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Research Highlights

BURSA	26-Feb	Day chg	% chg
KLCI	1,577.8	-3.79	-0.24%
FTSE EMAS	11,614.2	-61.7	-0.53%
FTSE Smallcap	16,377.3	-255.26	-1.53%
FTSE MESDAQ	10,873.5	-89.7	-0.82%
KLSE Mkt Cap (RM'b)	1,729.7	-7.6	-0.44%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-132.49	39.05
Local Retail	212.60	35.60
Foreign	-80.11	25.32

INDICES	26-Feb	Day chg	% chg
Dow Jones	30,932.4	-469.6	-1.50%
S&P 500	3,811.2	-18.2	-0.48%
NASDAQ	13,192.4	72.9	0.56%
FTSE-100	6,483.4	-168.5	-2.53%
Nikkei 225	28,966.0	-1,202.3	-3.99%
SHCOMP	3,509.1	-76.0	-2.12%
HSI	28,980.2	-1,094.0	-3.64%
STI	2,949.0	-24.5	-0.82%
KOSPI	3,013.0	-86.7	-2.80%
TWSE	15,953.8	-498.4	-3.03%
JCI	6,241.8	-47.8	-0.76%
SET	N.A.	N.A.	N.A.

FOREX	26-Feb	25-Feb	% chg
USD/MYR:	4.0498	4.0400	0.24%
EUR/USD:	1.2075	1.2228	-1.25%
GBP/USD:	1.3933	1.4165	-1.64%
USD/YEN:	106.57	106.06	0.48%
USD/SGD:	1.3326	1.3172	1.17%
USD/HKD:	7.7566	7.7538	0.04%

KEY STATS

KLCI Spot			
Vol (m shares):	9,816.7	10,442.4	-5.99%
Value (RMm):	7,004.9	6,579.8	6.46%
KLCI Future			
March-21	1,566.0	1,577.5	-0.73%
April-21	1,566.0	1,577.5	-0.73%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,405.3	1,406.0	-0.05%
SoyOil (USc/lb)	49.9	49.7	0.54%
Gold (US\$/troy oz)	1,728.8	1,775.4	-2.62%
Nymex crude oil (US\$/bbl)	61.5	63.5	-3.20%
Latex (RM/kg)	6.85	6.95	-1.51%
Tin (US\$/mt)	26,539.0	28,605.0	-7.22%

NEWS HIGHLIGHTS

- Top Glove plans to float shares in Hong Kong to raise RM7.7b (Comment included in Kenanga Today)
- Time dotCom's FY20 net profit rises to RM328.0m
- Guan Chong 4Q net profit rises 9% helped by improved cocoa product sales
- OSK's 4Q profit drops 25% to RM97.0m, plans three sen dividend
- Komarkcorp unit receives full FDA and Ce certification for its medical masks, allowing it to export globally

MACRO BITS

- Biden on track to apply Trump-era rule targeting Chinese tech supply chain concerns
- Biden says Saudi announcement to come Monday; White House plays down new steps
- Exclusive: European officials urge World Bank to exclude fossil-fuel investments
- Increased bearish probability as inflation fears weigh on markets (See *Economic Viewpoint: Ringgit Weekly Outlook*)
- Exports slowed in January but demand from China and the US holding up (See *Economic Viewpoint: Malaysia External Trade*)
- M3 and loan growth edged higher in January in spite of MCO 2.0 (See *Economic Viewpoint: Malaysia Money & Credit*)
- Malaysia offers incentives to attract investors, more strategic ones to be announced, says Muhyiddin
- China's factory activity expands at a slower pace in February, misses expectations: official PMI
- Thailand starts COVID-19 vaccination campaign
- Biden scores legislative win as House passes USD1.9t COVID relief plan
- Brazil's capital goes into lockdown to quell COVID-19 surge
- UK's Sunak says vaccine passport idea might help the economy
- UK's Sunak to provide 5.0b pounds of grants to pandemic hit businesses in budget

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Sector Update: Banking, Oil & Gas
- Results Note: TENAGA, GASMSIA, PIE, KGB, JHM, ABMB, AFFIN, BIMB, CIMB, HLBANK, RHBBANK, FGV, MAXIS, MMCCORP, IHH, AIRPORT, SEM, PADINI, SERBADK, ARMADA, HSL
- Weekly Technical Review
- Regional News Update
- Economic Viewpoint: MY External Trade, MY Money & Credit, Ringgit Weekly Outlook, Asia FX Monthly Outlook, Global FX Monthly Outlook

