

# Daily Brief

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

Chartist: Stephen Soo

Tel: +603-2167 9607

stsoo@ta.com.my

www.taonline.com.my

## Market View *Corrections in the US and Europe to Drag Stocks Lower*

Blue chips slumped on Wednesday, with major utilities, telcos and consumer names leading losses amid concerns over competition from sector reforms and new taxes expected to be proposed in the upcoming Budget 2019. The KLCI plunged 38.97 points, or 2.2 percent to close at 1,735.18, off the opening high of 1,781.79 and low of 1,732.50, as losers trashed gainers 994 to 116 on active trade totaling 3.02bn shares worth RM2.96bn.

### **Key Supports at 1,722/1,697; Resistance at 1,742/1,762**

The overnight corrections in the US and European markets, dampened by the lingering concerns about the outlook for interest rates following a recent increase in treasury yield, should filter through to drag the local market lower. Immediate key retracement supports are now at 1,722, the 61.8%FR of the rise from 1,657 low on 28 June to the 1,826.9 high of 28 August, followed by 1,697, the 76.4%FR, and then 1,680. Overhead resistance is at 1,742 (50%FR) and 1,762 (38.2%FR), followed by 1,780.

### **SELL CIMB & Maybank**

Bearish technical momentum on CIMB point to further correction potential towards the 61.8%FR (RM5.60), with next key support placed at 76.4%FR (RM5.18), while immediate overhead resistance is at the 38.2%FR (RM6.28). Similarly, Maybank should extend correction, with a confirmed breakdown below the 50%FR (RM9.38) to fall towards the 38.2%FR (RM8.98), and stronger retracement support at 23.6%FR (RM8.48), while overhead hurdle is from the 61.8%FR (RM9.78).

### **Asian Markets Subdued as Global Growth and China Worries Lingers**

Asian stock markets were mixed on Wednesday with investors trading cautiously following the mixed cues from Wall Street overnight amid lingering worries about the impact of rising interest rates and U.S.-China tensions. Uncertainty continues to prevail in financial markets across the world, many investors are staying on the sidelines until more clarity emerges in US Treasury and Chinese markets. Benchmark US 10-year Treasury yield touched a 7-1/2-year peak of 3.261 percent and those on 30-year bonds hit their highest in more than four years. Traders largely ignored comments on Tuesday from US President Donald Trump in which he said the Federal Reserve was going too fast in raising rates when inflation was minimal and government data pointed to a strong economy. Meanwhile, according to a Reuters poll, analysts expect the Chinese yuan to recover from some of its recent losses against the greenback over the next year on hopes that U.S.-China trade tensions and risks in emerging markets will ease.

In Japan, the Nikkei 225 bounced back to close higher by 0.16 percent at 23,506.04 after being in largely flat territory earlier as investors picked up defensive stocks on the dips. Australia's ASX 200 gained 0.14 percent to close at 6,049.8, with most sectors higher. Over on the mainland, the Shanghai composite saw a rebound, advancing by 0.18 percent to close at 2,725.84. The Shenzhen composite, on the other hand, declined by 0.147 percent to end the trading day at about 1,383.05. Elsewhere, South Korea's Kospi closed lower, slipping by 1.12 percent at 2,228.61.

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**Lingering Rate Concerns Contribute To Sell-Off On Wall Street**

U.S. stocks suffered an unusually brutal decline Wednesday, as worries of rapidly rising rates and a steep decline in tech shares sent Wall Street on pace for its worst day in eight months. Market action has been adversely affected by higher bond yield and interest rates, both of which could signal a new phase in postcrisis markets that have enjoyed a protracted period of ultralow yield. A rise in yield results in steeper borrowing costs for corporations and investors, and has caused a reassessment of equity valuations, already deemed lofty by some measures. Traders were also looking ahead to the start of the third-quarter earnings season, which unofficially begins later this week with results from major financial institutions. Broadly speaking, earnings growth is expected to be strong, which could provide an underpinning to equity prices, although there have been some concerns that expectations are too high, which could lead to disappointments.

The tech-heavy Nasdaq Composite dropped more than 4 percent, extending its declines for the month to 7.8 percent. The index is suffering its worst start to a fourth quarter since 2008 when it fell 21 percent. Other growth sectors including consumer-discretionary and communications shares posted big declines as well. Shares of Amazon declined 6.2 percent on Wednesday, while Netflix slid 8.4 percent. Facebook and Apple also fell more than 4 percent each.

The Dow Jones Industrial Average fell 831.83 points, or 3.15 percent, to 25,598.74, the S&P 500 lost 94.66 points, or 3.29 percent, to 2,785.68 and the Nasdaq Composite dropped 315.97 points, or 4.08 percent, to 7,422.05.

## News In Brief *Corporate*

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Malaysia's third push to build a **national car** brand may see it sourcing parts from Southeast Asian neighbors, as the region forges stronger ties to weather out the U.S.-China trade tensions. Prime Minister Tun Dr Mahathir Mohamad's dream of developing a homegrown automotive brand has courted interest from neighbouring countries (*StarBiz*).

Damansara MP Tony Pua said the Malaysian Government is not terminating the **Mass Rapid Transit Line 2 (MRT2)** underground work project because the government plans to award the project to a contractor which can undertake the work at a lower cost. Pua wrote this in an open letter to MMC Gamuda KVMRT Sdn Bhd, a joint venture between **Gamuda Bhd** and **MMC Corp Bhd** (*The Edge*).

Passenger traffic at the 39 airports in the countries **Malaysia Airports Holdings Bhd** (MAHB) operates in rose 1.3% in September to 7.75mn from 7.65mn in the same month last year. International traffic climbed 0.9% YoY to 4mn passengers, while domestic traffic rose 1.6% YoY to 3.75mn passengers. There was double-digit growth in passenger movements to and from Oman, Saudi Arabia, South Korea, Vietnam, Ethiopia and Iraq in September (*The Edge*).

**Proton Holdings Bhd** expects to help bring in an initial investment of RM170mn into the country through collaboration agreements signed between its vendors and their overseas counterparts. The first batch of agreements, inked today by 14 local and foreign vendors, ranged in scope from joint ventures to technical assistance for the local production of the newly-introduced Proton X70 sport utility vehicle (SUV) (*Bernama*).

**MMC Gamuda KVMRT (T) Sdn Bhd** (MMC Gamuda) hopes the government will invite the company back to the negotiation table as part of the MRT 2 Underground Contract review process. If invited back, MMC Gamuda would adopt an open book approach with the appointment of an international engineering consulting firm that possessed the necessary experience and track record in assessing tunnelling works around the world (*Bernama*).

