

Daily Brief

Market View, News in Brief: Corporate, Economy, and Share Buybacks

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Market View *Trade Tensions to Dampen Sentiment*

Bursa Malaysia shares ended softer on Monday, with market sentiment dampened by revival of trade tensions after China imposed tariffs on USD60bn of US imports in retaliation to the tariffs on USD200bn of Chinese imports to the US. The KLCI edged lower by 0.34 points to close at 1,779.75, after ranging between early high of 1,782.19 and low of 1,777.78, as losers beat gainers 514 to 333 on cautious trade totaling 2.12bn shares worth RM1.7bn.

Supports at 1,774/1,740

The real danger of an expanding US-China trade war to damage global trade should adversely impact near-term sentiment and encourage profit-taking. Immediate supports on the index are from the rising 10-day moving average now at 1,774, next at 1,740, and stronger supports at 1,729/1,720 and 1,708/1,700. Immediate resistance will be at the recent high of 1,788, then 1,801, the 7 June pivot high matching the 50%FR level. Next hurdle will be at 1,824, the 38.2%FR level.

SELL Gamuda & Malakoff

Bearish technical momentum indicators on Gamuda point to correction potential towards the 76.4%FR (RM3.54), while a breakdown will find better support from RM3.40/3.20. Key upside hurdles are at the 61.8%FR (RM3.88) and 50%FR (RM4.15). Similarly, Malakoff should see correction towards the 76.4%FR (93sen) and 200-day ma (92sen), with stronger support from 90sen/85sen, while overhead resistance is placed at the 50%FR (RM1.06).

Asian Markets Wary as Trade War Fear Re-Emerge

Asian shares pared gains on Monday as Chinese stocks swung into negative territory, driven lower by the escalating Sino-U.S. trade war, though Beijing's efforts to stop sharp declines in the yuan helped support the currency. The trade dispute remains a live issue for markets with China proposing tariffs on USD60 billion worth of U.S. goods on Friday, while a senior Chinese diplomat cast doubt on prospects of talks with Washington to resolve the bitter trade conflict. That was followed by a report in China's state media saying Friday's retaliatory tariffs were "rational" while accusing the United States of blackmail. Meanwhile, on late Friday, the People's Bank of China raised the reserve requirement on some foreign exchange forward positions, making it more expensive to bet against the Chinese currency and helping pull the yuan away from 14-month lows.

Mainland Chinese stocks led losses in the region, with indexes steepening losses in the afternoon. The Shanghai Composite declined 1.26 percent to close at 2,705.84. Japan's Nikkei share average also edged lower in choppy trade on Monday as investors remained cautious amid a raft of corporate earnings and this week's trade talks between Washington and Tokyo. The Nikkei ended 0.1 percent lower at 22,507.32 after swinging between positive and negative territory throughout the day. Elsewhere, South Korea's Kospi slipped 0.05 percent to 2,286.50, with the index also giving up gains seen earlier. In down under, the S&P/ASX 200 rose 0.61 percent to finish at 6,273, with the materials sub-index leading gains.

Tech and Financial Sector Lead Wall Street Higher

The three major U.S. stock indexes closed higher on Monday, as investors were focused on robust corporate earnings and shrugged off worries about U.S. tensions with countries including China and Iran. Investors came into this earnings season with high hopes as Fact-Set had forecast year-over-year profits to grow by 20 percent in the second quarter. So far, second-quarter earnings have grown by 24 percent through Friday. The finance sector's biggest contributor was Berkshire Hathaway Inc, which rose 2.3 percent after the Warren Buffett-led conglomerate reported a 67 percent surge in quarterly operating profit. Technology's biggest boost came from Facebook, which gained 4.4 percent after the Wall Street Journal reported it had asked large U.S. banks to share detailed financial information about customers as part of an effort to offer new services.

On trade front, Iranian President Hassan Rouhani dismissed a U.S. call for talks on Monday, hours before Washington was due to impose new sanctions following Trump's decision to pull out of a 2015 agreement over Iran's nuclear program. Chinese state media also lambasted U.S. President Donald Trump's trade policies in an unusually personal attack, and sought to reassure investors anxious about China's economy as growth concerns battered its financial markets.

The Dow Jones Industrial Average rose 39.60 points, or 0.16 percent, to 25,502.18, the S&P 500 gained 10.05 points, or 0.35 percent, to 2,850.40 and the Nasdaq Composite added 47.66 points, or 0.61 percent, to 7,859.68.

