

# Daily Brief

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

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## **Market View** *Overnight U.S. Rally to Cushion Local Market*

The local share market ended mixed, as stocks gave up early gains due to afternoon profit-taking as investors digest the closely-watched US midterm election results. The KLCI closed up 6.08 points at 1,714.88, near the day's high of 1,715.98, helped by late gains on Nestle (+60sen) and MAHB (+55sen), off a low of 1,704.93, as gainers led losers 440 to 378 on higher turnover of 2.32bn shares worth RM2.49bn.

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

The overnight rally on Wall Street following the mid-term election results on the stateside should cushion the lackluster local market today, although the undertone remains cautious as investors switch attention to the upcoming US Federal Reserve monetary policy meeting and G20 meetings between US and China for more concrete leads. 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 Aemulus & Hiap Teck**

Aemulus appears to have formed a double-bottom above recent low of 26sen, and have recovery potential towards the 23.6%FR (34sen), while a confirmed breakout should aim for the 38.2%FR (39sen) ahead. Crucial support from the double-bottom low of 26sen cushions downside risk. Positive technical momentum on Hiap Teck supports breakout above the 76.4%FR (35sen) to target the 61.8%FR (39sen) and 50%FR (42sen) going forward, while key chart supports are from recent low of 32sen and the 10/7/18 low (30sen).

### **Asian Markets Muted on US Midterm Election Results**

Asian stock markets were relatively muted on Wednesday as results filtered in from the much-anticipated midterm elections in the U.S. NBC News projected late on Tuesday showed that Democrats had taken a majority in the House and Republicans had retained control of the Senate. Both chambers make up Congress — the country's principal decision-making body — and approval from each is required to pass bills into law. The midterm elections are poised to create significant changes for how President Donald Trump can accomplish his domestic goals. But experts said the results may not mean much for the country's trade policies — the U.S. and China are currently locked in a trade fight that saw both countries apply import tariffs on some of each other's goods.

Japan's Nikkei 225 fell 61.95 points, or 0.28 percent, to 22,085.8 while the Topix index declined 6.92 points, or 0.42 percent, to 1,652.43. South Korea's Kospi fell 10.93 points, or 0.52 percent, to 2,078.69 while Australia's ASX 200 rose 21.7 points, or 0.37 percent, to 5,896.9. In Hong Kong, the Hang Seng index was up 0.1 percent, the Shanghai composite was down 18.01 points, or 0.68 percent, at 2,641.34 while the Shenzhen composite was down 5.81 points, or 0.43 percent, at 1,340.37.

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**Wall Street Rally as Democrats Take the House**

U.S. stocks ended sharply higher Wednesday, following closely watched midterm elections that saw Democrats take control of the House, delivering a divided Congress. The rally on Wall Street came as the results of the highly anticipated midterm elections on Tuesday came largely in line with expectations. Democrats are projected to retake control of the House for the first time since 2010, as Democratic candidates managed to flip a number of suburban districts across the country. Control of the House will give Democrats subpoena power, potentially leading to numerous investigations of President Donald Trump's administration. Investors expect Trump's business-friendly policies to continue, while some expressed optimism about Congress providing a larger check on Trump's more disruptive market actions. Historically, equity markets see strong returns when Congress is divided.

Further underscoring the president's combative post-election posture was the news, released only after the press conference that Attorney General Jeff Sessions was resigning at the request of the president. The S&P's biggest boosts came from the S&P technology sector, which rose 2.4 percent, and the healthcare index, which gained 2.8 percent as investors were more comfortable taking on risky bets. The consumer discretionary sector was also a strong gainer as Amazon.com soared.

The Dow Jones Industrial Average rose 545.29 points, or 2.13 percent, to 26,180.30 the S&P 500 gained 58.44 points, or 2.12 percent, to 2,813.89 and the Nasdaq Composite added 194.79 points, or 2.64 percent, to 7,570.75.

## News In Brief *Corporate*

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**Genting Malaysia Bhd**, whose shares have been hammered since the Government announced last Friday the revision of certain gaming licence fees and casino duties, said it is assessing the full implication of the additional taxes on the company. It will also take appropriate "next course of action which includes a review of its marketing expenditure and cost structure to mitigate the impact of the tax increases". (*The Edge*)

**BIMB Holdings Bhd** has issued the first tranche of its Sukuk Murabahah programme to raise RM300mn. The subordinated sukuk murabahah issued under the programme shall qualify as Tier 2 regulatory capital of Bank Islam Malaysia Bhd in compliance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components). (*Bursa Malaysia*)

