

13 November 2020

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Research Highlights

BURSA	12-Nov	Day chg	% chg
KLCI	1,590.8	20.7	1.32%
FTSE EMAS	11,405.3	114.5	1.01%
FTSE Smallcap	14,043.2	92.96	0.67%
FTSE MESDAQ	11,352.1	60.3	0.53%
KLSE Mkt Cap (RM'b)	1,662.0	17.6	1.07%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-17.7	42.6%
Local Retail	-69.6	36.8%
Foreign	87.3	20.6%

INDICES	12-Nov	Day chg	% chg
Dow Jones	29,080.2	-317.5	-1.08%
S&P 500	3,537.0	-35.6	-1.00%
NASDAQ	11,709.6	-76.8	-0.65%
FTSE-100	6,338.9	-43.2	-0.68%
Nikkei 225	25,520.9	171.3	0.68%
SHCOMP	3,338.7	-3.5	-0.11%
HSI	26,169.4	-57.6	-0.22%
STI	2,711.9	-1.4	-0.05%
KOSPI	2,475.6	-10.3	-0.41%
TWSE	13,221.8	-40.4	-0.30%
JCI	5,458.6	-50.9	-0.92%
SET	1,336.3	-9.0	-0.67%

FOREX	12-Nov	11-Nov	% chg
USD/MYR:	4.1305	4.1325	-0.05%
EUR/USD:	1.1810	1.1785	0.21%
GBP/USD:	1.3188	1.3258	-0.53%
USD/YEN:	105.35	105.46	-0.10%
USD/SGD:	1.3489	1.3487	0.01%
USD/HKD:	7.7540	7.7537	0.00%

KEY STATS

KLCI Spot			
Vol (m shares):	16,556.3	14,482.9	14.32%
Value (RMm):	5,876.4	5,952.6	-1.28%
KLCI Future			
November-20	1,583.0	1,560.0	1.47%
December-20	1,582.0	1,559.5	1.44%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,145.5	1,152.5	-0.61%
SoyOil (USc/lb)	36.9	37.0	-0.38%
Gold (US\$/troy oz)	1,873.3	1,861.6	0.63%
Nymex crude oil (US\$/bbl)	41.1	41.5	-0.80%
Latex (RM/kg)	6.03	6.08	-0.82%
Tin (US\$/mt)	N/A	18,202.3	N/A

NEWS HIGHLIGHTS

- MQREIT's Proposed Disposal of QB-5 (Comment included in Kenanga Today)
- Top Glove buys back more shares for third consecutive day, spent RM209m so far this week
- IHH Healthcare sells 50% stake in Indian JV to partner for RM227m cash
- Duopharma Biotech 3Q net profit down 5% on lower demand from private sector
- Karex buys remaining 30% US condom firm GP Corp

MACRO BITS

- IMF's Georgieva says G20 should synchronize investments to achieve faster growth
- UK to consider sanctions against China for breaching Hong Kong treaty
- Global oil demand unlikely to get vaccine boost until later in 2021, says IEA
- Malaysia welcomes RCEP signing, a game changer to investment flow — PM Muhyiddin
- EAC: All ministries told to speed up 2021 development spending to bolster Malaysia's economy
- Govt disburses RM965.5m loans under Penjana SME Financing — Tengku Zafrul
- Govt approves RM12.2b wage subsidy as of Oct 30 — Tengku Zafrul
- Singapore-Hong Kong travel bubble sparks surge in bookings, hopes for broader re-opening
- BOJ's monetary policy can play bigger role in COVID-19 world, says central bank policymaker
- U.S. weekly jobless claims at 7-month low; consumer prices unchanged
- Biden's Treasury pick may be key to climate, jobs, and equality agenda
- Euro zone industry output unexpectedly slips in Sept
- German November lockdown will hit fourth quarter growth but aid should help: Scholz
- UK minister says on Brexit: We hope for a deal in coming days

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Result Note: CARLSBG, GASMSIA, STAR
- On Our Technical Watch: SAMAIEN, HEXTAR
- Rating Summary