#	Top Volume			Top Gainer				Top Loser				
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	PBBANK	4.16	-0.2	61.70	HAPSENG	8.51	7.5	1.65	PCHEM	7.43	-4.5	9.33
2	TOPGLOV	5.24	-1.1	41.70	HLFG	16.96	4.7	0.50	SUPERMX	4.84	-3.0	32.60
3	SUPERMX	4.84	-3.0	32.60	SIME	2.27	3.2	16.70	DIGI	3.70	-2.4	10.80
4	CIMB	4.33	0.0	26.90	PETDAG	20.00	3.1	1.35	TM	6.14	-1.4	15.10
5	GENM	2.89	-0.3	22.90	HLBANK	18.00	2.2	3.50	SIMEPLT	4.90	-1.4	8.27
6	MAYBANK	8.03	-0.7	20.80	PPB	18.84	2.0	3.35	HARTA	10.00	-1.4	13.10
7	SIME	2.27	3.2	16.70	NESTLE	137.90	1.4	0.23	TOPGLOV	5.24	-1.1	41.70
8	GENTING	4.61	-0.4	16.60	MAXIS	4.75	1.3	5.60	MAYBANK	8.03	-0.7	20.80
9	DIALOG	3.23	0.6	16.50	KLK	23.50	1.0	1.45	AXIATA	3.55	-0.6	11.80
10	TM	6.14	-1.4	15.10	DIALOG	3.23	0.6	16.50	IOICORP	4.28	-0.5	5.53

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Top Glove plans to float shares in Hong Kong to raise RM7.7b**

In a bourse filing, Top Glove, the world's largest glove manufacturer is planning to float new shares in Hong Kong. The dual primary listing exercise on the main board of Hong Kong Stock Exchange entails the issuance of up to 1.5 billion new shares, representing 18.65% of the group's total issued shares of 8.02 billion. The issue price is to be determined later. The 1.5 billion new shares also include an additional 195 million shares which may be issued under the over allotment option, if the shares are exercised in full. Of the total proceeds of RM7.77 billion, the bulk or RM4.61 billion will be used for expansion of production capacity and developing a data-driven manufacturing system. RM770 million will be allocated each for research and development, software system upgrade and potential mergers and acquisitions. Another RM390 million will be utilised for environmental, social, corporate governance practices and initiatives, while the remaining RM390 million will be used for working capital and general corporate purposes. In a separate statement, in connection with the listing on the HKEX, Top Glove said it will maintain its existing primary listing on the Main Market of Bursa Malaysia and its existing secondary listing on the Main Board of Singapore Exchange Securities Trading Ltd (SGX-ST). Subject to completion of the proposed dual primary listing, Top Glove shares will be listed and traded on Bursa, SGX-ST, and HKEX and all such shares will be fungible/transferable among these three stock exchanges. (Source: *The Edge*)

Comment: We are positive on this latest corporate development by TOPGLOV as it enables the group to fund its future expansion. In our view, the implied IPO price of RM5.20 could be the floor share price for TOPGLOV in the near-term. The Group has earmarked RM10b for capital expenditure over the next 5 years from FY21 to FY25, which will increase capacity by an additional 100b pieces of gloves and its organic expansion plans. For illustrative purposes i) based on TOPGLOV's historical average ROA of 9.8% applied to the new expansion, we expect FY22E EPS dilution estimated at 7% and ii) net cash will increase from RM776m as at 30 Nov 2020 to RM8.5b. This dilutive impact aside, a dual listing in a larger, open bourse like HK should raise TOPGLOV's international profile further, deepen the stock's liquidity and opens up another access to capital funding. The proposals are expected to be completed by the second quarter of 2021 and followed by roadshows which will provide management the opportunity to clarify debatable issues as to the attractiveness of its forward prospects to an international audience, which we think is timely. The stock is currently trading at 5x and 10x FY21E and FY22E PER offering 13% and 5% dividend yield in FY21E and FY22E, respectively. Pending the release of 2QFY21 results next week, we keep our earnings forecast and TP of RM8.50 unchanged based on 9x CY21 EPS. (By: Raymond Choo)



- **Time dotCom's FY20 net profit rises to RM328.0m**

Time dotCom Bhd's (TIME) net profit for the financial year ended Dec 31, 2020 (FY20) rose to RM328.1m, from RM314.0m registered in FY19. Revenue rose 9.8% to RM1.2b, from RM1.1b previously. In a filing with Bursa Malaysia, it said the increase in revenue — excluding one-off non-recurring contracts — was mainly due to higher sales recorded by its data and data centre product groups, which grew 11% and 8.3% respectively. (*The Edge*)

- **Guan Chong 4Q net profit rises 9% helped by improved cocoa product sales**

Guan Chong Bhd's net profit rose 9.23% to RM47.3m for the fourth quarter ended Dec 31, 2020 (4QFY20), from RM43.3m a year earlier, boosted by higher revenue. Revenue climbed 28.56% to RM1.0b from RM795.9m, due to an increase in the sales volume of cocoa products and revenue contributed by newly-acquired subsidiary Schokinag Holding GmbH, the group said in an exchange filing. (*The Edge*)

