

Daily Brief

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

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Market View *Overbought Technical Momentum to Limit Upside*

Stocks rebounded on Tuesday, encouraged by a regional rebound following overnight gains seen stateside, as investors focused on healthy corporate earnings. The KLCI gained 11.34 points to settle at 1,791.09, off a low of 1,782.22 and high of 1,791.98, as gainers led losers 576 to 328 on steady turnover of 2.53bn shares worth RM2.32bn.

Resistance Revised Up to 1,801/1,824; Supports at 1,777/1,740

Upside bias appears to be limited in the near-term, with the overbought technical condition and external uncertainties due to the U.S.-China trade conflict likely to dent local trading sentiment. Immediate resistance for the index is revised higher to 1,801, the 7 June pivot high matching the 50%FR level, followed by stronger hurdle at 1,824, the 38.2%FR level. Immediate supports stays at the rising 10-day moving average now at 1,777, next at 1,740, and stronger supports at 1,729/1,720 and 1,708/1,700.

SELL Axiata & Digi

Weakening trend indicators on Axiata Group implies near-term correction potential towards the 30-day ma (RM4.21), with better support seen at the lower Bollinger band (RM4.07), and immediate resistance from the upper Bollinger band (RM4.55). Similarly, hook down momentum indicators on Digi points to profit-taking correction potential to 38.2%FR (RM4.41), with stronger support from the 23.6%FR (RM4.22), while significant resistance is seen from 61.8%FR (RM4.70).

China Outperformed Regional Peers

A rebound in battered Chinese stock markets helped lift Asian equities on Tuesday, which also drew support from earnings-led gains on Wall Street in a welcome relief for investors grappling with an intensifying Sino-U.S. trade conflict. The gains in Asia came after U.S. stocks rose on Monday as investors shrugged off trade uncertainty and focused instead on corporate earnings news. Investors stateside had come into the earnings season with high hopes as FactSet had forecast year-over-year profits to grow by 20 percent in the second quarter. Investors largely shrugged off early concern sparked by China's signal it won't flinch in a trade war, adding to heightened rhetoric from U.S. President Donald Trump.

Shares in China rebounded following a heavy four-day selloff, as investors picked up battered stocks while infrastructure firms were bolstered by expectations of increased spending on public works projects. The Shanghai Composite index jumped 74.14 points, or 2.7 percent, at 2,705.16. Japanese shares also rose, with the benchmark Nikkei 225 adding 0.69 percent, or 155.42 points, to close at 22,662.74. South Korea's Kospi, meanwhile, tacked on 0.6 percent to end at 2,300.16. Elsewhere, Australia's S&P/ASX 200 slipped 0.3 percent to close at 6,253.90 as declines in the materials and telecommunications sub-indexes weighed on the broader index.

Wall Street Close Higher as Earnings Optimism Trumps Trade Fear

U.S. stocks climbed Tuesday, with strong corporate earnings reports lifting major indexes as tariff tensions simmer. Trade concerns continued to loom over U.S. markets, but strong earnings reports and positive economic data have bolstered stocks. Eighty percent of the S&P 500 companies that have reported quarterly results through Friday have posted better-than-expected earnings, on pace to be the highest beat rate since Fact-Set began tracking the metric in 2008. Trade worries have been put on the back burner for now even as China shot off another verbal volley against the U.S. via one of its newspapers. China's state media said late Monday that they "will not surrender" to "U.S. trade blackmail."

Tesla shares jumped 11 percent after Chief Executive Elon Musk said he was considering taking the electric car maker private. The Tesla news dominated an otherwise quiet afternoon session on Wall Street. Google parent Alphabet also rose 1.47 percent and Microsoft moved up 0.69 percent, driving a 0.33 percent gain in the S&P information and technology index. Energy stocks were the biggest gainers in the S&P 500 as U.S. crude rose 0.2 percent after U.S. sanctions on Iranian goods went into effect, intensifying concerns about supply.

The Dow Jones Industrial Average gained 126.73 points, or 0.50 percent, to 25,628.91, the S&P 500 rose 8.05 points, or 0.28 percent, to 2,858.45 and the Nasdaq Composite added 23.99 points, or 0.31 percent, to 7,883.66.

News In Brief *Corporate*

Uzma Bhd has secured a work order for the provision of well abandonment integrated services for Pulau-A until the completion of 22 firm wells, from Petronas Carigali Sdn Bhd. (*Bursa Malaysia/The Edge*)

Comments: We are positive on the news as an umbrella contract win has translated into a firm work order. We believe earnings contribution from the contract will materialise in FY19. We understand that the contract is estimated to last for 1 year and Uzma will utilise its HWUs for the contract. We believe our assumption of 70% HWU utilisation and orderbook replenishment assumption of RM100mn in FY19 sufficiently accounts for the work order win. Thus, we maintain our earnings forecast. Maintain TP of RM1.47 based on 11x CY19 PER. Reiterate BUY.