News In Brief *Corporate*

KKB Engineering Bhd has secured a combined contract of RM226mn from Petronas Carigali Sdn Bhd for the provision of engineering, procurement, construction, commissioning of Wellhead Platforms for D18 Phase Two project. The contract duration is about 27 months, in which 15 months are for work execution while the other 12 months are the warranty period. *(Bursa Malaysia/New Straits Times)*

Thong Guan Industries Bhd is spending RM35mn on 3 new production lines at its Sungai Petani plant this year to grow its stretch film capacity and also to position itself as the one of the largest PVC food wrap producers in the Asia-Pacific region, according to its group managing director Datuk Ang Poon Chuan. *(The Star)*

Only World Group Holdings Bhd has proposed to undertake a bonus issuance of warrants on the basis of 1 warrant for every 2 existing shares held. The total gross proceeds that could be raised will be RM106.8mn, assuming all 133.6mn warrants are exercised at the illustrative exercise price of 80sen. The proceeds will be mainly used for working capital and the proposed exercise is expected to be completed in 4Q18. *(Bursa Malaysia/The Edge)*

Finance Minister Lim Guan Eng said the federal government is in talks with **AirAsia Group Bhd** and **Malaysia Airports Holdings Bhd** regarding plans to build a low-cost carrier terminal next to Penang International Airport in Bayan Lepas. *(The Edge)*

SKH Consortium Bhd has proposed to diversify its business to include property development and property investment, as part of the group's business plan to improve its financial performance as well as its shareholders' value. The proposed diversification is expected to be completed in 2H18. *(Bursa Malaysia/The Edge)*

Pasukhas Group Bhd targets to comply with the Bumiputra Equity Requirements by the end of 2018 as Bursa Malaysia has given the group a deadline to comply latest by January 2019. Currently, the group's equity participation from Bumiputras is less than 1%. *(The Edge)*

Sime Darby Plantations Bhd's executive deputy chairman and managing director Tan Sri Datuk Seri Mohd Bakke Salleh has been appointed as Malaysian Palm Oil Board's chairman for a 2-year term, effective July 31. *(The Sun)*

PRG Holdings Bhd's 75%-owned Hong Kong-listed subsidiary Furniweb Holdings Ltd had issued a profit warning as the preliminary review of Furniweb's unaudited accounts showed a substantial decline in 1HFY18 net profit by approximately 75% from a year earlier. *(Bursa Malaysia/The Edge)*

Advance Synergy Bhd is selling its indirect stake in 40%-owned associate Helenium Holdings Ltd, which owns a freehold mixed-use property in Kilburn High Road, London, for £8.7mn (RM46.6mn). The proposed disposal will enable it to realise cash and have ready capacity for any high potential investment or acquisition. *(Bursa Malaysia/The Edge)*

Axis Real Estate Investment Trust's net property income rose 15.3% YoY to RM26.8mn from RM23.3mn a year ago for 2QFY18, as its portfolio size grew to 42 properties as opposed to 38 properties in the year-ago quarter. Meanwhile, quarterly revenue rose 14.0% to RM47.5mn from RM41.6mn. It declared a distribution per unit of 2sen. *(Bursa Malaysia/The Edge)*

MCT Bhd's net profit jumped 69.7% YoY to RM30.7mn in 4QFY18 from RM18.1mn a year ago, mainly due to a one-off gain on disposal of its subsidiary Ecity Hotel Sdn Bhd. Quarterly revenue also rose 9.4% YoY to RM184.6mn, from RM168.8mn a year ago. For FY18, the group's net profit rose 23.0% YoY to RM78.3mn from RM63.7mn in FY17. Meanwhile, the revenue, however, came in 23.6% YoY lower at RM450.3mn compared with RM589.7mn in the previous year. *(Bursa Malaysia/The Edge)*

Dagang Nexchange Bhd's net profit for 2QFY18 inched up 1.9% YoY to RM12.2mn from RM11.9mn a year ago, as it recorded higher revenue following its acquisition of consultancy outfit, Genaxis Group. Meanwhile, the quarterly revenue grew 4.2% to RM51.2mn against RM49.1mn a year ago. For 1HFY18, the group posted a 5.2% YoY increase in net profit to RM28.4mn from RM27.0mn a year ago, supported by a strong revenue growth of 31.6% YoY to RM122.3mn from RM92.9mn. *(Bursa Malaysia/The Edge)*

News In Brief *Economy*

Malaysia **Malaysia Approves a Singapore Rail Link, For Now**

Malaysia's new government has called into question the future of multibillion-dollar rail projects since Tun Dr Mahathir Mohamad took power in May. Now it appears to be ready to proceed with at least one. The Malaysian cabinet has given in-principle approval for a rail project linking Johor Bahru in the southernmost tip of the country with Singapore. It is still looking at costs and other details. This project was delayed by two months due to the general elections, which saw Mahathir become prime minister. A known Singapore critic, Mahathir has wanted to cancel a proposed multi-billion dollar high-speed railway connecting the city state to Kuala Lumpur as it was too expensive while saying it may happen in the future. Mahathir's stance prompted Singapore's Transport Minister Khaw Boon Wan to tell parliament on July 9 that his government will seek compensation for all costs incurred if Malaysia cancels the 350-kilometer railway link between the two countries. For now, it seems to be a go for the 4-kilometer rail line, which will be able to transport 10,000 travelers in one direction every hour between Singapore and Johor Bahru. (The Star)