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	7.70	-2.0	50.60	GENTING	3.77	6.5	35.20	TOPGLOV	7.70	-2.0	50.60
2	GENM	2.44	4.7	39.40	HAPSENG	8.43	5.0	0.74	HARTA	15.36	-0.9	10.90
3	GENTING	3.77	6.5	35.20	KLCCSS	2.44	4.7	0.40	DIGI	4.20	-0.7	4.79
4	CIMB	3.39	2.7	26.60	PCEM	6.83	4.3	5.03	NESTLE	140.00	0.0	0.13
5	MAYBANK	7.80	1.4	17.00	MISC	7.18	4.2	2.35	MAXIS	5.20	0.2	2.83
6	HARTA	15.36	-0.9	10.90	SIMEPLT	5.20	3.8	7.12	PETDAG	19.80	0.2	0.42
7	TM	4.36	0.7	9.81	KLCCSS	8.00	3.5	0.40	IHH	5.48	0.6	3.10
8	DIALOG	3.81	2.7	9.68	CIMB	3.39	2.7	26.60	HLBANK	16.70	0.6	2.01
9	SIME	2.40	1.7	8.70	DIALOG	3.81	2.7	9.68	TM	4.36	0.7	9.81
10	TENAGA	11.48	1.2	8.39	AXIATA	3.36	1.8	7.38	PETGAS	16.30	1.0	1.19

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **MQREIT's Proposed Disposal of QB-5**

Yesterday, MQREIT entered into a sale and purchase agreement (SPA) with Deriv Services Sdn Bhd (DSSB) for the Proposed Disposal of Quill Building 5 for a cash consideration of RM45.0m. The building is currently vacant. Proceeds from the disposal may be used to repay existing borrowings, asset enhancement initiatives, investments in other yield accretive properties and working capital purposes. Should the Condition Precedents be met, the proposed disposal is expected to be completed by 2Q21. (*Bursa Malaysia*)

Comment: We are mildly positive on this given the minimal impact to earnings, but we like the fact that MQREIT was able to dispose of this asset which has been vacant since April 2019 when IBM left. Additionally, the disposal price of RM45m is above the current NBV of RM40m and original cost of RM43m. All in, post the disposal, we expect net gains on disposal and potentially lower financing cost to contribute c. +3% to FY21E CNP of RM82m, while gearing would reduce marginally to 0.37x (from 0.38x). As such we make no changes to earnings for now. Maintain OUTPERFORM on TP of RM0.825 on FY21E GDPU of 7.1 sen and +1.5ppt spread to the 10-yr MGS target of 2.8%. (By: Marie Vaz)

- **Top Glove buys back more shares for third consecutive day, spent RM209m so far this week**

Top Glove Corp Bhd continued buying back more shares on the open market as its share price drifted nearly 20% down from the recent peak of RM9.6. The glove maker's latest filing to Bursa Malaysia shows it bought back an additional 8.96m shares, representing a 0.83% stake, for RM69.7m. This chunk of 8.96m shares were bought at the price between RM7.68 and RM7.84, which was the day's high. This is the third consecutive day this week that Top Glove mopped up shares. The group has spent roughly RM209.5m over the span of three days, which is close to the net profit of RM227.1m that it earned in the first half of the financial year ended Aug 31, 2020 (FY20). (*The Edge*)

- **IHH Healthcare sells 50% stake in Indian JV to partner for RM227m cash**

IHH Healthcare Bhd is selling its 50% stake in an Indian joint venture (JV) to its partner Apollo Hospitals Enterprise Ltd for RM227.1m cash or 4.1b Indian rupees. According to a bourse filing on the National Stock Exchange of India made by Apollo Hospitals, Apollo Hospitals will be acquiring a 50% stake held by IHH's Singaporean unit Gleneagles Development Pte Ltd in Apollo Gleneagles Hospital Ltd (AGHL), Kolkata. Following the acquisition, AGHL would become a 100%-owned subsidiary of Apollo Hospitals. (*The Edge*)



- **Duopharma Biotech 3Q net profit down 5% on lower demand from private sector**

Duopharma Biotech Bhd's third-quarter (3Q) net profit fell 4.9% to RM14.1m, from RM14.9m a year earlier, due to a drop in revenue on lower demand from the private ethical sector. Earnings per share for the quarter ended Sept 30, 2020 slid to 2.03 sen from 2.2 sen previously, according to the pharmaceutical group's filing with the stock exchange. Quarterly revenue was down 6.4% to RM133.8m from RM142.9m. *(The Edge)*

- **Karex buys remaining 30% US condom firm GP Corp**

Karex Bhd will acquire the remaining 30% stake in US-based Global Protection Corp (GP Corp) in a deal worth RM42.3m that will give its American partner a 7.9% stake in the enlarged company. Global Protection is the owner of ONE brand condoms. "Upon completion of the acquisition, Karex Group will be able to fully benefit from the manufacturing and distribution of GP products, which will in turn further increase Karex Group's market share at the international forefront in the sexual wellness business by leveraging on GP products," the company said in a filing with Bursa Malaysia. *(The Star)*