Plans are afoot to reduce the number of Tuesday special draws by **number forecast operators**, said Finance Minister Lim Guan Eng. "The Government plans to reduce the number of special draws for all number forecast operators in 2019," he said when replying to a question raised by Wong Shj Qi (PH-Kluang) in Parliament on Tuesday. (*Star Online*)

Comments: For **BJToto**, there are total of 178 draws for FY19, comprising 156 normal draws and 22 special draws. A reduction of special draw would result in earnings dilution of 0.35% for every reduction in special draw. As such, the impact on earnings is marginal. No change to our BJToto earnings forecast. Maintain Buy on BJToto with unchanged target price of 3.15/share.

Media Prima Bhd (MPB) is partnering with the US-based video sharing platform YouTube through the "Player for Publishers" service to strengthen its position in the digital media industry in Malaysia. Through the collaboration, high quality video content produced by MPB are now available on YouTube. (*New Straits Times*)

The new government is confident that the initiatives to restructure **FGV Holdings Bhd's** board of directors and the steps taken to introduce the Strategic Plan 2020 will rehabilitate and grow the group's business and share price, according to Deputy Economic Affairs Minister Dr Mohd Radzi Md Jidin. (*Bernama*)

Shares in **Versatile Creative Bhd** are suspended from trading on Bursa Malaysia after the group failed to release its annual report and financial statements for the year ended March 31, 2018. (*Bursa Malaysia/The Star*)

Inta Bina Group Bhd has bagged a RM62.6mn contract to construct 79 units of bungalow, 2 units of Tenaga Nasional Bhd substation, and 2 guard houses in Beranang, Hulu Langat, Selangor for Eco Majestic Sdn Bhd. The contract period is 20 months commencing from the date of site possession on 15 August 2018. (*Bursa Malaysia/The Edge*)

Advancecon Holdings Bhd has bagged a RM27.3mn contract from Sime Darby USJ Development Sdn Bhd to upgrade 2 rivers in Klang, Selangor. The work scope of the 1-year contract that begins on Aug 20 includes the upgrading of the rivers, namely Sungai Puloh and Sungai Parit Enam. (*Bursa Malaysia/The Edge*)

Datuk Ahmad Nizam Salleh, the newly appointed chairman of Petroliaam Nasional Bhd, had quit the board of construction and oil and gas outfit, **WZ Satu Bhd**. (*Bursa Malaysia*)

Serba Dinamik Holdings Bhd is setting aside RM700mn for the generation of an additional 70 megawatts of electricity by the end of the year in order to achieve year-end target of 200 megawatts in total. (*The Sun*)

Metronic Global Bhd has bagged a RM6.0mn contract to supply, deliver, install, test and commission audio visual system for Lot 91 Convention Centre Podium at Kuala Lumpur City Centre. The works shall commence on 6 August 2018 and the date of full completion for the entire works shall be 2 May 2019. *(Bursa Malaysia/The Edge)*

Audit firm UHY has resigned as auditor of **Inix Technologies Holdings Bhd** on a voluntary basis. The group is looking to appoint another auditor. *(Bursa Malaysia)*

KKB Engineering Bhd posted a net profit of RM1.8mn in 2QFY18 as compared with a net loss of RM7.2mn a year ago due to higher revenue recognition from both the engineering and manufacturing sectors. Meanwhile, quarterly revenue almost doubled to RM93.2mn from RM46.9mn. For 1HFY18, the group recorded a net profit of RM3.1mn compared with a net loss of RM8.7mn in 1HFY17, while revenue grew 75.7% YoY to RM157.8mn from RM89.8mn a year ago. *(Bursa Malaysia/The Edge)*

Frontken Corp Bhd's net profit more than doubled to RM12.1mn in 2QFY18, from RM5.8mn a year ago, mainly due to improved performance of the group's subsidiaries in Taiwan, Singapore, Malaysia and the Philippines. Meanwhile, quarterly revenue grew 16.0% YoY to RM81.8mn from RM70.5mn a year ago. The strong quarterly performance pushed the group's net profit up 69.5% YoY to RM18.4mn for 1HFY18, from RM10.9mn a year ago, while revenue grew 11.0% YoY to RM152.7mn, from RM137.6mn in 1HFY17. *(Bursa Malaysia/The Edge)*

Hartalega Holdings Bhd's net profit rose 29.6% YoY to RM124.9mn in 1QFY19 from RM96.4mn a year ago, driven by higher sales achieved with favorable demand and additional production capacity. Meanwhile, quarterly revenue also increased 17.5% YoY to RM706.4mn from RM601.0mn a year ago. *(Bursa Malaysia/The Edge)*

MISC Bhd saw its net profit for 2QFY18 decline 42.3% YoY to RM321.2mn from RM556.5mn on lower earnings across all its divisions. Meanwhile, quarterly revenue was down 7.0% YoY to RM2.1bn from RM2.3bn a year ago as contribution fell from its LNG, petroleum, offshore and heavy engineering divisions. For 1HFY18, the group's net profit declined 48.8% YoY to RM631.8mn from RM1.2bn, while revenue decreased 21.3% YoY to RM4.2bn from RM5.3bn a year ago. The group declared second interim dividend of 7sen/share. *(Bursa Malaysia/The Edge)*

