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## Kossan's Low Derma gloves a better & safer alternative, says CIMB IB Research

By [Wong Ee Lin](#) / theedgemarkets.com | September 2, 2016 : 11:13 AM MYT

KUALA LUMPUR (Sept 2): CIMB IB Research has maintained its 'Hold' rating on Kossan Rubber Industries Bhd at RM6.57 with an unchanged target price of RM6.50 and said Kossan's recently launched patented Low Derma Technology synthetic gloves provide a better and safer alternative to the products available on the market today.

In a note Sept 1, CIMB IB Research said Kossan will be the first in the global glove industry to be awarded the label of "Low Dermatitis Potential" by the U.S. Food & Drug Administration (FDA) and will start off with their in-house glove brand "Chemax 7th Sense" as the debut product.

The research house said the recent rise in nitrile glove (NBR) usage has led to more glove users reporting Type IV hypersensitivity which can lead to health issues such as inflammation, skin rashes and blisters.

It said Kossan's Low Derma Technology is to counter the Type IV hypersensitivity in NBR gloves.

CIMB Research said Kossan has spent RM2 million on the Low Derma Technology, which allows the manufacturing of NBR gloves without the usage of chemical accelerators, but instead uses cross-linking in the vulcanisation of rubber.

It said this new formulation has been proven to improve the tensile strength, durability and softness of NBR gloves.

CIMB Research added that the new product launch was Testament to Kossan's emphasis on product innovation.

"We opine that this product would be popular, especially in developed countries, where users are more concerned about these health issues.

"The group is expected to charge a slight 2-5% premium on the average selling price (ASP) as it provides a better and safer alternative to the products," it said.

CIMB Research said despite Kossan's product innovation, its earnings outlook remains muted given industry-wide pricing pressures and less favourable operating environment.

At 10.51am, Kossan rose 1.4% or 9 sen to RM6.52 with 33,900 shares traded.

-- The Edge Markets