

# 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 *US-China Tariff Pause Provide Upside Catalyst*

Bursa Malaysia shares jumped on Monday, boosted by the agreement to pause further tariff hikes by the US and China for 90 days in the G-20 meeting over the weekend, and as oil prices rallied on hopes for a supply cut. The KLCI surged 19.86 points, or 1.2 percent, to close at 1,699.72, off an early low of 1,685.74 and high of 1,700.67, as gainers led losers 568 to 338 on robust turnover of 2.52bn shares worth RM2.29bn.

### **Resistance at 1,700, Next at 1,722/1,742**

The strong rebound in global markets, fueled by the suspension of the US-China tariff hikes for 90 days and oil price rally sparked by supply cut hopes could be a good upside catalyst to initiate gains till the year-end. On the index, immediate resistance remains at 1,700, with tougher upside hurdles at 1,722, 1,742 and 1,762, the respective 61.8%FR, 50%FR and 38.2%FR levels. Crucial supports stays at the 25 Oct low of 1,670 and 1,657, the 28 June pivot low.

### **Bargain Genting Berhad & GENM**

Genting Berhad may be shored up further by bargain hunters to cover the recent gap-down at RM6.90, with tougher hurdle from the 76.4%FR (RM7.07) and post Budget 2019 gap-down at RM7.20, while crucial support from the 3/12/18 low (RM6.25) limits downside risk. Likewise, Genting Malaysia may attract buyers but expect significant profit-taking resistance from RM3.18 and the 76.4%FR (RM3.46), while crucial support is at the 30/11/18 low (RM2.76).

### **Asia Higher After US and China Suspend Tariff Hikes**

Stocks in Asia saw gains on Monday after Presidents Donald Trump and Xi Jinping agreed to a temporary trade truce between the United States and China. The mainland Chinese markets, closely watched as a result of Beijing's ongoing trade spat with Washington, saw strong gains on the day. The Shanghai composite gained 2.57 percent to close at around 2,654.80 while the Shenzhen composite advanced 3.275 percent to end the trading day at about 1,381.55. Meanwhile, Hong Kong's Hang Seng index also jumped 2.55 percent as of the close of trade. Japan's Nikkei 225 rose 1 percent to close at 22,574.76 while in South Korea, the Kospi gained 1.67 percent to close at 2,131.93. Over in Australia, the ASX 200 jumped 1.84 percent to close at 5,771.20, with almost all sectors in positive territory.

The moves came following a new reading on economic activity in China, the Caixin Manufacturing Purchasing Managers' Index, which showed factory activity grew slightly in November compared to the previous month. Oil prices saw strong gains Monday afternoon during Asian trading hours, but pared some of their earlier gains on the back of Qatar announcing its plans to pull out of OPEC days before an anticipated meeting between the cartel and its allies. The international benchmark Brent surged 4.42 percent to USD62.09 per barrel. U.S. crude futures leaped 4.81 percent to USD53.38 per barrel after earlier seeing gains of more than 5 percent. The crude markets saw their worst month in a decade during November, amid concerns of oversupply and global politics.

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**Wall Street Ends Higher On U.S.-China Trade Optimism**

U.S. stocks finished sharply higher Monday after the market reacted optimistically to U.S. and China over the weekend calling a temporary truce to their trade dispute. The initial jump on Wall Street reflected a positive reaction to the highly anticipated meeting between President Donald Trump and Chinese President Xi Jinping over the weekend. The two leaders, who met for dinner on Saturday at the G-20 summit in Argentina, agreed to hold off on additional tariffs on each other's goods at the start of the New Year to allow for talks to continue. The U.S. agreed to leave tariffs on more than USD200 billion worth of Chinese products at 10 percent. If after 90 days the two countries are unable to reach an agreement, that rate will be raised to 25 percent, according to the White House. Trade negotiations will address forced technology transfer and intellectual property.

U.S. crude oil also posted its biggest one-day gain since June, although some analysts attributed the moves primarily to relief that Russia and Saudi Arabia agreed to extend efforts by the Organization of the Petroleum Exporting Countries to curb production. Shares of Boeing and Caterpillar, two industrial companies viewed as trade bellwethers, gained 3.5 percent and 2.3 percent, respectively, and gave a lift to the blue-chip Dow.

The Dow Jones Industrial Average rose 287.97 points, or 1.13 percent, to 25,826.43, the S&P 500 gained 30.20 points, or 1.09 percent, to 2,790.37 and the Nasdaq Composite added 110.98 points, or 1.51 percent, to 7,441.51.

## News In Brief *Corporate*

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**Cycle & Carriage Bintang Bhd** will cease to be a substantial shareholder of Mercedes-Benz Malaysia Sdn Bhd after disposing of 66.0mn or 49% Mercedes-Benz Malaysia shares to Daimler AG for RM66.0mn. "Following Daimler's exercise of the call option, Cycle & Carriage will cease to be entitled to the annual dividend from Mercedes-Benz Malaysia of approximately RM11.2mn, even when Mercedes-Benz Malaysia declares a dividend," Cycle & Carriage said in a filing with Bursa Malaysia. (*The Edge Markets / Bursa Malaysia*)

**Telekom Malaysia Bhd** has appointed Rosli Man as a non-independent and non-executive chairman of the telecommunications giant effective immediately. Rosli, 65, replaces Tan Sri Dr Sulaiman Mahbob, 70, who resigned on Nov 30 following the cessation of office. (*The Edge Markets / Bursa Malaysia*)