Merchantrade Asia Sdn Bhd is pairing up with **Revenue Group Bhd** to provide an additional payment option for shoppers of Alibaba-owned Taobao website, one of the world's largest online marketplaces. Revenue facilitates purchases for Taobao customers in Malaysia through its revPAY platform, and the two parties have inked an agreement which allows for payments using Merchantrade Money on the revPAY platform. (*The Edge*)

**Top Glove Corp Bhd** has been granted an Erinford Injunction to preserve the status quo pending its appeal against the dismissal of a Mareva injunction to prevent the dissipation of assets by Adventa Capital Pte Ltd, which it has sued for fraudulent misrepresentation. (*The Edge*)

**Iris Corp Bhd** announced that Tan Sri Nik Mohamed Nik Yaacob will be its new independent and non-executive chairman effective today, following the retirement of Datuk Nik Azman Mohd Zain on Sept 28. Nik Mohamed, 69, was the group chief executive officer of Sime Darby Bhd, serving as the conglomerate's top executive from 1993 till 2004. (*Bursa Malaysia*)

**Damansara Realty Bhd** has terminated its plan to issue redeemable convertible notes to raise up to RM150mn as the group intends to "anchor its group financing through commercial borrowings and internal funds". (*The Edge*)

**Scientex Bhd** is looking to accelerate its development of affordable housing units, and plans to build 32,500 units over the next 10 years to meet its 50,000 homes target by 2028. Speaking at Scientex's 50th Anniversary celebration today, the group's executive director Alex Khaw said the target is achievable, and that its property division plans to build an average of 3,300 units a year. (*The Edge*)

Former Selangor Menteri Besar Datuk Seri Azmin Ali has withdrawn a counterclaim against **Puncak Niaga Holdings Bhd** in the Court of Appeal which relates to its RM14bn lawsuit against him and his predecessor Tan Sri Khalid Ibrahim. (*The Edge*)

**Frontken Corporation Bhd's** net profit jumped 65% to RM15.2mn in 3QFY18 from RM9.2mn in the previous year, thanks to better performance across its regional subsidiaries which benefited from growth in the semiconductor business. For 9MFY18, Frontken's net profit surged 68% to RM33.6mn from RM20.00mn the previous year, again due largely to its regional businesses' improvements. (*Bursa Malaysia*)

**I-Bhd** posted a 21% drop in net profit to RM5.7mn for 3QFY18 compared to RM7.2mn a year ago on lower property development revenue, and cautioned it expects the last quarter to be challenging as well. For 9MFY18, net profit rose 6% to RM52.5mn from RM49.3mn previously. (*Bursa Malaysia*)

## News In Brief *Economy*

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### *Malaysia* **BNM International Reserves Slipped 1.07% to US\$101.7bil as at Oct 31**

Bank Negara Malaysia's (BNM) international reserves slipped 1.07% to US\$101.7 billion as at Oct 31, 2018, from US\$102.8 billion on Oct 15. BNM said in a statement that the reserves position is sufficient to finance 7.5 months of retained imports and is 0.9 times the short-term external debt. Foreign currency, the biggest reserves portion, was at US\$96 billion as at Oct 31, while the International Monetary Fund reserves position was at US\$900 million. Special drawing rights were at US\$1.1 billion, while gold was at US\$1.5 billion; other reserve assets were at US\$2.2 billion. The bank's total assets stood at RM443.016 billion, while currency in circulation was at RM103.141 billion. (The Edge)

### **Finance Ministry: Foreign Online Services Need to Register with Customs**

The Finance Ministry said foreign online services will need to register with the Royal Malaysian Customs Department to ensure a level playing field between Malaysian and foreign companies. Quoting the ministry's national budget office director Johan Mahmood Merican, reported that foreign online services will need to register with the Customs Department under the relevant service taxes if they wish to continue operating in Malaysia. "The government will basically engage with the larger online services which will then need to register with Customs if they want to continue supplying those services to Malaysian consumers. So this is an announcement, we will work out the details and guidelines which we will then communicate to these companies. "I don't want to go into individual companies, but the principle on a whole is to make sure there is a level playing field. Further details will be announced later," he said at a press conference after a briefing on Budget 2019 and the 11<sup>th</sup> Malaysian Plan midterm review at the Communications and Multimedia Ministry in Putrajaya. Johan, however, said it is likely that not all foreign online service companies will be affected by this new tax. He was quoted as saying the new tax will have a threshold, hence smaller companies may be exempted. (The Edge)

### **Iskandar Malaysia Attracts RM273b Investments**

Iskandar Malaysia recorded investments totalling RM19.8 billion in the first nine months of this year, raising the cumulative investments committed since 2006 to RM272.90 billion. In a statement today, Iskandar Regional Development Authority Chief Executive Datuk Ismail Ibrahim said despite the current global challenges, Iskandar Malaysia was optimistic and on track to achieve its investment target for 2018.

