

# 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 *Oil & Gas Stocks Firm on Hopes for OPEC Supply Cuts*

Stocks slipped back into profit-taking mode on Tuesday after initial optimism over the US-China trade war truce faded as doubts arise whether the top two global economies can resolve major trade disputes within the next 90 days. The KLCI shed 4.73 points to settle at 1,694.99, off an early high of 1,698.51 and low of 1,688.88, as losers beat gainers 525 to 282 on total turnover of 2.43bn shares worth RM2.08bn.

### Resistance at 1,700, Next at 1,722

The local market should fall back into consolidation mode on reservations US-China trade talks may not be able to resolve major differences within the 90-day timeframe, but oil & gas related stocks may attract buyers as oil prices firm up on hopes for OPEC-led supply cuts. Immediate resistance for the index 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 Dialog & Hibiscus

Dialog needs to rebuild support above the 50%FR (RM3.06) ahead of recovery upside towards the 76.4%FR (RM3.38), with a confirmed breakout to aim for the 20/9/18 high (RM3.66) going forward. A fresh daily MACD buy signal on Hibiscus supports upside towards RM1.17, while a decisive breakout should target RM1.25 and the 2/10/18 peak (RM1.36) ahead. Key retracement support from the 76.4%FR (98sen) is reinforced by the 200-day ma (97sen).

### Asian Markets Rally Loses Steam Amid Trade Truce Doubts

Asian stock markets are mostly lower on Tuesday despite the overnight gains on Wall Street as initial euphoria over the temporary truce between the U.S. and China over their trade disputes faded amid doubts over whether the world's two largest economies will be able to resolve their differences in the ninety-day period. Investors are also locking in profits after recent strong gains. President Donald Trump left his top advisers scrambling to explain a trade deal he claimed he'd struck with China to reduce tariffs on U.S. cars exported to the country, an agreement that doesn't exist on paper and hasn't been confirmed in Beijing. In the day after Trump announced the deal in a two-sentence Twitter post, the White House provided no additional information. At a briefing in Beijing, a spokesman for the foreign ministry also declined to comment on any changes to car tariffs. That probably left the market with more questions than answers, can the US and China really resolve their differences in 90 days.

Japan's Nikkei 225 fell by 2.39 percent to close at 22,036.05 while the Topix index shed 2.36 percent to 1,649.20 by the end of the trading day. Meanwhile in South Korea, the KOSPI slipped 0.82 percent to close at 2,114.35. Over in Australia, the ASX 200 fell 1.01 percent to close at 5,713.10, with almost all sectors lower on the day. Elsewhere, the mainland Chinese markets, which have been closely watched in relation to Beijing's trade war with Washington, bucked the overall downtrend to see gains. The Shanghai composite rose 0.42 percent to close at 2,665.96.

---

**Wall Street Battered by Yield and Trade Concerns**

The Dow Jones Industrial Average fell more than 3 percent Tuesday and bond yields plummeted, as skepticism mounted over the significance of an agreement reached by the U.S. and China to postpone new tariffs. The sharp pullback on Wall Street came as the yield on two-year notes rose above the yield on five-year notes, which is seen as an indicator of an upcoming economic slowdown. Waning enthusiasm for the 90-day tariff cease-fire struck over the weekend also fueled the losses, stirring worries that ongoing spat between the world's two biggest economies could unravel economic growth in the U.S. and put additional pressure on Europe and Asia, which are already struggling.

Financial shares, which are particularly sensitive to bond market swings, were the worst performers in the S&P 500 plunging 4.4 percent. Boeing fell 3 percent, accounting for more than 70 points of the Dow's tumble, as shares of the aerospace giant remained vulnerable to ongoing trade tensions. Caterpillar, which also has swung widely on trade headlines, slid 4.8 percent.

The Dow Jones Industrial Average fell 799.36 points, or 3.10 percent, to 25,027.07, the S&P 500 lost 90.31 points, or 3.24 percent, to 2,700.06 and the Nasdaq Composite dropped 283.09 points, or 3.80 percent, to 7,158.43.