Shareholders of **Top Glove Corp Bhd** has approved a resolution removing Low Chin Guan as director of the company with immediate effect. Low was made a director of Top Glove following the company's acquisition of Aspion Sdn Bhd from him in April 2018. Shareholders also approved the company's one-for-one bonus share issue, which entailed up to 1.28bn new ordinary shares in the company (*StarBiz*).

**Northport (Malaysia) Bhd** did not set off the flood-warning siren as was spread on social media yesterday. Its corporate communications department said in a statement that the WhatsApp message did not come from the company. Northport said it always monitors the situation at the port and will inform the relevant authorities if the water rises to a dangerous level (*Bernama*).

**mTouche Technology Bhd** has aborted its plan to jointly develop and operate the SMART4 public phone and WiFi hub terminal for Thai state-owned telecommunications company TOT PCL with G.I.S. Park (Thailand) Co Ltd. There were certain issues relating to the due diligence review which cannot be resolved to the satisfaction of its subsidiary mTouche (Thailand) Co Ltd (*Bursa Malaysia*).

**CNI Holdings Bhd** has suspended its multi-level marketing (MLM) business activities in Myanmar after local authorities banned the use of such methods. The Ministry of Commerce Myanmar had on Sept 18 issued a notification prohibiting the business of MLM in Myanmar (*Bursa Malaysia*).

**MCE Holdings Bhd** will manufacture and sell window regulators to Proton and Geely Motor customers in Malaysia under a technical assistance agreement with China-based Shanghai SIIC Transportation Electric Co Ltd (STEC) (*The Edge*).

LEAP Market-listed **Red Ideas Holdings Bhd**, which developed the neighbourhood community app JaGaApp, has teamed up with Parcel 365 to operate community parcel lockers at neighbourhoods. Under the collaboration, the two companies will set up the community parcel lockers at 50 neighbourhoods managed by Red Ideas (*The Edge*).

**LPI Capital Bhd** kicked off the third quarter results season on Wednesday, with net profit dipping by 0.4% to RM91.81mn due to a challenging year for the insurance sector. However, its profit before tax rose 1.4% to RM116.63mn from RM115.03mn due to the investment holding segment, which recorded an increase of 11.5% (*StarBiz*).

## News In Brief *Economy*

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### *Global* **IMF Warns of Possible Emerging-Markets Crisis**

A new study by the International Monetary Fund (IMF) projects emerging economies will muddle through recent market turbulence without a severe shock to their financial systems, but flags an outside chance of a crisis. A few countries, such as Argentina, are expected to suffer contractions. But most will continue to experience growth, despite sometimes drastic declines in their currencies, the IMF said in its Financial Stability Report, released at its annual meetings in Indonesia. In a “severely adverse” scenario, the IMF says capital could flood out of countries at a pace not seen since the 2008 global financial crisis. The IMF’s managing director, Christine Lagarde, warned in a speech last week that the pressure on emerging markets “could lead to market corrections, sharp exchange-rate movements and further weakening of capital flows.” Emerging-market stability took on renewed focus this week when Pakistan became the latest country to seek a bailout from the IMF, hoping that the funds will give it enough to shore up its governments’ finances. Earlier this year, Argentina sought a bailout after its currency plunged. Just a few months after receiving a \$50 billion bailout, Argentina’s currency declined further and the nation got an even larger IMF bailout. (WSJ)

### *Malaysia* **Tun Mahathir's New Car Brand to be ASEAN Effort to Weather Trade War**

Malaysia’s third push to build a national car brand may see it sourcing parts from Southeast Asian neighbors, as the region forges stronger ties to weather out the U.S.-China trade tensions. Prime Minister Tun Dr Mahathir Mohamad’s dream of developing a homegrown automotive brand has courted interest from neighboring countries, Minister of International Trade and Industry Darell Leiking said in an interview with Bloomberg Television. “What Tun Mahathir meant was that he needed something where Malaysians can get together, ASEAN can get together, to supply components of this vehicle and make it into a national car in ASEAN, not only in Malaysia,” said Leiking. “It’s ambitious but I think that it’s necessary now, more so when you want to create an economic bloc like ASEAN.” As a trade war between the U.S. and China deepens, the 10-country Association of Southeast Asian Nations, or ASEAN, has benefited from its fallout as companies shift orders and move production bases to the region. (The Star)

### **Malaysia Palm Oil Inventory Up 1.45% in September**

Malaysia’s total palm oil inventories grew 1.45% to 2.54 million tonnes in September from 2.5 million tonnes in August, as palm oil output levels increased 14.4%, partly offset by a rise in exports. Figures released by the Malaysian Palm Oil Board (MPOB) showed that crude palm oil stocks in the world’s second largest palm producer grew 10.79% amid growth in Peninsular Malaysia, Sabah and Sarawak, while processed palm oil stocks fell 8.29% due to declines in the three areas. Total production for the month grew 14.4% to 1.85 million in September from 1.62 million in August. Palm oil exports for September surged 47.2% month-on-month to 1.62 million tonnes from 1.1 million tonnes. (The Edge)

**Asia** **Australia's Consumer Sentiment Rises in October**

Australia's consumer confidence rebounded in October, survey data from Westpac showed. The Westpac Melbourne Institute Index of Consumer Sentiment rose 1% to 101.5 in October. Several positive components namely strong economic growth, a solid labor market and ongoing recoveries in the previously weak mining states, helped to stabilize the index. As a result, the index remained above 100 suggesting that optimists outnumber pessimists. Concerns around interest rates and house prices are still apparent, Westpac said. The sub-group detail showed sentiment amongst households with a mortgage continued to weaken in October, dipping a further 0.8%. The 'finances vs a year ago' sub-index rose 2.6% and remained above levels this time last year. At the same time, the 'economic outlook, next 12 months' sub-index posted a solid 2.3% growth but longer term expectations continued to soften. The 'time to buy a major household item' sub-index inched up 0.1% but was around the lowest levels seen since November last year. (RTT)

**Japan Core Machine Orders Jump 6.8% in August**

The total value of core machine orders in Japan spiked a seasonally adjusted 6.8% on month in August, the Cabinet Office said - worth 981.5 billion yen. That beat expectations for a decline of 3.9% following the 11.0% spike in July. On a yearly basis, core machine orders jumped 12.6% - again exceeding expectations for 1.8% after soaring 13.9% in the previous month. The total value of machinery orders received by 280 manufacturers operating in Japan - including volatile ones for ships and from electric power companies - climbed 1.8% on month in August. (RTT)