"As Iskandar Malaysia sails through its third development phase (2016 - 2025) focusing on sustainability and innovation, the region's inflow of investments from domestic and foreign investors continues to grow," he said. Ismail said in the third quarter of this year, the top five sectors contributing to total investments were mixed development with RM9.7 billion, logistics (RM670 million), creative (RM540 million), education (RM540 million) and tourism (RM320 million). He said recent investments in the promoted sectors in Iskandar Malaysia included the Shattuck St Mary's Forest City International School by Country Garden Pacificview Sdn Bhd, Tunku Laksamana Cancer Centre by Asian American Medical Group and Toppen Shopping Centre by IKEA Southeast Asia. (NST)

### **Fitch Solutions Maintains Malaysia's 2018 and 2019 Budget Deficit at 3.7pct**

Fitch Solutions has maintained its 2018 and 2019 budget deficit forecasts for Malaysia at 3.7 per cent of gross domestic product (GDP). The firm remained cautious about the government's plans to narrow its fiscal shortfall to 3.4 per cent of GDP next year. This was due to concerns over greater reliance on oil revenues, rather than more significant revenue-raising policies, amid an uncertain global macroeconomic outlook.

*“Our forecast for 2019 real GDP growth to come in at 4.5 per cent, lower than the government’s forecast of 4.9 per cent, also suggests that Putrajaya’s revenue projections are too optimistic,”* Fitch said in a report. Fitch said after having signalled to the electorate and investors by warning for weeks that 2019 Budget would involve “pain and sacrifice” on its part, the government had instead proposed a larger budget of RM314.6 billion for fiscal year 2019, an increase of 8.3 per cent from 2018’s revised figure of RM290.4 billion. This was made possible with a RM30 billion special dividend that the government expects to receive from national oil company Petroliam Nasional Bhd (Petronas).

Besides that, it said Malaysia’s public debt as a share of GDP was likely to remain high over the coming years. It said the rising debt would reduce Putrajaya’s ability to respond to negative shocks to the economy, especially from external events. According to data from Bank Negara Malaysia, total public debt, including debt guaranteed by the federal government, stood at RM983.6 billion as of second quarter (Q2) 2018, which was about 70.7 per cent of annual GDP. (NST)

### **MIDA Looks Forward to Review of Investment Incentives**

Malaysian Investment Development Authority (MIDA) looks forward to the government’s holistic study to review the 130 existing investment incentives under the purview of 32 Investment Promotion Agencies (IPA). Its chief executive officer Datuk Azman Mahmud said that the review would reflect Budget 2019’s commitment to ensure a conducive business environment, and optimal use of the country’s resources.

*“MIDA has established an i-Incentives Portal under its Incentives Coordination and Collaboration Office (ICCO),”* he said, adding that the platform would help the review process as it is a one-stop centre with information about all incentives currently available in the country. *“We would be pleased to share the information from ICCO and work with all relevant Government agencies and stakeholders for the review,”* Azman said.

For the manufacturing sector, companies should take advantage of the revisions of tax mechanisms and incentives, initiatives to promote the adoption of 4th Industrial Revolution (IR4.0) practices, facilities for the production of environmentally-friendly plastics based on bio-resins and bio-polymers, incentives for small and medium enterprises (SMEs) as well as facilitation for logistics and transportation activities. (NST)

### **Asia Strong Dollar Hits China’s Foreign-Exchange Reserves**

China’s foreign-exchange reserves saw its biggest monthly drop in October in nearly two years, hit by a strong U.S. dollar that hurt the value of other holdings and likely prompted government intervention to shore up the Yuan. October’s decrease of \$33.93 billion was the largest since December 2016 when Beijing was battling capital flight and burned through \$1 trillion to defend the Yuan. Though China isn’t experiencing that kind of pressure, October’s was the third consecutive monthly decline and was steeper than September’s \$22.70 billion drop, according to data released by the central bank. After October’s decrease, the foreign-exchange hoard, the world’s largest, totaled \$3.053 trillion, according to the data. The State Administration of Foreign Exchange, which manages the reserves, attributed the monthly decline to the impact a stronger U.S. dollar had on other assets. The reserves also hold assets in euro, yen and other currencies, many of which have weakened as the dollar has marched higher this year.