## News In Brief *Corporate*

---

Though Tan Sri Robert Tan Hua Choon has raised his offer for shares in **Computer Forms (Malaysia) Bhd** (CFM) he does not own, independent adviser Public Investment Bank Bhd (PIVB) said the offer is still “not fair and not reasonable”. On Monday, Tan raised his offer to RM1.35 per share from RM1.25 earlier. PIVB said the revised offer price represents a discount of 69 sen or 33.8% to what it deems to be the fair value based on the real net asset value valuation methodology of RM 2.04 a share. (*The Edge Markets / Bursa Malaysia*)

**Malakoff Corp Bhd**'s business partner in an Algerian sea water desalination plant — state-owned Algerian Energy Co (AEC) — wants the group to give up its stake in the plant operator following the termination of a water purchase agreement. Malakoff's 70%-owned Tlemcen Desalination Investment Co SAS (TDIC) currently holds a 51% stake in the joint stock company Almiyah Attilemcania SPA, under which the plant is parked. The remainder 49% is held by AEC, the government company that handled the power and water privatisation exercise in Algeria. Malakoff said AEC notified TDIC and the offtakers of its decision to transfer TDIC's shares in the joint stock company to AEC on Nov 30. (*The Edge Markets*)

**Parkson Holdings Bhd**'s Singapore listed subsidiary Parkson Retail Asia Ltd has been placed on the Singapore Stock Exchange's watch list due to its low trading price. The group's shares have been trading at S\$0.20 since May 2016, the minimum price on the exchange's Minimum Trading Price (MTP) Entry Criterion. It now has 36 months to find a way to exit the list in order to avoid delisting. It can exit by undertaking consolidation, operation restructuring or transfer to Catalyst. (*The Edge Markets*)

The Malaysian Aviation Commission (Mavcom) has imposed a financial penalty on **AirAsia Bhd** and **AirAsia X Bhd**, amounting to RM160,000 each, for advertising misleading air ticket prices. Both airlines have made the full penalty payment to Mavcom on Oct 26 and Nov 9 respectively, it said in a statement. According to the commission, the misleading air ticket prices advertised in the second quarter of this year falls under the non-compliance of subparagraph 3(1) of the Malaysian Aviation Consumer Protection Code 2016 (MACPC). (*Bernama*)

**Hibiscus Petroleum Bhd** said it is working towards achieving net production of between 10,000 and 12,000 barrels (bbl) of oil per day for both its Anasuria cluster and North Sabah Production Sharing Contract by the end of FY20. The group is currently producing up to 9,000 bbls per day for both. (*The Edge Markets*)

**TRC Synergy Bhd** has bagged a RM498.7mn contract — its largest year-to-date — from Putrajaya Holdings Sdn Bhd to develop an integrated development at Plot 8MD3 in Precinct 8, Putrajaya. With the addition of this contract, TRC Synergy said its order book will increase to RM3.0bn. (*The Edge Markets / Bursa Malaysia*)

**Sasbadi Holdings Bhd** has bagged a Ministry of Education (MoE) contract to print Form 3 Science text books for three years. The deal is worth an estimated RM892,680. (*The Edge Markets / Bursa Malaysia*)

Piling specialist **Ikhmas Jaya Group Bhd** is being sued by building materials trader **Ipmuda Bhd** for about RM3.0mn over failure to pay for goods supplied. Ikhmas Jaya said Ipmuda is claiming a principle sum of RM2.4mn and interest of RM627,153. (*The Edge Markets / Bursa Malaysia*)

**Suria Capital Holdings Bhd** has proposed a bonus issue of up to 58.3mn new shares on the basis of one bonus share for every five existing shares held on the entitlement date to be determined later. *(The Edge Markets / Bursa Malaysia)*