**Reach Energy Bhd** announced today that initial testing of the exploration well at North Kariman-3 (NK-3) in its Emir Oil concession block onshore Kazakhstan has yielded positive results. "The NK-3 well has been safely and successfully executed as budgeted," it said, noting that the well penetrated the target Mid-Triassic carbonate reservoirs, reaching a total depth of 4,140.66m. (*The Edge Markets / Bursa Malaysia*)

Cashless payment solutions provider, **Revenue Group Bhd**, is expected to make inroads into Myanmar early next year. Its group chief executive officer Eddie Ng Chee Siong said the group is now awaiting approval from the authorities before it could enter into any partnership there. "We hope to collaborate with local companies there to strengthen our footprint," he said after the company's inaugural annual general meeting today. (*The Edge Markets*)

**Hibiscus Petroleum Bhd** expects the total number of offtakes of its crude oil for the financial year ending June 30, 2019 (FY19) to rise to approximately 10 or 11, compared with an average of four per year previously. In a business update filed with Bursa Malaysia, Hibiscus said this increase in the number of offtakes will help smoothen the average selling price per barrel of oil over FY19. For FY19, it intends to deliver total oil production attributable to the group of about 2.7 to 3.0mn barrels of oil (mmbbls). Hibiscus also said it is working towards achieving net production of 5,000 bbls per day at the Anasuria Cluster by the end of FY20. (*The Edge Markets / Bursa Malaysia*)

**Genting Malaysia Bhd** has appointed former Bank Negara Malaysia executive Chong Kwai Ying as an independent and non-executive director. Chong, 58, was at the central bank in various capacities until April 2017, where after that she had short stint at Perbadanan Insurans Deposit Dalam Malaysia (PIDM) as a consultant until earlier this year. She is currently an independent and non-executive director of AXA Affin Life Insurance Bhd and China Construction Bank (Malaysia) Bhd, and is an economics graduate from University Malaya. (*The Edge Markets / Bursa Malaysia*)

Telecommunications industry veteran Rosli Man has been appointed chairman of **Telekom Malaysia Bhd (TM)** with effect from Monday, taking over from Tan Sri Dr Sulaiman Mahbob. TM's board said it looked forward to Rosli's guidance and leadership experience and knowledge, together with the recently appointed acting group chief executive officer Imri Mokhtar. (*StarBiz / Bursa Malaysia*)

**Hap Seng Consolidated Bhd** is disposing of two contiguous parcels of land in Tawau, Sabah to Goldcoin Ventures Sdn Bhd for RM24.2mn. Hap Seng said the proposed disposals are in line with the group's strategy in disposing of parcels of land located in non-strategic locations without immediate development potential. The proceeds from the exercise would be used to reduce the group's borrowings and/or for working capital. It added that the proposed disposals will give rise to a net gain of RM18.1mn. (*The Edge Markets / Bursa Malaysia*)

With a thinner order book of RM116.0mn as at September, **Signature International Bhd** is poised to deliver weaker results for its current financial year ending June 30, 2019 (FY19). Group managing director Tan Kee Choong said the kitchen furniture maker has been negatively impacted by lower orders amid a subdued property market, and it does not see sentiment improving anytime soon. (*The Edge Markets*)

The second offer by **Hovid Bhd** managing director David Ho Sue San and private equity firm TAEI Two Partners Ltd — via its special purpose vehicle Fajar Astoria Sdn Bhd — to take over the pharmaceutical company has turned unconditional after Bursa Malaysia approved the application for its listing withdrawal. As of today, Ho's and Fajar Astoria's shareholdings in Hovid have increased to 87.4% from 79.1% on Oct 5 — the date when the group dispatched the offer document to shareholders. (*The Edge Markets / Bursa Malaysia*)

**D'nonce Technology Bhd's** substantial shareholder Blackstream Investments Pte Ltd is calling for an extraordinary general meeting (EGM) to remove the group's directors, as it disagrees with the board's move to lead the group towards a future that only focuses on and raises funds for property development. Property development is a new venture for the group and one of three businesses it is in, according to Blackstream, which owns a 21.9% stake in the group. D'nonce said it has received the requisition notice to convene the EGM from Blackstream, and has engaged its lawyers to provide legal opinion in respect of the notice. (*The Edge Markets / Bursa Malaysia*)

## News In Brief *Economy*

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### *Malaysia* **Malaysia Manufacturing PMI for November Dips to 48.2**

The headline Nikkei Malaysia Manufacturing Purchasing Managers' Index (PMI) — a composite single-figure indicator of manufacturing performance — dipped to 48.2 in November from 49.2 in October. A PMI of more than 50 points represents expansion in the manufacturing sector, and below that, contraction. In a statement, IHS Markit said Malaysia's manufacturing economy observed a deeper decline in business conditions during November, with the headline PMI falling to a six month low. It said both production and new orders fell at quicker paces, leading firms to reduce input buying and subsequently reduce their stocks of purchases. However, it said weaker demand did lead to a softer lengthening of input delivery times. IHS Markit said firms also hired extra staff to the weakest extent since August. Survey data continued to highlight strong cost pressures, causing firms to raise output charges as part of efforts to alleviate margin erosion. It said contributing to the latest monthly contraction in Malaysia's manufacturing sector was weaker demand pressures. It explained that new orders decreased markedly in November and to the greatest extent for six months. Meanwhile, it said export sales picked up from the previous month, indicating that the soft patch in order book volumes stemmed from domestic clients. However, the rise in new business from overseas was only marginal. (The Edge)