Three-A Resources Bhd's net profit fell 42.4% YoY to RM5.3mn in 2QFY18, from RM9.2mn a year ago, as its product margins were impacted by a surge in raw material prices. Meanwhile, quarterly revenue slid a marginal 1.0% YoY to RM101.4mn from RM102.3mn in a year ago. For 1HFY18, the group's net profit fell 40.9% YoY to RM11.5mn from RM19.5mn in 1HFY17, while revenue was down 0.8% YoY to RM203.8mn from RM205.5mn. *(Bursa Malaysia/The Edge)*

Dufu Technology Corp Bhd saw net profit for its 2QFY18 increase 72.0% YoY to RM11.8mn from RM6.9mn a year ago, due to higher demand for Hard Disk Drives components and strengthening of the US dollar. Meanwhile, quarterly revenue rose 43.2% YoY to RM58.7mn from RM41.0mn last year. For 1HFY18, the group's net profit rose 33.2% YoY to RM17.6mn from RM13.2mn in 1HFY17, on the back of revenue rising 28.0% YoY to RM111.5mn from RM87.4mn previously. *(Bursa Malaysia/The Edge)*

News In Brief *Economy*

Malaysia **Bank Negara International Reserves Slid to US\$104.5 billion as at July 31**

Bank Negara Malaysia announced that its international reserves amounted to US\$104.5 billion as at July 31, 2018, a marginal 0.096% lower than the US\$104.6 billion it registered on July 13. The reserves position is sufficient to finance 7.5 months of retained imports and is 1.1 times the short-term external debt. Foreign currency, the biggest portion, was at US\$98.2 billion, while the International Monetary Fund reserves position was at US\$900 million. Special drawing rights amounted to US\$1.2 billion, while gold made up US\$1.5 billion; other reserve assets were at US\$2.7 billion. The bank's total assets stood at RM450.097 billion as at July 31, while currency in circulation was at RM104.814 billion. (The Edge Market)

119 Proposals from Industry Players for Budget 2019, Says Teresa Kok

The Primary Industries Ministry has received a total of 199 proposals from industry players for the upcoming Budget 2019, including incentives to rubber smallholders, higher capital allowance for automation and subsidies for biodiesel. Speaking to reporters at a media briefing here today, Primary Industries Minister Teresa Kok said there were a lot of proposals which are workable, but inter-ministry engagement will be needed before any announcements. Noting the proposals on biodiesel subsidies, Kok said the ministry is still in the process of consulting automobile, transport industries and petroleum companies as well as the Ministry of Finance (MoF). "We need to educate people to understand the goodness of biodiesel. There are a lot of actions and publicity which the government could take," said Kok, adding that Indonesia has used B20 biodiesel and is going for B30 biodiesel, while Malaysia is only using B7 biodiesel. When asked about the ministry's target for budget allocation Kok said: "Our wishlist is we hope to get more than last year." The Pakatan Harapan government is expected to table its inaugural budget in Parliament on Nov 2. (The Edge Market)

Asia **Australia Holds Key Rate as Central Bank Sounds Caution on China**

Australia held its interest rate at a record low as the central bank delivered a more sobering take on the global economy. Reserve Bank Governor Philip Lowe and his board kept the cash rate at 1.5%, where it has now been for two years, in Sydney. Lowe amended his language on China's economy in his accompanying statement, saying growth "has slowed a little" instead of growing solidly. He noted authorities there easing policy while heeding risks in the financial sector. The RBA quite rightly sounded a little less upbeat on the global outlook. This suggested that interest rates won't rise for a while yet. Lowe has come under pressure to tighten policy like his global peers, a push he has resisted and which may provide vindicated given prospects of a U.S.-China trade war are intensifying. Australia is the most China-dependent developed economy with about a third of its exports going there. The governor reiterated that U.S. trade policy was a key uncertainty for the global outlook.

The RBA maintains its next move is more likely to be up than down; Lowe, since taking the helm in September 2016, has consistently said that an increase will only come once the economy is near full employment and inflation closer to the central bank's 2-3% target midpoint. Markets aren't pricing in a rate increase for at least another year, according to bets by swaps traders. (Bloomberg)

China July FX Reserves Rise to US\$3.118tn Despite Trade Tensions

China's foreign exchange reserves unexpectedly rose in July even as worries over escalating trade tensions between the United States and China have caused market volatility. Changes in China's foreign currency holdings are closely watched by investors for any signs of capital flight, as rising trade tensions have hit Chinese stocks and the Yuan currency. Reserves rose \$5.82 billion in July to \$3.118 trillion, compared with a rise of \$1.51 billion in June, central bank data showed. Economists polled by Reuters had expected reserves to drop by \$12.1 billion last month to \$3.100 trillion. Financial asset fluctuations and changes in non-dollar currencies lead to the small rise in China's foreign exchange reserves, the State Administration of Foreign Exchange (SAFE) said in a statement. During July, the dollar index that measures it against other major currencies fell 0.2%. The Yuan has fallen 6.3% against the dollar since June 14, due to escalating trade tensions with the United States, and that has fanned fears of capital outflows. In 2017, when there were substantial outflows, China imposed tighter capital controls. (Reuters)