**Utusan Melayu (Malaysia) Bhd** is disposing of its five-storey corner shop-office at The Right Angle in Section 14, Petaling Jaya, for RM7.0mn. It has entered into a sale and purchase agreement with Eden Resources Sdn Bhd. The sale of the land is expected to result in a net gain of about RM4.0mn for the group. *(The Edge Markets / Bursa Malaysia)*

**Tadmax Resources Bhd** managing director-cum-chief executive officer Datuk Seri Anuar Adam has been paring down his stake in the group. Between Nov 30 and Dec 3, Anuar, who is also the largest shareholder, disposed of some 44.5mn shares in the group, reducing his stake to 17.1% from 26.4% previously. *(The Edge Markets / Bursa Malaysia)*

## News In Brief *Economy*

---

### *Asia* **RBA Leaves Interest Rate Unchanged at Record Low**

The Reserve Bank of Australia on Tuesday decided to keep its benchmark interest rate unchanged at a record low, citing sluggish wage growth and low inflation. The board of the Reserve Bank of Australia, governed by Philip Lowe, voted to maintain the cash rate at 1.50%. The interest rate has remained at the current level since August 2016. Taking account of the available information, the Board judged that holding the stance of monetary policy unchanged at this meeting would be consistent with sustainable growth in the economy and achieving the inflation target over time. Policymakers observed that the low level of interest rates is continuing to support the Australian economy. They expect further progress in the reduction of unemployment and inflation returning to target, but this progress is likely to be gradual. The Australian economy is performing well with the GDP growth expected to average around 3.5% for this year and next, the bank said. Inflation is forecast to pick up in the coming years, but the acceleration is likely to be gradual. The central scenario is for inflation to be 2.25% in 2019 and a bit higher in the following year.

Separately, Australia posted a seasonally adjusted current account deficit of A\$10.688 billion in the third quarter of 2018, the Australian Bureau of Statistics said. That missed expectations for a shortfall of A\$10.2 billion following the upwardly revised A\$12.056 billion deficit in the three months prior (originally -A\$13.5 billion). (RTT)

### **Japan Monetary Base Jumps 6.1% on Year in November**

The monetary base in Japan was up 6.1% on year in November, the Bank of Japan said - coming in at 501.330 trillion yen. That follows two straight months of 5.9% gains. Banknotes in circulation rose 3.5% on year, while coins in circulation climbed 1.1%. Current account balances jumped an annual 6.9%, including a 6.0% increase in reserve balances. The adjusted monetary base surged 12.7% on year to 506.020 trillion yen in November. (RTT)

### *United States* **Chinese Response to Trump's Trade Claims Delayed by Xi's Absence**

China's government isn't yet able to formulate its response to the summit on trade with U.S. President Donald Trump as senior officials are still out of the country with President Xi Jinping. Bureaucrats from various ministries in Beijing are awaiting the return of Xi and his entourage of senior officials to China before they are able to comment or take action, according to three officials who were briefed but declined to be named as the matter isn't public. Xi is scheduled to visit Portugal on Tuesday and Wednesday, the final stop in a global tour that has included Panama, Spain and the Group of 20 meeting in Argentina -- where he and Trump struck a temporary truce in a bid to contain their trade war. As a number of actions by China to prevent the imposition of higher tariffs by the U.S. have yet to be confirmed by Beijing and were only reported by the U.S. side, the status of the accord remains in doubt. In particular, Trump's late-night tweet on China's willingness to cut tariffs on cars coming in from the U.S. moved automobile stocks across the globe, but has yet to be confirmed or denied by Beijing. Trump officials have also scrambled to explain it. (Bloomberg)

