

Daily Brief

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

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Market View *Cautious Ahead of U.S Mid-Term Elections*

Bursa Malaysia shares fell on Monday, as gaming stocks led heavy losses on high casino and gaming taxes from Budget 2019 and in tandem with regional markets as fears of faster US rate hikes and uncertainty over the Sino-U.S. trade war talks deterred investments. The KLCI fell 5.07 points to close at 1,708.80, off an opening high of 1,720.07 and low of 1,699.60, as losers beat gainers 537 to 334 on improved turnover of 2.22bn shares worth RM3.28bn.

Crucial Supports at 1,700/1,670; Resistance at 1,722/1,742

The cautious local market undertone should persist as investors keep their eyes peeled for any new headlines on the Sino-U.S. trade war and ahead of the U.S. congressional midterm elections. On the index, immediate support stays at the 1,700 psychological level, while crucial supports remain at the 25 Oct low of 1,670 and then 1,657, the 28 June low. Immediate resistance levels remain at 1,722, 1,742 and 1,762, the respective 61.8%FR, 50%FR and 38.2%FR, followed by 1,787, the 23.6%FR.

Buy MRCB & UEM Sunrise

Fresh MACD buy signal and positive technical momentum support further rebound upside on MRCB shares towards the 38.2%FR (RM0.84), with stronger resistance coming from 50%FR (RM0.93) and 61.8%FR (RM1.02), where profit-taking should cap gains. Immediate support is found at the lower Bollinger band (RM0.68). Hook up momentum indicators for UEM Sunrise implied further recovery towards the 50-day ma (RM0.78), with 61.8%FP (RM0.89) and 50%FP (RM0.96) acting as stronger upside hurdles. Immediate support is capped at 10-day ma (0.67).

Asia Mixed as Investors Await US Mid-Term Elections

Asian stocks were mixed on Tuesday as investors looked to the U.S. midterm elections set for later in the day. Mainland China markets ended the trading day lower, with the Shanghai composite sliding 0.23 percent to close at around 2,659.36 and the Shenzhen composite declining 0.35 percent to about 1,346.19. Hong Kong's Hang Seng index, meanwhile, recovered from its earlier losses to see gains of 0.79 percent in afternoon trade. Japan's Nikkei 225 rose by 1.14 percent to close at 22,147.75 and the Topix index saw gains of 1.16 percent to end the trading day at 1,659.35.

In Australia, the ASX 200 was 0.98 percent higher to close at 5,875.2, with most sectors seeing gains. The energy and materials sectors were up 1.55 and 1.66 percent, respectively, as the heavily weighted financial subindex advanced 0.84 percent. The moves Down Under came after the Reserve Bank of Australia announced its decision to keep the cash rate unchanged at 1.5 percent.

US Stocks Higher as Wall Street Awaits Midterm Election Results

US stocks rose on Tuesday as investors eagerly awaited the results of much-anticipated midterm elections which could have significant implications for investors. Democrats are expected to take control of the House away from Republicans while the GOP maintains a slim majority in the Senate. Stocks have historically done well under a divided government. Since 1928, the S&P 500 has averaged an annual return of 12 percent when Congress is split and Republicans control the White House. Whichever way the elections shake out, they could lead Congress to pursue different policy agendas, including lower drug prices, banking

regulation and defense spending. The election could also lead to more investigations into President Donald Trump.

Stocks have been volatile lately as worries about the elections, coupled with fears of rising rates and a potential slowdown in earnings growth, have put investors on edge. Investors also looked ahead to the Federal Reserve's latest decision on monetary policy, which is scheduled for Thursday. The Fed is largely expected to keep rates unchanged. The Dow Jones Industrial Average climbed 173.31 points to 25,635.01, led by gains in IBM and Caterpillar. The S&P 500 gained 0.6 percent to close at 2,755.45 as the industrials and materials sectors outperformed. The Nasdaq Composite advanced 0.6 percent to 7,375.96. All three of the major indexes reached their session highs less than 10 minutes before the close.

News In Brief *Corporate*

Malaysia Vietnam Offshore Terminal (MVOT) has been awarded a USD176mn contract to provide equipment for Idemitsu Kosan to develop a gas block off southern Vietnam, the Vietnam Oil and Gas Group, or PetroVietnam, said on Tuesday. Under the 7-year contract, MVOT, a joint venture between PetroVietnam Technical Services Corp and Malaysia's **MISC Bhd**, will provide a floating storage and offloading vessel to the Japanese firm for the development of the Sao Vang-Dai Nguyet gas field. *(Reuters)*

MRCB George Kent Sdn Bhd, a joint venture company between **Malaysian Resources Corp Bhd** and **George Kent (Malaysia) Bhd**, bagged an RM11.86bn contract to build the Light Rail Transit Line 3 project from Bandar Utama in Petaling Jaya to Johan Setia in Klang. *(Bursa Malaysia)*

Bumi Armada Bhd missed its proposed October deadline to restructure some USD500mn (RM2.1bn) worth of unsecured short-term loans due in three tranches by May 2019. This raises concern that the debt-laden group might be facing challenges to seek new loans. *(The Edge)*

GETS Global Bhd's external auditor Messrs PKF has flagged the existence of material uncertainty in its financial statements for the financial period ended June 30, 2018 that may cast significant doubt on the group's ability to continue as a going concern. *(Bursa Malaysia)*