PM's Department Able to Cut 60% of Costs in 2018, Says Minister

The Prime Minister's Department said it is able to reduce its expenditure by 60% for 2018 after carrying out a cost rationalisation plan. "For development expenditure, the original allocation approved for 2018 is RM12.26 billion for departments and agencies under the Prime Minister's Department. "After the rationalisation plan, the cost has been reduced by 60%, bringing the total allocation to RM4.93 billion," Minister in Prime Minister's Department Datuk Liew Vui Keong said in a parliamentary written response to Johor Bahru MP Akmal Nasrullah Mohd Nasir. Akmal had asked on the ongoing savings measures and reduced costs in managing the Prime Minister's Department compared with the previous administration. As for operating expenditure, there was a cost saving of RM100.15 million or 2% of the total approved amount of RM5.22 billion for June to December 2018. "This is taking into account the cancellation of several rental and service contracts involving special advisory/special envoys offices and the closing of the National Profession Council (MPN)," it said. The minister added, however, that the provisions for the Prime Minister's Department for the year will only be finalised when the current rationalisation process has been completed. (The Edge market)

Government Taking Proactive Steps to Increase FDI

The government will continue to take proactive measures to increase foreign direct investments (FDI) by giving more attention to high-quality investments which can stimulate the economy. Deputy International Trade and Industry Minister Dr. Ong Kian Ming said as a country moving towards developed nation status, focus would be given to high-quality and high-technology investments, as well as reducing the dependency on foreign labour. Meanwhile, he said only a low level of FDI outflows were recorded since May. "From May-June, three FDI projects amounting to RM16.4 million from the manufacturing sector were closed, stopped or relocated. "Based on the value of investments, there were from small-scale companies," he said, in response to a written question from Datuk Seri Hamzah Zainuddin (BN-Larut) on the amount of FDI outflow since May in the Dewan Rakyat here today. Ong said among the factors influencing FDI outflows were market uncertainties and contraction in the global economy, which caused investors to restructure their operations and investment strategy. The technology shift towards Industry 4.0, he said, has caused labour-intensive industries difficulties in optimising their operations and maintaining long-term profit in Malaysia. (The Star)

Malaysia, Indonesia to Use Emotion to Promote Palm Oil to EU

Malaysia and Indonesia will use the emotional element such as the health benefits of palm oil in their campaign to gain the confidence of the European markets, says Deputy Primary Industries Minister Shamsul Iskandar Mohd Akin. He said Malaysia as a palm oil producer holds to the principle of cooperation with other palm oil producing countries to promote awareness about sustainably produced palm oil among consumers. "Focusing on competition among palm oil producing countries is not the best move in opposing the discrimination by the European Union (EU) against palm oil," he told reporters after opening a workshop on Good Agricultural Practices. The workshop, organised by the Council of Palm Oil Producing Countries (CPOPC) was attended by experts from Malaysia and Indonesia including Musdhalifah Mahmud, Deputy of Food and Agriculture at the Indonesian Coordinating Ministry of Economic Affairs. Also in attendance was Belgium's Ambassador to Malaysia Daniel Dargent, who earlier proposed the formation of a special mission to the EU to help address the various challenges faced by Malaysia's palm oil industry. "Efforts to regain the world's confidence in palm oil should be done together through methods that are outside the box, and not just related to palm oil," said Shamsul. (The Edge Market)

Asia Indonesia's Economic Growth Tops Expectations In Q2

Indonesia's economy expanded at a faster than expected pace in the second quarter, data from statistics bureau revealed. Gross domestic product grew 5.3% year-on-year. Economists had forecast an annual growth of 5.12% compared to 5.06% expansion seen in the first quarter. On a quarterly basis, GDP expanded 4.21% in the second quarter. In the first half of the year, the economy grew 5.17% from the same period of last year. Looking ahead, we doubt Indonesia's economy can maintain its current pace of expansion. On the plus side, rapid wage growth should help support consumption. However, the economist noted that weaker global demand and lower prices for its main commodity exports mean export revenues are likely to remain low by past standards. Moreover, spending on infrastructure will need to slow if the government is to keep the budget deficit within the 3% of GDP mandatory limit.

United States U.S. Corporate Tax Cuts Likely to Hit Other Countries' Bottom Lines

Last year's corporate tax cut is reducing U.S. tax collections, as expected. But that change is likely to ripple far beyond the country's borders in the years ahead, shrinking other countries' tax revenue, according to a recent paper by economists at the International Monetary Fund. The U.S. tax law will reduce what other countries collect from multinational corporations by 1.6% to 13.5%, according to the new estimates. Companies will be more likely to put profits and real investment in the U.S. than they were before the U.S. lowered its corporate tax rate from 35% to 21%, according to the paper. That will leave fewer corporate profits for other countries to tax. And as that happens, other countries are likely to chase the U.S. by lowering their corporate tax rates, too, creating the potential for what critics have called a race to the bottom. The wide range of estimates in the paper stems from different ways of measuring the change and from whether to assume that countries respond with rate cuts. Mexico, Japan and the U.K. rank near the top of the paper's list of countries likely to lose revenue, while Estonia, Poland and Pakistan should be less directly affected. The paper says the estimates of revenue losses in specific countries—over 20% of corporate tax revenue from multinationals in several cases—should be viewed as particularly uncertain. (WSJ)

Europe and United Kingdom Eurozone Investor Morale Rises as Trade Fears Ease: Sentix

