

# TOP GLOVE SHARE HIT ALL TIME HIGH

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**KUALA LUMPUR (Dec 18):** Shares in two of the big four glovemakers — Hartalega Holdings Bhd and Top Glove Corp Bhd — both hit their respective all-time high this morning.

Hartalega shares shot up as much as 25 sen or 2.6% this morning to a record high of RM10, while Top Glove shares rose 16 sen or 2.3% to a high of RM7.08.

The Edge Financial Daily today reported that investors who bought into the defensiveness and growth prospects of the glove sector this year are likely to be pleased with their investments as most glove stocks have outperformed the broader market.

"The rally in glove counters is a reflection of improved operating environment for rubber glove manufacturers this year as competitive pressures that plagued their industry in 2016 moderated," the report said.

In a Dec 14 note on Hartalega, TA Securities Research said the one thing to look forward to in 2018 is the group's targeted launch of the world's first non-leaching antimicrobial medical examination gloves in all markets except the US.

"The product is envisaged to garner interest especially from hospitals given its potential to reduce the incidence of hospital-acquired infections.

"Most importantly, we imagine that in an increasingly commoditized rubber glove market, the product will enable the group to sustain its margin edge that is about double that of its peers," the firm said.

In a Dec 12 note on Top Glove, Affin Hwang Capital said earnings growth for Top Glove is likely to outpace its capacity growth, as strong demand for gloves has provided the company with better flexibility in pricing its products to achieve better margins.

"The proposed acquisition of Aspion [Sdn Bhd], when completed, could provide further upside to our forecasts," the firm said.