### *Asia* **Japan Factory Activity Expands at Weakest Pace Since August 2017**

Japanese manufacturing activity expanded in November at the slowest pace in more than a year as growth in new orders slowed, a revised survey showed in a worrying sign that economic growth may be subdued in the fourth quarter. The final Markit/Nikkei Japan Manufacturing Purchasing Managers' Index (PMI) was 52.2 on a seasonally adjusted basis, up from a flash reading of 51.8 but below October's final 52.9. The index remained above the 50 threshold that separates contraction from expansion for the 27th consecutive month but reached the lowest level since August 2017, when it also was 52.2. The underlying picture remains subdued, with momentum tilting towards a slowdown. Subdued sales performances reflected fragile conditions both domestically and abroad. According to firms, weak demand from China and parts of Europe hampered export growth. Japan's economy, the world's third largest, shrank more than expected in the third quarter, hit by natural disasters and sluggish exports. While the economy is expected by many to return to growth this quarter as effects of the disasters fade, slowing global demand and the U.S.-China trade war cloud the outlook for export-reliant Japan. (Reuters)

### **Australia Building Approvals Decline in October**

The total number of building approvals issued in Australia slid a seasonally adjusted 1.5% on month in October, the Australian Bureau of Statistics said - standing at 17,070. That was in line with expectations following the 3.3% increase in September. On a yearly basis, approvals tumbled 13.4% - but that also exceeded expectations for a fall of 14.0% after sliding 14.1% in the previous month. Approvals for private sector houses added 2.7% on month but fell 4.1% on year. Approvals for private sector dwellings excluding houses dropped 4.8% on month and 22.2% on year. The seasonally adjusted estimate of the value of total building approved rose 2.8% in October.

**Other news in Australia:**

- Company operating profits in Australia were up a seasonally adjusted 1.9% on quarter in the third quarter of 2018, the Australian Bureau of Statistics said. That missed expectations for an increase of 2.8% and was down from 2.0% in the three months prior. (RTT)
- The manufacturing sector in Australia continued to expand in November, albeit at a much slower pace, the latest survey from the Australian Industry Group revealed with a Performance of Manufacturing Index score of 51.3. (RTT)

**China Factory Activity Up a Touch but Client Demand Ebbs**

China's factory activity grew slightly in November, a private survey showed, though new export orders extended their decline in a further blow to the sector already hurt by the Sino-U.S. trade frictions. The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) for November ticked up to 50.2 from 50.1 in October. Economists polled by Reuters had forecast a reading of 50.0, the level that separates expansion from contraction. Domestic orders have been losing momentum in recent quarters as the world's second-largest economy slows.

Overall, a sub-index measuring new orders did improve slightly to 50.9 in November from 50.4 in the previous month, after manufacturers cut prices. Exports have held up so far, but the lingering threat of higher U.S. tariffs next year amid a trade war with the United States, China's No.1 trade partner, remained a drag on Chinese manufacturing. That risk was underscored by the sub-index for new export orders shrinking to 47.7 in November from 48.8 a month earlier, amid relatively weak global demand conditions, according to the survey. Over the weekend, on the sidelines of the G20 summit in Argentina, China and the United States agreed to suspend additional tariffs in a deal that keeps their trade war from escalating for now. (Reuters)

**ASEAN: Small Improvement to Business Conditions in November**

The ASEAN manufacturing sector saw a marginal improvement in operating conditions in November, according to the headline Nikkei ASEAN Manufacturing Purchasing Managers' Index (PMI™), which is compiled by IHS Markit. The headline PMI rose from 49.8 in October to 50.4 in November, signalling a slight improvement in the health of the manufacturing sector. The latest data followed the first decline in performance in ten months during October, suggesting a modest rebound of ASEAN manufacturing growth. Output grew at the quickest pace since June during November, with five of the seven countries monitored by the survey recording an improvement in production levels. New orders expanded at a fractional pace, though this marked an improvement from a decline in October. Export sales meanwhile declined for the fourth successive month, albeit marginally. Only some countries saw operating conditions improve at a quicker rate in November, with Vietnam performing the best of all. Notably, Vietnam's manufacturing sector recorded the sharpest increase in output in over seven years. The Philippines came second in the rankings with a solid rate of expansion that was similar to October. (Markit Economics)

**United States U.S. Manufacturing Index Unexpectedly Rises to 59.3 in November**

Manufacturing activity in the U.S. unexpectedly grew at a faster rate in the month of November, according to a report released by the Institute for Supply Management. The ISM said its purchasing managers index climbed to 59.3 in November after falling to 57.7 in October, with a reading above 50 indicating growth in manufacturing activity. Economists had expected the index to edge down to 57.5.