### *Eurozone* **UK Construction Sector Expands Most in 4 Months**

British construction sector expanded at the fastest pace in four months in November, thanks to an increase in new work and consequent gains in job creation, though Brexit concerns damped expectations for the months ahead. The CIPS construction Purchasing Managers' Index climbed to 53.4 from 53.2 in October, survey data from IHS Markit showed. Economists had forecast a score of 52.5. A reading above 50 suggests growth in the sector. The UK construction sector expanded for an eighth month in a row and the latest reading was the highest since July. Job growth was the fastest since December 2015. However, business confidence was relatively subdued due to Brexit uncertainty. In November, there

was a broad-based upturn in the three sub-categories of construction activity. House building activity was the strongest in three months. Substantial increases in commercial work and civil engineering activity were also reported. New work increased, but was softer than the average in the third quarter. A robust increase in input buying resulted in longer delivery times. Further, increased demand led to a surge in input prices in November, which was the sharpest rise since June. Business optimism rebounded from October's 6-year low to signal the strongest degree of confidence for three months. However, morale was weaker than the average in the first half of the year due to Brexit-related concerns. (RTT)

#### **Eurozone Producer Price Inflation Unexpectedly Rises in October**

Eurozone producer price inflation accelerated further in October, defying expectations, figures from Eurostat showed. Producer prices rose 4.9% year-on-year after a revised 4.6% in September. Economists had expected the rate to remain unchanged at September's original figure of 4.5%. Energy sector prices jumped 14.6%. Prices for intermediate goods climbed 2.6% and those for capital goods and durable consumer goods rose 1.2% each. Prices for non-durable consumer goods were unchanged. On a month-on-month basis, producer prices increased 0.8% after a 0.6% rise in September. Economists had forecast a 0.5% climb. (RTT)

#### **Carney Rebuts Attacks on BOE as Ex-Governor Slams Brexit Study**

Mark Carney launched a vigorous defense against "unfair" criticism of the Bank of England's Brexit analysis, after a series of attacks including one only hours earlier by his predecessor as governor. Carney told the U.K. Parliament's Treasury Committee -- which asked for the report -- that the work was the result of two years' effort involving about 170 staff and wasn't an overnight "exam crisis." It laid out a potentially chaotic outcome if Britain has a disorderly exit from the European Union -- prompting former Governor Mervyn King to say key assumptions aren't plausible. "We don't have the luxury of holding back material which we have produced, that is directly relevant to our responsibility, from this committee if it's demanded," Carney told lawmakers. "Your colleagues would do well to remind those in the press, those in Parliament that you asked for it." King attacked the deal in a column for Bloomberg Opinion, and took a swipe at the BOE. "It saddens me to see the BOE unnecessarily drawn into this project," he said. "Before the referendum, official economic projections intended to scare the country into voting Remain didn't succeed. Based on flimsy and arbitrary assumptions, they were subsequently proved wrong. The same strategy has resurfaced."

The analysis outlines a scenario for a no-deal Brexit -- Carney has repeatedly said it's not a forecast -- in which the economy shrinks by 8% within a year, property prices plunge almost a third and the pound loses a quarter of its value. The lack of a deal is looking possible as legislators line up to say they won't support it when parliament has a vote. Carney elaborated on the study, saying shoppers could see their bills rise 10% in the most extreme case. The BOE backed up the analysis by publishing a survey by its network of agents that suggests companies expect output to fall by between 2.5% and 6.9% over the next 12 months in such a scenario. Tuesday's hearing featured some testy exchanges, with the governor at one stage asked to answer like a human, rather than an economist, and responding to a question by telling a lawmaker "don't assert what isn't correct." (Bloomberg)