Japan Wage Growth Hits 21-year High, Signals Pickup in Household Spending

Japan's household spending slid in June but real wages rose at their fastest pace in more than 21 years thanks to higher summer bonuses, a sign the benefits of a prolonged economic recovery are broadening. Household income also marked the fastest gain in three years on an increase in temporary workers' pay, offering some hope for Bank of Japan policymakers struggling to accelerate inflation to their elusive 2% target. The figures come ahead of Friday's release of second-quarter gross domestic product (GDP) data, which will likely show the economy expanded an annualized 1.4% after contracting in the previous quarter. Consumption has emerged from a soft patch in the first quarter and will underpin economic growth. Export growth is stagnating, so we may not see external demand drive the economy. But that will be offset by strong capital expenditure and improvements in consumption. Household spending fell 1.2% in June from a year earlier, government data showed, marking the fifth straight month of declines. But the fall was smaller than market forecasts of a 1.6% slide and a 3.9% drop in May. (Reuters)

United States Consumer Credit in U.S. Rose Less Than Estimated in June

U.S. consumer debt rose less than estimated in June as revolving debt outstanding fell for the second time in four months, Federal Reserve figures showed Tuesday. Total credit increased \$10.2b (est. up \$15b) after prior month was revised down slightly to \$24.3b gain (prev. \$24.6b). Revolving credit outstanding fell \$185m m/m, after \$9.6b rise. Non-revolving debt outstanding rose \$10.4b m/m after \$14.7b increase. The drop in revolving debt, which includes credit cards, signals consumers took a breather after such borrowing in May jumped by the most in six months. Meanwhile, non-revolving debt, which includes loans for education and automobiles, remained robust, in part reflecting healthy demand for vehicles. The Fed's consumer credit report doesn't track debt secured by real estate, such as home equity lines of credit and home mortgages. The results are consistent with second-quarter data that showed household spending rebounded to the fastest pace of growth since 2014, after a weak start to the year. While consumers are benefiting from lower taxes and strong hiring, moderate wage gains and higher gasoline costs indicate they may be wary of taking on too much debt. (Bloomberg)

Jobs Go Unfilled as the Economy Expands

Unfilled jobs are piling up in the transportation, retail and business-services sectors as workers become scarce in the fast-growing economy. The number of available jobs grew by nearly 750,000 this spring, compared with a year earlier, according to Labor Department data released Tuesday. There were 6.7 million job openings on average in the three months ended in June—the highest quarterly level on record dating back to 2001. Economists often look at three-month averages for openings because the data can be choppy month to month. Unfilled jobs are growing in nearly every industry because an expanding economy is demanding more labor and a historically low unemployment rate, 3.9% last month, means fewer workers are available. Overall in June, the number of available jobs exceeded the number of unemployed Americans by nearly 100,000. The problem is most acute in a few fields, led by transportation. The number of unfilled jobs in transportation, warehousing and utilities, combined, grew by 109,000 over the past year to 298,000, a 58% increase, the largest growth rate of about 20 broad groupings tracked by the Labor Department. During the second quarter, there were 4.5 job openings on average per 100 total positions in that grouping, up from 3.1 in the spring of 2017. (WSJ)

U.S. to Reimpose Sanctions Targeting Iranian Economy

The U.S. moved to reimpose punishing sanctions on Iran and threatened even-tougher measures for later this year as the Trump administration sought to increase pressure on the Tehran regime to negotiate or step aside. Trump administration officials publicly maintain that the campaign isn't aimed at regime change, even as thousands of Iranians protest a deteriorating economy. But senior U.S. officials have repeatedly depicted Iranian leaders as corrupt ideologues and declared that Iranians should have the right to pick their own government. President Trump signed the executive order restoring the sanctions, the broadest economic action the U.S. has taken against Tehran since the president in May said the U.S. would withdraw from the 2015 Iran nuclear accord, which had lifted them. The sanctions will remain in effect, U.S. officials said, unless Tehran meets a dozen stringent demands, including that it cease its support for militant groups in the Middle East and end its enrichment of uranium. Whether the administration's calculation—that it can, in effect, drive a hard bargain with Iran or weaken the regime so it retrenches—pays off will depend on how vigorously the sanctions are enforced and whether Iran is able to circumvent them. (WSJ)

Europe and United Kingdom

Halifax Data Strengthen Evidence of Uptick in UK House Prices

UK house prices accelerated at the fastest pace in eight months in July, according to data from Halifax, providing fresh evidence of a modest recovery in the market after a moribund start to the year. Prices increased 3.3% from a year ago, the lender's house price index showed, in a rapid pick-up from the 1.8% year-on-year rise in June. Economists have been surprised by the pace of the uptick. The consensus expectation was for a 2.7% rise, according to a poll for Reuters. Measured quarter-on-quarter, prices rose 1.3% and month-on-month, 1.4%. The data follow figures from Nationwide published last week, which showed a more modest 0.6% monthly rise and 2.5% annual increase, but which were also characterised as showing a rebound. (Financial Times)