**Singapore Central Banker Strikes Upbeat Tone Amid Trade Tensions**

Global economic risks may have risen but there's no need to overreact just yet, said Singapore's central bank chief Ravi Menon. "Dark clouds are an appropriate phrase but it's not raining yet," Menon, managing director at the Monetary Authority of Singapore, said in an interview on Bloomberg Television. "I don't want to paint too glossy a picture on it but I don't think we should overreact." Menon struck a relatively upbeat outlook for the world economy, cutting through the gloom that's followed escalating trade tensions between the U.S. and China, among Singapore's largest trading partners, and a global emerging-market rout. The International Monetary Fund on Tuesday cut its global growth forecast for the first time in more than two years, while early indicators already show a possible slide in manufacturing. The MAS chief said he's taking a balanced view, pointing to still solid growth in Asia, despite an expected slowdown in China, and a U.S. economy that's "chugging along." "We're not seeing any major collapses in growth in any part of the world," said Menon, 54. "What is interesting I think is the underlying resilience of the global economy." The bulk of trade disputes that dominated the news last year have also largely subsided with the exception of the conflict between the U.S. and China, he said. (The Star)

**United States** **Business Prices Firmed Up in September**

A gauge of U.S. business prices showed signs of bouncing back in September after a slowdown over the summer. The producer-price index, a measure of the prices businesses receive for their goods and services, increased a seasonally adjusted 0.2% in September from a month earlier, the Labor Department said Wednesday. The rise in September prices came after two months of sluggishness and was propelled by a hefty increase in transportation prices. Prices excluding the often-volatile food, energy and trade-services categories were up a robust 0.4% in September, the largest monthly increase since January. From a year earlier, overall producer prices rose 2.6% in September. Producer-price inflation measured on a 12-month basis peaked at 3.4% in June, but has since weakened each subsequent month. So-called core prices, though, have been stronger. Excluding food, energy and trade, prices rose 2.9% on the year in September after gradually moving upward this year. In the longer term, annual gains in the overall index have risen since the beginning of 2016, while the core measure has also drifted higher. (WSJ)

**U.S. Wholesale Inventories Jump More than Expected in August**

A report released by the Commerce Department showed a bigger than expected increase in wholesale inventories in the U.S. in the month of August. The Commerce Department said wholesale inventories jumped by 1.0% in August after rising by 0.6% in July. Economists had expected wholesale inventories to climb by 0.8%. The bigger than expected increase in wholesale inventories came as inventories of non-durable goods surged up by 1.2% amid substantial increases in inventories of farm products, chemicals, and drugs. Inventories of durable goods also climbed by 0.9%, partly reflecting a 3.5% spike in inventories of automotive products. The Commerce Department also said wholesale sales increased by 0.8% in August after edging up by 0.2% in July. Sales of durable goods jumped by 1.3% amid sharp increases in sales of computer equipment, professional equipment, and metals. (RTT)

***Eurozone* UK Economy's Summer Surge Turns Out Stronger than Expected**

The British economy's summer surge turned out to be stronger than expected as hot weather spurred consumer spending, although a weak August hinted at slower growth ahead of Brexit next year. The economy expanded 0.7% during the three months to August, the Office for National Statistics (ONS) said, beating the consensus in a poll of economists for growth of 0.6%. While Wednesday's data is likely to come as a pleasant surprise to Bank of England officials who had expected to see slower growth over the third quarter, they will be more cautious about the coming months. More recent private-sector business surveys point to fairly modest economic growth, suggesting the hot weather may have been a factor behind the upturn seen over the summer months. In August alone the economy stagnated, the ONS said, compared with forecasts for a rise of 0.1%. In year-on-year terms, growth slowed in August to 1.5% from 1.7% in July. A flat August for the economy came despite a solid rise in oil and gas output, which reflected a smaller-than-usual amount of maintenance taking place in production sites. Manufacturing output, however, contracted and there was no growth in the services industry. Separate trade data showed Britain's goods trade deficit with the rest of the world touched a three-month high in August, despite the smallest gap in EU goods trade since September 2015. (Reuters)

**Share Buy-Back: 10 October 2018**

| Company | Bought Back | Price (RM)  | Hi/Lo (RM)  | Total Treasury Shares |
|---------|-------------|-------------|-------------|-----------------------|
| AMPROP  | 20,000      | 0.64/0.63   | 0.64/0.62   | 18,143,500            |
| BAUTO   | 360,000     | 2.00/1.98   | 2.05/1.88   | 552,400               |
| BJFOOD  | 300,000     | 1.44/1.42   | 1.44/1.41   | 18,500,000            |
| CCK     | 40,000      | 0.785/0.78  | 0.785/0.78  | 1,036,000             |
| CJCEN   | 300,600     | 0.61/0.59   | 0.61/0.59   | 3,825,100             |
| EWEIN   | 700,000     | 0.59/0.535  | 0.595/0.535 | 2,000,000             |
| FIMACOR | 2,500       | 1.81        | 1.84/1.80   | 4,837,900             |
| GLOMAC  | 73,000      | 0.405/0.385 | 0.405/0.385 | 9,472,600             |
| GRANFLO | 90,000      | 0.20        | 0.20/0.19   | 10,800,200            |
| IJM     | 400,000     | 1.62/1.42   | 1.67/1.42   | 5,437,800             |
| INCKEN  | 105,000     | 0.665/0.66  | 0.665/0.66  | 19,913,400            |
| KERJAYA | 200,000     | 1.20/1.15   | 1.20/1.13   | 2,123,700             |
| KOMARK  | 10,000      | 0.15        | 0.00        | 9,076,100             |
| KPJ     | 1,300,000   | 1.10        | 0.145/0.14  | 95,129,200            |
| LIENHOE | 332,800     | 0.31        | 0.315/0.305 | 21,105,700            |
| MALAKOF | 800,000     | 0.87/0.865  | 0.88/0.855  | 92,124,400            |
| MITRA   | 255,600     | 0.39/0.38   | 0.445/0.38  | 1,097,700             |
| MKH     | 89,600      | 1.24/1.23   | 1.26/1.23   | 4,202,800             |
| N2N     | 354,400     | 1.20/1.17   | 1.22/1.17   | 29,042,500            |
| P&O     | 8,000       | 1.04        | 1.04/1.03   | 8,372                 |
| PRESTAR | 30,000      | 0.72        | 0.72/0.70   | 8,906,800             |
| SALCON  | 300,000     | 0.24        | 0.25/0.24   | 11,201,827            |
| SUNWAY  | 1,260,000   | 1.45/1.38   | 1.47/1.37   | 69,762,362            |
| SYSCORP | 55,000      | 0.30/0.295  | 0.305/0.29  | 24,055,600            |
| TROP    | 75,000      | 0.89/0.88   | 0.90/0.875  | 15,378,242            |
| UNIMECH | 7,100       | 0.99        | 0.995/0.99  | 8,477,910             |
| WTHORSE | 10,000      | 1.70/1.69   | 1.70/1.66   | 11,405,500            |
| YINSON  | 1,800       | 4.56        | 4.83/4.56   | 9,154,900             |

