

Daily Brief

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

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Market View *Trade War and Emerging Market Worries to Depress Sentiment*

Bursa Malaysia shares slumped on Wednesday after an extended four-day weekend holiday break, as foreign selling resumed on concerns over a worsening US-China trade war and contagion from tumbling emerging market currencies. The KLCI fell 13.92 points to close at 1,785.25, off an early high of 1,822.68 and low of 1,780.91, as losers swarmed gainers 896 to 166 on total turnover of 2.23bn shares worth RM2.8bn.

Immediate Supports at 1,780/1,764/1,752

Concerns over escalating global trade war and contagion from weak trend in emerging market currencies should see investors staying sidelined pending recovery in trading sentiment. Crucial supports for the index are now at 1,780 (61.8%FR), 1,764 (50-day moving average) and 1,752 (76.4%FR), next at 1,720. Immediate resistance is revised lower to 1,800, followed by the upper Bollinger band at 1,829, with stronger hurdle from 1,851, the 23.6%FR level.

Sell Gamuda & Sime Darby

Gamuda shares may weaken further on extreme bearish momentum to rebuild support above the 30/5/18 pivot low (RM3.00) before attracting bargain hunters again, while overhead resistance from the 61.8%FR (RM3.88) matches the upper Bollinger band. Likewise, Sime Darby should fall further, with a breakdown below the 50%FR (RM2.54) to grease slide towards the 38.2%FR (RM2.42) or even 23.6%FR (RM2.27) before buyers return, while key overhead hurdle is from the 76.4%FR (RM2.82).

Asian Markets Slide on Trade Fears

Asian markets broadly fell on Wednesday as the MSCI Asia ex-Japan index touched 14-month lows, on the back of news that China will be making a request to the World Trade Organization to impose sanctions on the U.S. Japan's Nikkei 225 slipped 0.27 percent to close at 22,604.61, while South Korea's Kospi ended the trading day largely flat. In Australia, the ASX 200 closed slightly lower at 0.06 percent, as the financial sector slipped by 0.39 percent. In the Greater China region, Hong Kong's Hang Seng index remained in bear territory, trading 0.3 percent lower. Markets on the mainland also continued the downward trend for the day, with the Shanghai composite closing 0.33 percent lower at around 2,656.11 while the Shenzhen composite shed 0.41 percent to end the trading day at approximately 1,403.60.

On Tuesday, it was revealed that China will approach the WTO next week to request for permission to impose sanctions on the U.S. The meeting, which is scheduled to take place on Sept. 21, comes amid an escalation of tensions between the two economic powerhouses on trade issues. U.S. President Donald Trump announced last Friday that he was prepared to slap more tariffs on USD267 billion of Chinese imports into America if he desired.

Dow and S&P 500 Eke Out Gains Amid Potential US-China Trade Talks

The Dow Jones Industrial Average and the S&P 500 posted small gains on Wednesday amid the possibility of renewed trade talks between the U.S. and China. The U.S. is in the process of proposing a new round of trade talks with China in the near future, sources told CNBC. Boeing and Caterpillar, two bellwethers for global trade, rose 2.4 percent and 1.6 percent, respectively on the news. United Technologies climbed 0.2 percent. The news sent the Dow and S&P 500 to their session highs. The Dow rose as much as 174.66 points, while the S&P 500 gained as much as 0.2 percent.

Trade tensions between the two largest economies in the world have been increasing. China will seek permission from the World Trade Organization to inflict sanctions upon the U.S. as tensions between the two largest global economies continue. The tensions pushed the S&P 500 off a record level reached late last month. Pressure in tech shares also contributed to the index's easing from the all-time high. The S&P 500 tech sector is down 2.3 percent this month. Tech declined 0.5 percent as shares of chipmakers fell sharply. Semiconductor stocks have been under pressure lately amid heightened concerns of slowing memory-chip demand, helping drag the broader tech space lower. Tech shares have also fallen amid increasing regulatory pressure toward social media companies, especially Facebook and Twitter. Facebook shares slipped 2.4 percent while Twitter dropped 3.7 percent.