UK Like-For-Like Sales Growth Weakens: BRC

UK like-for-like sales grew only slightly in July as hot weather weighed on demand for non-food products, data from the British Retail Consortium and KPMG showed. Like-for-like sales climbed 0.5% year-on-year in July. At the same time, total sales advanced 1.6%. Data showed that 3-month average retail sales advanced 2.7%. Food sales grew 4.5% and non-food sales gained 1.2%. Unsurprisingly, food & drink fuelled the majority of sales growth thanks to summer BBQs, picnics and football festivities, whilst elsewhere growth was mainly witnessed among the holiday essential categories, including health & beauty, deck chairs and fashion. This was particularly true when comparing the high street to online, with the latter faring considerably better. (RTT)

Germany's Exports Remain Flat; Industrial Output Falls

Germany's exports remained unchanged and industrial production declined more than expected in June, separate reports from Destatis showed. Exports registered nil growth in June from May after rising 1.7%. Economists had forecast a 0.4% drop. Meanwhile, monthly growth in imports accelerated to 1.2% from 0.7% in May. This was much faster than the expected 0.2% rise. As a result, the trade surplus fell to a seasonally adjusted EUR 19.3 billion from EUR 20.4 billion in May. Year-on-year, exports grew 7.8%, in contrast to a 1.3% fall in May. At the same time, imports rose at a faster pace of 10.2% after rising 0.9%.

The current account surplus increased to EUR 26.2 billion in June from EUR 22.4 billion in the same period of last year. Industrial production decreased by more-than-expected 0.9% month-on-month in June, reversing a revised 2.4% rise in May. Output was forecast to fall 0.5%. Excluding energy and construction, industrial output decreased 0.8% in June. Year-on-year, industrial output advanced 2.5% after rising 3% in the previous month. (RTT)

Share Buy-Back: 07 August 2018

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
CHINHIN	280,000	0.78/0.775	0.78/0.77	6,202,400
CMSB	100,000	3.21/3.16	3.22/3.16	3,869,700
DAIBOCI	3,800	2.03/2.02	2.05/2.02	546,100
HAIO	4,200	4.39/4.33	4.39/4.32	9,514,288
INCKEN	11,000	0.67/0.665	0.67/0.665	18,789,600
KENANGA	205,900	0.77	0.77/0.76	12,352,500
WCT	365,000	0.975/0.96	0.985/0.955	31,722,036
YILAI	25,900	0.74	0.74	13,945,808