Investor morale in the eurozone improved for the second month running in August, a survey showed on Monday, as concerns about an all-out trade war between the European Union and the United States subsided. Sentix's index for the euro zone rose to 14.7 from 12.1 in July. The Reuters consensus forecast was for a rise to 13.5. A sub-index measuring future expectations improved but remained in negative territory, suggesting investors consider the euro zone economy to be in a cooling phase, Sentix said. Trump agreed last month to refrain

from imposing tariffs on cars imported from the European Union while the two sides negotiate to cut other trade barriers. The decision after talks between Trump and European Commission President Jean-Claude Juncker eased fears of a transatlantic trade war. Germany, whose automotive industry has most to lose from U.S. tariffs on car imports from the EU, is the biggest winner from the easing trade tensions between the two trading blocs, Sentix said. (Reuters)

Germany's Factory Orders Fall Most Since Early 2017

Germany's factory orders decreased the most since early 2017, figures from Destatis showed. Factory orders declined 4% month-on-month in June, reversing a 2.6% increase in May. This was the biggest fall since January 2017. Economists had forecast orders to drop slightly by 0.1%. Both domestic and foreign orders slid 2.8% and 4.7%, respectively. New orders from the euro area dropped 2.7% and demand from other countries slid 5.9%. Excluding major orders, new orders decreased 3.2% in June. On a yearly basis, factory orders fell unexpectedly by 0.8%, in contrast to May's 4.7% increase. Orders were forecast to rise 3.5%. Further, data showed that manufacturing turnover decreased 1% on month in June, versus a 0.9% rise in May. (RTT)

Share Buy-Back: 06 August 2018

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
ANALABS	80,000	2.71/2.70	2.71/2.68	4,617,600
CHINHIN	150,000	0.78	0.785/0.775	5,922,400
CMSB	100,000	3.20/3.18	3.23/3.18	3,769,700
HAIO	7,200	4.40/4.36	4.40/4.35	9,510,088
INCKEN	5,000	0.67/0.665	0.67/0.665	18,778,600
KENANGA	544,700	0.765/0.76	0.765/0.76	12,146,600
KPJ	2,799,600	1.10	1.10/1.04	77,788,000
MKH	5,500	1.38	1.39/1.38	2,440,500
P&O	10,000	1.05/1.04	1.05/1.04	11,985,493
SYSCORP	171,000	0.375/0.37	0.38/0.36	21,233,600