The 30-stock Dow rose 27.86 points to 25,998.92 as Boeing and Caterpillar contributed the most to the gains. The broad S&P 500 gained just 0.04 percent to close at 2,888.92, led by more than 1 percent jumps in telecommunications and consumer staples. The decline in tech pushed the Nasdaq Composite down by 0.2 percent to close at 7,954.23.

News In Brief *Corporate*

Sapura Energy Bhd is planning to sell its 50% stake in Sapura Upstream Sdn Bhd to Austria's OMV Aktiengesellschaft (OMV AG). It has entered into a heads of agreement (HoA) with OMV AG to form a strategic partnership. The proposed transaction is based on an enterprise value of US\$1.6bn, in which the parties have agreed to continue ongoing negotiations on an exclusive basis. (*Bursa Malaysia/ The Sun*)

Unisem (M) Bhd has received a pre-conditional voluntary conditional takeover offer from joint offerors, comprising executive chairman and managing director John Chia Sin Tet as well as China's Tianshui Huatian Technology Co Ltd (TSHT). The pre-conditional offer is being made at RM3.30 per share, with a total outlay of RM1.82bn for the exercise. (*Bursa Malaysia/ The Edge*)

Malaysian palm oil saw an increase in stocks and output in August 2018 but registered a drop in exports. Total palm oil stocks rose 12.4% to 2.5mn tonnes from 2.2m tonnes in July where processed palm oil accounted for 1.2mn tonnes and crude palm oil stocks stood at 1.3mn tonnes. During the month, exports of palm oil fell 8.1% to 1.1mn tonnes while oleochemicals declined 7.0% to 246,588 tonnes. (*Bernama*)

FGV Holdings Bhd announced the receipt of a letter from Minister of Finance Inc informing the plantation giant that the ministry has withdrawn its nomination of Zakaria as a director of FGV. (*Bursa Malaysia/ The Edge*)

Sunway Bhd's unit Sunway Developments Pte Ltd has secured a 4.46-acre land to undertake a S\$271mn executive condominium project from the Housing and Development Board of Singapore. It and Hoi Hup Realty Pte Ltd would jointly undertake the development of the 99-year lease land, located at Canberra Link, Sembawang in Singapore. (*Bursa Malaysia/ New Straits Times*)

Malaysia Airports Holdings Bhd's (MAHB) network of airports including Istanbul Sabiha Gokcen International Airport recorded a 2.9% YoY growth to 11.8mn passengers in August. This was among the highest passenger volume achieved to-date for the airport operator's network of airports. The peak traffic in August was partly due to the summer holidays in Turkey and the Hajj travel season. (*Bursa Malaysia/ New Straits Times*)

MNRB Holdings Bhd's (MNRB) largest shareholder AmanahRaya Trustees Bhd has given its undertaking in writing to subscribe in full its entitlement and those of undersubscribed excess rights shares under MNRB's proposed RM400mn rights issue, subject to its resultant shareholdings in MNRB not exceeding 44.3% under the proposed rights issue. (*Bursa Malaysia/ New Straits Times*)

The Department of Labour Peninsular Malaysia, Ministry of Human Resources has granted **MY E.G. Services Bhd** (MyEG) a 2-year licence to carry out recruitment activities for a job seeker within and outside Malaysia and a non-citizen employee within Malaysia. (*Bursa Malaysia/ The Edge*)

Datuk Tony Tiah Thee Kian, who launched a conditional MGO for **TA Enterprise Bhd** at 66seb/share in July, has failed to take over the group after failing to garner the required acceptance level from minority shareholders. As at the close of the offer, Datuk Tiah and persons acting in concert with him only held 44.3% of the total issued share capital of TA Enterprise. (*Bursa Malaysia/ The Edge*)

Vertice Bhd plans to team up with Pembinaan Ru Sdn Bhd and Image Facade Construction Sdn Bhd to jointly submit a pre-qualification tender for the balance of works to complete the Coastal Road Network and the Second Trunk Road. *(Bursa Malaysia/ Bernama)*

Opcom Holdings Bhd is interested in participating in upcoming projects related to fibre optics by **Tenaga Nasional Bhd** (TNB), following TNB's recent announcement on embarking on its pilot project under the National Fiberisation and Connectivity Plan (NFCP) this month. *(The Sun)*