**Share Buy-Back: 04 December 2018**

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
ANCOM	35,000	0.515/0.50	0.515/0.50	4,644,359
BKAWAN	6,200	16.80	16.80/16.70	35,530,831
CCK	18,100	0.50/0.49	0.505/0.485	1,893,600
EPMB	42,000	0.47/0.43	0.47/0.43	7,138,300
EWEIN	200,000	0.63	0.64/0.61	3,100,000
FITTERS	500,000	0.40	0.41/0.40	31,745,900
GKENT	492,900	1.03/1.02	1.05/1.02	13,313,700
GLOMAC	106,000	0.41/0.40	0.41/0.395	14,648,300
HAIO	7,700	3.00/2.98	3.00/2.97	9,869,788
IGBB	47,000	2.57	2.57/2.56	4,010,120
IJM	150,000	1.66/1.65	1.73/1.64	7,847,000
INCKEN	261,000	0.65/0.64	0.65/0.64	26,213,000
JCBNEXT	40,700	1.60	1.60	1,865,100
MALAKOF	561,700	0.80/0.785	0.80/0.78	105,610,300
MITRA	150,000	0.30/0.295	0.305/0.295	5,995,000
MKH	884,000	1.20/1.19	1.21/1.19	6,797,800
N2N	213,900	1.09/1.04	1.09/1.04	35,189,800
NYLEX	65,000	0.655/0.60	0.655/0.60	8,604,024
P&O	50,000	1.01/0.995	1.01/0.995	13,397,993
SALCON	215,500	0.24/0.23	0.25/0.23	20,623,927
SYF	50,000	0.235/0.23	0.235/0.225	11,095,700
SYSCORP	21,000	0.275/0.27	0.275/0.26	25,048,600
TAANN	550,400	2.03/2.00	2.04/2.00	749,800
TEXCYCL	30,000	0.58	0.575/0.52	2,709,050
TITIJYA	356,200	0.305/0.30	0.305/0.30	24,282,600
TROP	260,200	0.87/0.85	0.87/0.845	20,278,442
YINSON	10,000	4.29	4.40/4.29	10,589,100

Source: Bursa Malaysia

### Disclaimer

The information in this report has been obtained from sources believed to be reliable. Its accuracy and/ or completeness is not guaranteed and opinions are subject to change without notice. This report is for information only and not to be construed as a solicitation for contracts. We accept no liability for any direct or indirect loss arising from the use of this document. We, our associates, directors, employees may have an interest in the securities and/or companies mentioned herein.