Source: Bursa Malaysia

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SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price (RM)	Target Price (RM)	% upside	Recom	Market Cap. (RMm)	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD
							FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
AUTOMOBILE																	
BAUTO	2.17	2.64	21.7%	Buy	2,522	0.53	12.1	17.5	18.0	12.4	4.8	5.7	2.44	-11.1	1.82	19.4	-0.2
MBMR	2.40	3.19	32.9%	Buy	938	0.57	31.4	31.9	7.7	7.5	3.3	3.3	2.68	-10.4	2.01	19.4	9.1
PECCA	0.85	1.30	52.9%	Buy	156	1.00	6.4	7.7	13.4	11.0	7.1	7.1	1.65	-48.5	0.78	9.0	-45.2
SIME	2.57	2.97	15.6%	Buy	17,478	1.49	13.2	16.4	19.5	15.7	1.3	1.6	3.06	-16.0	2.03	26.8	16.3
UMW	6.00	5.45	-9.2%	Sell	7,010	0.82	28.4	39.3	21.1	15.3	2.3	3.3	6.98	-14.0	4.70	27.7	15.4
BANKS & FINANCIAL SERVICES																	
ABMB	4.07	4.30	5.7%	Hold	6,301	0.91	31.9	34.9	12.8	11.7	3.8	3.9	4.49	-9.4	3.62	12.4	-0.2
AFFIN	2.53	2.50	-1.2%	Sell	4,916	0.81	25.5	26.8	9.9	9.4	3.2	3.2	2.70	-6.3	2.22	13.9	9.5
AMBANK	4.04	3.80	-5.9%	Sell	12,177	1.30	37.6	41.5	10.8	9.7	3.7	4.5	4.95	-18.4	3.40	18.8	-8.4
CIMB	5.80	6.30	8.6%	Buy	54,322	1.57	52.2	55.5	11.1	10.4	4.5	4.8	7.39	-21.5	5.21	11.3	-11.3
HLBANK	19.14	21.80	13.9%	Buy	39,153	0.88	129.2	146.1	14.8	13.1	2.5	2.5	20.02	-4.4	14.90	28.5	12.6
MAYBANK	9.87	9.60	-2.7%	Buy	107,887	1.08	71.4	75.7	13.8	13.0	5.6	5.6	11.08	-10.9	8.68	13.7	0.7
PBBANK	24.26	25.80	6.3%	Hold	94,181	0.83	152.5	165.6	15.9	14.6	2.6	2.7	25.78	-5.9	19.90	21.9	16.7
RHBANK	5.46	5.30	-2.9%	Sell	21,895	1.33	54.3	59.0	10.1	9.3	2.7	2.7	5.88	-7.1	4.71	15.9	9.2
BURSA	7.82	8.07	3.2%	Sell	6,314	0.87	29.2	30.0	26.8	26.1	3.1	3.1	8.20	-4.6	6.31	23.9	15.9
BUILDING MATERIALS																	
ANNJOO	1.93	2.47	28.0%	Buy	1,036	1.71	32.2	35.1	6.0	5.5	8.0	9.4	3.98	-51.5	1.63	18.4	-50.0
CHINHIN	0.78	0.87	11.5%	Hold	429	1.31	8.4	9.5	9.3	8.2	3.8	3.7	1.36	-42.6	0.73	6.8	-35.5
CMSB	3.20	3.80	18.8%	Buy	3,429	1.56	21.3	22.6	15.0	14.1	2.7	2.8	4.42	-27.6	1.74	83.9	-17.9
CSCSTEL	1.33	1.41	6.0%	Hold	491	0.90	15.8	17.0	8.4	7.8	6.3	6.8	1.84	-27.7	1.27	4.7	-13.6
ENGTEX	1.15	1.29	12.2%	Buy	501	0.98	12.9	15.3	8.9	7.5	1.7	2.6	1.27	-9.4	0.95	21.1	4.5
CONSTRUCTION																	
GADANG	0.74	0.97	32.0%	Buy	486	1.46	16.0	14.5	4.6	5.1	4.1	4.1	1.32	-44.3	0.64	14.8	-33.8
GAMUDA	3.72	4.08	9.7%	Buy	9,181	1.07	34.3	35.5	10.8	10.5	3.2	3.2	5.45	-31.7	3.00	24.0	-25.0
GDB	0.40	0.52	30.0%	Buy	250	na	4.6	5.2	8.6	7.7	3.0	3.8	0.45	-11.1	0.28	45.5	35.6
IJM	1.86	1.73	-7.0%	Sell	6,753	1.22	9.6	15.7	19.3	11.8	3.2	3.2	3.46	-46.2	1.60	16.3	-39.0
KAB	0.25	0.37	51.0%	Buy	78	na	3.1	3.7	7.9	6.6	4.1	4.9	0.33	-25.8	0.20	22.5	-18.3
PESONA	0.28	0.29	3.6%	Hold	195	1.11	3.0	3.9	9.2	7.2	5.4	5.4	0.65	-56.9	0.26	9.8	-37.8
SENDAI	0.84	0.70	-16.7%	Sell	656	1.24	9.9	8.7	8.5	9.6	1.2	1.2	1.16	-27.6	0.68	23.5	-2.9
SUNCON	1.90	1.71	-10.0%	Sell	2,455	0.99	12.7	14.2	14.9	13.4	4.2	4.7	2.64	-28.0	1.72	10.5	-24.3
WCT	0.96	1.02	6.3%	Buy	1,327	0.87	10.6	10.9	9.0	8.8	3.1	3.1	1.94	-50.5	0.70	38.1	-40.7
LITRAK	4.49	5.01	11.6%	Buy	2,370	0.21	43.3	47.1	10.4	9.5	5.6	5.6	6.00	-25.2	3.63	23.7	-19.1