Separately, With a drop in spending on private construction more than offsetting an increase in spending on public construction, the Commerce Department released a report showing an unexpected dip in U.S. construction spending in the month of October. The Commerce Department said construction spending edged down by 0.1% to an annual rate of \$1.309 trillion in October after slipping by 0.1% to a downwardly revised rate of \$1.311 trillion in September. (RTT)

**Trump: China to 'Reduce and Remove' Tariffs on American Cars**

China has agreed to cut tariffs on American-made cars, President Trump said on Twitter, apparently signaling Beijing's readiness to make concessions to prevent further escalating trade tensions. Chinese officials didn't immediately confirm or deny Mr. Trump's assertion, with a Foreign Ministry spokesman sidestepping questions on auto tariffs. The two presidents instructed their economic teams to work toward the direction for removing all tariffs for win-win outcomes and mutual benefit, describing the outcome of weekend talks between Mr. Trump and Chinese President Xi Jinping at the G-20 Summit in Buenos Aires. The concession would be a notable one on Beijing's part: U.S. automobile exports to China were worth \$9.5 billion last year, according to the U.S. Department of Commerce, topped only by aerospace and agriculture exports. Three quarters of those exports came from four U.S. states: Alabama, California, Kentucky and South Carolina. Among the biggest beneficiaries if the tariffs are lifted, in addition to Ford Motor Co. and Tesla Inc.: German auto makers BMW AG and Daimler AG, which build sport-utility vehicles in the U.S. for export to China. (WSJ)

**Eurozone U.K. Manufacturing Growth Recovers From 27-Month Low in November**

U.K. manufacturing growth recovered from a 27-month low in November as domestic new orders picked up and firms built up stocks to protect against Brexit risks. IHS Markit's Purchasing Managers Index for the industry rose to 53.1 last month, up from a 51.1 in October and beating economists' estimates for reading of 51.7. Still, Markit noted that growth remained subdued, with new export orders decreasing for a second consecutive month. The domestic market was the main source of new contracts, Markit said, with increases linked to new product launches and client stock-building. Manufacturers noted that stocks of purchases were being raised to protect against Brexit and supply-chain risks. Export orders saw their first back-to-back drop since early 2016, with firms citing reduced interest and Brexit uncertainty as the reasons for the decline. The overall degree of optimism among companies fell to a 27-month low, as "Brexit uncertainty, exchange rate concerns and a slowing economy weighed on confidence," Markit said. (Bloomberg)

### Eurozone Factory Growth Stumbled Again in November: PMI

Euro zone manufacturing activity expanded at its weakest rate in over two years in November as new orders contracted for a second month, further evidence the bloc's economic growth is past its peak, a survey showed. Policymakers at the European Central Bank are due to draw a line under their 2.6 trillion euro asset purchase program at the end of the year and the survey will likely make disappointing reading. IHS Markit's November final manufacturing Purchasing Managers' Index fell for a third month, coming in at 51.8 from October's 52.0, although above a flash reading of 51.5 and still exceeding the 50 level separating growth from contraction. But that was its lowest level since August 2016 and an index measuring output, which feeds into a composite PMI that is seen as a good guide to economic health, stumbled to 50.7 from 51.3 - its lowest since mid-2013. The preliminary estimate was 50.4. (Reuters)

#### Share Buy-Back: 03 December 2018

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
ANCOM	70,000	0.525/0.51	0.525/0.51	4,609,359
BKAWAN	4,400	16.80/16.78	16.80/16.36	35,524,631
CCK	50,000	0.49/0.485	0.51/0.48	1,875,500
E&O	250,000	1.14/1.13	1.14/1.12	9,619,696
EWEIN	550,000	0.625/0.62	0.64/0.61	2,900,000
GKENT	210,000	1.03/1.02	1.04/1.00	12,820,800
GLOMAC	113,000	0.41/0.395	0.41/0.395	14,542,300
GRANFLO	5,000	0.20	0.20/0.195	11,859,600
HAI0	11,500	3.00/2.94	3.00/2.92	9,862,088
IGBB	46,900	2.57	2.57	3,963,120
IJM	200,000	1.65	1.68/1.63	7,697,000
JCBNEXT	1,400	1.55	1.55	1,824,400
KPJ	2,000,000	1.07	1.09/1.04	105,697,500
MALAKOF	780,000	0.795/0.78	0.80/0.76	105,048,600
MKH	263,100	1.20/1.19	1.23/1.18	5,913,800
N2N	151,900	1.09/1.05	1.09/1.05	34,975,900
NIHSIN	300,000	0.28	0.285/0.27	28,271,300
NYLEX	23,600	0.67/0.64	0.67/0.64	8,539,024
P&O	17,200	1.01/1.00	1.01/0.995	13,347,993
SALCON	1,211,000	0.245/0.23	0.245/0.225	20,408,427
TITIJYA	511,900	0.305/0.30	0.31/0.295	23,926,400
TROP	155,000	0.87/0.855	0.87/0.85	20,018,242
UNIMECH	26,900	0.99	0.995/0.98	8,600,010
YLAI	10,300	0.63	0.635/0.63	14,421,908
YINSON	38,300	4.30/4.29	4.55/4.29	10,579,100

