Xian Leng Holdings	2,500,000	1,640,000	0.66

### 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>
CYL Corp	Interim Tax Exempt Dividend of 0.5 sen per share	0.005	5-Jan	19-Jan	20-Jan	29-Jan
RHB Bank	Single-Tier Interim Dividend Of 10.0 Sen Per Share	0.100	21-Dec	19-Jan	20-Jan	9-Feb
DPI Holdings	Second Interim Dividend Single Tier dividend of 0.20 sen per share	0.002	6-Jan	20-Jan	21-Jan	3-Feb
DPI Holdings	Special Interim Dividend Single Tier dividend of 0.25 sen per share	0.003	6-Jan	20-Jan	21-Jan	3-Feb
Fraser & Neave Holdings	A final single tier dividend of 33 sen per share	0.330	3-Nov	20-Jan	21-Jan	5-Feb
JF Technology	Bonus issue of 692,998,755 new ordinary shares together with 461,999,170 free detachable warrants, on the basis of 3 bonus shares together with 2 warrants for every 1 existing share		5-Oct	20-Jan	21-Jan	3-Feb
Trive Property Group	Renounceable rights issue of up to 911,028,120 new ordinary shares		7-Jan	20-Jan	21-Jan	24-Feb
Chin Teck Plantations	Special single tier dividend of 3 sen per stock unit	0.030	6-Jan	21-Jan	22-Jan	5-Feb
Chin Teck Plantations	First interim single tier dividend of 8 sen per stock unit	0.080	6-Jan	21-Jan	22-Jan	5-Feb
GDEX	Issuance of up to 705,176,354 free warrants on the basis of one Warrant C for every eight existing ordinary shares	0.002	25-Aug	21-Jan	22-Jan	22-Feb
VS Industry	Final dividend of 0.8 sen per share	0.008	27-Nov	21-Jan	22-Jan	5-Feb
Crescendo Corp	Special single tier dividend of 2 sen per share	0.020	29-Dec	22-Jan	25-Jan	22-Feb
Kim Loong Resources	Special single tier dividend of 3 sen per share	0.030	29-Dec	22-Jan	25-Jan	22-Feb

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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