Source: Bursa Malaysia

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**Kaladher Govindan – Head of Research**

TA SECURITIES HOLDINGS BERHAD (14948-M)

A Participating Organisation of Bursa Malaysia Securities Berhad

Menara TA One | 22 Jalan P. Ramlee | 50250 Kuala Lumpur | Malaysia | Tel: 603 – 2072 1277 | Fax: 603 – 2032 5048  
www.ta.com.my



**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 |           |
| <b>AUTOMOBILE</b>  |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| BAUTO  | 1.90             | 2.59              | 36.3%    | Buy   | 2,208             | 0.58 | 12.0      | 17.2  | 15.8    | 11.1 | 5.5           | 6.3  | 2.44       | -22.1 | 1.88      | 1.1   | -12.6     |
| MBMR   | 2.06             | 3.19              | 54.9%    | Buy   | 805               | 0.56 | 31.4      | 31.9  | 6.6     | 6.5  | 3.9           | 3.9  | 2.68       | -23.1 | 2.01      | 2.5   | -6.4      |
| PECCA  | 0.79             | 1.25              | 58.2%    | Buy   | 145               | 0.79 | 6.0       | 7.4   | 13.2    | 10.7 | 6.3           | 6.3  | 1.65       | -52.1 | 0.77      | 3.3   | -49.0     |
| SIME   | 2.63             | 2.82              | 7.2%     | Buy   | 17,886            | 1.38 | 12.6      | 15.7  | 20.9    | 16.7 | 3.0           | 3.6  | 3.04       | -13.4 | 2.01      | 30.8  | 19.9      |
| UMW  | 4.60             | 5.45              | 18.5%    | Sell  | 5,374             | 0.86 | 28.4      | 39.3  | 16.2    | 11.7 | 3.0           | 4.3  | 6.98       | -34.1 | 4.55      | 1.1   | -11.5     |
| <b>BANKS &amp; FINANCIAL SERVICES</b>  |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| ABMB   | 4.10             | 4.30              | 4.9%     | Hold  | 6,347             | 0.94 | 31.9      | 34.9  | 12.9    | 11.7 | 3.7           | 3.9  | 4.49       | -8.7  | 3.62      | 13.3  | 0.5       |
| AFFIN  | 2.38             | 2.20              | -7.6%    | Sell  | 4,624             | 0.82 | 21.7      | 23.4  | 11.0    | 10.2 | 3.4           | 3.4  | 2.70       | -11.9 | 2.22      | 7.1   | 3.0       |
| AMBANK   | 3.99             | 4.20              | 5.3%     | Hold  | 12,027            | 1.32 | 37.6      | 41.5  | 10.6    | 9.6  | 3.8           | 4.5  | 4.90       | -18.6 | 3.40      | 17.4  | -9.5      |
| CIMB   | 5.84             | 6.50              | 11.3%    | Hold  | 54,696            | 1.55 | 53.8      | 57.5  | 10.8    | 10.2 | 4.6           | 4.9  | 7.39       | -21.0 | 5.21      | 12.1  | -10.7     |
| HLBANK   | 20.56            | 21.80             | 6.0%     | Hold  | 42,058            | 0.94 | 129.0     | 145.1 | 15.9    | 14.2 | 2.3           | 2.3  | 21.26      | -3.3  | 14.90     | 38.0  | 20.9      |
| MAYBANK  | 9.51             | 9.60              | 0.9%     | Sell  | 103,951           | 1.05 | 71.4      | 75.7  | 13.3    | 12.6 | 6.1           | 6.1  | 11.08      | -14.2 | 8.68      | 9.6   | -3.0      |
| PBBANK   | 24.98            | 25.80             | 3.3%     | Hold  | 96,976            | 0.83 | 152.5     | 165.6 | 16.4    | 15.1 | 2.5           | 2.6  | 26.16      | -4.5  | 19.90     | 25.5  | 20.2      |
| RHBBANK  | 5.21             | 5.70              | 9.4%     | Hold  | 20,892            | 1.34 | 55.2      | 60.7  | 9.4     | 8.6  | 3.5           | 3.5  | 5.88       | -11.4 | 4.71      | 10.6  | 4.2       |
| BURSA  | 7.71             | 8.07              | 4.7%     | Sell  | 6,226             | 0.90 | 29.2      | 30.0  | 26.4    | 25.7 | 3.1           | 3.1  | 8.12       | -5.0  | 6.25      | 23.4  | 15.5      |
| <b>BUILDING MATERIALS</b>  |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| ANNJOO   | 1.67             | 2.47              | 47.9%    | Buy   | 898               | 1.70 | 32.2      | 35.1  | 5.2     | 4.8  | 9.3           | 10.8 | 3.98       | -58.0 | 1.63      | 2.5   | -56.7     |
| CHINHIN  | 0.75             | 0.79              | 6.0%     | Hold  | 410               | 1.24 | 5.0       | 8.6   | 14.9    | 8.7  | 3.4           | 5.4  | 1.32       | -43.6 | 0.73      | 2.1   | -38.4     |
| CMSB   | 2.77             | 4.25              | 53.4%    | Buy   | 2,966             | 1.66 | 24.2      | 24.9  | 11.4    | 11.1 | 3.5           | 3.6  | 4.42       | -37.3 | 1.74      | 59.2  | -29.0     |
| CSCSTEL  | 1.18             | 1.34              | 13.6%    | Hold  | 436               | 0.92 | 12.9      | 16.2  | 9.2     | 7.3  | 5.8           | 7.3  | 1.77       | -33.3 | 1.11      | 6.3   | -23.4     |
| ENGTEX   | 0.98             | 1.22              | 25.1%    | Buy   | 425               | 0.91 | 10.5      | 14.4  | 9.3     | 6.8  | 1.6           | 2.9  | 1.23       | -20.7 | 0.95      | 2.6   | -11.4     |
| <b>CONSTRUCTION</b>  |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| GADANG   | 0.69             | 0.94              | 36.2%    | Buy   | 457               | 1.44 | 16.0      | 14.4  | 4.3     | 4.8  | 4.3           | 4.3  | 1.28       | -46.1 | 0.64      | 7.8   | -37.8     |
| GAMUDA   | 2.07             | 3.08              | 48.8%    | Sell  | 5,109             | 1.07 | 33.2      | 24.7  | 6.2     | 8.4  | 5.8           | 5.8  | 5.31       | -61.0 | 2.03      | 2.0   | -58.3     |
| GDB  | 0.31             | 0.52              | 67.7%    | Buy   | 194               | na   | 4.6       | 5.2   | 6.7     | 6.0  | 3.9           | 4.8  | 0.45       | -31.1 | 0.28      | 12.7  | 5.1       |
| IJM  | 1.45             | 1.44              | -0.7%    | Sell  | 5,264             | 1.17 | 9.6       | 11.7  | 15.1    | 12.4 | 4.1           | 4.1  | 3.35       | -56.7 | 1.42      | 2.1   | -52.5     |
| KAB  | 0.27             | 0.37              | 39.6%    | Buy   | 85                | na   | 3.1       | 3.7   | 8.6     | 7.2  | 3.8           | 4.5  | 0.33       | -19.7 | 0.20      | 32.5  | -11.7     |
| PESONA   | 0.27             | 0.33              | 22.2%    | Buy   | 188               | 1.09 | 2.0       | 3.8   | 13.2    | 7.2  | 5.6           | 5.6  | 0.57       | -52.6 | 0.26      | 5.9   | -40.0     |
| SENDAI   | 0.78             | 0.70              | -9.7%    | Sell  | 605               | 1.18 | 9.9       | 8.7   | 7.9     | 8.9  | 1.3           | 1.3  | 1.09       | -28.9 | 0.66      | 18.3  | -10.4     |
| SUNCON   | 1.37             | 1.93              | 40.9%    | Buy   | 1,770             | 1.08 | 12.7      | 13.8  | 10.8    | 9.9  | 5.8           | 6.6  | 2.64       | -48.1 | 1.32      | 3.8   | -45.4     |
| WCT  | 0.81             | 0.99              | 22.2%    | Buy   | 1,120             | 0.91 | 7.8       | 10.5  | 10.4    | 7.7  | 3.7           | 3.7  | 1.83       | -55.7 | 0.70      | 16.5  | -50.0     |
| LITRAK   | 4.33             | 5.64              | 30.3%    | Hold  | 2,286             | 0.21 | 43.3      | 42.8  | 10.0    | 10.1 | 5.8           | 5.8  | 6.00       | -27.8 | 3.63      | 19.3  | -22.0     |
| <b>CONSUMER</b>  |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| <i>Brewery</i>   |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| CARLSBG  | 19.44            | 20.65             | 6.2%     | Buy   | 5,980             | 0.60 | 89.3      | 93.2  | 21.8    | 20.9 | 4.6           | 4.8  | 20.88      | -6.9  | 14.70     | 32.3  | 27.8      |