While economists said that valuation effect likely accounted for most of the change, a portion of the decline likely came from Beijing selling off reserves to defend the Yuan. The Yuan, also known as the Renminbi, has been slipping steadily against the dollar since April. Last month it dropped 1.3%, according to local data provider Wind, bringing the currency close to seven Yuan to the dollar, a threshold it hasn't crossed in a decade. (WSJ)

### **Australia Construction Index Slides in October**

The construction sector in Australia continued to contract in October, and at a faster rate, the latest survey from the Australian Industry Group revealed with a Performance of Construction Index score of 46.4. That's down from 49.3 in September, and it moves farther beneath the boom-or-bust line of 50 that separates expansion from contraction. Among the individual components of the survey, activity, employment, new orders and selling prices all remained firmly in contraction. Supplier deliveries, Input prices and average wages all continued to expand, albeit at slower rates. (RTT)

## ***United States* Midterm Elections Produce a Divided Congress**

Democrats took control of the House of Representatives, while Republicans retained their grip on the Senate, as millions of voters flocked to the polls to render their first national verdict on the Donald Trump presidency. Democrats won victories in key House races from coast to coast, flexing strength in suburban districts full of affluent, educated voters—enough to tip control of the chamber to them for the first time in eight years. In the Senate, however, Republicans appeared likely to expand their majority, which would give them a much stronger grip on the power to confirm judges and pass conservative legislation. Many key races remained too close to call early Wednesday morning, but Democratic candidates were declared the winners or had leads in more than two dozen House races previously held by Republicans. Republicans were on the cusp of expanding their Senate majority by as many as three seats. Beyond Washington, Democrats won several high-profile governor's races, including in Wisconsin, Kansas, Wisconsin, Nevada, Illinois, Michigan and Minnesota. But they lost their bid for governor of Ohio, and in Florida, Democrat Andrew Gillum, seeking to be the state's first black governor, conceded defeat to his GOP rival, Ron DeSantis. (WSJ)

### **Once an Optimist on U.S.-China Relations, Henry Paulson Delivers a Sobering Message**

Few people have championed U.S. engagement with China as forcefully or successfully as Henry Paulson, first at Goldman Sachs Group Inc., later as Treasury Secretary, and now as elder statesman. So when Mr. Paulson concludes engagement is failing and an "economic Iron Curtain" may soon descend between the two, it's a sobering statement of the perilous state of relations between the two economic superpowers. In a speech delivered in Singapore, Mr. Paulson warns China its behavior has alienated American friends and unified the American public against it. He is less critical of the U.S. but nonetheless believes it has unrealistic expectations of China and of its own allies. If neither changes course, the result will be "a long winter in U.S.-China relations" and "systemic risk of monumental proportions."

Mr. Paulson is best remembered for tackling the financial crisis in 2008, yet his contribution to U.S. and Chinese economic relations may be just as consequential. He first went to China in the early 1990s in search of investment-banking business for Goldman, eventually helping several major Chinese state-owned enterprises restructure and list on stock exchanges. In 2006 he became President George W. Bush's Treasury secretary and launched the "strategic economic dialogue" between top American and Chinese officials to manage the bilateral relationship. Along the way, he cultivated bonds with top Chinese leaders. He remains friends with Chinese Vice President Wang Qishan, a lieutenant of President Xi Jinping. (WSJ)

## **Eurozone Eurozone Retail Sales Stronger than Expected in September**

Eurozone retail sales rose more than expected in September, and August data was also revised upwards, signalling continued consumer demand, especially in online shopping, despite slowing economic growth, data showed. The European Union's statistics office Eurostat said retail sales in the 19 countries sharing the euro were flat month-on-month for a 0.8% year-on-year gain. Economists polled by Reuters had expected a 0.1% monthly rise and a 0.7% annual increase. Eurostat also revised strongly upwards August data to a 0.3% month-on-month rise from a 0.2% monthly fall and to a 2.2% year-on-year gain from a 1.8% increase. While retail sales of shoes and clothes fell in September in monthly and annual terms, mail orders and internet purchases jumped 2.2% on the month and 5.2% year-on-year. Euro zone economic growth slowed to 0.2% quarter-on-quarter in the third quarter of the year, preliminary Eurostat data showed at the end of October from 0.4% in the April-June period. (Reuters)

## **German Industrial Production Unexpectedly Rises in September**

Germany's industrial production rose for a second straight month in September, defying expectations for a modest decline, preliminary figures from the Federal Statistical Office showed. Production grew a calendar and seasonally adjusted 0.2%. Economists had forecast a 0.1% decline. August's 0.3% decline was revised to a 0.1% gain. On a year-on-year basis, production grew 0.8% following a revised 0.2% gain in August. Economists had expected a 0.2% gain. Figures released on previously showed that factory orders unexpectedly rose for a second straight month in September, led by domestic demand, suggesting improvement in the economic momentum ahead. (RTT)