PRG Holdings Bhd plans to subscribe to up to 29.9% in Catalyst-listed Capital World Ltd, which is engaged in property development activities in Malaysia. The proposed investment will allow PRG to participate in Capital World's flagship project in Johor Baru, featuring four million sq ft of integrated development comprising a shopping mall, hotel, serviced suites and serviced apartments. *(Bursa Malaysia)*

Scicom (MSC) Bhd has been named as a second defendant in a lawsuit by Tawasol Al-Sharq Marketing Services, which is seeking USD417K in relation to alleged non-payment of Tawasol invoices after Scicom had ceased to procure Tawasol's services. *(Bursa Malaysia)*

Axiata Group Bhd decided to cancel its dividend reinvestment scheme on the electable portion of its interim dividend due to softer equity markets. Accordingly, the entitled shareholders of Axiata will receive the entire interim dividend of five sen per share for the financial year ending Dec 31, 2018 in cash on Nov 12. *(Bursa Malaysia)*

CSC Steel Holdings Bhd aborted its plan to acquire certain assets of YKGI Holdings Bhd. It did not give a reason for the termination. *(Bursa Malaysia)*

Stone Master Corporation Bhd appointed Datuk Sri Chew Han Ching as its chief executive officer and executive director effective immediately. The marble and granite products maker said Chew, 66, brings with him over 35 years of experience in the property development and construction industry. *(Bursa Malaysia)*

News In Brief *Economy*

Malaysia **Malaysia's Exports Rebound in September**

Malaysia's exports rebounded by 6.7% in September 2018 to RM83 billion year-on-year (y-o-y) after a slight decrease in the previous month, according to Statistics Department. Total trade which was valued at RM150.8 billion increased RM3.3 billion or 2.3% in September 2018. The trade surplus recorded the highest value since October 2008 at RM15.3 billion, increased RM7.1 billion or 85.9% from a year ago. Re-exports was valued at RM16.5 billion registering an increase of 26.2% y-o-y and accounted for 19.9% of total exports, while domestic exports increased 2.7% or RM1.8 billion to RM66.5 billion.

The export growth was contributed by expansion in exports to Hong Kong, Taiwan, Singapore, Australia and Republic of Korea. Meanwhile, lower imports were mainly from India, Republic of Korea, Vietnam, UAE and EU. The main products which contributed to the expansion in exports were electrical & electronic products, refined petroleum products, crude petroleum and liquefied natural gas (LNG). However, the department said decline was recorded for palm oil and palm oil-based products, timber and timber-based products and natural rubber. For imports, the lower in imports by 'end use' was mainly attributed to intermediate goods, capital goods, and consumption goods, it added. (The Sun)

Dr Mahathir Thanks Japan for RM7.4bil Bond Guarantee

Tun Dr Mahathir Mohamad has expressed his gratitude to his Japanese counterpart Shinzo Abe and his government's for their help in easing Malaysia's financial woes. The Malaysian Prime Minister said Abe and his government has adopted a very positive attitude towards Malaysia's financial pressures and the actions it had taken. "Prime Minister Abe also assured us that if in future there is a need to seek Japanese support in solving our financial problems, he is ready and the Japanese government is ready to consider," he said during a joint press conference with Abe. The Malaysian government has extended its appreciation to the Japanese government for the offer to guarantee 200 billion yen (RM7.4 billion) Samurai bonds with a 10-year tenure.

In the 2019 Budget presented last week, Finance Minister Lim Guan Eng said the offer was made due to the Japanese government's confidence in the administration and leadership of Dr Mahathir. The yen-denominated bonds, to be guaranteed by Japan Bank of International Cooperation at an indicative coupon rate of 0.65%, are expected to be issued before March next year. In his immediate reaction after the tabling of the 2019 Budget, Dr Mahathir said the bonds would be used to retire some of the costly loans taken by the previous government. Dr Mahathir is on the second day of a three-day working visit to Japan. This is Dr Mahathir's third visit to Japan after becoming Malaysia's prime minister for the second time following the country's 14th General Election on May 9. The first was in June and the second in August. (The Edge)

Asia **BoJ Governor Kuroda Hints at Monetary Tightening**

Haruhiko Kuroda, governor of the Bank of Japan, has sent his clearest signal yet that the years of massive monetary stimulus are over and his next move will be towards tighter fiscal policy. Speaking to business leaders in Nagoya, Mr Kuroda said Japan is "no longer in a stage where decisively implementing a large-scale policy to overcome deflation was judged as the most appropriate policy conduct". His remarks highlight the BoJ's steady shift towards a tightening bias on monetary policy. It has tapered off its asset purchases — while still proclaiming it wants to buy ¥80tn a year — and in July it raised the effective ceiling on 10-year bond yields from 0.1% to 0.2%. Mr Kuroda's policy shift means the BoJ is less out of step with counterparts that are raising interest rates such as the US Federal Reserve. But it also risks the BoJ repeating its historic errors by stepping off the accelerator when inflation is still far from its 2% objective.