Only World Group Holdings Bhd has allocated RM50mn as capex for FY19, mainly to upgrade its existing indoor playgrounds or playlands, and to build new ones. The ageing facilities to be upgraded are located in Bangsar Shopping Centre and IUtama Shopping Centre. *(The Edge)*

Pasukhas Group Bhd has secured a contract to sell one vessel of steam coal in South Kalimantan, Indonesia for US\$4.93mn. Its wholly-owned subsidiary Pasukhas Products Sdn Bhd signed the contract with a Singapore company, which it did not name. *(Bursa Malaysia/ The Edge)*

Techbond Group Bhd has inked an underwriting agreement with Public Investment Bank Bhd for its IPO exercise en route to its listing on the Main Market of Bursa Malaysia Securities Bhd by year-end. *(Bernama)*

News In Brief *Economy*

Malaysia **Malaysia's End-Aug Palm Oil Stocks hit 7-Month Top — MPOB**

Palm oil end-stocks in Malaysia rose to a seven-month high in August, above market expectations, as output levels increased and exports fell. Inventories in the world's second largest palm producer rose to 2.49 million tonnes, up 12.4% from the previous month, Malaysian Palm Oil Board (MPOB) data showed. The level was the highest since January, while the monthly increase was the biggest since November. Production rose 7.9% to 1.62 million tonnes, the highest level so far this year, but it was still the weakest August output since 2010. Rising stockpiles and production could pressure benchmark prices, which have been edging up from a near 3-year low touched in July. Palm oil was last down 0.1% at Wednesday's midday break. (The Edge)

Malaysia Says No Intention to Abandon China's BRI

Malaysia has no intention of abandoning China's Belt and Road Initiative (BRI) and will continue to forge a closer relationship with the world's second largest economy. Deputy Minister of International Trade and Industry Ong Kian Ming said the new government's approach had been misunderstood following the recent decision to cancel China-Malaysia related projects. Responding to a question from the Chinese media on rumours of Malaysia quitting the initiative, he said: "As such, an important reason for my visit is to reassure China that Malaysia welcomed its investments. What I am emphasising is also that the postponement of a number of large scale projects was due to the need to safeguard Malaysia's financial position and not because we doubt investors from any country, including China." Ong said the BRI would open up more opportunities for investors, especially from Malaysia. The BRI was launched in 2013 and encompasses various initiatives, while connecting 65 countries through sea, air, land and rail links. "When the Chinese invest in Johor, we can link them with companies in Singapore. In Penang, we have a strong presence in the electrical and electronics (E&E) industry that they can tap," Ong said. (The Star)

Government Mulls New Mechanism to Impose Digital Tax

The government is looking at a new mechanism to impose digital tax towards overseas service content providers — foreign entities who provide services in Malaysia, as way to explore new sources of revenue for the country. Deputy Finance Minister Datuk Amiruddin Hamzah said the government is wondering if the matter on digital tax can be incorporated in the upcoming Budget 2019, which is scheduled to be tabled on Nov 2. "We are looking at the matter (digital tax) but I'm not sure if we can quickly incorporate it in the Budget presentation. We need to explore new sources of revenue. "This will definitely be a matter that we will look into deeply," Amiruddin told reporters on the sidelines of launching a new World Bank report. However, Amiruddin said the government has yet to decide on the to-be-imposed tax rate at a later stage on the digital economy players. (The Edge)

Fuel Subsidy Mechanism to be Introduced Early Next Year

The government is expected to announce a new mechanism for fuel subsidy early next year while ensuring that it would not require a huge allocation for the purpose. Deputy Finance Minister Datuk Amiruddin Hamzah said the government would also ensure that the implementation of the targeted fuel subsidy system would be smooth. "We are working hard towards it and we hope that we can make the announcement early next year. The sooner we get it finalised, the sooner we can get it launched," he told reporters after officiating 'The Digital Economy: Unlocking its Full Potential to Drive Malaysia's Development' forum organised by the ministry and the World Bank Group's Global Knowledge and Research.

