

TOP GLOVE HITS RECORD HIGH AT RM10.70, LEADS RUBBER GLOVE BUOYANCY ON FBM INDEX ENTRIES

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KUALA LUMPUR (June 5): Top Glove Bhd shares hit a record high at RM10.70 this morning, as it led the pack of rubber glove stocks that were actively traded following the entry of Hartalega Holdings Bhd and Supermax Corp Bhd into the FBM KLCI and FTSE Bursa Malaysia indexes, respectively.

At 10.38am, Top Glove rose four sen or 0.38% with 540,700 shares done for a market capitalisation of RM13.75 billion.

Hartalega climbed eight sen or 1.43% to RM6.38 with 412,000 shares transacted, valuing the company at RM20.84 billion.

Supermax surged to a one-year high of RM3.44, up 10 sen or 2.99%, with 2.71 million shares traded, giving it a market capitalisation of RM2.2 billion.

MIDF Investment Bank Bhd analyst Noor Athila Mohd Razali said the gain in share prices could be a common euphoria felt by the rubber glove counters after Hartalega was added into the FBM KLCI 30 stock list after its recent semi-annual review.

Market capitalisation is one of the many criteria considered by regulators to select component stocks for the benchmark index.

Supermax also made it into the FTSE Bursa Malaysia 70 Index while Top Glove is part of the reserve list for FBM KLCI.

The KLCI reserve list, comprising the five highest-ranking non-constituents of the index by market

capitalisation, will be used in the event one or more constituents are deleted from the FBM KLCI in accordance with the index ground rules during the period up to the next semi-annual review.

The constituent changes will take effect on June 18 and the next review will take place in December.

"We believe the Top Glove's share performance, and the other rubber glove stocks could be due to this reason. There are no corporate developments in Top Glove that we know of but it could be that it is now in the reserve list.

"The entry of Hartalega and Supermax is perhaps a positive indication for investors," she told theedgemarkets.com.

SJ Securities Sdn Bhd senior remisier Goh Kay Chong said investors are focusing on export-oriented stocks when the ringgit is weak.

"Already people who bought (the stocks) cheap have started to take profit, so we expect some pull back," he added.