Consumer prices, excluding volatile fresh food and energy, were up by 0.4% compared with a year ago in September. Mr Kuroda was appointed in 2013 by prime minister Shinzo Abe as part of an ambitious stimulus strategy to end two decades of on-and-off deflation. He launched a huge programme of bond purchases, reaching ¥80tn a year at its peak; cut overnight interest rates to minus 0.1%; and capped 10-year bond yields at around zero. (Financial Times)

Japan Household Spending Sinks 1.6% on Year in September

The average of household spending in Japan was down 1.6 percent on year in September, the Ministry of Internal Affairs and Communications said - coming in at 271,273 yen. That was well shy of expectations for an increase of 1.5% and down sharply from the 2.8% gain in August. The average of monthly income per household was 447,459 yen - down an annual 1.5%. Individually, spending was down for food, housing, fuel, furniture, medical care, transportation, education and recreation. Spending was up slightly for clothing items. (RTT)

Japan Services Sector Accelerates in October – Nikkei

The services sector in Japan continued to expand in October, and at a faster rate, the latest survey from Nikkei revealed with a PMI score of 52.4. That's up from 50.2 in September, and it moves back above the boom-or-bust line of 50 that separates expansion from contraction. The October reading also touched a six-month index high. Individually, there was a stronger upturn in business activity, while new business growth quickened to a five-year high. Selling charge inflation eased despite a strong rise in costs. The survey also said its composite index climbed to 52.5 from 50.7 a month earlier. (RTT)

China's Services Sector Grows at Slowest Pace in 13 Months as Orders Dry Up

China's services sector chalked its slowest growth in over a year last month as the volume of new orders dried up, a private survey showed, suggesting a further loss in economic momentum as a rough 2018 draws to a close. The slowdown in the services sector — which accounts for more than half of China's economy and is an important generator of jobs — is particularly worrying for policy makers as they have been counting on it to offset rising pressure on exports from a heated trade row with the United States. The Caixin/Markit services purchasing managers' index (PMI) fell to 50.8 in October from 53.1 in September, the lowest since September 2017, and creeping closer to the 50 line that separates growth from contraction.

Any prolonged weakness in the services sector would complicate Beijing's efforts to steady growth in the face of the trade dispute with the United States, a manufacturing slowdown at home and campaigns to curb excess capacity, pollution and corporate debt. A cooling this year of the Chinese property market, another major contributor to the economy, has also weighed on demand for real estate services. Significantly, Caixin's sub-index for new business orders showed virtually no growth at 50.1 in October, down from 52.4 the previous month and the worst performance since a contraction in November 2008 during the global financial crisis. (CNBC)

Reserve Bank of Australia Keeps Cash Rate on Hold at 1.5%

The Reserve Bank of Australia is clinging to its record low interest rate setting even after upgrading its economic and inflation outlook and tipping the jobless rate to fall to a decade-low of 4.75%. RBA governor Philip Lowe said that economic growth was forecast to average about 3.5% this year and in 2019, above trends since the 2008 global financial crisis and slightly more than the RBA's previous estimates of 3.25%. The central bank's outlook for the labour market was also more positive and it noted skill shortages were starting to bite in some areas as it hopes for a long-awaited pick-up in wages. The RBA tipped the jobless rate to fall below 5% in 2020, lower than its most recent best guess of full employment. Despite

the bullish economic forecasts, the RBA left the official interest rate unchanged for the 27th consecutive month at its monetary policy meeting and gave no indication it would lift rates from a record-low 1.5% any time soon. (Financial Review)

United States **Trump Lays Low as Voters Go to Polls to Decide Fate of Congress**

Donald Trump was heard but not seen on Tuesday as voters took to the polls in an election expected to be a referendum on his leadership and a harbinger of the next two years in his presidential term. Ahead of the release of early exit polling data, Republican National Committee Chairwoman Ronna Romney McDaniel said Democrats and Republicans were “neck and neck” -- pushing back on the narrative of a “blue wave” Democrats have hoped for. House Democratic leader Nancy Pelosi said her party had momentum on its side.

Early voting totals hit 38.5 million ballots cast, and could top 40 million as states report their final tallies, according to the United States Elections Project. That shattered records in states such as Texas and Florida, where Senate and gubernatorial contests have grabbed national attention. But early voting was also up in states where less is on the line nationally, including Maryland and North Carolina. (Bloomberg)

Service-Sector Activity Cools Slightly in October

Service-sector activity across the U.S. pulled back slightly in October but remained at a level indicative of steady economic growth, despite businesses expressing continued concerns toward tariffs. The Institute for Supply Management said its index of nonmanufacturing activity—tracking industries including health care, finance, agriculture and construction—fell to 60.3 in October from 61.6 in September, which was the highest reading on record going back to 2008. A number above 50 indicates expansion, while a number below 50 signals contraction. Business activity, new orders and employment all ticked down from their September levels, but Anthony Nieves, chair of the ISM nonmanufacturing business-survey committee, emphasized the report continued to reflect strong growth in the services sector. The report showed businesses are expressing uncertainties regarding tariffs, as building price pressures in the manufacturing sector have impacted some nonmanufacturing companies. (WSJ)

Eurozone **UK Services Growth Moderates On Economic Uncertainty, Weak Orders**

The UK service sector registered its slowest rate of expansion in seven months in October, survey results from IHS Markit and the Chartered Institute of Procurement & Supply showed. The services Purchasing Managers' Index dropped more-than-expected to 52.2 in October from 53.9 in September. The expected level was 53.4. Although the headline index has remained above the 50.0 no-change value in each of the past 27 months, the latest reading was the second lowest since July 2016. Respondents cited that heightened economic uncertainty and a soft patch for new work held back business activity growth. New business growth moderated for the third time in the past four months. Moreover, the latest expansion was the weakest since July 2016 as Brexit-related uncertainty and concerns about the global economic outlook constrained demand growth. A moderate growth of job creation continued across the service sector. Service providers reported a lack of suitably skilled candidates to fill vacancies. (RTT)

