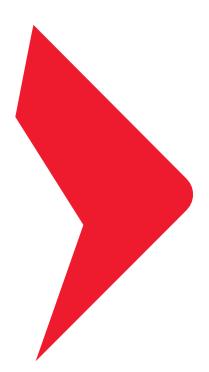


MARKET COMMENTARY

# EQUITY MARKET REVIEW AND OUTLOOK

January 2021



eastspring.com/my



#### REVIEW

- Malaysia's equity markets started the year 2021 on a lower note. The spike in confirmed cases of COVID-19 in the country was the main reason behind the State of Emergency being enforced and the reintroduction of the Movement Control Order (MCO) for the second time since the pandemic started early 2020. The State of Emergency suspends Parliament at least until 1 Aug 2021, and by-elections and general elections cannot take place for now. The suspension of Regulated Short Selling (RSS) was lifted effective 1 Jan 2021, after it was imposed from 24th March 2020. Top four short selling positions in January 2021 were glove stocks. Foreign investors continued to be net sellers of equity in Malaysia of RM0.9b, while retailers continued to be net buyers to the tune of RM1.7b for January.
- The KLCI declined 60.8 points in January to close at 1,566.4 points, down 3.74%. The FBM Small Cap index declined 2.48% for the month outperforming the KLCI. The best performing sectors were Technology (+17.56%) and Health Care (+0.7%). The worst performing sectors were Construction (-13.25%) and Energy (-11.5%). Average value traded on Bursa in January was RM4857m lower by 16.9% mom.

### OUTLOOK

- Economic recovery expectations in 2021 for Malaysia has higher downside risk, as COVID-19 infections remain stubbornly high at above 4000 (7-day average at point of writing is 4685 cases) despite being three weeks into MCO 2.0. The MCO 2.0 scheduled to end 4 Feb 2021, has now been extended to 18 February 2021, with increasing likelihood that it will remain in place for an extended period of time. MoF's GDP forecast for 2021 of +6.5-7.5% now seems optimistic, hence efficient and effective implementation of stimulus measures remains key to soften the MCO and pandemic impact. Other potential speed bumps could include delays in vaccine deliveries and inoculation.
- Nevertheless, corporate earnings have likely seen their worst in 2Q20 CY, and we expect 2021 earnings to recover close to pre-COVID levels. Despite a potentially fragile recovery globally, we continue to recommend accumulating fundamentally sound stocks on weakness.



## **INDEX PERFORMANCE & MOVERS**

FBM100 2021/1/1-2021/1/2 News + Export + Settings Equity Index Mo									Movers		
Group By None		Date Rang	ge 1/1/21·	1/31/21	History						
Start 11501.9	99 End	1110	4.93	F8H300 Index 1110	× 0207	~			11500		
Net Chg -397.0	06 % Chg	3	3.45%						11300		
Current 10	01 ≢Up		23	~					11200		
Additions	1 #Dow	'n	74		1 X X X X	1 1 1 1 1	20 21 22	23 25 2	20 11100		
Removals	1 #Unc	h	4	<b>,</b> , ,	* 11 12 13 14	n 2021	20 21 22		ĩ		
Leaders Laggards											
Name	End Prc	% Chg	Points	%Idx Mv	Name	End Prc	% Chg	Points	%Idx Mv		
1 Unisem M	8.40	+35.92%	+4.012	+1.01%	1 UEM Sunri	0.38	-24.24%	-3.134	-0.79%		
2 Frontken C	4.66	+31.27%	+17.165	+4.32%	2 AirAsia Gr	0.70	-21.47%	-7.131	-1.80%		
3 UWC BHD	12.78	+30.41%	+7.773	•1.96%	3 Malaysian	0.39	-18.95%	-3.213	-0.81%		
4 Malaysian	33.00	+27.12%	+9.943	+2.50%	4 Ekovest B	0.44	-16.35%	-1.565	-0.39%		
5 Pentamast	6.36	+25.94%	+13.454	+3.39%	5 IOI Proper	1.30	-16.13%	-7.692	-1.94%		
6Mi Techno	4.96	+25.89%	+3.973	+1.00%	6YTL Corp	0.65	-15.69%	-8.984	-2.26%		
7 Inari Ame	3.40	+23.19%	+23.281	+5.86%	7AMMB Hold	3.08	-15.62%	-17.986	-4.53%		
8Telekom M	6.35	+17.38%	+30.493	+7.68%	8Gamuda B	3.30	-15.17%	-21.713	-5.47%		
9 Supermax	6.80	+13.14%	+21.222	+5.34%	9 DRB-Hico	1.77	-14.90%	-4.363	-1.10%		
10ViTrox Cor	16.60	+12.93%	+4.280	+1.08%	10Alliance B	2.48	-14.78%	-7.799	-1.96%		
11 Bursa Mal.	9.37	+12.89%	+9.152	+2.30%	11Lotte Che	2.37	-14.44%	-3.760	-0.95%		
12 Top Glove	6.74	+10.13%	+55.305	+13.93%	12 Sime Darb	0.57	-14.29%	-5.524	-1.39%		
13 VS Industr	2.74	+6.10%	+3.297	+0.83%	13 MMC Corp	0.78	-13.89%	-1.726	-0.43%		
14 Hartalega	12.86	+5.93%	+17.480	+4.40%	14 IJM Corp	1.50	-13.29%	-12.076	-3.04%		
15 TIME dotC	13.90	+4.83%	+3.257	+0.82%	15 MISC Bhd	5.96	-13.25%	-25.944	-6.53%		
16 Duopharm	3.54	+4.73%	+0.371	+0.09%	16 Malaysia A	5.16	-12.84%	-11.116	-2.80%		
17 Mega First	7.16	+3.77%	+1.267	+0.32%	17 YTL Power	0.66	-12.08%	-4.295	-1.08%		
18 QL Resour	6.01	+3.62%	+3.729	+0.94%		3.04	-11.88%	-30.927	-7.79%		
Rustmalia 61 2 3777 6600 Emacii 5511 2555 3000 Europe 44 20 7330 7500 Germany 45 69 3004 1210 Hong Kong 652 2977 6000 Japan 81 3 4555 8500 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2021 Bloomberg Finance L.P. SN 860495 MKT GMT+6:00 H007-310-0 05-feb-2021 09:50:46											

Source: Bloomberg

	Last	Price	MoM Changes		
Indices	31-Dec-20	31-Jan-21	+/-	%	
FBM KLCI	1,627.21	1,566.40	-60.81	-3.74	
FBM MES	10,734.69	11,032.94	298.25	2.78	
FBM 100	11,501.99	11,104.93	-397.06	-3.45	
FBM 70	15,142.84	14,747.34	-395.50	-2.61	
FBM SCAP	15,565.49	15,179.33	-386.16	-2.48	
FBM EMAS	11,761.93	11,363.81	-398.12	-3.38	
FBM SHA	13,159.15	12,870.86	-288.29	-2.19	
FBM HIJRAH	14,340.56	13,992.80	-347.76	-2.43	
MSCI APxJ	662.14	684.80	22.66	3.42	

Source: Bloomberg



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