- **OSK's 4Q profit drops 25% to RM97.0m, plans three sen dividend**

OSK Holdings Bhd's net profit dropped 25.14% year-on-year to RM97.5m in the fourth quarter ended Dec 31, 2020 (4QFY20), compared with RM130.2m a year ago, despite posting a higher revenue. OSK's revenue, meanwhile, grew by 15.1% to RM335.5m from RM291.5m in 4QFY19, thanks to its property segment, according to its filing with Bursa Malaysia. The company also proposed a single-tier final dividend of three sen per share of which the dates of entitlement and payment will be announced in due course. (*The Edge*)

- **Komarkcorp unit receives full FDA and Ce certification for its medical masks, allowing it to export globally**

Komarkcorp Bhd plans to become the country's largest face mask manufacturer by the middle of the year, after subsidiary Komark Mask (M) Sdn Bhd received full FDA and Ce certification for its suite of medical masks today, which will allow it to export globally. Komarkcorp said it had now mobilised 11 separate mask manufacturing lines and is on track to install a further 15 lines by April this year, to bring its current annual capacity of 180 million pieces to 420 million pieces per year of various types of masks, including three-ply masks, KN95 masks and its own Hybrid Dove Plus masks. (*The Edge*)



Macro Bits

Global

- [Biden on track to apply Trump-era rule targeting Chinese tech supply chain concerns](#) The Biden administration plans to allow a Trump-era rule targeting Chinese technology firms deemed to pose a threat to the United States to go into effect despite objections from U.S. businesses, the U.S. Commerce Department said on Friday. *(Reuters)*
- [Biden says Saudi announcement to come Monday; White House plays down new steps](#) President Joe Biden on Saturday said his administration would make an announcement on Saudi Arabia on Monday, following a U.S. intelligence report that found Crown Prince Mohammed bin Salman had approved the killing of journalist Jamal Khashoggi. *(Reuters)*
- [Exclusive: European officials urge World Bank to exclude fossil-fuel investments](#) Senior officials from Europe have urged the World Bank's management to expand its climate change strategy to exclude investments in oil- and coal-related projects around the world, and gradually phase out investment in natural gas projects, according to three sources familiar with the matter. *(Reuters)*

Malaysia

- **Increased bearish probability as inflation fears weigh on markets** MYR closed lower at 4.050 on Friday, as higher US bond yields offset optimism on Malaysia's vaccination drive, positive export number and higher Brent crude oil price. The yield on the benchmark US 10-year treasury note rose to a one-year high of 1.52% on 25th Feb. MYR may remain under pressure as US bond yields are expected to keep rising as fears of rising inflation may continue to trigger a sell-off in the bond markets. *(See Economic Viewpoint: Ringgit Weekly Outlook)*
- **Exports slowed in January but demand from China and the US holding up** Exports moderated to 6.6% YoY in January (Dec: 10.8%), beating house projection of 2.9%, but slightly lower than the consensus of 7.1%. MoM (-6.4%; Dec: 13.1%): fell sharply to a two-month low. January's exports were supported by higher shipments to China and the US but partially capped by the lower shipment to Singapore, Hong Kong and Japan. *(See Economic Viewpoint: Malaysia External Trade)*
- **M3 and loan growth edged higher in January in spite of MCO 2.0** M3 growth increased marginally in January (4.3%; Dec: 4.0%) amid a sustained low policy rate and additional fiscal stimulus. MoM: increased marginally (0.2%; Dec: 0.3%). Attributable to a rise in M1 growth (19.1%; Dec: 15.7%) which outweighed a persistent slowdown in narrow quasi-money growth (0.4%; Dec: 1.1%). *(See Economic Viewpoint: Malaysia Money & Credit)*
- [Malaysia offers incentives to attract investors, more strategic ones to be announced, says Muhyiddin](#) Prime Minister Tan Sri Muhyiddin Yassin said foreign investors, including Fortune 500 companies, have continued to show interest in investing in Malaysia due to various incentives offered by the government. *(The Edge Markets)*

Asia Pacific

- [China's factory activity expands at a slower pace in February, misses expectations: official PMI](#) China's factory activity expanded in February at a slower pace than a month earlier, hitting the lowest level since last May and missing market expectations after brief COVID-19-related disruptions earlier in the year. *(Reuters)*
- [Thailand starts COVID-19 vaccination campaign](#) Thailand kicked off its COVID-19 inoculation campaign on Sunday, with cabinet ministers, health officials and medical professionals among the first in the queue to receive vaccinations. *(Reuters)*