Eurozone Investor Morale Hits Two-Year Low in November

Investor morale in the eurozone fell more than expected in November and hit its lowest level in just over two years, a survey showed, as concerns about U.S. trade policies and the future of Germany's car industry weighed on sentiment. Sentix research group said its investor sentiment index for the euro zone fell to 8.8 from 11.4 in October. Analysts had expected a smaller dip to 10.1. The November reading was the lowest since October 2016 and marked the third consecutive monthly drop. A sub-index on current conditions fell to

29.3 from 33.0, hitting its lowest level since April 2017. A sub-index measuring expectations fell to -9.8 from -8.3 the previous month.

A separate index gauging investor morale in Germany fell in November to its lowest level since February 2016 following Chancellor Angela Merkel's announcement that she would step down as leader of her Christian Democrat party in December. (Reuters)

Eurozone Producer Price Inflation Accelerates for Fifth Month

Eurozone's producer price inflation accelerated for a fifth straight month in September, preliminary data from Eurostat showed. Producer prices grew 4.5% year-on-year following a 4.3% increase in August, which was revised from 4.2%. Economists had forecast a 4.3% rise. Energy sector registered a 12.7% increase in producer prices, followed by intermediate goods with a 2.8% gain. Capital goods and durable consumer goods prices rose 1.1% each. Meanwhile, non-durable consumer goods prices registered a 0.1% fall. On a month-on-month basis, producer prices rose 0.5% in September after a 0.4% gain in August, which was revised from 0.3%. Economists had expected a 0.4% increase. (RTT)

Eurozone Private Sector Expansion Weakest in Over 2 Years

Eurozone's private sector expanded at the weakest pace in over two years in October as both manufacturing and services recorded slower rates of growth, latest survey data from IHS Markit showed. The composite Purchasing Managers' Index, or PMI, fell to 53.1 from September's 54.1. The reading was the lowest since September 2016. The flash reading for the composite PMI was 52.7. A score above 50 suggests growth in the private sector. The services PMI eased to 53.7 from 54.7 in September. The flash reading was 53.3. The latest score reflected the slowest expansion since the start of 2017, IHS Markit said. Earlier survey data showed that euro area manufacturing grew at the slowest pace in nearly four years during October. (RTT)

Share Buy-Back: 05 November 2018

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
AJIYA	50,000	0.60/ 0.59	0.60/ 0.59	5,730,300
BAUTO	87,100	1.86/ 1.85	1.89/ 1.85	3,412,700
E&O	50,000	1.25/ 1.18	1.25/ 1.16	7,482,296
FIMACOR	8,100	1.80	1.80	4,933,400
FLBHD	79,000	1.40/ 1.36	1.40/ 1.35	79,000
GLOMAC	145,000	0.41/ 0.40	0.41/ 0.395	13,320,200
GRANFLO	13,300	0.20/ 0.195	0.20/ 0.195	11,444,500
IGBB	56,000	2.50	2.51/ 2.50	3,366,920
KENANGA	65,000	0.62/ 0.61	0.62/ 0.61	22,610,000
KERJAYA	50,000	1.25/ 1.23	1.26/ 1.22	4,176,700
KFIMA	8,000	1.50	1.50	612,800
MKH	50,200	1.25/ 1.23	1.28/ 1.23	5,070,500
N2N	90,000	1.15	1.18/ 1.14	31,681,200
P&O	75,000	1.00	1.00/ 0.995	13,134,193
SYSCORP	31,000	0.28/ 0.27	0.28/ 0.27	24,561,600
TEXCYCL	25,000	0.59	0.59	2,500,150
TITIJYA	400,000	0.32/ 0.315	0.32/ 0.31	21,175,700
TROP	204,000	0.895/ 0.875	0.895/ 0.875	18,288,842
WASEONG	10,000	0.89	0.91/ 0.885	4,306,938
YINSON	20,000	4.45/ 4.44	4.48/ 4.44	9,925,000