| HEIM   | 19.90            | 23.11             | 16.1%    | Hold  | 6,012             | 0.53 | 95.2      | 103.3 | 20.9    | 19.3 | 4.6           | 5.0  | 24.02      | -17.2 | 17.30     | 15.0  | 5.3       |
| <i>Retail</i>  |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| AEON   | 1.64             | 2.53              | 54.3%    | Buy   | 2,303             | 0.39 | 7.1       | 8.8   | 23.2    | 18.5 | 2.7           | 3.0  | 2.65       | -38.1 | 1.45      | 13.1  | -6.8      |
| AMWAY  | 6.98             | 7.94              | 13.8%    | Hold  | 1,147             | 0.63 | 29.2      | 30.8  | 23.9    | 22.7 | 3.7           | 3.9  | 8.52       | -18.1 | 6.61      | 5.6   | -4.5      |
| F&N  | 35.76            | 30.69             | -14.2%   | Sell  | 13,108            | 0.59 | 96.0      | 114.0 | 37.3    | 31.4 | 2.0           | 2.1  | 40.00      | -10.6 | 23.40     | 52.8  | 32.4      |
| HUPSENG  | 1.00             | 1.25              | 25.0%    | Buy   | 800               | 0.58 | 5.8       | 6.2   | 17.2    | 16.2 | 6.0           | 6.0  | 1.20       | -16.7 | 1.00      | 0.5   | -8.3      |
| JOHOTIN  | 0.88             | 1.16              | 32.6%    | Buy   | 272               | 1.12 | 8.1       | 8.5   | 10.8    | 10.3 | 5.7           | 6.3  | 1.52       | -42.4 | 0.88      | 0.0   | -27.7     |
| NESTLE   | 146.00           | 162.00            | 11.0%    | Hold  | 34,237            | 0.55 | 317.5     | 350.2 | 46.0    | 41.7 | 2.1           | 2.2  | 163.00     | -10.4 | 85.22     | 71.3  | 41.5      |
| PADINI   | 5.65             | 7.20              | 27.4%    | Buy   | 3,717             | 0.73 | 27.8      | 34.8  | 20.3    | 16.2 | 2.2           | 2.3  | 6.20       | -8.9  | 4.12      | 37.2  | 7.3       |
| POHUAT   | 1.36             | 1.74              | 27.9%    | Buy   | 299               | 0.61 | 17.2      | 22.0  | 7.9     | 6.2  | 4.4           | 5.9  | 2.07       | -34.3 | 1.15      | 18.3  | -24.0     |
| QL   | 6.91             | 6.57              | -4.9%    | Sell  | 11,211            | 0.66 | 12.7      | 13.0  | 54.4    | 53.0 | 0.7           | 0.7  | 7.08       | -2.4  | 3.82      | 80.9  | 58.9      |
| SIGN   | 0.45             | 0.67              | 48.9%    | Buy   | 102               | 0.79 | 4.8       | 6.1   | 9.4     | 7.4  | 3.3           | 5.6  | 0.97       | -53.4 | 0.44      | 2.3   | -36.2     |
| <i>Tobacco</i>   |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| BAT  | 35.00            | 28.29             | -19.2%   | Sell  | 9,994             | 1.07 | 152.7     | 148.0 | 22.9    | 23.7 | 4.0           | 4.0  | 43.50      | -19.5 | 22.46     | 55.8  | -12.5     |
| <b>GAMING</b>  |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| <i>Casino</i>  |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| GENTING  | 7.30             | 10.26             | 40.5%    | Buy   | 28,109            | 0.93 | 59.8      | 64.8  | 12.2    | 11.3 | 2.2           | 2.2  | 9.74       | -25.1 | 7.25      | 0.7   | -20.0     |
| GENM   | 4.66             | 5.93              | 27.3%    | Buy   | 26,360            | 1.23 | 28.7      | 32.0  | 16.3    | 14.6 | 2.6           | 2.8  | 5.73       | -18.7 | 4.59      | 1.5   | -15.9     |
| <i>NFO</i>   |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| BJTOTO   | 2.18             | 2.80              | 28.4%    | Buy   | 2,936             | 0.71 | 19.6      | 29.8  | 11.1    | 7.3  | 7.3           | 11.9 | 2.62       | -16.8 | 2.06      | 5.8   | -2.7      |
| <b>HEALTHCARE</b>  |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| <i>Hospitals/ Pharmaceutical</i>   |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| CCMDBIO  | 1.15             | 1.52              | 32.2%    | Buy   | 761               | 0.45 | 6.8       | 7.5   | 16.8    | 15.4 | 4.0           | 4.3  | 1.49       | -22.8 | 0.88      | 30.3  | 6.1       |
| IHH  | 5.25             | 5.60              | 6.7%     | Hold  | 43,285            | 0.66 | 8.0       | 8.8   | 65.3    | 59.5 | 0.4           | 0.4  | 6.42       | -18.2 | 4.96      | 5.8   | -10.4     |
| KPJ  | 1.10             | 1.20              | 9.1%     | Hold  | 4,628             | 0.50 | 4.1       | 4.5   | 26.8    | 24.6 | 2.1           | 2.3  | 1.17       | -6.0  | 0.84      | 31.0  | 13.4      |
| <i>Rubber Gloves</i>   |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| HARTA  | 6.09             | 4.90              | -19.5%   | Sell  | 20,261            | 0.99 | 13.2      | 14.6  | 46.1    | 41.8 | 1.6           | 1.6  | 7.45       | -18.3 | 3.44      | 77.0  | 14.0      |
| KOSSAN   | 4.25             | 4.73              | 11.3%    | Hold  | 5,435             | 0.55 | 15.4      | 17.5  | 27.6    | 24.3 | 1.4           | 1.6  | 4.72       | -10.0 | 3.19      | 33.2  | 4.8       |
| SUPERMX  | 2.76             | 4.75              | 72.1%    | Buy   | 1,810             | 0.54 | 16.3      | 19.8  | 16.9    | 14.0 | 2.9           | 2.9  | 4.61       | -40.1 | 1.76      | 56.8  | 38.0      |
| <i>Note: SUPERMX proposed bonus issue shares on the basis of 1 for 1. For more detail please refer to 30.08.2018 report.</i> |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| TOPGLOV  | 10.50            | 12.91             | 23.0%    | Buy   | 13,421            | 0.26 | 35.6      | 41.8  | 29.5    | 25.1 | 1.4           | 1.7  | 12.48      | -15.9 | 5.62      | 86.8  | 31.4      |
| KAREX  | 0.66             | 0.51              | -22.1%   | Sell  | 657               | 0.59 | 1.0       | 1.6   | 65.0    | 41.8 | 0.4           | 0.6  | 1.67       | -60.8 | 0.50      | 31.0  | -49.6     |
| <b>INDUSTRIAL</b>  |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| SCIENTX  | 8.55             | 9.16              | 7.1%     | Hold  | 4,180             | 0.92 | 59.3      | 69.6  | 14.4    | 12.3 | 2.3           | 2.5  | 9.30       | -8.1  | 6.51      | 31.3  | -1.3      |
| SKPRES   | 1.25             | 1.60              | 28.0%    | Buy   | 1,563             | 0.94 | 10.1      | 10.3  | 12.3    | 12.1 | 4.1           | 4.2  | 2.35       | -46.8 | 1.17      | 6.8   | -45.2     |
| <b>MEDIA</b>   |                  |                   |          |       |                   |      |           |       |         |      |               |      |            |       |           |       |           |
| ASTRO  | 1.39             | 1.95              | 40.3%    | Buy   | 7,247             | 1.20 | 12.4      | 11.7  | 11.2    | 11.9 | 9.0           | 7.2  | 2.94       | -52.7 | 1.31      | 6.1   | -47.5     |
| MEDIA PRIMA  | 0.45             | 0.39              | -13.3%   | Sell  | 499               | 0.68 | -5.9      | -4.1  | na      | na   | 0.0           | 0.0  | 0.89       | -49.2 | 0.25      | 80.0  | -40.8     |
| STAR   | 0.77             | 0.95              | 23.4%    | Sell  | 568               | 0.89 | 3.1       | 2.6   | 24.6    | 29.2 | 3.9           | 3.9  | 1.74       | -55.7 | 0.76      | 1.3   | -53.3     |