### **Share Buy-Back: 07 November 2018**

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
ANCOM	30,000	0.55/0.53	0.555/0.535	3,879,327
E&O	50,000	1.26/1.23	1.26/1.19	7,532,296
FIMACOR	30,000	1.81	1.81	4,963,400
FITTERS	200,000	0.40	0.40/0.395	30,745,900
FLBHD	164,900	1.43/1.42	1.44/1.40	243,900
GLOMAC	40,000	0.41	0.41/0.40	13,360,200
GRANFLO	25,000	0.20/0.195	0.20/0.195	11,469,500
IGBB	32,000	2.51	2.57/2.51	3,398,920
INCKEN	56,100	0.655/0.645	0.655/0.645	23,896,000
KENANGA	10,000	0.62	0.62	22,620,000
MKH	262,200	1.25/1.24	1.27/1.24	5,332,700
MYEG	1,000,000	1.31	1.37/1.30	64,000,000
N2N	70,500	1.17/1.15	1.17/1.14	31,751,700
NYLEX	27,100	0.68/0.67	0.68/0.67	8,107,224
P&O	30,000	1.00	1.01/1.00	13,164,193
SYF	60,000	0.23	0.23/0.225	10,845,700
SYSCORP	30,000	0.285/0.28	0.285/0.275	24,591,600
TITIJYA	200,000	0.32	0.325/0.315	21,375,700
TROP	165,000	0.905/0.885	0.905/0.88	18,453,842
YILAI	3,000	0.66	0.695/0.66	14,228,208