Earlier, responding to a question from Senator Ng Chiang Chin at the Dewan Negara, Amiruddin said the government had spent RM1.667 billion to subsidise the RON95 and diesel fuel from May to July. He said at the moment, the government still maintained the retail prices of RON95 petrol and diesel at RM2.20 and RM2.18 per litre, respectively, despite the higher market prices. Amiruddin added that through the targeted fuel subsidy mechanism, fuel subsidies would be given according to an appropriate rate each month, as well as in accordance with a quota system for the bottom 40% household income group (B40). "The subsidies will be given to those who use 125cc motorcycles and below and 1,300cc cars and below," he added. (The Star)

Asia **China Bank Lending Slowed in August as Bond Issuance Surges**

China's broadest measure of new credit expanded as companies issued more debt, though the expansion in new bank loans slowed, showing that banks are still cautious about extending credit and taking on risk. Aggregate financing stood at 1.52 trillion yuan (\$221 billion) in August, the People's Bank of China said, compared with an estimated 1.30 trillion yuan in a Bloomberg survey and 1.04 trillion yuan in July. An increase in corporate bond financing supported the larger-than-expected rise, while the shadow banking sector continued to shrink. New yuan loans stood at 1.28 trillion yuan, versus a projected 1.40 trillion yuan and 1.45 trillion yuan last month. Broad M2 money supply increased 8.2%, compared with a forecast 8.6%. China's credit growth has been sluggish for months as a multi-year campaign to slow debt growth squeezed shadow banking and hurt people's appetite for risk. As the trade conflict with the U.S. intensifies, policy makers have loosened monetary policy and eased regulatory requirements on banks to encourage lending. August's credit data is "up arrow overall" but the risk appetite remains low, and the rising bill financing indicates banks are reluctant to lend, while slower MI growth suggests companies' willingness to invest is low. Monetary policy is in transition to an easier bias. Credit growth will see greater support in coming months. (Bloomberg)

Australian Consumers Soured by Politics, Mortgage Hikes-Survey

A measure of Australian consumer confidence fell sharply in September as political instability in Canberra and hikes in mortgage rates by most of the big banks soured the public mood. The Melbourne Institute and Westpac Bank index of consumer sentiment fell 3.0% in September from August when it had already dropped 2.3%. The index, compiled from a survey of 1,200 people, was up 2.7% on September last year at 100.5, meaning optimists only just outnumbered pessimists. Westpac, CBA and ANZ all raised their variable home loan rates in the past few weeks, citing the need to protect profit margins in the face of higher wholesale funding costs.

The impact was clear on survey respondents paying off a mortgage, with their sentiment sliding 5.6% in September. In Canberra, the ruling Liberal Party ousted former Prime Minister Malcolm Turnbull late last month and replaced him with former Treasurer Scott Morrison, just the latest bout of internecine warfare in the party. As a result, sentiment among Liberal coalition supporters dived 6.4% in the month, while that for supporters of the Labor opposition climbed 4%. The mood also turned darker on the economy and finances. The survey's measure of economic conditions for the next 12 months eased to 4.9%, and the measure for the next five years lost 2.2%.

The index of family finances compared to a year ago and the outlook for the next 12 months both fell 3.6%. Likewise, the measure of whether it was a good time to buy a major household item dropped 3.3%. The bright spot in the survey was around consumer views on the labour market, which showed a significant improvement across all the major states. (Reuters)

Singapore Retail Sales Fall 2.6% in July as Car Sales Slump

Retail sales in Singapore fell in July, weighed down by motor vehicles, according to the latest figures from the Department of Statistics. Overall takings were down by 2.6% on the previous year, against the revised 2.2% growth seen in June, on fewer vehicles being sold. Motor vehicle sales tumbled by 15.2% year on year. But, leaving auto sales out of the picture, turnover inched up by 0.2% in July, down a tad from the 0.3% growth in the month before. Food retailers, which sell food and drink generally not meant for immediate consumption, posted a 5.4% drop in sales, while sales at supermarkets and hypermarkets fell by 3% and department store turnover declined by 4.6%. Sales of computer and telecommunications equipment fell by 6%, owing in part to fewer computer sales, and sales of optical goods and books dropped by 6% too. (The Business Times)