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	2.11	2.59	22.7%	Buy	2,446	0.65	12.1	17.2	17.5	12.3	4.9	5.7	2.44	-13.5	1.80	17.2	-2.9
MBMR	1.90	3.19	67.9%	Buy	743	0.55	31.4	31.9	6.1	6.0	4.2	4.2	2.68	-29.1	1.86	2.2	-13.6
PECCA	0.81	1.22	51.6%	Buy	148	0.77	6.0	7.2	13.4	11.3	6.2	6.2	1.65	-51.2	0.70	15.8	-48.1
SIME	2.44	2.82	15.6%	Buy	16,594	1.65	12.6	15.7	19.4	15.5	3.3	3.9	3.04	-19.6	2.02	20.5	11.3
UMW	5.40	7.09	31.3%	Buy	6,309	0.76	39.2	51.8	13.8	10.4	3.7	4.8	6.98	-22.6	4.20	28.6	3.8
<b>BANKS &amp; FINANCIAL SERVICES</b>																	
ABMB	4.00	4.20	5.0%	Hold	6,192	0.79	31.9	34.9	12.6	11.5	3.8	4.0	4.49	-10.9	3.69	8.4	-2.0
AFFIN	2.42	2.40	-0.8%	Sell	4,702	0.88	23.7	24.4	10.2	9.9	4.1	4.1	2.70	-10.4	2.20	10.0	4.8
AMBANK	4.24	4.40	3.8%	Hold	12,780	1.33	37.6	41.5	11.3	10.2	3.5	4.2	4.90	-13.5	3.40	24.7	-3.9
CIMB	5.90	6.30	6.8%	Buy	56,430	1.48	49.0	56.8	12.0	10.4	5.0	4.8	7.39	-20.2	5.21	13.2	-9.8
HLBANK	20.62	21.80	5.7%	Hold	42,180	0.87	129.0	145.1	16.0	14.2	2.3	2.3	21.26	-3.0	15.18	35.8	21.3
MAYBANK	9.43	9.20	-2.4%	Sell	104,062	0.99	70.6	72.0	13.4	13.1	6.2	6.2	11.08	-14.9	8.68	8.6	-3.8
PBBANK	24.88	25.50	2.5%	Sell	96,588	0.79	152.5	161.5	16.3	15.4	2.5	2.6	26.16	-4.9	19.94	24.8	19.7
RHBBANK	5.30	5.50	3.8%	Hold	21,253	1.27	55.2	58.9	9.6	9.0	3.4	3.4	5.88	-9.9	4.71	12.5	6.0
BURSA	7.08	7.30	3.1%	Sell	5,717	0.84	29.2	30.0	24.3	23.6	3.4	3.4	8.12	-12.8	6.29	12.5	6.0
<b>BUILDING MATERIALS</b>																	
ANNJO	1.35	1.37	1.5%	Hold	726	1.81	22.9	19.4	5.9	6.9	8.1	8.1	3.94	-65.7	1.30	3.8	-65.0
CHINHIN	0.70	0.76	8.6%	Hold	385	1.16	5.3	8.6	13.2	8.1	2.2	4.2	1.26	-44.4	0.70	0.7	-42.1
CHINWEL	1.85	2.08	12.4%	Buy	544	0.84	24.2	24.9	13.3	13.0	3.0	3.1	2.00	-7.5	1.49	24.2	1.1
CMSB	3.23	4.25	31.6%	Buy	3,459	1.72	24.2	24.9	13.3	13.0	3.0	3.1	4.42	-26.9	1.74	85.6	-17.2
CSCSTEL	1.03	0.93	-9.7%	Sell	380	1.01	8.4	11.3	12.3	9.1	4.3	5.9	1.66	-38.0	1.00	3.5	-33.1
ENGTEX	0.89	0.96	7.9%	Hold	388	1.02	5.0	11.3	17.8	7.8	0.8	2.5	1.23	-27.6	0.84	6.0	-19.1
<b>CONSTRUCTION</b>																	
GADANG	0.56	0.78	39.3%	Buy	371	1.55	16.0	14.4	3.5	3.9	5.4	5.4	1.20	-53.3	0.53	5.7	-49.5
GAMUDA	2.26	2.73	20.8%	Buy	5,578	1.25	33.2	25.4	6.8	8.9	5.3	5.3	5.31	-57.4	2.00	13.0	-54.4
GDB	0.27	0.36	35.8%	Buy	166	na	4.6	4.5	5.7	5.9	4.5	5.7	0.45	-10.1	0.27	0.0	-10.2
IJM	1.64	1.19	-27.4%	Sell	5,951	1.40	9.6	8.5	17.0	19.4	3.7	2.4	3.19	-48.6	1.39	18.0	-46.2
KAB	0.23	0.30	28.3%	Buy	74	na	3.1	3.7	7.4	6.2	4.3	5.2	0.33	-29.2	0.20	15.0	-23.3
PESONA	0.20	0.28	40.0%	Buy	139	1.29	2.4	3.8	8.3	5.3	7.5	7.5	0.53	-62.3	0.19	5.3	-55.6
SENDAI	0.62	0.62	0.0%	Hold	480	1.42	9.4	8.8	6.5	7.0	1.6	1.6	1.09	-43.6	0.52	18.3	-28.9
SUNCON	1.60	1.32	-17.5%	Sell	2,068	1.23	11.3	11.0	14.2	14.5	5.0	5.6	2.64	-39.4	1.30	23.1	-36.3
WCT	0.71	0.69	-3.5%	Sell	980	1.21	5.2	6.3	13.8	11.3	4.2	4.2	1.83	-61.2	0.70	2.2	-56.2
LITRAK	3.86	4.54	17.6%	Buy	2,038	0.46	43.3	42.8	8.9	9.0	6.5	6.5	5.90	-34.6	3.63	6.3	-30.5
<b>CONSUMER</b>																	
<i>Brewery</i>																	
CARLSBG	19.40	20.65	6.4%	Hold	5,968	0.52	89.3	93.2	21.7	20.8	4.6	4.8	20.88	-7.1	14.83	30.8	27.5