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	
AUTOMOBILE																	
BAUTO	1.85	2.59	40.0%	Buy	2,144	0.66	12.1	17.2	15.3	10.7	5.6	6.5	2.44	-24.2	1.80	2.8	-14.9
MBMR	2.00	3.19	59.5%	Buy	782	0.55	31.4	31.9	6.4	6.3	4.0	4.0	2.68	-25.4	1.94	3.1	-9.1
PECCA	0.73	1.25	72.4%	Buy	133	0.79	6.0	7.4	12.1	9.8	6.9	6.9	1.65	-56.1	0.70	4.3	-53.2
SIME	2.39	2.82	18.0%	Buy	16,254	1.64	12.6	15.7	19.0	15.2	3.3	3.9	3.04	-21.3	2.01	18.9	9.0
UMW	4.63	5.45	17.7%	Buy	5,409	0.79	28.4	39.3	16.3	11.8	3.0	4.3	6.98	-33.7	4.20	10.2	-11.0
<i>Note: UMW proposed rights issue of shares. For more detail please refer to 14.03.2018 report.</i>																	
BANKS & FINANCIAL SERVICES																	
ABMB	4.00	4.20	5.0%	Hold	6,192	0.82	31.9	34.9	12.6	11.5	3.8	4.0	4.49	-10.9	3.62	10.5	-2.0
AFFIN	2.34	2.10	-10.3%	Sell	4,547	0.90	21.7	22.5	10.8	10.4	3.4	3.4	2.70	-13.3	2.20	6.4	1.3
AMBANK	3.93	4.10	4.3%	Hold	11,846	1.35	37.6	41.5	10.5	9.5	3.8	4.6	4.90	-19.8	3.40	15.6	-10.9
CIMB	5.68	6.10	7.4%	Hold	54,326	1.50	52.7	53.8	10.8	10.6	4.7	4.8	7.39	-23.1	5.21	9.0	-13.1
HLBANK	20.48	21.80	6.4%	Hold	41,894	0.86	129.0	145.1	15.9	14.1	2.3	2.3	21.26	-3.7	14.90	37.4	20.5
MAYBANK	9.38	9.20	-1.9%	Sell	103,511	0.99	71.3	72.7	13.2	12.9	6.2	6.2	11.08	-13.7	8.68	8.1	-4.3
PBBANK	24.58	25.50	3.7%	Sell	95,423	0.79	152.5	161.5	16.1	15.2	2.6	2.6	26.16	-6.0	19.90	23.5	18.3
RHBBANK	5.31	5.50	3.6%	Hold	21,293	1.29	55.2	58.9	9.6	9.0	3.4	3.4	5.88	-9.7	4.71	12.7	6.2
BURSA	7.32	7.30	-0.3%	Sell	5,911	0.83	29.2	30.0	25.1	24.4	3.3	3.3	8.12	-9.8	6.25	17.2	9.6
BUILDING MATERIALS																	
ANNJOO	1.57	2.47	57.3%	Buy	844	1.75	32.2	35.1	4.9	4.5	9.9	11.5	3.98	-60.6	1.35	16.3	-59.3
CHINHIN	0.71	0.79	12.1%	Hold	388	1.16	5.0	8.6	14.1	8.2	3.8	5.8	1.31	-46.2	0.70	1.4	-41.7
CHINWEL	1.81	2.08	14.9%	Buy	532	0.82	24.2	24.9	12.9	12.5	3.1	3.2	2.00	-9.5	1.49	21.5	-1.1
CMSB	3.13	4.25	35.8%	Buy	3,352	1.73	24.2	24.9	12.9	12.5	3.1	3.2	4.42	-29.2	1.74	79.9	-19.7
CSCSTEL	1.06	1.34	26.4%	Hold	391	0.99	12.9	16.2	8.2	6.5	6.5	8.2	1.76	-39.8	1.00	6.5	-31.2
ENGTEX	0.97	1.07	10.3%	Buy	423	1.00	9.2	12.7	10.5	7.7	1.5	2.6	1.23	-21.1	0.87	11.5	-11.8
CONSTRUCTION																	
GADANG	0.63	0.78	23.8%	Buy	417	1.46	16.0	14.4	3.9	4.4	4.8	4.8	1.23	-48.8	0.60	5.9	-43.2
GAMUDA	2.42	2.73	12.8%	Buy	5,973	1.25	33.2	25.4	7.3	9.5	5.0	5.0	5.31	-54.4	2.00	21.0	-51.2
GDB	0.29	0.42	43.1%	Buy	181	na	4.6	5.2	6.3	5.6	4.1	5.2	0.45	-35.6	0.28	5.5	-1.7
IJM	1.68	1.49	-11.3%	Sell	6,097	1.37	9.6	11.7	17.4	14.4	3.6	3.6	3.21	-47.7	1.39	20.9	-44.9
KAB	0.26	0.30	15.7%	Buy	82	na	3.1	3.7	8.3	6.9	3.9	4.7	0.33	-22.7	0.20	27.5	-15.0
PESONA	0.26	0.28	9.8%	Buy	177	1.20	2.0	3.8	12.5	6.8	5.9	5.9	0.56	-54.1	0.24	6.3	-43.3
SENDAI	0.71	0.70	-1.4%	Sell	555	1.28	9.9	8.7	7.2	8.1	1.4	1.4	1.09	-34.9	0.66	8.4	-17.9
SUNCON	1.63	1.65	1.2%	Hold	2,106	1.27	12.7	13.8	12.8	11.8	4.9	5.5	2.64	-38.3	1.30	25.4	-35.1
WCT	0.83	0.91	10.3%	Hold	1,139	1.14	7.8	10.5	10.6	7.9	3.6	3.6	1.83	-54.9	0.70	18.7	-49.1
LITRAK	3.96	5.64	42.4%	Hold	2,091	0.46	43.3	42.8	9.1	9.3	6.3	6.3	5.95	-33.4	3.63	9.1	-28.6
CONSUMER																	