Indonesia Wants Tighter FX Rules on Exporters to Help Rupiah

Indonesian exporters must keep their earnings in the country to support efforts by the government to rein in the current-account deficit and shield the rupiah, Finance Minister Sri Mulyani Indrawati said. While legislation protects the free movement of capital, authorities want to tighten some rules on exporters amid a rout in the currency, Indrawati said in an interview with Bloomberg TV's Haslinda Amin in Hanoi. "In a situation in which the country cannot even hold the revenue, for example from the exports, we really need to regulate a certain thing," she said. "The foreign exchange that they earn from the exports, it needs to be in the country. Exporters repatriated more than 90% of their earnings in the second quarter, but only 14% of that was converted into rupiah, according to data from the central bank. The currency's slump to its weakest level since the 1997-98 Asian financial crisis has pushed policy makers into action. To help rein in a current-account deficit of 3% of gross domestic product, the government has boosted taxes on imports and increased the use of biodiesel to cut fuel purchases from abroad. (The Star)

***United States* U.S. Producer Prices Post First Drop in One-and-Half Years**

U.S. producer prices unexpectedly fell in August, recording their first drop in 1-1/2 years, as declines in the prices of food and a range of trade services offset an increase in the cost of energy products. The Labor Department said its producer price index for final demand slipped 0.1% last month after being unchanged in July. August's fall in the PPI was the first since February 2017. In the 12 months through August, the PPI rose 2.8%, slowing further after July's 3.3% increases. Economists polled by Reuters had forecast the PPI increasing 0.2% in August and advancing 3.2% year-on-year. A key gauge of underlying producer price pressures that excludes food, energy and trade services edged up 0.1% last month. The so-called core PPI gained 0.3% in July.

In the 12 months through August, the core PPI increased 2.9% after rising 2.8% in July. Despite the moderation in producer prices last month, overall inflation is steadily rising against the backdrop of a strong labor market and robust economy. The Trump administration's import tariffs on lumber, washing machines, solar panels, steel and aluminum, as well as a range of Chinese goods, are also expected to push up price pressures. (Reuters)

Eurozone **Fall in Eurozone Industrial Production Signals Q3 Weakness**

A wide-ranging measure of Eurozone industry unexpectedly dipped in July, setting a gloomy tone for the third quarter. Industrial production in the Eurozone fell by 0.1% on the year, according to data published by the EU's official statistics office. It was the first drop on this basis since January 2017. Economists polled by Reuters had expected the measure to go up by 1%. Seasonally-adjusted output was also more sluggish than anticipated, falling by 0.8% compared with the previous month, against a fall of 0.5% forecast in a Thomson Reuters poll. The figures confirm that "that manufacturers in the single-currency area started Q3 on a weak note. Across the whole of the European Union, industrial production fell by 0.8% on the year. Italy also published disappointing figures for its industrial sector, showing the first decline in output in over two years.

Industrial output in the Eurozone's largest economy, Germany, also fell by 1.1% in July compared to the previous month, while industrial orders also unexpectedly dipped. According to Eurostat, the decrease on the year in the Eurozone is due a 2.3% fall in the production of durable consumer goods — which include electronics, furniture and jewellery — and a 2.1% decline in energy production. Over the same period, the production of non-durable consumer goods — such as dairy, fish or other food products — rose by 0.5%, while production of capital goods went up by 1.4%. (Financial Times)

BoE's Carney Warns China is One of Bigger Risks for Global Economy

Developments in China are a source of one of the bigger risks for the global economy, Bank of England Governor Mark Carney said. "China is a great source of growth for the global economy, it is an absolute economic miracle, lots of positives," Carney said in an interview to BBC to mark the 10th anniversary of the global financial crisis. "At the same time, their financial sector has developed very rapidly and it has made many of the same assumptions that were made in the run-up to the last financial crisis." The level of debt in China is "enormous relative to the size of the economy", Carney pointed out. The central banker cautioned that a global financial crisis could be repeated if the financial community turned complacent. Chancellor Philip Hammond announced on Tuesday that Carney will stay at the helm of the central bank until the end of January 2020 to support a smooth Brexit and transition. (RTT)