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	
<b>AUTOMOBILE</b>																	
BAUTO	1.91	2.59	35.6%	Buy	2,214	0.66	12.1	17.2	15.8	11.1	5.4	6.3	2.44	-21.7	1.80	6.1	-12.1
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	0.75	1.25	67.8%	Buy	137	0.79	6.0	7.4	12.4	10.1	6.7	6.7	1.65	-54.8	0.70	7.2	-51.9
SIME	2.50	2.82	12.8%	Buy	17,002	1.64	12.6	15.7	19.8	15.9	3.2	3.8	3.04	-17.7	2.01	24.3	14.0
UMW	4.59	5.45	18.7%	Buy	5,362	0.79	28.4	39.3	16.2	11.7	3.1	4.4	6.98	-34.2	4.20	9.3	-11.7
<i>Note: UMW proposed rights issue of shares. For more detail please refer to 14.03.2018 report.</i>																	
<b>BANKS &amp; FINANCIAL SERVICES</b>																	
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	2.33	2.10	-9.9%	Sell	4,527	0.90	21.7	22.5	10.7	10.3	3.4	3.4	2.70	-13.7	2.20	5.9	0.9
AMBANK	4.04	4.10	1.5%	Hold	12,177	1.35	37.6	41.5	10.8	9.7	3.7	4.5	4.90	-17.6	3.40	18.8	-8.4
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	20.60	21.80	5.8%	Hold	42,139	0.86	129.0	145.1	16.0	14.2	2.3	2.3	21.26	-3.1	14.90	38.3	21.2
MAYBANK	9.28	9.20	-0.9%	Sell	102,407	0.99	71.3	72.7	13.0	12.8	6.3	6.3	11.08	-16.2	8.68	6.9	-5.3
PBBANK	24.60	25.50	3.7%	Sell	95,501	0.79	152.5	161.5	16.1	15.2	2.6	2.6	26.16	-6.0	19.90	23.6	18.4
RHBBANK	5.23	5.50	5.2%	Hold	20,973	1.29	55.2	58.9	9.5	8.9	3.4	3.4	5.88	-11.1	4.71	11.0	4.6
BURSA	7.46	7.30	-2.1%	Sell	6,024	0.83	29.2	30.0	25.6	24.9	3.2	3.2	8.12	-8.1	6.25	19.4	11.7
<b>BUILDING MATERIALS</b>																	
ANNJOO	1.53	2.47	61.4%	Buy	823	1.75	32.2	35.1	4.8	4.4	10.1	11.8	3.98	-61.6	1.35	13.3	-60.4
CHINHIN	0.70	0.79	12.9%	Hold	385	1.16	5.0	8.6	14.0	8.1	3.9	5.8	1.30	-46.2	0.70	0.7	-42.1
CHINWEL	1.81	2.08	14.9%	Buy	532	0.82	24.2	24.9	12.8	12.4	3.1	3.2	2.00	-9.5	1.49	21.5	-1.1
CMSB	3.09	4.25	37.5%	Buy	3,309	1.73	24.2	24.9	12.8	12.4	3.1	3.2	4.42	-30.1	1.74	77.6	-20.8
CSCSTEL	1.08	1.34	24.1%	Hold	399	0.99	12.9	16.2	8.4	6.7	6.4	8.0	1.76	-38.6	1.00	8.5	-29.9
ENGTEX	0.95	1.07	12.6%	Buy	414	1.00	9.2	12.7	10.3	7.5	1.6	2.6	1.23	-22.8	0.87	9.2	-13.6
<b>CONSTRUCTION</b>																	
GADANG	0.64	0.78	21.9%	Buy	424	1.46	16.0	14.4	4.0	4.5	4.7	4.7	1.22	-47.5	0.60	7.6	-42.3
GAMUDA	2.41	2.73	13.3%	Buy	5,948	1.25	33.2	25.4	7.3	9.5	5.0	5.0	5.31	-54.6	2.00	20.5	-51.4
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	1.73	1.49	-13.9%	Sell	6,279	1.37	9.6	11.7	18.0	14.8	3.5	3.5	3.19	-45.8	1.39	24.5	-43.3
KAB	0.25	0.30	18.0%	Buy	80	na	3.1	3.7	8.1	6.8	4.0	4.8	0.33	-24.2	0.20	25.0	-16.7
PESONA	0.26	0.28	7.7%	Buy	181	1.20	2.0	3.8	12.7	6.9	5.8	5.8	0.56	-53.2	0.24	8.3	-42.2
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	1.66	1.65	-0.6%	Hold	2,145	1.27	12.7	13.8	13.0	12.0	4.8	5.4	2.64	-37.1	1.30	27.7	-33.9
WCT	0.84	0.91	9.0%	Hold	1,153	1.14	7.8	10.5	10.7	8.0	3.6	3.6	1.83	-54.4	0.70	20.1	-48.5
LITRAK	3.97	5.64	42.1%	Hold	2,096	0.46	43.3	42.8	9.2	9.3	6.3	6.3	5.95	-33.3	3.63	9.4	-28.5