<i>Brewery</i>																	
CARLSBG	19.26	19.17	-0.5%	Hold	5,925	0.54	89.3	93.2	21.6	20.7	4.6	4.8	20.88	-7.8	14.70	31.1	26.6
HEIM	19.82	21.66	9.3%	Buy	5,988	0.63	95.2	103.3	20.8	19.2	4.7	5.1	24.02	-17.5	17.30	14.6	4.9
<i>Retail</i>																	
AEON	1.80	2.53	40.6%	Buy	2,527	0.49	7.1	8.8	25.4	20.3	2.5	2.8	2.65	-32.1	1.45	24.1	2.3
AMWAY	7.08	7.17	1.3%	Hold	1,164	0.63	29.2	30.8	24.2	23.0	3.6	3.9	8.52	-16.9	6.60	7.3	-3.1
F&N	33.70	30.69	-8.9%	Sell	12,352	0.73	96.0	114.0	35.1	29.6	2.1	2.2	40.00	-15.8	24.60	37.0	24.8
HUPSENG	1.06	1.25	17.9%	Buy	848	0.47	5.8	6.2	18.2	17.2	5.7	5.7	1.20	-11.7	0.99	7.1	-2.8
JOHOTIN	0.87	1.16	33.3%	Buy	270	1.21	8.1	8.5	10.7	10.2	5.7	6.3	1.50	-42.0	0.84	4.2	-28.1
NESTLE	143.40	162.00	13.0%	Buy	33,627	0.55	317.5	350.2	45.2	41.0	2.1	2.3	163.00	-12.0	87.04	64.8	39.0
PADINI	5.45	6.11	12.1%	Hold	3,586	0.66	27.8	29.3	19.6	18.6	2.1	2.1	6.20	-12.1	4.12	32.3	3.5
POHUAT	1.43	1.74	21.7%	Buy	314	0.68	17.2	22.0	8.3	6.5	4.2	5.6	1.99	-28.1	1.15	24.3	-20.1
QL	7.09	6.57	-7.3%	Sell	11,503	0.61	12.7	13.0	55.8	54.4	0.6	0.6	7.14	-0.7	3.88	82.7	63.0
SIGN	0.42	0.67	59.5%	Buy	95	1.02	4.8	6.1	8.7	6.9	3.6	6.0	0.92	-54.1	0.37	15.1	-40.4
<i>Tobacco</i>																	
BAT	35.20	27.39	-22.2%	Sell	10,051	0.98	152.8	138.3	23.0	25.5	4.0	3.4	40.20	-12.4	22.46	56.7	-12.0
GAMING																	
<i>Casino</i>																	
GENTING	6.74	8.80	30.6%	Buy	25,953	1.01	59.8	56.8	11.3	11.9	2.4	2.1	9.74	-30.8	6.35	6.1	-26.2
GENM	3.61	4.06	12.5%	Sell	20,410	1.34	28.7	22.2	12.6	16.2	3.3	2.2	5.73	-37.0	3.18	13.5	-34.9
<i>NFO</i>																	
BJTOTO	2.24	2.30	2.7%	Sell	3,017	0.76	19.6	29.8	11.4	7.5	7.1	11.6	2.62	-14.5	2.01	11.4	0.0
HEALTHCARE																	
<i>Hospitals/ Pharmaceutical</i>																	
CCMDBIO	1.12	1.52	35.7%	Buy	741	0.66	6.8	7.5	16.4	15.0	4.1	4.4	1.49	-24.8	0.92	21.6	3.3
IHH	5.00	5.60	12.0%	Hold	41,224	0.66	8.0	8.8	62.2	56.7	0.4	0.4	6.42	-22.1	4.75	5.3	-14.7
KPJ	1.07	1.20	12.1%	Hold	4,512	0.54	4.1	4.5	26.1	23.9	2.1	2.3	1.17	-8.5	0.84	27.4	10.3
<i>Rubber Gloves</i>																	
HARTA	6.37	4.90	-23.1%	Sell	21,200	1.00	13.2	14.6	48.3	43.7	1.5	1.5	7.45	-14.5	3.88	64.4	19.3
KOSSAN	4.10	4.73	15.4%	Hold	5,244	0.52	15.4	17.5	26.7	23.4	1.5	1.7	4.72	-13.1	3.19	28.5	1.1
SUPERMX	3.39	4.75	40.1%	Buy	2,223	0.83	16.3	19.8	20.8	17.2	2.4	2.4	4.61	-26.5	1.77	91.5	69.5
<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	5.80	6.12	5.5%	Hold	14,827	0.34	17.0	19.4	34.2	29.9	2.9	1.7	6.24	-7.1	3.18	82.7	45.2
KAREX	0.63	0.51	-18.4%	Sell	626	0.79	1.0	1.6	62.0	39.9	0.4	0.6	1.61	-61.2	0.50	25.0	-51.9
INDUSTRIAL																	
SCIENTX	8.57	9.16	6.9%	Hold	4,190	0.87	59.3	69.6	14.5	12.3	2.3	2.5	9.30	-7.8	6.51	31.6	-1.0
SKPRES	1.27	1.60	26.0%	Buy	1,588	1.04	10.1	10.3	12.5	12.3	4.1	4.1	2.35	-46.0	1.17	8.5	-44.3
MEDIA																	
ASTRO	1.37	1.95	42.3%	Buy	7,144	1.27	12.4	11.7	11.0	11.7	9.1	7.3	2.85	-51.9	1.21	13.2	-48.3
MEDIA PRIMA	0.41	0.39	-4.9%	Sell	455	0.82	-5.9	-4.1	na	na	0.0	0.0	0.84	-51.2	0.25	64.0	-46.1
STAR	0.82	0.95	16.6%	Sell	601	0.96	3.1	2.6	26.1	30.9	3.7	3.7	1.70	-52.1	0.72	14.0	-50.6