Americas

- [Biden scores legislative win as House passes USD1.9t COVID relief plan](#) President Joe Biden scored his first legislative win as the House of Representatives passed his USD1.9t coronavirus relief package early Saturday, though Democrats face challenges to their hopes of using the bill to raise the minimum wage. *(Reuters)*
- [Brazil's capital goes into lockdown to quell COVID-19 surge](#) The governor of Brazil's capital city, Brasilia, decreed a 24-hour lockdown for all but essential services on Friday to curb a worsening COVID-19 outbreak that has filled its intensive care wards to the brim. *(Reuters)*

Europe

- [UK's Sunak says vaccine passport idea might help the economy](#) British finance minister Rishi Sunak said the idea of giving people vaccine passports or certificates to allow them to enter venues or events might be a way to help the country and its economy recover from the coronavirus pandemic. *(Reuters)*
- [UK's Sunak to provide 5.0b pounds of grants to pandemic hit businesses in budget](#) British finance minister Rishi Sunak will announce 5.0b pounds (USD7.0b) of additional grants to help businesses hit hard by pandemic lockdowns in his budget statement next week, the government said on Saturday. *(Reuters)*

01 March 2021

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
KAREX BHD	0.650	19.66	12.43	3.07	0.645
SCGM BHD	1.820	23.35	17.02	7.16	1.800
PHARMANIAGA BERHAD	4.250	24.48	20.60	21.26	4.060
ABF MALAYSIA BOND INDEX FUND	1.210	24.87	17.87	1.79	1.210
THONG GUAN INDUSTRIES BHD	2.210	26.00	16.99	0.64	2.210
HARTALEGA HOLDINGS BHD	10.000	26.10	16.70	0.93	9.920
COMFORT GLOVE BHD	2.240	26.31	20.90	20.70	2.140
SUPERMAX CORP BHD	4.840	26.97	18.80	2.97	4.810
POS MALAYSIA BERHAD	0.890	29.80	26.32	34.76	0.850

*Only for stocks with market cap >RM300m

Source: Bloomberg

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
MSM MALAYSIA HOLDINGS BHD	0.980	88.93	92.52	97.35	1.080
DATAPREP HOLDINGS BHD	1.110	86.40	86.96	89.79	1.220
SERN KOU RESOURCES BHD	2.120	76.17	80.83	90.18	2.150
MEDIA PRIMA BHD	0.555	74.61	73.90	64.45	0.615
ANN JOO RESOURCES BHD	2.360	74.53	77.16	83.87	2.530
D&O GREEN TECHNOLOGIES BHD	4.020	74.40	75.70	81.52	4.260
TROPICANA CORP BHD	0.935	73.28	73.85	63.08	0.950
DAGANG NEXCHANGE BHD	0.720	73.19	71.70	62.52	0.840
PANSAR BHD	0.835	72.55	74.71	69.55	0.865
UCHI TECHNOLOGIES BHD	3.270	70.67	73.87	82.34	3.390

*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
JF TECHNOLOGY BHD-WA	0.580	20.95	22.92	27.74	0.560	23/1/2026
TOMYPAK HOLDING-WA	0.025	23.23	17.49	4.49	0.015	21/6/2021
SANICHI TECHNOLOGY BHD-WE	0.010	24.88	14.39	0.15	0.005	13/12/2021
SUPERMAX CORP-C98	0.280	24.93	17.38	3.23	0.270	31/5/2021
DUOPHARMA BIO-CC	0.090	26.19	18.09	2.36	0.085	27/4/2021
PROLEXUS BHD-WA	0.115	28.85	27.61	15.82	0.110	14/6/2021
SUPERMAX CORP-1I	0.025	29.34	23.60	9.88	0.020	26/7/2021

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
TA WIN HOLDINGS BHD-WA	0.220	89.70	94.08	99.53	0.235	5/8/2022
SIGNATURE INTERNATIONAL BHD-WA	0.100	86.39	91.29	98.75	0.145	21/4/2021
PRESS METAL ALUMINIUM HOLDINGS BHD-C49	0.330	82.88	85.18	93.90	0.340	17/12/2021
D&O GREEN TECHNOLOGIES BHD-CA	0.460	77.86	79.83	87.27	0.525	30/6/2021
AWC BHD-WA	0.180	77.82	87.08	99.66	0.210	25/12/2023
DAGANG NEXCHANGE BHD-WD	0.375	76.51	76.26	73.25	0.480	30/7/2021
D&O GREEN TECHNOLOGIES BHD-CG	0.300	75.11	76.13	81.15	0.340	27/10/2021
D&O GREEN TECHNOLOGIES BHD-CB	0.935	74.79	75.97	81.67	1.030	8/11/2021
PA RESOURCES BHD-WB	0.415	73.96	71.12	53.97	0.475	17/12/2022
D&O GREEN TECHNOLOGIES BHD-CC	0.375	73.68	75.10	81.60	0.415	8/11/2021
GFM SERVICES BHD-WC	0.075	71.77	76.64	89.45	0.095	28/1/2022

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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