CONSUMER																	
<i>Brewery</i>																	
CARLSBG	19.20	20.65	7.6%	Buy	5,906	0.53	89.3	93.2	21.5	20.6	4.6	4.8	20.88	-8.0	14.48	32.6	26.2
HEIM	22.94	23.11	0.7%	Hold	6,930	0.49	95.2	103.5	24.1	22.2	4.0	4.4	24.02	-4.5	17.30	32.6	21.4
<i>Retail</i>																	
AEON	2.19	2.53	15.5%	Hold	3,075	0.38	7.9	9.2	27.8	23.8	2.1	2.3	2.65	-17.4	1.45	51.0	24.4
AMWAY	7.42	8.47	14.2%	Buy	1,220	0.61	35.6	37.5	20.8	19.8	4.7	5.0	8.52	-12.9	6.97	6.5	1.6
F&N	37.88	30.69	-19.0%	Sell	13,885	0.56	96.0	114.0	39.5	33.2	1.8	2.0	39.98	-5.3	23.40	61.9	40.3
HUPSENG	1.10	1.25	13.6%	Buy	880	0.55	5.8	6.2	18.9	17.8	5.5	5.5	1.21	-9.1	1.02	7.8	0.9
JOHOTIN	1.04	1.02	-1.9%	Hold	323	1.07	8.1	8.5	12.8	12.3	5.8	6.3	1.62	-35.8	0.89	16.9	-14.0
NESTLE	147.70	129.90	-12.1%	Sell	34,636	0.53	322.2	360.2	45.8	41.0	2.0	2.2	163.00	-9.4	83.72	76.4	43.1
PADINI	6.20	5.77	-6.9%	Sell	4,079	0.72	25.6	29.1	24.2	21.3	2.0	2.1	6.20	0.0	3.78	64.0	17.7
POHUAT	1.45	1.83	26.2%	Buy	319	0.58	20.1	23.1	7.2	6.3	4.1	5.5	2.07	-29.9	1.15	26.1	-19.0
QL	6.00	5.42	-9.7%	Sell	9,735	0.70	12.7	14.0	47.2	42.9	0.8	0.8	6.10	-1.6	3.71	61.8	37.9
SIGN	0.59	0.92	55.9%	Buy	133	0.90	6.6	8.7	8.9	6.7	4.2	5.9	0.97	-38.9	0.48	22.9	-16.3
<i>Tobacco</i>																	
BAT	33.78	28.29	-16.3%	Sell	9,645	1.14	152.7	148.0	22.1	22.8	4.1	4.1	44.88	-24.7	22.46	50.4	-15.6
GAMING																	
<i>Casino</i>																	
GENTING	8.69	11.23	29.2%	Buy	33,303	0.96	58.9	66.7	14.7	13.0	1.8	1.8	9.90	-12.2	8.30	4.7	-4.8
GENM	5.06	6.01	18.8%	Buy	28,622	1.23	29.7	36.7	17.0	13.8	2.4	2.6	6.08	-16.8	4.59	10.2	-8.7
<i>NFO</i>																	
BJOTO	2.38	3.15	32.4%	Buy	3,206	0.67	19.6	37.4	12.1	6.4	6.7	10.9	2.62	-9.2	2.06	15.5	6.3
HEALTHCARE																	
<i>Hospitals/ Pharmaceutical</i>																	
CCMDBIO	1.22	1.52	24.6%	Buy	807	0.44	6.8	7.5	17.9	16.3	3.8	4.0	1.49	-18.1	0.84	44.5	12.5
IHH	5.86	6.60	12.6%	Hold	48,314	0.62	11.9	12.3	49.4	47.8	0.5	0.5	6.42	-8.7	5.42	8.1	0.0
KPJ	1.10	1.14	3.6%	Buy	4,631	0.60	4.0	4.4	27.7	25.0	2.0	2.2	1.15	-4.3	0.84	31.0	13.4
<i>Rubber Gloves</i>																	
HARTA	6.14	4.84	-21.2%	Sell	20,388	0.96	12.6	14.4	48.9	42.5	1.3	1.4	6.64	-7.5	3.19	92.5	15.0
KOSSAN	4.45	4.88	9.7%	Buy	5,691	0.55	15.9	18.1	28.1	24.6	1.4	1.6	4.72	-5.7	3.19	39.5	9.7
SUPERMX	4.41	4.75	7.7%	Hold	2,891	0.50	20.0	22.6	22.1	19.5	1.8	2.0	4.61	-4.3	1.69	160.9	120.5
TOPGLOV	10.16	12.91	27.1%	Buy	12,986	0.09	35.6	41.8	28.5	24.3	1.4	1.8	12.48	-18.6	5.33	90.6	27.2
KAREX	0.80	0.54	-32.1%	Sell	797	0.62	1.3	1.8	59.2	44.2	0.4	0.6	1.67	-52.4	0.50	59.0	-38.8
INDUSTRIAL																	
SCIENTX	8.00	7.00	-12.5%	Sell	3,911	0.78	54.8	57.5	14.6	13.9	2.3	2.4	9.85	-18.8	6.51	22.9	-7.6
SKPRES	1.48	2.20	48.6%	Buy	1,850	1.02	10.2	11.7	14.6	12.6	3.5	4.0	2.35	-37.0	1.33	11.3	-35.1
MEDIA																	
ASTRO	1.83	1.65	-9.8%	Hold	9,541	1.11	12.4	13.8	14.7	13.2	6.8	6.8	2.94	-37.8	1.31	39.7	-30.9
MEDIA PRIMA	0.55	0.38	-30.3%	Sell	605	0.88	-6.0	-4.2	na	na	0.0	0.0	0.90	-39.4	0.25	118.0	-28.3
STAR	1.22	1.20	-1.6%	Hold	900	0.98	6.3	5.9	19.5	20.6	7.4	7.4	2.22	-45.0	1.00	22.0	-26.1

SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price (RM)	Target Price (RM)	% upside	Recom	Market Cap. (RMm)	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD
							FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
OIL & GAS																	
DNEX	0.40	0.63	57.5%	Buy	703	1.61	4.4	4.6	9.1	8.6	2.5	2.5	0.57	-29.8	0.31	31.1	-17.5
LCTITAN	5.15	6.59	28.0%	Buy	11,706	na	44.5	51.6	11.6	10.0	3.3	3.9	6.46	-20.3	4.27	20.6	9.6
MHB	0.71	0.78	9.9%	Sell	1,136	1.45	-5.6	0.4	na	164.6	0.0	0.0	0.98	-27.6	0.63	13.6	-13.9
MISC	6.52	5.73	-12.1%	Sell	29,104	0.92	33.1	40.9	19.7	15.9	4.6	4.6	7.90	-17.5	5.03	29.6	-12.1
PANTECH	0.51	0.64	25.5%	Hold	379	1.00	6.3	6.9	8.1	7.4	4.9	5.3	0.74	-31.1	0.51	0.0	-20.9
PCHEM	9.01	9.05	0.4%	Hold	72,080	0.74	54.3	54.3	16.6	16.6	3.0	3.1	9.09	-0.9	6.95	29.6	17.0
SAPNRG	0.59	0.85	45.3%	Buy	3,505	2.25	-5.0	-2.2	na	na	0.0	0.0	1.75	-66.6	0.40	48.1	-17.6
SERBADK	3.82	4.72	23.6%	Buy	5,610	na	25.5	31.4	13.9	12.1	2.4	2.6	4.00	-4.5	1.87	104.3	17.9
VELESTO	0.30	0.35	18.6%	Buy	2,424	1.96	0.3	1.0	90.7	29.9	0.0	0.0	0.48	-38.5	0.22	37.2	-3.3
UZMA	1.11	1.47	32.4%	Buy	355	1.27	19.8	12.9	5.6	8.6	0.0	0.0	1.67	-33.5	0.93	20.0	-13.3
PLANTATIONS																	
FGV	1.67	1.76	5.4%	Buy	6,092	1.71	1.8	1.5	94.7	111.3	3.0	3.0	2.18	-23.4	1.45	15.2	-1.2
IJMPINT	2.25	1.84	-18.2%	Sell	1,981	0.41	7.9	7.1	28.6	31.5	2.2	2.2	3.12	-27.9	2.08	8.2	-17.9
IOICORP	4.60	5.06	10.0%	Buy	28,090	0.83	19.0	19.6	24.2	23.5	5.7	3.3	4.81	-4.4	4.21	9.4	3.8
KFIMA	1.70	1.98	16.5%	Buy	479	0.68	14.5	12.9	11.7	13.2	5.3	5.3	1.89	-10.1	1.44	18.1	8.3
KLK	24.52	23.75	-3.1%	Sell	26,113	0.58	93.1	100.9	26.3	24.3	2.0	2.0	25.98	-5.6	23.26	5.4	-1.9
SIMEPLT	5.31	5.84	10.0%	Buy	36,112	na	19.6	18.5	27.1	28.7	2.6	2.8	6.00	-11.5	4.58	15.9	-11.5
TSH	1.23	1.09	-11.4%	Sell	1,698	0.43	9.3	9.6	13.2	12.8	1.9	2.0	1.73	-28.9	1.12	9.8	-25.5
UMCCA	6.10	5.59	-8.4%	Sell	1,279	0.42	18.2	19.8	33.5	30.8	2.0	2.5	7.08	-13.8	5.85	4.3	-6.3
PROPERTY																	
GLOMAC	0.44	0.50	13.6%	Hold	349	0.51	1.5	2.5	30.3	17.5	3.4	3.4	0.63	-29.9	0.43	2.3	-20.7
HUAYANG	0.49	0.50	3.1%	Hold	171	0.70	1.3	2.2	38.8	21.9	0.0	0.0	0.86	-43.6	0.44	10.2	-20.5
IBRACO	0.53	0.58	10.5%	Hold	261	na	4.6	7.7	11.5	6.9	3.8	3.8	0.92	-42.6	0.26	101.9	-35.6
IOIPG	1.74	1.87	7.5%	Buy	9,581	0.84	14.9	14.7	11.7	11.9	3.4	3.4	2.17	-19.8	1.47	18.4	-5.9
MAHSING	1.24	1.22	-1.6%	Buy	3,010	1.05	9.4	9.6	13.1	12.9	4.0	4.0	1.60	-22.5	0.98	26.5	-14.5
SIMEPROP	1.29	1.28	-0.8%	Hold	8,773	na	6.1	5.3	21.0	24.3	3.1	2.3	1.78	-27.5	1.04	24.0	-27.5
SNTORIA	0.50	0.73	46.0%	Buy	279	0.69	8.3	8.7	6.0	5.7	2.0	2.0	0.77	-35.3	0.49	2.0	-28.1
SPB	4.22	4.11	-2.6%	Sell	1,450	0.62	18.7	23.4	22.5	18.1	2.8	2.8	5.50	-23.3	4.05	4.2	-13.9
SPSETIA	2.96	3.23	9.1%	Hold	11,547	1.12	16.1	18.1	18.3	16.3	4.1	4.1	4.00	-26.0	2.77	6.9	-26.0
SUNWAY REIT	1.55	1.65	6.5%	Hold	7,538	0.85	11.8	12.5	13.1	12.4	3.9	3.9	1.96	-20.9	1.44	7.6	-4.9
SUNREIT	1.71	1.87	9.4%	Hold	5,036	0.78	10.0	10.7	17.0	16.0	5.9	6.2	1.90	-10.0	1.48	15.5	-10.0
CMMT	1.18	1.48	25.4%	Buy	2,408	0.57	7.9	8.4	14.9	14.1	6.9	7.3	1.83	-35.5	0.98	20.4	-35.5
POWER & UTILITIES																	
MALAKOF	0.97	0.85	-11.9%	Sell	4,743	1.07	5.8	6.7	16.6	14.4	7.3	7.3	1.17	-17.5	0.83	17.0	-1.5
PETDAG	26.80	24.13	-10.0%	Sell	26,625	0.76	114.1	114.9	23.5	23.3	3.2	3.2	28.18	-4.9	20.81	28.8	11.5
PETGAS	18.62	20.23	8.6%	Buy	36,844	0.89	99.3	100.0	18.8	18.6	3.7	3.8	19.50	-4.5	15.82	17.7	6.5
TENAGA	15.44	16.10	4.3%	Buy	87,671	0.82	128.8	128.0	12.0	12.1	4.2	4.2	16.34	-5.5	13.54	14.0	1.2
YTLPOWR	1.20	0.78	-35.0%	Hold	9,259	0.81	7.6	8.0	15.8	15.1	4.2	4.2	1.41	-15.0	0.73	64.4	-7.0
TELECOMMUNICATIONS																	
AXIATA	4.31	6.05	40.4%	Buy	39,090	1.80	11.9	15.7	36.2	27.5	2.4	3.1	5.82	-25.9	3.76	14.6	-21.5
DIGI	4.52	5.15	13.9%	Buy	35,143	0.95	19.6	20.2	23.1	22.3	4.3	4.5	5.10	-11.4	3.93	15.0	-11.4
MAXIS	5.62	5.90	5.0%	Hold	43,929	0.98	24.4	24.1	23.0	23.3	3.6	3.6	6.14	-8.5	5.21	7.9	-6.5
TM	3.71	3.30	-11.1%	Sell	13,942	1.44	16.8	14.8	22.0	25.1	5.1	5.1	6.50	-42.9	3.00	23.7	-41.1
TECHNOLOGY																	
<i>Semiconductor & Electronics</i>																	
ELSOFT	2.71	3.30	21.8%	Buy	749	0.58	13.1	14.9	20.7	18.2	3.4	3.9	2.85	-4.9	2.22	22.1	0.4
INARI	2.42	2.45	1.2%	Under Review	7,608	0.46	8.2	10.3	29.4	23.4	2.4	3.0	2.55	-5.0	1.50	61.7	6.8
MPI	11.00	11.50	4.5%	Under Review	2,188	0.72	69.5	79.8	15.8	13.8	2.9	2.9	14.52	-24.2	7.57	45.3	-12.8
UNISEM	2.59	2.75	6.2%	Buy	1,883	0.96	13.2	18.7	19.6	13.8	4.2	4.2	4.25	-39.1	1.60	61.9	-29.0
TRANSPORTATION																	
<i>Airlines</i>																	
AIRASIA	3.53	3.15	-10.8%	Buy	11,797	0.88	28.3	28.6	12.5	12.3	22.7	2.3	4.75	-25.7	2.92	20.9	5.4
AIRPORT	9.80	8.79	-10.3%	Sell	16,260	0.89	33.8	35.7	29.0	27.5	1.5	1.0	9.98	-1.8	7.98	22.8	11.5
<i>Freight & Tankers</i>																	
PTRANS	0.29	0.42	44.8%	Buy	401	na	2.2	3.4	13.1	8.6	3.4	3.5	0.38	-24.0	0.23	28.9	3.6
TNLOGIS	1.02	1.10	7.8%	Sell	465	0.91	10.0	9.7	10.2	10.5	0.0	3.9	1.79	-43.1	0.93	9.7	-23.9
WPRTS	3.73	3.78	1.3%	Hold	12,719	0.55	15.6	20.0	23.9	18.6	3.1	4.0	3.90	-4.4	3.10	20.3	0.8