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	0.71	86.8%	Buy	668	1.58	5.1	5.3	7.5	7.2	2.6	2.6	0.57	-33.3	0.31	24.6	-21.6
LCTITAN	4.30	4.30	0.0%	Buy	9,774	na	40.3	48.0	10.7	9.0	4.7	5.3	6.46	-33.4	4.18	2.9	-8.5
MHB	0.61	0.78	28.9%	Buy	968	1.54	-5.6	0.4	na	140.6	0.0	0.0	0.98	-38.3	0.57	7.1	-26.7
MISC	6.86	5.65	-17.6%	Sell	30,621	0.88	29.3	40.3	23.4	17.0	4.4	4.4	7.90	-13.2	5.03	36.4	-7.5
PANTECH	0.47	0.70	48.9%	Buy	348	0.92	6.3	6.2	7.4	7.6	5.3	5.1	0.71	-33.3	0.44	6.8	-27.1
PCHEM	9.70	10.16	4.7%	Hold	77,600	0.75	57.5	58.1	16.9	16.7	2.9	3.2	10.20	-4.9	7.22	34.3	26.0
SAPNRG	0.36	0.33	-7.0%	Sell	2,127	1.81	-5.0	-7.0	na	na	0.0	0.0	1.51	-76.5	0.31	14.5	-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	3.94	4.91	24.6%	Buy	5,786	na	27.5	31.4	14.3	12.5	2.3	2.5	4.28	-7.9	2.62	50.4	21.6
VELESTO	0.26	0.34	33.3%	Buy	2,095	1.67	0.0	0.2	520.8	102.5	0.0	0.0	0.48	-46.9	0.22	18.6	-16.4
UZMA	1.20	1.54	28.3%	Buy	384	1.31	13.9	13.5	8.6	8.9	0.0	0.0	1.67	-28.1	0.93	29.7	-6.2
PLANTATIONS																	
FGV	1.42	1.50	5.6%	Sell	5,180	1.45	-3.4	-0.5	na	na	0.0	0.0	2.18	-34.9	1.34	6.0	-16.0
IJMLNT	1.90	1.68	-11.6%	Sell	1,673	0.70	7.9	5.3	24.1	36.0	2.6	2.6	3.01	-36.9	1.78	6.7	-30.7
IOICORP	4.57	5.06	10.7%	Buy	27,907	0.75	17.8	19.6	25.7	23.3	4.5	2.5	4.81	-5.0	4.21	8.7	3.2
KFIMA	1.50	1.89	26.0%	Buy	422	0.70	14.7	13.1	10.2	11.5	6.0	6.0	1.76	-14.8	1.44	4.2	-4.5
KLK	24.90	22.37	-10.2%	Sell	26,518	0.54	83.3	90.6	29.9	27.5	1.8	1.8	25.98	-4.2	23.26	7.1	-0.4
SIMEPLT	5.28	5.88	11.4%	Buy	35,908	na	18.8	18.3	28.0	28.8	3.3	2.8	5.97	-11.5	4.55	15.9	-11.5
TSH	1.04	1.04	0.0%	Sell	1,436	0.48	3.8	4.3	27.7	23.9	1.4	1.4	1.69	-38.5	0.99	5.6	-37.0
UMCCA	5.65	4.11	-27.3%	Sell	1,185	0.50	18.5	12.3	30.5	45.8	2.1	2.1	7.08	-20.2	5.60	0.9	-13.2
PROPERTY																	
GLOMAC	0.41	0.37	-9.8%	Sell	323	0.59	1.5	1.6	28.3	25.4	3.7	3.7	0.60	-31.1	0.38	9.3	-26.1
HUAYANG	0.37	0.44	18.9%	Hold	130	0.77	1.3	2.2	29.6	16.7	0.0	0.0	0.75	-50.3	0.36	2.8	-39.3
IBRACO	0.58	0.51	-12.1%	Sell	288	na	4.1	8.0	14.3	7.2	3.4	3.4	0.91	-35.9	0.15	286.7	-28.8
IOIPG	1.44	1.62	12.5%	Buy	7,929	1.10	14.3	14.7	10.1	9.8	3.5	3.5	2.06	-30.1	1.21	19.0	-22.2
MAHSING	1.01	1.11	9.9%	Buy	2,452	1.04	9.4	9.8	10.7	10.3	5.0	5.0	1.56	-35.3	0.94	7.4	-30.3
SIMEPROP	1.00	1.11	11.0%	Hold	6,801	na	4.7	6.6	21.3	15.2	2.0	4.0	1.78	-43.8	0.91	9.9	-43.8
SNTORIA	0.40	0.53	32.5%	Buy	223	0.74	8.3	8.7	4.8	4.6	2.5	2.5	0.70	-42.9	0.37	8.1	-42.4
SPB	5.35	5.70	6.5%	Accept Offer	1,838	0.20	18.7	23.4	28.6	22.9	2.2	2.2	5.50	-2.7	3.95	35.4	9.2
SPSETIA	2.10	2.50	19.0%	Buy	8,216	1.08	9.8	16.5	21.4	12.7	3.8	4.3	4.00	-47.5	2.05	2.4	-47.5
SUNWAY	1.42	1.50	5.6%	Hold	6,892	0.91	11.8	12.2	12.1	11.6	4.2	4.2	1.82	-22.0	1.35	5.2	-12.9
REIT																	
SUNREIT	1.69	1.82	7.7%	Hold	4,977	0.68	9.6	10.0	17.7	16.9	5.7	5.9	1.90	-11.1	1.48	14.2	-11.1
CMMT	1.05	1.29	22.9%	Buy	2,146	0.52	6.8	7.3	15.5	14.5	6.7	7.2	1.83	-42.6	0.98	7.1	-42.6