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Macro Bits

Global

- [IMF's Georgieva says G20 should synchronize investments to achieve faster growth](#) International Monetary Fund Managing Director Kristalina Georgieva on Thursday called on G20 countries to synchronize their investments to rebuild from the coronavirus pandemic, saying this would achieve a stronger growth outcome at less cost. *(Reuters)*
- [UK to consider sanctions against China for breaching Hong Kong treaty](#) Britain on Thursday said China had broken its main bilateral treaty on Hong Kong by imposing new rules to disqualify elected legislators in the former British colony, cautioning that it would consider sanctions as part of its response. *(Reuters)*
- [Global oil demand unlikely to get vaccine boost until later in 2021, says IEA](#) Global oil demand is unlikely to get a significant boost from the roll-out of vaccines against COVID-19 until well into 2021, the International Energy Agency (IEA) said on Thursday, a view that curbed oil price gains since vaccine progress was announced earlier this week. *(Reuters)*

Malaysia

- [Malaysia welcomes RCEP signing, a game changer to investment flow — PM Muhyiddin](#) Malaysia welcomes the signing of the Regional Comprehensive Strategic Partnership (RCEP) which is scheduled to be held on the last day of the 37th ASEAN Summit that kicked off today. *(The Edge Markets)*
- [EAC: All ministries told to speed up 2021 development spending to bolster Malaysia's economy](#) All ministries have been told to start the procurement plan announced in Budget 2021 as soon as possible to expedite development spending and ensure that projects can be implemented immediately, according to the Economic Action Council (EAC). *(The Edge Markets)*
- [Govt disburses RM965.5m loans under Penjana SME Financing — Tengku Zafrul](#) The government, which allocated RM2 billion for the Penjana SME Financing scheme, has approved financing worth RM965.5 million as of Oct 30 with priority given to small and medium enterprises that had not received any bank financing before, Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said. *(The Edge Markets)*
- [Govt approves RM12.2b wage subsidy as of Oct 30 — Tengku Zafrul](#) A total of RM12.16b in wage subsidy under the Wage Subsidy Programme (PSU) had been approved as of Oct 30, 2020, benefitting more than 322,284 employers and 2.6m employees. *(The Edge Markets)*

Asia Pacific

- [Singapore-Hong Kong travel bubble sparks surge in bookings, hopes for broader re-opening](#) The opening of Asia's first "travel bubble" allowing tourism without quarantines since the pandemic hit has sparked a surge in searches and bookings for travel between Singapore and Hong Kong, stirring hopes the model could be rolled out more broadly. *(Reuters)*
- [BOJ's monetary policy can play bigger role in COVID-19 world, says central bank policymaker](#) The Bank of Japan's monetary policy can play a bigger role in helping to alleviate the pain caused by structural changes to the economy brought about by COVID-19, its board member Seiji Adachi said on Thursday. *(Reuters)*

Americas

- [U.S. weekly jobless claims at 7-month low; consumer prices unchanged](#) The number of Americans filing new claims for unemployment benefits fell to a seven-month low last week, but the pace of decline has slowed and further improvement could be limited by a raging COVID-19 pandemic and lack of additional fiscal stimulus. *(Reuters)*
- [Biden's Treasury pick may be key to climate, jobs, and equality agenda](#) Incoming U.S. Treasury secretaries have been confronted over the past two decades with the financial rescue of other countries, the bailout of the U.S. banking system and a trade war. *(Reuters)*

Europe

- [Euro zone industry output unexpectedly slips in Sept](#) Euro zone industrial production unexpectedly declined in September, driven chiefly by a sharp fall in the output of durable consumer goods, sounding a negative note to a quarter that had begun strongly. *(Reuters)*
- [German November lockdown will hit fourth quarter growth but aid should help: Scholz](#) Germany's partial lockdown in November will dampen growth in the fourth quarter but a government aid package should cushion the impact, Finance Minister Olaf Scholz said on Thursday. *(Reuters)*
- [UK minister says on Brexit: We hope for a deal in coming days](#) Britain hopes for a Brexit trade deal in coming days, Housing Secretary Robert Jenrick said on Thursday. *(Reuters)*

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List of Overbought Stocks (14-Day RSI>70-mark)