HEIM	20.10	23.11	15.0%	Buy	6,072	0.59	95.2	103.3	21.1	19.5	4.6	5.0	24.02	-16.3	17.42	15.4	6.3
<i>Retail</i>																	
AEON	1.62	1.72	6.2%	Sell	2,274	0.54	5.6	7.6	29.0	21.3	2.5	2.8	2.65	-38.9	1.45	11.7	-8.0
AMWAY	6.80	7.17	5.4%	Hold	1,118	0.64	28.1	28.0	24.2	24.3	3.8	4.0	8.52	-20.2	6.40	6.3	-6.9
F&N	33.20	29.34	-11.6%	Sell	12,177	0.72	111.0	123.1	29.9	27.0	1.7	2.0	40.00	-17.0	25.66	29.4	23.0
HUPSENG	1.03	1.12	8.7%	Sell	824	0.47	5.7	5.3	18.2	19.5	5.3	4.9	1.20	-14.2	0.99	4.0	-5.5
JOHOTIN	1.00	1.25	25.0%	Buy	310	1.16	8.9	9.1	11.3	10.9	5.0	5.5	1.42	-29.6	0.84	19.8	-17.4
NESTLE	148.00	162.00	9.5%	Buy	34,706	0.55	317.5	350.2	46.6	42.3	2.0	2.2	163.00	-9.2	97.28	52.1	43.4
PADINI	4.43	4.84	9.3%	Sell	2,915	0.72	27.8	22.8	15.9	19.5	2.6	2.6	6.20	-28.5	4.12	7.5	-15.9
POHUAT	1.51	1.74	15.2%	Buy	332	0.68	17.2	22.0	8.8	6.9	4.0	5.3	1.83	-17.5	1.15	31.3	-15.6
QL	6.97	6.57	-5.7%	Sell	11,308	0.62	12.7	13.0	54.8	53.5	0.6	0.6	7.63	-8.7	4.13	68.8	60.2
SIGN	0.41	0.40	-1.2%	Sell	92	1.03	4.8	4.6	8.4	8.8	3.7	3.7	0.81	-50.0	0.37	11.0	-42.6
<i>Tobacco</i>																	
BAT	37.48	27.39	-26.9%	Sell	10,702	0.95	152.8	138.3	24.5	27.1	3.7	3.2	40.20	-6.8	22.46	66.9	-6.3
<b>GAMING</b>																	
<i>Casino</i>																	
GENTING	6.59	8.80	33.5%	Buy	25,375	1.07	66.3	51.5	9.9	12.8	2.4	2.1	9.74	-32.4	6.25	5.4	-27.8
GENM	2.91	3.70	27.1%	Buy	16,452	1.47	28.4	15.8	10.3	18.4	4.1	2.7	5.73	-49.2	2.76	5.4	-47.5
NFO																	
BJTOTO	2.08	2.30	10.6%	Sell	2,802	0.77	19.6	29.8	10.6	7.0	7.7	12.5	2.62	-20.6	2.01	3.5	-7.1
<b>HEALTHCARE</b>																	
<i>Hospitals/ Pharmaceutical</i>																	
CCMDBIO	1.05	1.52	44.8%	Buy	695	0.67	6.9	7.4	15.3	14.1	3.7	4.0	1.49	-29.5	1.01	3.8	-3.2
IHH	5.37	5.40	0.6%	Sell	47,091	0.61	8.8	9.3	60.9	57.8	0.4	0.4	6.42	-16.4	4.54	18.3	-8.4
KPJ	1.07	1.20	12.1%	Buy	4,519	0.54	4.2	4.5	25.4	23.8	2.0	2.1	1.17	-8.5	0.84	27.4	10.3
<i>Rubber Gloves</i>																	
HARTA	6.40	4.95	-22.7%	Sell	21,302	1.00	13.2	15.3	48.5	41.7	1.5	1.6	7.45	-14.1	4.45	44.0	19.9
KOSSAN	4.30	4.97	15.6%	Buy	5,499	0.53	15.7	18.4	27.4	23.4	1.4	1.7	4.72	-8.9	3.19	34.8	6.0
SUPERMX	3.65	4.75	30.1%	Buy	2,393	0.88	16.3	19.8	22.4	18.5	2.2	2.2	4.61	-20.8	1.80	102.8	82.5
Note: SUPERMX proposed bonus issue shares on the basis of 1 for 1. For more detail please refer to 30.08.2018 report.																	
TOPGLOV	6.13	6.12	-0.2%	Hold	15,671	0.35	17.0	19.4	36.1	31.6	2.8	1.6	6.36	-3.6	3.18	93.1	53.4
KAREX	0.54	0.40	-25.9%	Sell	541	0.85	1.0	1.1	53.6	51.2	0.9	0.9	1.46	-63.0	0.50	8.0	-58.5
<b>INDUSTRIAL</b>																	
SCIENTX	9.23	9.87	6.9%	Hold	4,513	0.88	59.3	72.8	15.6	12.7	2.2	2.3	9.30	-0.8	6.51	41.8	6.6
SKPRES	1.12	1.45	29.5%	Buy	1,400	1.10	10.1	9.2	11.0	12.2	4.6	4.2	2.35	-52.3	1.04	7.7	-50.9
<b>MEDIA</b>																	
ASTRO	1.30	1.95	50.0%	Buy	6,779	1.26	12.4	11.7	10.4	11.1	9.6	7.7	2.85	-54.4	1.05	23.8	-50.9
MEDIA PRIMA	0.38	0.29	-23.7%	Sell	421	0.86	-6.7	-4.9	na	na	0.0	0.0	0.81	-53.1	0.25	52.0	-50.0
STAR	0.74	0.69	-6.1%	Sell	542	0.96	1.8	0.9	40.1	82.6	0.6	0.3	1.70	-56.8	0.72	2.8	-55.5