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

Company	Share Price (S\$)	Target Price (S\$)	% upside	Recom	Market Cap. (S\$m)	Beta	EPS (cent)		PER (X)		Div Yield (%)		52week		% Chg YTD		
							FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg		Low Price	% Chg
BANKS & FINANCIAL SERVICES																	
DBS	26.40	32.80	24.2%	Buy	67,664	1.24	212.4	246.0	12.4	10.7	3.4	3.4	30.8	-14.2	19.68	34.2	8.0
OCBC	11.58	14.50	25.2%	Buy	48,532	1.18	109.4	123.1	10.6	9.4	6.7	7.7	14.0	-17.5	10.83	6.9	-6.5
UOB	27.13	33.70	24.2%	Buy	45,266	1.18	229.5	255.2	11.8	11.8	2.9	2.9	30.4	-10.7	22.79	19.0	3.3
PLANTATIONS																	
WILMAR	3.16	3.27	3.5%	Hold	20,219	0.80	22.5	25.1	14.1	12.6	2.8	3.2	3.4	-8.1	2.97	6.4	2.3
IFAR	0.22	0.20	-9.1%	Sell	316	1.13	3.0	3.0	7.2	7.3	1.9	1.9	0.5	-54.6	0.22	2.3	-43.6

BUY : Total return within the next 12 months exceeds required rate of return by 5%-point.

HOLD : Total return within the next 12 months exceeds required rate of return by between 0-5%-point.

SELL : Total return is lower than the required rate of return.

Total Return is defined as expected share price appreciation plus gross dividend over the next 12 months. Gross dividend is excluded from total return if dividend discount model valuation is used to avoid double counting.

Required Rate of Return of 7% is defined as the yield for one-year Malaysian government treasury plus assumed equity risk premium.