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D
VIVOCOM INTERNATIONAL HOLDIN	1.550	90.77	93.16	96.80	1.550
EURO HOLDINGS BHD	2.500	89.09	93.91	99.27	2.500
RCE CAPITAL BHD	2.160	87.43	93.99	99.80	2.200
MIECO CHIPBOARD BERHAD	0.655	87.40	91.82	96.67	0.670
HEVEABOARD BHD	0.775	84.02	86.90	90.15	0.790
HONG LEONG BANK BERHAD	16.700	82.70	87.40	96.55	16.840
KELINGTON GROUP BHD	1.550	79.52	86.29	98.50	1.640
PMB TECHNOLOGY BHD	3.330	79.30	81.10	76.46	3.380
HONG LEONG INDUSTRIES BHD	8.240	78.58	85.98	97.50	8.240
CHEMICAL CO OF MALAYSIA BHD	2.330	78.55	79.55	79.28	2.480
MALAYSIA SMELTING CORP BHD	0.765	77.96	82.53	87.54	0.785
INNOPRISE PLANTATIONS BHD	1.160	77.51	83.49	90.41	1.170
KESM INDUSTRIES BHD	10.700	77.25	83.48	98.02	10.800
EVERGREEN FIBREBOARD BHD	0.405	76.76	81.58	88.93	0.425
UNISEM (M) BERHAD	5.880	76.40	73.80	63.16	6.250
FORMOSA PROSONIC INDS BHD	1.800	75.92	81.35	94.62	1.810
LATITUDE TREE HOLDINGS BHD	3.910	75.37	75.16	63.02	4.100
O.S.K. HOLDINGS BHD	0.795	75.34	84.82	98.92	0.800
CSC STEEL HOLDINGS BHD	0.880	75.25	84.76	98.91	0.885
KRETAM HOLDINGS BHD	0.595	74.96	81.37	95.51	0.605
CARLSBERG BREWERY MALAYSIA B	23.240	74.65	82.15	94.68	24.320
HAP SENG CONSOLIDATED	8.430	74.55	78.90	82.25	8.430
HUP SENG INDUSTRIES BHD	0.945	74.53	84.16	98.91	0.950
MUHIBBAH ENGINEERING (M) BHD	0.850	73.56	79.51	82.72	0.865
TA ANN HOLDINGS BERHAD	2.960	73.30	82.11	98.31	2.960
TASCO BHD	2.470	72.76	73.93	79.37	2.620
YTL HOSPITALITY REIT	0.775	72.76	83.37	98.21	0.780
KUMPULAN POWERNET BHD	4.090	72.52	78.02	89.26	4.170
RAPID SYNERGY BHD	6.450	72.39	71.22	55.11	6.540
LII HEN INDUSTRIES BHD	4.600	72.01	73.00	78.15	4.660
SALCON BHD	0.380	71.16	73.03	87.09	0.445
K-STAR SPORTS LTD	0.745	70.80	66.19	37.32	0.980
HIL INDUSTRIES BERHAD	1.170	70.77	72.82	83.48	1.180
BOILERMECH HOLDINGS BERHAD	0.790	70.46	72.13	71.26	0.830
GHL SYSTEMS BERHAD	1.820	70.08	69.66	56.10	2.053

*Only for stocks with market cap >RM300m

Source: Bloomberg

List of Oversold Warrants (14-Day RSI<30-mark)

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
HK HANG SENG INDEX-DI	0.105	25.11	19.86	11.27	0.085	30/12/2020
HK HANG SENG INDEX-DJ	0.315	26.75	20.57	6.28	0.275	30/12/2020

Source: Bloomberg

List of Overbought Warrants (14-Day RSI>70-mark)

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D	EXPIRY DATE
VIVOCOM INTERNATIONAL HOLDINGS BHD-WE	0.925	90.14	90.10	91.80	0.950	22/8/2023
XIDELANG HOLDINGS LTD-WD	0.025	85.12	94.82	100.00	0.025	17/1/2022
METRONIC GLOBAL BHD-WA	0.050	78.95	87.43	99.17	0.065	16/4/2022
LBI CAPITAL BHD-WB	0.280	78.80	82.54	96.68	0.315	24/6/2024
PUBLIC BANK BHD-C46	0.055	77.47	87.10	98.90	0.060	15/1/2021
MMAG HOLDINGS BHD-WB	0.305	72.82	88.65	99.61	0.310	27/11/2022
PUBLIC BANK BHD-C47	0.085	71.67	80.43	96.44	0.085	29/1/2021
K-STAR SPORTS LTD-WA	0.465	71.00	65.36	34.17	0.590	10/4/2021
SALCON BHD-WB	0.175	70.31	71.76	84.31	0.180	19/7/2025

Source: Bloomberg

Stock Ratings are defined as follows:**Stock Recommendations**

OUTPERFORM	: A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM	: A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM	: A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT	: A particular sector's Expected Total Return is MORE than 10%
NEUTRAL	: A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT	: A particular sector's Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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