**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 |           |
| <b>OIL &amp; GAS</b>   |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| DNEX   | 0.39             | 0.69              | 76.9%    | Buy   | 686               | 1.51 | 5.0       | 5.1   | 7.8     | 7.6   | 2.6           | 2.6  | 0.57       | -31.6 | 0.31      | 27.9  | -19.6     |
| LCTITAN  | 4.44             | 6.14              | 38.3%    | Buy   | 10,092            | na   | 42.1      | 48.0  | 10.5    | 9.3   | 4.7           | 5.2  | 6.46       | -31.3 | 4.40      | 0.9   | -5.5      |
| MHB  | 0.64             | 0.78              | 21.9%    | Buy   | 1,024             | 1.40 | -5.6      | 0.4   | na      | 148.7 | 0.0           | 0.0  | 0.98       | -34.7 | 0.61      | 4.9   | -22.4     |
| MISC   | 5.79             | 5.65              | -2.4%    | Sell  | 25,845            | 0.87 | 29.3      | 40.3  | 19.8    | 14.4  | 5.2           | 5.2  | 7.90       | -26.7 | 5.03      | 15.1  | -22.0     |
| PANTECH  | 0.48             | 0.70              | 45.8%    | Buy   | 356               | 0.88 | 6.4       | 6.2   | 7.6     | 7.8   | 5.2           | 5.0  | 0.74       | -35.1 | 0.44      | 9.1   | -25.6     |
| PCHEM  | 9.36             | 10.16             | 8.5%     | Hold  | 74,880            | 0.76 | 57.5      | 58.1  | 16.3    | 16.1  | 3.0           | 3.3  | 10.04      | -6.8  | 7.22      | 29.6  | 21.6      |
| SAPNRG   | 0.36             | 0.33              | -8.3%    | Sell  | 2,157             | 1.93 | -5.0      | -7.0  | na      | na    | 0.0           | 0.0  | 1.62       | -77.8 | 0.33      | 9.1   | -49.3     |
| 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  | 3.98             | 4.72              | 18.6%    | Buy   | 5,845             | na   | 27.5      | 31.4  | 14.4    | 12.7  | 2.3           | 2.5  | 4.23       | -5.9  | 2.45      | 62.4  | 22.8      |
| VELESTO  | 0.27             | 0.34              | 25.9%    | Buy   | 2,218             | 1.89 | 0.0       | 0.2   | 551.5   | 108.5 | 0.0           | 0.0  | 0.48       | -43.8 | 0.22      | 25.6  | -11.5     |
| UZMA   | 1.27             | 1.54              | 21.3%    | Buy   | 406               | 1.26 | 13.9      | 13.5  | 9.2     | 9.4   | 0.0           | 0.0  | 1.67       | -24.0 | 0.93      | 37.3  | -0.8      |
| <b>PLANTATIONS</b>   |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| FGV  | 1.43             | 1.50              | 4.9%     | Sell  | 5,217             | 1.59 | -3.4      | -0.5  | na      | na    | 0.0           | 0.0  | 2.18       | -34.4 | 1.43      | 0.0   | -15.4     |
| IJMLNT   | 2.23             | 1.84              | -17.5%   | Sell  | 1,964             | 0.45 | 7.9       | 7.1   | 28.3    | 31.3  | 2.2           | 2.2  | 3.01       | -25.9 | 2.08      | 7.2   | -18.6     |
| IOICORP  | 4.52             | 5.06              | 11.9%    | Buy   | 27,601            | 0.81 | 17.8      | 19.6  | 25.4    | 23.1  | 4.5           | 2.5  | 4.81       | -6.0  | 4.21      | 7.5   | 2.0       |
| KFIMA  | 1.52             | 1.89              | 24.3%    | Buy   | 428               | 0.64 | 14.7      | 13.1  | 10.3    | 11.6  | 5.9           | 5.9  | 1.76       | -13.6 | 1.44      | 5.6   | -3.2      |
| KLK  | 24.94            | 22.37             | -10.3%   | Sell  | 26,560            | 0.57 | 83.3      | 90.6  | 29.9    | 27.5  | 1.8           | 1.8  | 25.98      | -4.0  | 23.26     | 7.2   | -0.2      |
| SIMEPLT  | 5.24             | 5.88              | 12.2%    | Buy   | 35,636            | na   | 18.8      | 18.3  | 27.8    | 28.6  | 3.3           | 2.9  | 5.97       | -12.2 | 4.55      | 15.1  | -12.2     |
| TSH  | 1.10             | 1.04              | -5.5%    | Sell  | 1,519             | 0.46 | 3.8       | 4.3   | 29.3    | 25.3  | 1.4           | 1.4  | 1.71       | -35.7 | 1.05      | 4.8   | -33.3     |
| UMCCA  | 5.94             | 4.11              | -30.8%   | Sell  | 1,246             | 0.42 | 18.5      | 12.4  | 32.1    | 48.1  | 2.0           | 2.0  | 7.08       | -16.1 | 5.85      | 1.5   | -8.8      |
| <b>PROPERTY</b>  |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| GLOMAC   | 0.40             | 0.43              | 8.9%     | Hold  | 312               | 0.55 | 1.5       | 1.6   | 27.2    | 24.4  | 3.8           | 3.8  | 0.61       | -35.6 | 0.38      | 3.9   | -28.8     |
| HUAYANG  | 0.43             | 0.50              | 17.6%    | Hold  | 150               | 0.72 | 1.3       | 2.2   | 34.0    | 19.2  | 0.0           | 0.0  | 0.85       | -49.7 | 0.42      | 2.4   | -30.3     |
| IBRACO   | 0.45             | 0.59              | 31.1%    | Hold  | 223               | na   | 4.1       | 8.0   | 11.1    | 5.6   | 4.4           | 4.4  | 0.91       | -50.3 | 0.26      | 73.1  | -44.8     |
| IOIGP  | 1.41             | 1.87              | 32.6%    | Hold  | 7,764             | 0.88 | 14.3      | 14.7  | 9.8     | 9.6   | 3.5           | 3.5  | 2.06       | -31.6 | 1.41      | 0.0   | -23.8     |
| MAHSING  | 1.01             | 1.29              | 27.7%    | Buy   | 2,452             | 0.97 | 9.4       | 9.8   | 10.7    | 10.3  | 5.0           | 5.0  | 1.59       | -36.5 | 0.98      | 3.1   | -30.3     |
| SIMEPROP   | 1.11             | 1.33              | 19.8%    | Hold  | 7,549             | na   | 4.7       | 6.6   | 23.6    | 16.9  | 1.8           | 3.6  | 1.78       | -37.6 | 1.04      | 6.7   | -37.6     |
| SNTORIA  | 0.50             | 0.73              | 46.0%    | Buy   | 279               | 0.62 | 8.3       | 8.7   | 6.0     | 5.7   | 2.0           | 2.0  | 0.73       | -31.3 | 0.45      | 12.4  | -28.1     |
| SPB  | 4.18             | 4.11              | -1.7%    | Sell  | 1,436             | 0.62 | 18.7      | 23.4  | 22.3    | 17.9  | 2.9           | 2.9  | 5.50       | -24.0 | 4.02      | 4.0   | -14.7     |