Source: Bursa Malaysia

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SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price (RM) 07-Aug-18	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	2.16	2.64	22.2%	Buy	2,510	0.53	12.1	17.5	17.9	12.3	4.8	5.7	2.44	-11.5	1.82	18.8	-0.6
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	53.8%	Buy	155	1.00	6.4	7.7	13.3	10.9	7.1	7.1	1.65	-48.8	0.78	8.3	-45.5
SIME	2.58	2.97	15.1%	Buy	17,546	1.49	13.2	16.4	19.6	15.7	1.3	1.6	3.06	-15.7	2.03	27.3	16.7
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	4.06	4.30	5.9%	Hold	6,285	0.91	31.9	34.9	12.7	11.6	3.8	3.9	4.49	-9.6	3.62	12.2	-0.5
AFFIN	2.56	2.50	-2.3%	Sell	4,974	0.81	25.5	26.8	10.0	9.6	3.1	3.1	2.70	-5.2	2.22	15.2	10.8
AMBANK	4.03	3.80	-5.7%	Sell	12,147	1.30	37.6	41.5	10.7	9.7	3.7	4.5	4.95	-18.6	3.40	18.5	-8.6
CIMB	5.83	6.30	8.1%	Buy	54,603	1.57	52.2	55.5	11.2	10.5	4.5	4.8	7.39	-21.1	5.21	11.9	-10.9
HLBANK	19.18	21.80	13.7%	Buy	39,235	0.88	129.2	146.1	14.8	13.1	2.5	2.5	20.02	-4.2	14.90	28.7	12.8
MAYBANK	9.89	9.60	-2.9%	Buy	108,105	1.08	71.4	75.7	13.9	13.1	5.6	5.6	11.08	-10.7	8.68	13.9	0.9
PBBANK	24.32	25.80	6.1%	Hold	94,414	0.83	152.5	165.6	16.0	14.7	2.6	2.7	25.78	-5.7	19.90	22.2	17.0
RHBANK	5.48	5.30	-3.3%	Sell	21,975	1.33	54.3	59.0	10.1	9.3	2.7	2.7	5.88	-6.8	4.71	16.3	9.6
BURSA	7.83	8.07	3.1%	Sell	6,323	0.87	29.2	30.0	26.8	26.1	3.1	3.1	8.20	-4.5	6.31	24.0	16.1
BUILDING MATERIALS																	
ANNJO	1.98	2.47	24.7%	Buy	1,063	1.71	32.2	35.1	6.1	5.6	7.8	9.1	3.98	-50.3	1.63	21.5	-48.7
CHINHIN	0.78	0.87	12.3%	Hold	427	1.31	8.4	9.5	9.2	8.2	3.8	3.7	1.36	-43.0	0.73	6.2	-36.0
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	1.18	1.29	9.3%	Buy	514	0.98	12.9	15.3	9.1	7.7	1.6	2.6	1.27	-7.1	0.95	24.2	7.3
CONSTRUCTION																	
GADANG	0.78	0.97	25.2%	Buy	513	1.46	16.0	14.5	4.9	5.3	3.9	3.9	1.32	-41.3	0.64	21.1	-30.2
GAMUDA	3.76	4.08	8.5%	Buy	9,280	1.07	34.3	35.5	11.0	10.6	3.2	3.2	5.45	-31.0	3.00	25.3	-24.2
GDB	0.42	0.52	25.3%	Buy	259	na	4.6	5.2	8.9	8.0	2.9	3.6	0.45	-7.8	0.28	50.9	40.7
IJM	1.97	1.73	-12.2%	Sell	7,153	1.22	9.6	15.7	20.4	12.5	3.0	3.0	3.46	-43.1	1.60	23.1	-35.4
KAB	0.25	0.37	48.0%	Buy	80	na	3.1	3.7	8.1	6.8	4.0	4.8	0.33	-24.2	0.20	25.0	-16.7
PESONA	0.28	0.29	5.5%	Hold	191	1.11	3.0	3.9	9.0	7.1	5.5	5.5	0.65	-57.7	0.26	7.8	-38.9
SENDAI	0.85	0.70	-17.6%	Sell	664	1.24	9.9	8.7	8.6	9.7	1.2	1.2	1.16	-26.7	0.68	25.0	-1.7
SUNCON	1.93	1.71	-11.4%	Sell	2,494	0.99	12.7	14.2	15.2	13.6	4.1	4.7	2.64	-26.9	1.72	12.2	-23.1
WCT	0.98	1.02	4.1%	Buy	1,354	0.87	10.6	10.9	9.2	9.0	3.1	3.1	1.91	-48.7	0.70	41.0	-39.5
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	19.30	20.65	7.0%	Buy	5,937	0.53	89.3	93.2	21.6	20.7	4.6	4.8	20.88	-7.6	14.48	33.3	26.9