<b>CONSUMER</b>																	
<i>Brewery</i>																	
CARLSBG	19.70	19.17	-2.7%	Hold	6,060	0.54	89.3	93.2	22.1	21.1	4.5	4.7	20.88	-5.6	14.70	34.1	29.5
HEIM	20.20	21.66	7.2%	Buy	6,102	0.63	95.2	103.3	21.2	19.6	4.6	5.0	24.02	-15.9	17.30	16.8	6.9
<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	7.00	7.17	2.4%	Hold	1,151	0.63	29.2	30.8	24.0	22.7	3.6	3.9	8.52	-17.8	6.60	6.1	-4.2
F&N	34.96	30.69	-12.2%	Sell	12,814	0.73	96.0	114.0	36.4	30.7	2.0	2.1	40.00	-12.6	24.60	42.1	29.5
HUPSENG	1.05	1.25	19.0%	Buy	840	0.47	5.8	6.2	18.0	17.0	5.7	5.7	1.20	-12.5	0.99	6.1	-3.7
JOHOTIN	0.86	1.16	34.9%	Buy	267	1.21	8.1	8.5	10.6	10.1	5.8	6.4	1.47	-41.5	0.84	3.0	-28.9
NESTLE	144.00	162.00	12.5%	Buy	33,768	0.55	317.5	350.2	45.4	41.1	2.1	2.3	163.00	-11.7	87.04	65.4	39.5
PADINI	5.49	6.11	11.3%	Hold	3,612	0.66	27.8	29.3	19.7	18.7	2.1	2.1	6.20	-11.5	4.12	33.3	4.3
POHUAT	1.44	1.74	20.8%	Buy	317	0.68	17.2	22.0	8.4	6.6	4.2	5.6	1.99	-27.6	1.15	25.2	-19.6
QL	7.28	6.57	-9.8%	Sell	11,811	0.61	12.7	13.0	57.3	55.9	0.6	0.6	7.28	0.0	3.88	87.6	67.4
SIGN	0.42	0.67	59.5%	Buy	95	1.02	4.8	6.1	8.7	6.9	3.6	6.0	0.91	-53.6	0.37	15.1	-40.4
<i>Tobacco</i>																	
BAT	36.22	27.39	-24.4%	Sell	10,342	0.98	152.8	138.3	23.7	26.2	3.9	3.3	40.20	-9.9	22.46	61.3	-9.5
<b>GAMING</b>																	
<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	3.64	4.06	11.5%	Sell	20,579	1.34	28.7	22.2	12.7	16.4	3.3	2.2	5.73	-36.5	3.18	14.5	-34.3
<i>NFO</i>																	
BJTOTO	2.23	2.30	3.1%	Sell	3,004	0.76	19.6	29.8	11.4	7.5	7.2	11.7	2.62	-14.9	2.01	10.9	-0.4
<b>HEALTHCARE</b>																	
<i>Hospitals/ Pharmaceutical</i>																	
CCMDBIO	1.11	1.52	36.9%	Buy	735	0.66	6.8	7.5	16.2	14.9	4.1	4.4	1.49	-25.5	0.93	19.9	2.4
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	1.10	1.20	9.1%	Hold	4,639	0.54	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	6.32	4.90	-22.5%	Sell	21,034	1.00	13.2	14.6	47.9	43.4	1.5	1.5	7.45	-15.2	4.08	55.1	18.4
KOSSAN	4.28	4.73	10.5%	Hold	5,474	0.52	15.4	17.5	27.8	24.4	1.4	1.6	4.72	-9.3	3.19	34.2	5.5
SUPERMX	3.46	4.75	37.3%	Buy	2,269	0.83	16.3	19.8	21.3	17.5	2.3	2.3	4.61	-24.9	1.79	93.3	73.0
<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	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	-19.0%	Sell	631	0.79	1.0	1.6	62.5	40.2	0.4	0.6	1.61	-60.9	0.50	26.0	-51.5
<b>INDUSTRIAL</b>																	
SCIENTX	8.63	9.16	6.1%	Hold	4,219	0.87	59.3	69.6	14.6	12.4	2.3	2.4	9.30	-7.2	6.51	32.6	-0.3
SKPRES	1.25	1.60	28.0%	Buy	1,563	1.04	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	1.28	1.95	52.3%	Buy	6,674	1.27	12.4	11.7	10.3	10.9	9.8	7.8	2.85	-55.1	1.21	5.8	-51.7
MEDIA PRIMA	0.41	0.39	-4.9%	Sell	455	0.82	-5.9	-4.1	na	na	0.0	0.0	0.84	-50.9	0.25	64.0	-46.1
STAR	0.85	0.95	11.8%	Sell	627	0.96	3.1	2.6	27.2	32.2	3.5	3.5	1.70	-50.0	0.72	18.9	-48.5