Share Buy-Back: 12 September 2018

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
AMPROP	10,000	0.66/0.655	0.66/0.65	18,041,700
CJZEN	307,100	0.60/0.595	0.615/0.595	2,575,000
CMSB	116,000	3.17/3.09	3.21/3.09	4,105,700
EMETALL	98,000	0.445/0.44	0.45/0.445	2,546,800
FITTERS	370,000	0.39	0.39/0.385	38,390,600
GKENT	500,000	1.22/1.20	1.27/1.19	6,420,900
GLOMAC	48,000	0.41/0.405	0.415/0.405	8,154,200
HAIO	7,200	4.15/4.12	4.32/4.12	9,629,788
INCKEN	12,000	0.67/0.66	0.67/0.66	19,282,800
JAYCORP	150,000	0.90	0.905/0.89	1,791,600
JCBNEXT	55,400	1.60	1.60	1,079,700
KENANGA	359,900	0.72/0.71	0.725/0.70	19,202,700
KERJAYA	50,000	1.44/1.41	1.44/1.40	213,700
MKH	16,100	1.33/1.31	1.33/1.31	2,738,400
N2N	100,000	1.19	1.23/1.19	27,675,300
P&O	4,400	1.04/1.03	1.04/1.03	12,049,193
SUNWAY	1,100,000	1.55/1.50	1.56/1.49	61,151,662
T7GLOBAL	415,000	0.41/0.385	0.41/0.39	3,844,000
TITIJYA	200,000	0.32	0.33/0.315	817,000
TROP	62,000	0.86/0.845	0.86/0.84	12,615,142
WASEONG	80,000	1.01/0.98	1.01/0.975	3,068,338
YILAI	5,300	0.67	0.68/0.67	14,038,508
YINSON	103,700	4.52/4.49	4.52/4.49	8,890,000