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	2.20	2.53	15.0%	Hold	3,089	0.38	7.9	9.2	28.0	23.9	2.0	2.3	2.65	-17.0	1.45	51.7	25.0
AMWAY	7.55	8.47	12.2%	Buy	1,241	0.61	35.6	37.5	21.2	20.1	4.6	4.9	8.52	-11.4	6.97	8.3	3.3
F&N	37.98	30.69	-19.2%	Sell	13,921	0.56	96.0	114.0	39.6	33.3	1.8	2.0	39.98	-5.0	23.40	62.3	40.7
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	148.00	129.90	-12.2%	Sell	34,706	0.53	322.2	360.2	45.9	41.1	2.0	2.2	163.00	-9.2	83.72	76.8	43.4
PADINI	5.99	5.77	-3.7%	Sell	3,941	0.72	25.6	29.1	23.4	20.6	2.1	2.2	6.20	-3.4	3.78	58.5	13.7
POHUAT	1.47	1.83	24.5%	Buy	323	0.58	20.1	23.1	7.3	6.4	4.1	5.4	2.07	-28.9	1.15	27.8	-17.9
QL	5.98	5.42	-9.4%	Sell	9,702	0.70	12.7	14.0	47.0	42.7	0.8	0.8	6.10	-2.0	3.71	61.3	37.5
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	34.36	28.29	-17.7%	Sell	9,811	1.14	152.7	148.0	22.5	23.2	4.1	4.1	44.80	-23.3	22.46	53.0	-14.1
GAMING																	
<i>Casino</i>																	
GENTING	8.70	11.23	29.1%	Buy	33,341	0.96	58.9	66.7	14.8	13.0	1.8	1.8	9.90	-12.1	8.30	4.8	-4.7
GENM	5.13	6.01	17.2%	Buy	29,018	1.23	29.7	36.7	17.3	14.0	2.3	2.5	6.08	-15.7	4.59	11.8	-7.4
<i>NFO</i>																	
BJTOTO	2.29	3.15	37.6%	Buy	3,085	0.67	19.6	37.4	11.7	6.1	7.0	11.4	2.62	-12.6	2.06	11.2	2.2
HEALTHCARE																	
<i>Hospitals/ Pharmaceutical</i>																	
CCMDBIO	1.20	1.52	26.7%	Buy	794	0.44	6.8	7.5	17.6	16.1	3.8	4.1	1.49	-19.5	0.84	42.1	10.7
IHH	5.96	6.60	10.7%	Hold	49,139	0.62	11.9	12.3	50.2	48.6	0.5	0.5	6.42	-7.2	5.42	10.0	1.7
KPJ	1.08	1.14	5.6%	Buy	4,543	0.60	4.0	4.4	27.2	24.6	2.0	2.3	1.15	-6.1	0.84	28.6	11.3
<i>Rubber Gloves</i>																	
HARTA	6.17	4.90	-20.6%	Sell	20,488	0.96	11.8	14.6	52.1	42.2	1.5	1.5	6.64	-7.1	3.19	93.4	15.5
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	4.33	4.75	9.7%	Hold	2,839	0.50	20.0	22.6	21.7	19.2	1.8	2.0	4.61	-6.1	1.69	156.2	116.5
TOPGLOV	10.10	12.91	27.8%	Buy	12,909	0.09	35.6	41.8	28.4	24.2	1.4	1.8	12.48	-19.1	5.33	89.5	26.4
KAREX	0.80	0.54	-32.5%	Sell	802	0.62	1.3	1.8	59.6	44.5	0.4	0.6	1.67	-52.1	0.50	60.0	-38.5
INDUSTRIAL																	
SCIENTX	8.17	7.00	-14.3%	Sell	3,995	0.78	54.8	57.5	14.9	14.2	2.2	2.3	9.85	-17.1	6.51	25.5	-5.7
SKPRES	1.49	2.20	47.7%	Buy	1,863	1.02	10.2	11.7	14.7	12.7	3.5	4.0	2.35	-36.6	1.33	12.0	-34.6
MEDIA																	
ASTRO	1.89	1.65	-12.7%	Hold	9,854	1.11	12.4	13.8	15.2	13.7	6.6	6.6	2.94	-35.7	1.31	44.3	-28.7
MEDIA PRIMA	0.56	0.38	-32.1%	Sell	621	0.88	-6.0	-4.2	na	na	0.0	0.0	0.90	-37.8	0.25	124.0	-26.3
STAR	1.19	1.20	0.8%	Hold	878	0.98	6.3	5.9	19.0	20.1	7.6	7.6	2.22	-46.3	1.00	19.0	-27.9