**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	0.29	0.50	72.4%	Buy	510	1.71	3.6	3.6	8.2	8.0	3.4	3.4	0.57	-49.1	0.28	5.5	-40.2
LCTITAN	4.72	4.30	-8.9%	Sell	10,728	na	40.3	48.0	11.7	9.8	4.2	4.9	6.46	-26.9	4.18	12.9	0.4
MHB	0.59	0.78	33.3%	Buy	936	1.55	-5.6	0.4	na	136.0	0.0	0.0	0.98	-40.3	0.57	3.5	-29.1
MISC	6.17	5.02	-18.6%	Sell	27,541	0.91	26.1	35.1	23.6	17.6	4.9	4.9	7.90	-21.9	5.03	22.7	-16.8
PANTECH	0.46	0.70	52.2%	Buy	341	0.93	6.3	6.2	7.3	7.5	5.4	5.2	0.71	-34.8	0.44	4.5	-28.7
PCHEM	9.17	10.79	17.7%	Buy	73,360	0.76	57.5	58.1	16.0	15.8	3.1	3.4	10.20	-10.1	7.38	24.3	19.1
SAPNRG	0.35	0.33	-5.7%	Sell	2,097	1.77	-5.0	-6.4	na	na	0.0	0.0	1.28	-72.7	0.31	12.9	-50.7
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	3.75	4.91	30.9%	Buy	5,507	na	28.3	32.8	13.2	11.4	2.4	2.9	4.28	-12.4	2.87	30.7	15.7
VELESTO	0.23	0.33	46.7%	Buy	1,849	1.74	-0.4	0.0	na	9086.9	0.0	0.0	0.48	-53.1	0.20	15.4	-26.2
UZMA	0.79	1.35	72.0%	Buy	251	1.42	13.9	11.3	5.7	6.9	0.0	0.0	1.67	-53.0	0.78	1.3	-38.7
<b>PLANTATIONS</b>																	
FGV	0.85	1.01	19.5%	Buy	3,083	1.57	-7.2	-1.8	na	na	0.0	0.0	2.18	-61.2	0.81	4.3	-50.0
IJMLNT	1.50	1.12	-25.3%	Sell	1,321	0.76	7.9	3.1	19.0	49.1	3.3	3.3	2.84	-47.2	1.48	1.4	-45.3
IOICORP	4.30	4.25	-1.2%	Sell	26,258	0.76	17.8	15.9	24.2	27.1	4.8	2.2	4.81	-10.6	4.17	3.1	-2.9
KFIMA	1.55	1.89	21.9%	Buy	436	0.69	14.7	12.1	10.5	12.9	5.8	5.8	1.76	-11.9	1.41	9.9	-1.3
KLK	24.50	21.31	-13.0%	Sell	26,092	0.55	70.3	87.2	34.8	28.1	1.4	1.8	25.98	-5.7	23.26	5.3	-2.0
SIMEPLT	4.94	5.28	6.9%	Buy	33,596	na	18.8	18.2	26.2	27.1	3.5	3.0	5.97	-17.2	4.55	8.5	-17.2
TSH	1.00	1.01	1.0%	Sell	1,381	0.50	4.1	4.2	24.6	23.6	1.6	1.4	1.68	-40.5	0.97	3.1	-39.4
UMCCA	5.40	4.11	-23.9%	Sell	1,132	0.52	18.5	12.3	29.2	43.8	2.2	2.2	6.88	-21.5	5.36	0.7	-17.1
<b>PROPERTY</b>																	
GLOMAC	0.41	0.32	-22.0%	Sell	322	0.61	1.5	0.7	28.3	60.2	3.7	1.2	0.58	-28.7	0.38	9.3	-26.1
HUAYANG	0.36	0.44	22.2%	Hold	127	0.77	1.3	2.2	28.8	16.3	0.0	0.0	0.75	-51.7	0.35	2.9	-41.0
IBRACO	0.61	0.51	-16.4%	Sell	303	na	4.6	7.9	13.3	7.7	3.3	3.3	0.91	-32.6	0.15	306.7	-25.2
IOIG	1.66	1.86	12.0%	Buy	9,140	1.10	14.3	14.7	11.6	11.3	3.0	3.0	2.06	-19.4	1.21	37.2	-10.3
MAHSING	1.00	1.08	8.5%	Hold	2,416	1.04	8.5	9.4	11.7	10.6	5.0	5.0	1.55	-35.8	0.94	5.9	-31.4
SIMEPROP	0.98	1.03	5.1%	Hold	6,665	na	2.8	5.8	34.4	16.8	1.5	2.0	1.78	-44.9	0.91	7.7	-44.9
SNTORIA	0.40	0.44	10.0%	Hold	223	0.74	3.6	6.0	11.0	6.6	0.0	0.0	0.70	-42.9	0.35	14.3	-42.4
SPB	5.32	5.70	7.1%	Accept Offer	1,828	0.20	18.7	23.4	28.4	22.8	2.3	2.3	5.50	-3.3	3.95	34.7	8.6
SPSETIA	2.22	2.35	5.9%	Buy	8,784	1.06	8.3	14.6	26.7	15.2	3.6	4.1	4.00	-44.5	1.93	15.0	-44.5
SUNWAY	1.47	1.51	2.7%	Hold	7,134	0.89	11.5	12.4	12.8	11.8	4.1	4.1	1.82	-19.2	1.35	8.9	-9.8
<b>REIT</b>																	
SUNREIT	1.64	1.82	11.0%	Hold	4,830	0.68	9.6	10.0	17.0	16.4	5.8	6.1	1.90	-13.7	1.48	10.8	-13.7