| SPSETIA  | 2.20             | 3.09              | 40.5%    | Hold  | 8,584             | 0.98 | 9.8       | 16.5  | 22.5    | 13.4  | 3.6           | 4.1  | 4.00       | -45.0 | 2.15      | 2.3   | -45.0     |
| SUNWAY   | 1.39             | 1.64              | 18.0%    | Buy   | 6,750             | 0.88 | 11.8      | 12.2  | 11.8    | 11.4  | 4.3           | 4.3  | 1.83       | -24.0 | 1.37      | 1.5   | -14.7     |
| <b>REIT</b>  |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| SUNREIT  | 1.70             | 1.87              | 10.0%    | Hold  | 5,007             | 0.74 | 9.6       | 10.3  | 17.6    | 16.4  | 5.6           | 6.1  | 1.90       | -10.5 | 1.48      | 14.9  | -10.5     |
| CMMT   | 1.12             | 1.48              | 32.1%    | Buy   | 2,289             | 0.44 | 7.9       | 8.4   | 14.2    | 13.4  | 7.3           | 7.7  | 1.83       | -38.8 | 0.98      | 14.3  | -38.8     |
| <b>POWER &amp; UTILITIES</b>   |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| MALAKOF  | 0.87             | 0.92              | 5.7%     | Buy   | 4,271             | 1.11 | 3.7       | 5.3   | 23.3    | 16.6  | 6.9           | 6.9  | 1.07       | -18.7 | 0.83      | 5.5   | -11.2     |
| PETDAG   | 26.10            | 24.13             | -7.5%    | Sell  | 25,929            | 0.78 | 114.1     | 114.9 | 22.9    | 22.7  | 3.4           | 3.3  | 28.18      | -7.4  | 20.81     | 25.4  | 8.6       |
| PETGAS   | 17.78            | 20.23             | 13.8%    | Buy   | 35,182            | 0.94 | 99.1      | 99.9  | 17.9    | 17.8  | 3.8           | 3.8  | 19.50      | -8.8  | 15.82     | 12.4  | 1.7       |
| TENAGA   | 14.68            | 17.47             | 19.0%    | Buy   | 83,356            | 0.82 | 136.7     | 127.8 | 10.7    | 11.5  | 4.4           | 4.4  | 16.34      | -10.2 | 13.54     | 8.4   | -3.8      |
| YTLPOWER   | 1.00             | 0.96              | -3.5%    | Sell  | 7,637             | 0.81 | 8.4       | 8.8   | 11.9    | 11.3  | 5.0           | 5.0  | 1.40       | -29.0 | 0.73      | 36.3  | -22.9     |
| <b>TELECOMMUNICATIONS</b>  |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| AXIATA   | 3.85             | 5.45              | 41.6%    | Buy   | 34,918            | 1.86 | 12.9      | 16.2  | 29.9    | 23.7  | 2.8           | 3.6  | 5.82       | -33.8 | 3.76      | 2.4   | -29.9     |
| DIGI   | 4.57             | 5.15              | 12.7%    | Buy   | 35,532            | 1.01 | 19.6      | 20.2  | 23.3    | 22.6  | 4.3           | 4.4  | 5.10       | -10.4 | 3.93      | 16.3  | -10.4     |
| MAXIS  | 5.57             | 5.00              | -10.2%   | Sell  | 43,539            | 0.95 | 23.8      | 23.5  | 23.4    | 23.8  | 3.6           | 3.6  | 6.14       | -9.3  | 5.21      | 6.9   | -7.3      |
| TM   | 2.55             | 3.30              | 29.4%    | Sell  | 9,583             | 1.47 | 16.0      | 15.3  | 15.9    | 16.7  | 7.5           | 7.5  | 6.50       | -60.8 | 2.55      | 0.0   | -59.5     |
| <b>TECHNOLOGY</b>  |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| <i>Semiconductor &amp; Electronics</i>   |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| ELSOFT   | 3.20             | 3.75              | 17.2%    | Buy   | 886               | 0.49 | 13.0      | 14.9  | 24.5    | 21.5  | 2.9           | 3.3  | 3.53       | -9.3  | 2.22      | 44.1  | 18.5      |
| Note: ELSOFT proposed bonus issue shares on the basis of 1 for 5. For more detail please refer to 29.08.2018 report.                                     |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| INARI  | 2.30             | 2.50              | 8.7%     | Hold  | 7,280             | 0.53 | 7.9       | 9.2   | 29.2    | 25.0  | 2.9           | 3.2  | 2.56       | -10.0 | 1.58      | 45.2  | 1.7       |
| MPI  | 12.02            | 13.45             | 11.9%    | Buy   | 2,391             | 0.73 | 70.8      | 80.4  | 17.0    | 14.9  | 2.4           | 2.7  | 14.52      | -17.2 | 7.57      | 58.8  | -4.8      |
| N2N  | 1.18             | 1.70              | 44.1%    | Buy   | 672               | 0.50 | 4.0       | 4.9   | 29.8    | 24.3  | 2.3           | 0.8  | 1.37       | -13.9 | 0.67      | 76.1  | 28.3      |
| UNISEM   | 3.01             | 3.30              | 9.6%     | Hold  | 2,189             | 0.87 | 13.2      | 18.7  | 22.7    | 16.1  | 3.7           | 3.7  | 4.05       | -25.7 | 1.60      | 88.1  | -17.5     |
| <b>TRANSPORTATION</b>  |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| <i>Airlines</i>  |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| AIRASIA  | 2.84             | 3.15              | 10.9%    | Buy   | 9,491             | 0.89 | 28.3      | 28.3  | 10.0    | 10.0  | 28.2          | 2.8  | 4.75       | -40.2 | 2.80      | 1.4   | -15.2     |
| AIRPORT  | 8.55             | 8.79              | 2.8%     | Sell  | 14,186            | 0.90 | 33.8      | 35.7  | 25.3    | 24.0  | 1.8           | 1.2  | 9.98       | -14.3 | 7.98      | 7.1   | -2.7      |
| <i>Freight &amp; Tankers</i>   |                  |                   |          |       |                   |      |           |       |         |       |               |      |            |       |           |       |           |
| PTRANS   | 0.29             | 0.42              | 47.4%    | Buy   | 394               | na   | 2.5       | 3.4   | 11.2    | 8.4   | 3.5           | 3.6  | 0.34       | -14.9 | 0.23      | 26.7  | 1.8       |
| TNLOGIS  | 0.93             | 1.10              | 18.9%    | Buy   | 422               | 0.86 | 10.0      | 9.7   | 9.2     | 9.5   | 0.0           | 4.3  | 1.55       | -40.3 | 0.90      | 2.8   | -31.0     |
| WPRTS  | 3.54             | 3.78              | 6.8%     | Sell  | 12,071            | 0.58 | 15.6      | 20.0  | 22.7    | 17.7  | 3.3           | 4.2  | 3.95       | -10.4 | 3.10      | 14.2  | -4.3      |