POWER & UTILITIES																	
MALAKOF	0.87	0.92	5.7%	Buy	4,262	1.04	3.7	5.3	23.2	16.5	6.9	6.9	1.07	-18.7	0.79	10.8	-11.2
PETDAG	27.26	24.13	-11.5%	Sell	27,082	0.75	114.1	114.9	23.9	23.7	3.2	3.1	28.18	-3.3	20.81	31.0	13.4
PETGAS	18.60	18.90	1.6%	Hold	36,804	0.92	99.1	101.0	18.8	18.4	3.6	3.7	19.50	-4.6	15.82	17.6	6.4
TENAGA	14.80	17.47	18.0%	Buy	84,037	0.92	136.7	127.8	10.8	11.6	4.4	4.3	16.34	-9.4	13.54	9.3	-3.0
YTLPOWER	1.00	0.96	-4.0%	Sell	7,675	0.96	8.4	8.8	11.9	11.4	5.0	5.0	1.33	-24.8	0.73	37.0	-22.5
TELECOMMUNICATIONS																	
AXIATA	3.48	4.55	30.7%	Buy	31,567	1.83	12.7	16.2	27.4	21.4	3.1	4.0	5.82	-40.2	3.20	8.7	-36.6
DIGI	4.28	4.20	-1.9%	Hold	33,277	1.09	18.8	19.5	22.8	21.9	4.4	4.6	5.10	-16.1	3.93	8.9	-16.1
MAXIS	5.39	4.55	-15.6%	Sell	42,132	0.95	23.8	23.4	22.6	23.0	3.7	3.7	6.14	-12.2	5.15	4.7	-10.3
TM	2.41	2.05	-14.9%	Sell	9,057	1.75	16.0	15.3	15.0	15.8	7.9	7.9	6.50	-62.9	2.11	14.2	-61.7
TECHNOLOGY																	
<i>Semiconductor & Electronics</i>																	
ELSOFT	3.10	3.75	21.0%	Buy	859	0.57	13.0	14.9	23.8	20.9	3.0	3.4	3.53	-12.2	2.22	39.6	14.8
Note: ELSOFT proposed bonus issue shares on the basis of 1 for 5. For more detail please refer to 29.08.2018 report.																	
INARI	1.91	2.50	30.9%	Buy	6,047	0.82	7.9	9.2	24.3	20.8	3.5	3.8	2.56	-25.3	1.58	20.6	-15.6
MPI	10.60	13.45	26.9%	Buy	2,108	0.96	70.8	80.4	15.0	13.2	2.7	3.0	14.50	-26.9	7.57	40.0	-16.0
N2N	1.15	1.70	47.8%	Buy	651	0.67	4.2	5.1	27.4	22.4	2.3	0.8	1.37	-16.1	0.67	71.6	25.0
UNISEM	3.00	3.30	10.0%	Buy	2,181	0.87	12.9	18.4	23.3	16.3	2.7	3.7	3.95	-24.1	1.60	87.5	-17.8
TRANSPORTATION																	
<i>Airlines</i>																	
AIRASIA	2.68	3.15	17.5%	Buy	8,956	1.18	28.3	28.3	9.5	9.5	29.9	3.0	4.75	-43.6	2.30	16.5	-20.0
AIRPORT	7.61	8.79	15.5%	Sell	12,626	0.89	33.8	35.7	22.5	21.3	2.0	1.3	9.98	-23.7	7.26	4.8	-13.4
<i>Freight & Tankers</i>																	
PTRANS	0.27	0.42	55.6%	Buy	373	na	2.5	3.4	10.6	8.0	3.7	3.8	0.32	-15.6	0.23	20.0	-3.6
TNLOGIS	0.87	1.10	26.4%	Buy	397	0.89	10.0	9.7	8.7	8.9	0.0	4.6	1.46	-40.4	0.85	2.4	-35.1
WPRTS	3.65	3.78	3.6%	Sell	12,447	0.74	15.6	20.0	23.4	18.2	3.2	4.1	3.95	-7.6	3.10	17.7	-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		52week		% Chg YTD
							FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
BANKS & FINANCIAL SERVICES																	
DBS	24.00	27.40	14.2%	Buy	61,292	1.24	213.2	246.9	11.3	9.7	3.8	3.8	30.8	-22.0	22.49	6.7	-1.8
OCBC	11.32	13.50	19.3%	Buy	48,134	1.24	107.8	121.3	10.5	9.3	6.7	7.7	14.0	-19.4	10.36	9.3	-8.6
UOB	24.65	30.20	22.5%	Buy	41,103	1.19	229.6	255.4	10.7	10.7	3.2	3.2	30.4	-18.8	23.95	2.9	-6.2
PLANTATIONS																	
WILMAR	3.14	3.27	4.1%	Hold	20,091	0.70	22.5	25.1	14.0	12.5	3.2	3.2	3.4	-7.6	2.97	5.7	1.6
IFAR	0.20	0.18	-10.0%	Sell	287	1.04	1.9	2.6	10.5	7.7	1.3	1.8	0.5	-56.5	0.18	9.3	-48.7

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.