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	0.41	0.63	53.7%	Buy	721	1.61	4.4	4.6	9.3	8.9	2.4	2.4	0.57	-28.1	0.31	34.4	-15.5
LCTITAN	5.17	6.59	27.5%	Buy	11,751	na	44.5	51.6	11.6	10.0	3.3	3.9	6.46	-20.0	4.27	21.1	10.0
MHB	0.72	0.78	9.1%	Sell	1,144	1.45	-5.6	0.4	na	165.8	0.0	0.0	0.98	-27.0	0.63	14.4	-13.3
MISC	6.46	5.73	-11.3%	Sell	28,836	0.92	33.1	40.9	19.5	15.8	4.6	4.6	7.90	-18.2	5.03	28.4	-12.9
PANTECH	0.51	0.64	26.7%	Hold	376	1.00	6.3	6.9	8.0	7.3	5.0	5.4	0.74	-31.8	0.50	1.0	-21.7
PICHEM	9.05	9.05	0.0%	Hold	72,400	0.74	54.3	54.3	16.7	16.7	3.0	3.1	9.09	-0.4	6.95	30.2	17.5
SAPNRG	0.59	0.85	44.1%	Buy	3,535	2.25	-5.0	-2.2	na	na	0.0	0.0	1.75	-66.3	0.40	49.4	-16.9
SERBADK	3.75	4.72	25.9%	Buy	5,507	na	27.5	31.4	13.6	11.9	2.4	2.7	4.00	-6.3	1.87	100.5	15.7
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	1.12	1.47	31.3%	Buy	358	1.27	19.8	12.9	5.7	8.7	0.0	0.0	1.67	-32.9	0.93	21.1	-12.5
PLANTATIONS																	
FGV	1.72	1.76	2.3%	Buy	6,275	1.71	1.8	1.5	97.5	114.6	2.9	2.9	2.18	-21.1	1.45	18.6	1.8
IJMPLNT	2.38	1.84	-22.7%	Sell	2,096	0.41	7.9	7.1	30.2	33.4	2.1	2.1	3.12	-23.7	2.08	14.4	-13.1
IOICORP	4.70	5.06	7.7%	Buy	28,700	0.83	19.0	19.6	24.7	24.0	5.6	3.3	4.81	-2.3	4.21	11.8	6.1
KFIMA	1.72	1.98	15.1%	Buy	485	0.68	14.5	12.9	11.8	13.4	5.2	5.2	1.89	-9.0	1.44	19.4	9.6
KLK	24.60	23.75	-3.5%	Sell	26,198	0.58	93.1	100.9	26.4	24.4	2.0	2.0	25.98	-5.3	23.26	5.8	-1.6
SIMEPLT	5.34	5.84	9.4%	Buy	36,316	na	19.6	18.5	27.3	28.8	2.6	2.8	6.00	-11.0	4.58	16.6	-11.0
TSH	1.22	1.09	-10.7%	Sell	1,685	0.43	9.3	9.6	13.1	12.7	2.0	2.0	1.73	-29.5	1.12	8.9	-26.1
UMCCA	6.13	5.59	-8.8%	Sell	1,285	0.42	18.2	19.8	33.6	30.9	2.0	2.4	7.08	-13.4	5.85	4.8	-5.8
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	0.48	0.50	4.2%	Hold	169	0.70	1.3	2.2	38.4	21.7	0.0	0.0	0.86	-43.9	0.44	9.1	-21.3
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	1.80	1.87	3.9%	Buy	9,911	0.84	14.9	14.7	12.1	12.3	3.3	3.3	2.17	-17.1	1.47	22.4	-2.7
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	1.31	1.28	-2.3%	Hold	8,909	na	6.1	5.3	21.3	24.7	3.1	2.3	1.78	-26.4	1.04	26.0	-26.4
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	4.14	4.11	-0.7%	Sell	1,423	0.62	18.7	23.4	22.1	17.7	2.9	2.9	5.50	-24.7	4.05	2.2	-15.5
SPSETIA	2.93	3.23	10.2%	Hold	11,430	1.12	16.1	18.1	18.1	16.2	4.1	4.1	4.00	-26.8	2.77	5.8	-26.8
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	1.17	1.48	26.5%	Buy	2,388	0.57	7.9	8.4	14.8	14.0	7.0	7.3	1.83	-36.1	0.98	19.4	-36.1
POWER & UTILITIES																	
MALAKOF	0.98	0.85	-12.8%	Sell	4,793	1.07	5.8	6.7	16.7	14.5	7.2	7.2	1.17	-16.7	0.83	18.2	-0.5
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	19.00	20.23	6.5%	Buy	37,596	0.89	99.3	100.0	19.1	19.0	3.7	3.7	19.50	-2.6	15.82	20.1	8.7
TENAGA	15.50	16.10	3.9%	Buy	88,012	0.82	128.8	128.0	12.0	12.1	4.2	4.1	16.34	-5.1	13.54	14.5	1.6
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	4.34	6.05	39.4%	Buy	39,362	1.80	11.9	15.7	36.4	27.7	2.3	3.1	5.82	-25.4	3.76	15.4	-20.9
DIGI	4.71	5.15	9.3%	Buy	36,620	0.95	19.6	20.2	24.0	23.3	4.2	4.3	5.10	-7.6	3.93	19.8	-7.6
MAXIS	5.73	5.90	3.0%	Hold	44,789	0.98	24.4	24.1	23.4	23.8	3.5	3.5	6.14	-6.7	5.21	10.0	-4.7
TM	3.77	3.30	-12.5%	Sell	14,167	1.44	16.8	14.8	22.4	25.5	5.0	5.0	6.50	-42.0	3.00	25.7	-40.2
TECHNOLOGY																	
<i>Semiconductor & Electronics</i>																	
ELSOFT	2.73	3.30	20.9%	Buy	754	0.58	13.1	14.9	20.9	18.3	3.4	3.8	2.85	-4.2	2.22	23.0	1.1
INARI	2.43	2.45	0.8%	Under Review	7,649	0.46	8.2	10.3	29.6	23.5	2.4	3.0	2.55	-4.6	1.50	62.3	7.2
MPI	11.10	11.50	3.6%	Under Review	2,208	0.72	69.5	79.8	16.0	13.9	2.9	2.9	14.52	-23.6	7.57	46.6	-12.0
UNISEM	2.60	2.75	5.8%	Buy	1,890	0.96	13.2	18.7	19.6	13.9	4.2	4.2	4.15	-37.3	1.60	62.5	-28.8
TRANSPORTATION																	
<i>Airlines</i>																	
AIRASIA	3.60	3.15	-12.5%	Buy	12,031	0.88	28.3	28.6	12.7	12.6	22.2	2.2	4.75	-24.2	2.92	23.3	7.5
AIRPORT	9.35	8.79	-6.0%	Sell	15,513	0.89	33.8	35.7	27.7	26.2	1.6	1.1	9.98	-6.3	7.98	17.2	6.4
<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	1.01	1.10	8.9%	Sell	460	0.91	10.0	9.7	10.1	10.4	0.0	4.0	1.79	-43.7	0.93	8.6	-24.6
WPRTS	3.75	3.78	0.8%	Hold	12,788	0.55	15.6	20.0	24.0	18.7	3.1	4.0	3.90	-3.8	3.10	21.0	1.4

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	26.79	32.80	22.4%	Buy	68,663	1.24	212.4	246.0	12.6	10.9	3.4	3.4	30.8	-12.9	19.68	36.2	9.6
OCBC	12.05	14.50	20.3%	Buy	50,502	1.18	109.4	123.1	11.0	9.8	6.7	7.7	14.0	-14.2	10.83	11.3	-2.7
UOB	28.02	33.70	20.3%	Buy	46,748	1.18	229.5	255.2	12.2	12.2	2.9	2.9	30.4	-7.7	22.79	22.9	6.7
PLANTATIONS																	
WILMAR	3.20	3.27	2.2%	Hold	20,475	0.80	22.5	25.1	14.3	12.7	2.8	3.1	3.4	-7.0	2.97	7.7	3.6
IFAR	0.22	0.20	-7.0%	Sell	308	1.13	3.0	3.0	7.1	7.1	1.9	1.9	0.5	-55.2	0.21	2.4	-44.9

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.