**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     |       | 52week    |       | % Chg YTD |
|---------------------------------------|-------------------|--------------------|----------|-------|--------------------|------|------------|-------|---------|------|---------------|------|------------|-------|-----------|-------|-----------|
|                                       |                   |                    |          |       |                    |      | FY18       | FY19  | FY18    | FY19 | FY18          | FY19 | High Price | % Chg | Low Price | % Chg |           |
| <b>BANKS &amp; FINANCIAL SERVICES</b> |                   |                    |          |       |                    |      |            |       |         |      |               |      |            |       |           |       |           |
| DBS                                   | 24.95             | 32.80              | 31.5%    | Buy   | 63,743             | 1.25 | 213.1      | 246.8 | 11.7    | 10.1 | 3.6           | 3.6  | 30.8       | -18.9 | 20.91     | 19.3  | 2.1       |
| OCBC                                  | 10.95             | 14.50              | 32.4%    | Buy   | 46,561             | 1.22 | 109.4      | 123.1 | 10.0    | 8.9  | 6.7           | 7.7  | 14.0       | -22.0 | 10.92     | 0.3   | -11.6     |
| UOB                                   | 25.88             | 33.70              | 30.2%    | Buy   | 43,154             | 1.22 | 229.6      | 255.4 | 11.3    | 11.3 | 3.1           | 3.1  | 30.4       | -14.8 | 23.84     | 8.6   | -1.5      |
| <b>PLANTATIONS</b>                    |                   |                    |          |       |                    |      |            |       |         |      |               |      |            |       |           |       |           |
| WILMAR                                | 3.14              | 3.27               | 4.1%     | Hold  | 20,091             | 0.76 | 22.5       | 25.1  | 14.0    | 12.5 | 3.2           | 3.2  | 3.4        | -8.2  | 2.97      | 5.7   | 1.6       |
| IFAR                                  | 0.22              | 0.20               | -7.0%    | Sell  | 308                | 0.99 | 3.0        | 3.0   | 7.1     | 7.1  | 1.9           | 1.9  | 0.5        | -54.3 | 0.18      | 17.5  | -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.