**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	0.71	84.4%	Buy	677	1.58	5.1	5.3	7.6	7.3	2.6	2.6	0.57	-32.5	0.31	26.2	-20.6
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	27.9%	Buy	976	1.54	-5.6	0.4	na	141.8	0.0	0.0	0.98	-37.8	0.57	8.0	-26.1
MISC	6.90	5.65	-18.1%	Sell	30,800	0.88	29.3	40.3	23.6	17.1	4.3	4.3	7.90	-12.7	5.03	37.2	-7.0
PANTECH	0.48	0.70	45.8%	Buy	356	0.92	6.3	6.2	7.6	7.8	5.2	5.0	0.71	-31.9	0.44	9.1	-25.6
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	0.37	0.33	-10.8%	Sell	2,217	1.81	-5.0	-7.0	na	na	0.0	0.0	1.50	-75.3	0.31	19.4	-47.9
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	30.8%	Buy	2,136	1.67	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	1.54	31.6%	Buy	374	1.31	13.9	13.5	8.4	8.7	0.0	0.0	1.67	-29.9	0.93	26.5	-8.6
<b>PLANTATIONS</b>																	
FGV	1.41	1.50	6.4%	Sell	5,144	1.45	-3.4	-0.5	na	na	0.0	0.0	2.18	-35.3	1.34	5.2	-16.6
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	4.59	5.06	10.2%	Buy	28,029	0.75	17.8	19.6	25.8	23.4	4.5	2.5	4.81	-4.6	4.21	9.1	3.6
KFIMA	1.51	1.89	25.2%	Buy	425	0.70	14.7	13.1	10.3	11.5	6.0	6.0	1.76	-14.2	1.44	4.9	-3.8
KLK	24.88	22.37	-10.1%	Sell	26,496	0.54	83.3	90.6	29.9	27.5	1.8	1.8	25.98	-4.2	23.26	7.0	-0.5
SIMEPLT	5.20	5.88	13.1%	Buy	35,364	na	18.8	18.3	27.6	28.4	3.4	2.9	5.97	-12.8	4.55	14.2	-12.8
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	5.61	4.11	-26.7%	Sell	1,176	0.50	18.5	12.3	30.3	45.5	2.1	2.1	7.08	-20.8	5.60	0.2	-13.8
<b>PROPERTY</b>																	
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	0.38	0.44	15.8%	Hold	134	0.77	1.3	2.2	30.4	17.2	0.0	0.0	0.75	-49.0	0.36	5.6	-37.7
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	1.41	1.62	14.9%	Buy	7,764	1.10	14.3	14.7	9.8	9.6	3.5	3.5	2.06	-31.6	1.21	16.5	-23.8
MAHSING	1.03	1.11	7.8%	Buy	2,501	1.04	9.4	9.8	10.9	10.5	4.9	4.9	1.55	-33.5	0.94	9.6	-29.0
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	5.36	5.70	6.3%	Accept Offer	1,842	0.20	18.7	23.4	28.6	23.0	2.2	2.2	5.50	-2.5	3.95	35.7	9.4
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	1.45	1.50	3.4%	Hold	7,037	0.91	11.8	12.2	12.3	11.9	4.1	4.1	1.82	-20.3	1.35	7.4	-11.0
<b>REIT</b>																	
SUNREIT	1.67	1.82	9.0%	Hold	4,918	0.68	9.6	10.0	17.4	16.7	5.7	6.0	1.90	-12.1	1.48	12.8	-12.1
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
<b>POWER &amp; UTILITIES</b>																	
MALAKOF	0.88	0.92	5.1%	Buy	4,287	1.04	3.7	5.3	23.4	16.6	6.9	6.9	1.07	-18.2	0.79	11.5	-10.7
PETDAG	27.74	24.13	-13.0%	Sell	27,558	0.75	114.1	114.9	24.3	24.1	3.2	3.1	28.36	-4.2	20.81	33.3	15.4
PETGAS	18.70	18.90	1.1%	Hold	37,002	0.92	99.1	101.0	18.9	18.5	3.6	3.7	19.50	-4.1	15.82	18.2	7.0
TENAGA	14.82	17.47	17.9%	Buy	84,151	0.92	136.7	127.8	10.8	11.6	4.4	4.3	16.34	-9.3	13.54	9.5	-2.9
YTLPOWER	1.00	0.96	-3.5%	Sell	7,637	0.96	8.4	8.8	11.9	11.3	5.0	5.0	1.33	-25.2	0.73	36.3	-22.9
<b>TELECOMMUNICATIONS</b>																	
AXIATA	3.60	4.55	26.4%	Buy	32,656	1.83	12.7	16.2	28.3	22.2	3.0	3.8	5.82	-38.1	3.20	12.5	-34.4
DIGI	4.44	4.20	-5.4%	Hold	34,521	1.09	18.8	19.5	23.6	22.8	4.2	4.4	5.10	-12.9	3.93	13.0	-12.9
MAXIS	5.40	4.55	-15.7%	Sell	42,210	0.95	23.8	23.4	22.6	23.0	3.7	3.7	6.14	-12.1	5.15	4.9	-10.1
TM	2.37	2.05	-13.5%	Sell	8,906	1.75	16.0	15.3	14.8	15.5	8.0	8.0	6.50	-63.5	2.11	12.3	-62.4
<b>TECHNOLOGY</b>																	
<i>Semiconductor &amp; 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	1.93	2.50	29.5%	Buy	6,110	0.82	7.9	9.2	24.5	21.0	3.5	3.8	2.56	-24.5	1.58	21.9	-14.7
MPI	10.50	13.45	28.1%	Buy	2,088	0.96	70.8	80.4	14.8	13.1	2.8	3.0	14.38	-27.0	7.57	38.7	-16.8
N2N	1.17	1.70	45.3%	Buy	662	0.67	4.2	5.1	27.9	22.8	2.3	0.8	1.37	-14.6	0.67	74.6	27.2
UNISEM	2.99	3.30	10.4%	Buy	2,174	0.87	12.9	18.4	23.2	16.3	2.7	3.7	3.94	-24.1	1.60	86.9	-18.1
<b>TRANSPORTATION</b>																	
<i>Airlines</i>																	
AIRASIA	2.71	3.15	16.2%	Buy	9,057	1.18	28.3	28.3	9.6	9.6	29.5	3.0	4.75	-42.9	2.30	17.8	-19.1
AIRPORT	8.16	8.79	7.7%	Sell	13,539	0.89	33.8	35.7	24.2	22.9	1.8	1.2	9.98	-18.2	7.26	12.4	-7.2
<i>Freight &amp; 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	0.90	1.08	20.0%	Buy	411	0.89	10.0	8.2	9.0	11.0	0.0	4.4	1.46	-38.4	0.85	5.9	-32.8
WPRTS	3.69	3.78	2.4%	Sell	12,583	0.74	15.6	20.0	23.7	18.4	3.1	4.1	3.95	-6.6	3.10	19.0	-0.3

**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	23.77	27.40	15.3%	Buy	60,704	1.24	213.2	246.9	11.2	9.6	3.8	3.8	30.8	-22.7	22.76	4.4	-2.7
OCBC	11.34	13.50	19.0%	Buy	48,219	1.24	107.8	121.3	10.5	9.3	6.7	7.7	14.0	-19.2	10.36	9.5	-8.5
UOB	24.55	30.20	23.0%	Buy	40,936	1.19	229.6	255.4	10.7	10.7	3.3	3.3	30.4	-19.2	23.95	2.5	-6.5
<b>PLANTATIONS</b>																	
WILMAR	3.20	3.27	2.2%	Hold	20,475	0.70	22.5	25.1	14.3	12.7	3.1	3.1	3.4	-4.8	2.97	7.7	3.6
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.