CMMT	1.02	1.29	26.5%	Buy	2,085	0.53	6.8	7.3	15.1	14.0	6.9	7.4	1.83	-44.3	0.98	4.1	-44.3
<b>POWER &amp; UTILITIES</b>																	
MALAKOF	0.80	0.92	15.7%	Buy	3,892	1.08	3.4	5.3	23.6	15.1	7.8	7.8	1.07	-25.7	0.76	4.6	-18.9
PETDAG	25.00	28.23	12.9%	Hold	24,836	0.76	98.3	108.6	25.4	23.0	3.0	3.2	28.36	-11.8	23.00	8.7	4.0
PETGAS	19.26	18.90	-1.9%	Sell	38,110	0.89	99.1	100.9	19.4	19.1	3.5	3.6	19.50	-1.2	15.82	21.7	10.2
TENAGA	14.30	16.62	16.2%	Buy	81,323	0.94	117.5	115.0	12.2	12.4	4.1	4.0	16.34	-12.5	13.54	5.6	-6.3
YTLPOWR	0.90	0.76	-15.6%	Sell	6,908	1.02	8.4	7.4	10.7	12.1	5.6	5.6	1.33	-32.3	0.73	23.3	-30.2
<b>TELECOMMUNICATIONS</b>																	
AXIATA	3.95	4.50	13.9%	Buy	35,830	1.78	11.6	14.7	34.1	26.9	2.5	3.2	5.82	-32.1	3.20	23.4	-28.1
DIGI	4.29	4.20	-2.1%	Hold	33,355	1.09	18.8	19.5	22.8	22.0	4.4	4.5	5.10	-15.9	3.93	9.2	-15.9
MAXIS	5.52	4.55	-17.6%	Sell	43,148	0.92	23.8	23.4	23.2	23.5	3.6	3.6	6.14	-10.1	5.15	7.2	-8.2
TM	2.42	2.10	-13.2%	Sell	9,094	1.75	17.0	16.0	14.3	15.1	3.5	3.3	6.50	-62.8	2.11	14.7	-61.6
<b>TECHNOLOGY</b>																	
<i>Semiconductor &amp; Electronics</i>																	
ELSOFT	1.27	1.56	22.8%	Buy	844	0.63	5.4	6.2	23.4	20.5	3.0	3.4	1.50	-15.3	0.93	37.3	12.9
INARI	1.88	2.05	9.0%	Buy	5,953	0.86	7.9	8.0	23.9	23.6	3.6	3.4	2.56	-26.4	1.58	18.7	-16.9
MPI	10.92	13.45	23.2%	Buy	2,172	1.01	70.8	80.4	15.4	13.6	2.7	2.9	13.20	-17.3	7.57	44.3	-13.5
N2N	1.09	1.50	37.6%	Buy	614	0.70	3.4	4.3	31.8	25.5	2.0	0.8	1.37	-20.4	0.67	62.7	18.5
UNISEM	3.21	3.30	2.8%	Buy	2,334	0.88	12.9	18.4	24.9	17.5	2.5	3.4	3.68	-12.8	1.60	100.6	-12.1
<b>TRANSPORTATION</b>																	
<i>Airlines</i>																	
AIRASIA	3.10	2.82	-9.0%	Buy	10,360	1.17	28.3	28.2	11.0	11.0	25.8	2.6	4.75	-34.7	2.30	34.8	-7.5
AIRPORT	7.77	8.79	13.1%	Buy	12,892	0.90	33.8	35.7	23.0	21.8	1.9	1.3	9.98	-22.1	7.26	7.0	-11.6
<i>Freight &amp; Tankers</i>																	
PTRANS	0.27	0.42	58.5%	Buy	371	na	2.5	3.4	10.4	7.8	3.8	3.8	0.32	-15.9	0.23	17.8	-5.4
TNLOGIS	0.81	0.79	-1.9%	Buy	367	0.89	10.0	4.3	8.0	18.6	0.0	0.0	1.40	-42.5	0.77	4.5	-39.9
WPRTS	3.77	3.78	0.3%	Sell	12,856	0.73	15.6	20.0	24.2	18.8	3.1	4.0	3.95	-4.6	3.10	21.6	1.9

**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	25.11	27.40	9.1%	Buy	64,071	1.26	213.3	247.1	11.8	10.2	3.6	3.6	30.8	-18.4	22.65	10.9	2.8
OCBC	11.60	13.50	16.4%	Buy	49,312	1.24	107.8	121.3	10.8	9.6	6.7	7.7	14.0	-17.4	10.36	12.0	-6.4
UOB	25.98	30.20	16.2%	Buy	43,297	1.20	229.7	255.5	11.3	11.3	3.1	3.1	30.4	-14.5	23.80	9.2	-1.1
<b>PLANTATIONS</b>																	
WILMAR	3.12	3.67	17.6%	Buy	19,963	0.66	26.2	28.1	11.9	11.1	3.5	3.5	3.3	-5.7	2.97	5.1	1.0
IFAR	0.21	0.18	-14.3%	Sell	301	1.01	1.9	2.6	11.0	8.1	1.2	1.7	0.4	-50.0	0.18	14.8	-46.2

**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.