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	
OIL & GAS																	
DNEX	0.38	0.63	68.0%	Buy	659	1.54	4.4	4.6	8.5	8.1	2.7	2.7	0.57	-34.2	0.31	23.0	-22.7
LCTITAN	5.06	6.59	30.2%	Buy	11,501	na	44.5	51.6	11.4	9.8	3.4	4.0	6.46	-21.7	4.57	10.7	7.7
MHB	0.63	0.78	24.8%	Sell	1,000	1.47	-5.6	0.4	na	145.3	0.0	0.0	0.98	-36.2	0.62	0.8	-24.2
MISC	5.88	5.65	-3.9%	Sell	26,247	0.86	29.3	40.3	20.1	14.6	5.1	5.1	7.90	-25.6	5.03	16.9	-20.8
PANTECH	0.46	0.64	39.1%	Hold	341	0.89	6.3	6.9	7.3	6.7	5.4	5.9	0.74	-37.8	0.44	4.5	-28.7
PCHEM	9.43	9.68	2.7%	Hold	75,440	0.76	57.0	57.8	16.5	16.3	3.0	3.3	10.04	-6.1	7.17	31.5	22.5
SAPNRG	0.36	0.30	-15.5%	Sell	2,127	1.87	-5.0	-2.2	na	na	0.0	0.0	1.75	-79.7	0.33	7.6	-50.0
Note: SAPNRG proposed rights issue shares on the basis of 5 for 3 and RCPS-1 on the basis of 2 for 5. For more detail please refer to 27.08.2018 report.																	
SERBADK	3.79	4.72	24.5%	Buy	5,566	na	27.5	31.4	13.8	12.1	2.4	2.6	4.00	-5.3	2.15	76.3	17.0
VELESTO	0.26	0.34	30.8%	Buy	2,136	1.87	0.0	0.2	531.1	104.5	0.0	0.0	0.48	-45.8	0.22	20.9	-14.8
UZMA	1.17	1.44	23.1%	Buy	374	1.33	13.9	12.8	8.4	9.1	0.0	0.0	1.67	-29.9	0.93	26.5	-8.6
PLANTATIONS																	
FGV	1.49	1.50	0.7%	Sell	5,436	1.62	-3.3	-0.5	na	na	0.0	0.0	2.18	-31.7	1.45	2.8	-11.8
IJPLNT	2.46	1.84	-25.2%	Sell	2,166	0.45	7.9	7.1	31.2	34.5	2.0	2.0	3.01	-18.3	2.08	18.3	-10.2
IOICORP	4.45	5.06	13.7%	Buy	27,174	0.82	19.0	19.6	23.4	22.7	5.9	3.4	4.81	-7.5	4.21	5.8	0.4
KFIMA	1.68	1.89	12.5%	Buy	473	0.66	14.7	13.1	11.4	12.9	5.4	5.4	1.76	-4.5	1.44	16.7	7.0
KLK	24.74	22.37	-9.6%	Sell	26,347	0.58	83.3	90.6	29.7	27.3	1.8	1.8	25.98	-4.8	23.26	6.4	-1.0
SIMEPLT	5.21	5.88	12.9%	Buy	35,432	na	18.8	18.3	27.7	28.4	3.4	2.9	6.00	-13.2	4.58	13.8	-13.2
TSH	1.16	1.04	-10.3%	Sell	1,602	0.41	3.8	4.3	30.9	26.7	1.3	1.3	1.71	-32.2	1.12	3.6	-29.7
UMCCA	6.14	5.59	-9.0%	Sell	1,287	0.41	18.2	19.8	33.7	31.0	2.0	2.4	7.08	-13.3	5.85	5.0	-5.7
PROPERTY																	
GLOMAC	0.41	0.50	22.0%	Hold	325	0.53	1.5	2.5	28.3	16.3	3.7	3.7	0.63	-34.6	0.40	2.5	-26.1
HUAYANG	0.46	0.50	9.9%	Hold	160	0.73	1.3	2.2	36.4	20.6	0.0	0.0	0.85	-46.2	0.44	3.4	-25.4
IBRACO	0.57	0.59	4.4%	Hold	280	na	4.1	8.0	13.9	7.1	3.5	3.5	0.92	-38.3	0.26	117.3	-30.7
IOIPG	1.64	1.87	14.0%	Hold	9,030	0.86	14.3	14.7	11.5	11.2	3.0	3.0	2.08	-21.2	1.47	11.6	-11.4
MAHSING	1.05	1.29	22.9%	Buy	2,549	1.02	9.4	9.8	11.1	10.7	4.8	4.8	1.59	-34.0	0.98	7.1	-27.6
SIMEPROP	1.21	1.33	9.9%	Hold	8,229	na	4.0	6.6	30.0	18.4	1.7	3.3	1.78	-32.0	1.04	16.3	-32.0
SNTORIA	0.50	0.73	46.0%	Buy	279	0.63	8.3	8.7	6.0	5.7	2.0	2.0	0.77	-35.3	0.48	4.2	-28.1
SPB	4.03	4.11	2.0%	Sell	1,385	0.60	18.7	23.4	21.5	17.3	3.0	3.0	5.50	-26.7	4.03	0.0	-17.8
SPSETIA	2.80	3.09	10.4%	Hold	10,923	1.01	9.8	16.5	28.6	17.0	2.9	3.2	4.00	-30.0	2.62	6.9	-30.0
SUNWAY	1.50	1.64	9.3%	Buy	7,296	0.87	11.8	12.2	12.8	12.3	4.0	4.0	1.96	-23.4	1.44	4.2	-8.0
REIT																	
SUNREIT	1.73	1.87	8.1%	Hold	5,095	0.74	9.6	10.3	17.9	16.7	5.5	6.0	1.90	-8.9	1.48	16.9	-8.9
CMMT	1.13	1.48	31.0%	Buy	2,306	0.50	7.9	8.4	14.3	13.5	7.2	7.6	1.83	-38.3	0.98	15.3	-38.3
POWER & UTILITIES																	
MALAKOF	0.91	0.82	-9.9%	Sell	4,473	1.12	3.7	5.3	24.4	17.1	6.6	6.6	1.11	-18.0	0.83	10.3	-7.1
PETDAG	26.40	24.13	-8.6%	Sell	26,227	0.77	114.1	114.9	23.1	23.0	3.3	3.2	28.18	-6.3	20.81	26.8	9.8
PETGAS	18.80	20.23	7.6%	Buy	37,200	0.92	99.1	99.9	19.0	18.8	3.6	3.6	19.50	-3.6	15.82	18.8	7.6
TENAGA	15.82	17.47	10.4%	Buy	89,829	0.82	136.7	127.8	11.6	12.4	4.1	4.1	16.34	-3.2	13.54	16.8	3.7
YTLPOWR	1.03	0.96	-6.8%	Sell	7,906	0.82	8.3	8.7	12.4	11.8	4.9	4.9	1.40	-26.5	0.73	41.1	-20.2
TELECOMMUNICATIONS																	
AXIATA	4.43	5.60	26.4%	Buy	40,179	1.85	12.9	16.2	34.4	27.3	2.5	3.1	5.82	-23.9	3.76	17.8	-19.3
DIGI	4.61	5.15	11.7%	Buy	35,843	1.00	19.6	20.2	23.5	22.8	4.3	4.4	5.10	-9.6	3.93	17.3	-9.6
MAXIS	5.77	5.90	2.3%	Sell	45,102	0.95	24.4	24.1	23.6	23.9	3.5	3.5	6.14	-6.0	5.21	10.7	-4.0
TM	3.03	3.30	8.9%	Sell	11,387	1.44	16.0	15.3	18.9	19.9	6.3	6.3	6.50	-53.4	3.00	1.0	-51.9
TECHNOLOGY																	
<i>Semiconductor & Electronics</i>																	
ELSOFT	3.35	3.75	11.9%	Buy	928	0.41	13.0	14.9	25.7	22.5	2.8	3.1	3.47	-3.5	2.22	50.9	24.1
Note: ELSOFT proposed bonus issue shares on the basis of 1 for 5. For more detail please refer to 29.08.2018 report.																	
INARI	2.21	2.50	13.1%	Buy	6,973	0.57	7.9	9.2	27.9	24.0	3.0	3.3	2.56	-13.7	1.54	43.5	-2.5
MPI	12.28	13.45	9.5%	Hold	2,442	0.67	70.8	80.4	17.3	15.3	2.4	2.6	14.52	-15.4	7.57	62.2	-2.7
UNISEM	2.97	3.30	11.1%	Buy	2,159	0.88	13.2	18.7	22.4	15.8	3.7	3.7	4.10	-27.6	1.60	85.6	-18.6
TRANSPORTATION																	
<i>Airlines</i>																	
AIRASIA	3.03	3.15	4.0%	Buy	10,126	0.86	28.3	28.3	10.7	10.7	26.4	2.6	4.75	-36.2	2.92	3.8	-9.6
AIRPORT	9.30	8.79	-5.5%	Sell	15,430	0.92	33.8	35.7	27.6	26.1	1.6	1.1	9.98	-6.8	7.98	16.5	5.8
<i>Freight & Tankers</i>																	
PTRANS	0.28	0.42	52.7%	Buy	380	na	2.5	3.4	10.8	8.1	3.6	3.7	0.35	-21.4	0.23	22.2	-1.8
TNLOGIS	0.97	1.10	14.0%	Buy	440	0.89	10.0	9.7	9.6	9.9	0.0	4.1	1.64	-41.2	0.93	3.8	-28.0
WPRTS	3.72	3.78	1.6%	Sell	12,685	0.59	15.6	20.0	23.8	18.6	3.1	4.0	3.95	-5.8	3.10	20.0	0.5

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

Company	Share Price (\$S)	Target Price (\$S)	% upside	Recom	Market Cap. (\$Bm)	Beta	EPS (cent)		PER (X)		Div Yield (%)		52week		52week		% Chg YTD
							FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
BANKS & FINANCIAL SERVICES																	
DBS	24.34	32.80	34.8%	Buy	62,211	1.24	212.9	246.6	11.4	9.9	3.7	3.7	30.8	-20.9	19.68	23.7	-0.4
OCBC	11.04	14.50	31.3%	Buy	46,257	1.22	109.4	123.1	10.1	9.0	6.7	7.7	14.0	-21.4	10.83	1.9	-10.9
UOB	25.94	33.70	29.9%	Buy	43,254	1.23	229.6	255.3	11.3	11.3	3.1	3.1	30.4	-14.6	22.79	13.8	-1.3
PLANTATIONS																	
WILMAR	3.15	3.27	3.8%	Hold	20,155	0.76	22.5	25.1	14.0	12.5	3.2	3.2	3.4	-7.9	2.97	6.1	1.9
IFAR	0.18	0.20	9.3%	Sell	262	1.13	3.0	3.0	6.0	6.1	2.3	2.3	0.5	-61.1	0.18	0.0	-53.1

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.