### 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	1.92	3.19	66.1%	Buy	751	0.55	31.4	31.9	6.1	6.0	4.2	4.2	2.68	-28.4	1.86	3.2	-12.7
PECCA	0.80	1.22	53.5%	Buy	146	0.77	6.0	7.2	13.3	11.1	6.3	6.3	1.65	-51.8	0.70	14.4	-48.7
SIME	2.38	2.82	18.5%	Buy	16,186	1.65	12.6	15.7	18.9	15.1	3.4	4.0	3.04	-21.6	2.02	17.6	8.5
UMW	5.64	7.09	25.7%	Buy	6,589	0.76	39.2	51.8	14.4	10.9	3.5	4.6	6.98	-19.2	4.20	34.3	8.5
<b>BANKS &amp; FINANCIAL SERVICES</b>																	
ABMB	4.10	4.20	2.4%	Hold	6,347	0.79	31.9	34.9	12.9	11.7	3.7	3.9	4.49	-8.7	3.76	9.0	0.5
AFFIN	2.39	2.40	0.4%	Sell	4,644	0.88	23.7	24.4	10.1	9.8	4.2	4.2	2.70	-11.5	2.20	8.6	3.5
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	5.81	6.30	8.4%	Buy	55,569	1.48	49.0	56.8	11.9	10.2	5.0	4.9	7.39	-21.4	5.21	11.5	-11.2
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	15.30	34.8	21.3
MAYBANK	9.42	9.20	-2.3%	Sell	103,952	0.99	70.6	72.0	13.3	13.1	6.2	6.2	11.08	-15.0	8.68	8.5	-3.9
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	5.35	5.50	2.8%	Hold	21,454	1.27	55.2	58.9	9.7	9.1	3.4	3.4	5.88	-9.0	4.71	13.6	7.0
BURSA	7.00	7.30	4.3%	Sell	5,652	0.84	29.2	30.0	24.0	23.4	3.4	3.4	8.12	-13.7	6.29	11.2	4.8
<b>BUILDING MATERIALS</b>																	
ANNJO	1.33	1.37	3.0%	Hold	715	1.81	22.9	19.4	5.8	6.8	8.3	8.3	3.94	-66.2	1.30	2.3	-65.5
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	0.69	1.4	-42.1
CHINWEL	1.79	2.08	16.2%	Buy	526	0.84	24.2	24.9	14.0	13.6	2.9	2.9	2.00	-10.5	1.49	20.1	-2.2
CMSB	3.38	4.25	25.7%	Buy	3,620	1.72	24.2	24.9	14.0	13.6	2.9	2.9	4.42	-23.5	1.74	94.3	-13.3
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	0.96	0.96	0.0%	Hold	418	1.02	5.0	11.3	19.2	8.5	0.8	2.4	1.23	-22.0	0.84	14.3	-12.7
<b>CONSTRUCTION</b>																	
GADANG	0.56	0.78	40.5%	Buy	367	1.55	16.0	14.4	3.5	3.9	5.4	5.4	1.20	-53.8	0.53	4.7	-50.0
GAMUDA	2.33	2.73	17.2%	Buy	5,751	1.25	33.2	25.4	7.0	9.2	5.2	5.2	5.31	-56.1	2.00	16.5	-53.0
GDB	0.26	0.36	38.5%	Buy	163	na	4.6	4.5	5.6	5.8	4.6	5.8	0.45	-42.2	0.26	0.0	-11.9
IJM	1.72	1.19	-30.8%	Sell	6,241	1.40	9.6	8.5	17.8	20.3	3.5	2.3	3.19	-46.1	1.39	23.7	-43.6
KAB	0.23	0.30	31.1%	Buy	72	na	3.1	3.7	7.3	6.1	4.4	5.3	0.33	-30.8	0.20	12.5	-25.0
PESONA	0.20	0.28	43.6%	Buy	136	1.29	2.4	3.8	8.1	5.2	7.7	7.7	0.53	-63.2	0.19	5.4	-56.7
SENDAI	0.65	0.62	-4.7%	Hold	504	1.42	9.4	8.8	6.8	7.3	1.6	1.6	1.09	-40.8	0.52	24.0	-25.4
SUNCON	1.57	1.32	-15.9%	Sell	2,029	1.23	11.3	11.0	13.9	14.2	5.1	5.7	2.64	-40.5	1.30	20.8	-37.5
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	3.81	4.54	19.2%	Buy	2,012	0.46	43.3	42.8	8.8	8.9	6.6	6.6	5.90	-35.4	3.63	5.0	-31.4
<b>CONSUMER</b>																	
<i>Brewery</i>																	
CARLSBG	19.20	20.65	7.6%	Hold	5,906	0.52	89.3	93.2	21.5	20.6	4.6	4.8	20.88	-8.0	14.83	29.4	26.2
HEIM	20.20	23.11	14.4%	Buy	6,102	0.59	95.2	103.3	21.2	19.6	4.6	5.0	24.02	-15.9	17.42	16.0	6.9
<i>Retail</i>																	
AEON	1.66	1.72	3.6%	Sell	2,331	0.54	5.6	7.6	29.7	21.9	2.4	2.7	2.65	-37.4	1.45	14.5	-5.7
AMWAY	6.75	7.17	6.2%	Hold	1,110	0.64	28.1	28.0	24.0	24.1	3.8	4.1	8.52	-20.8	6.40	5.5	-7.6
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	25.68	29.3	23.0
HUPSENG	1.02	1.12	9.8%	Sell	816	0.47	5.7	5.3	18.1	19.3	5.4	4.9	1.20	-15.0	0.99	3.0	-6.4
JOHOTIN	1.01	1.25	23.8%	Buy	314	1.16	8.9	9.1	11.4	11.0	5.0	5.4	1.42	-28.9	0.84	21.0	-16.5
NESTLE	147.80	162.00	9.6%	Buy	34,659	0.55	317.5	350.2	46.6	42.2	2.0	2.2	163.00	-9.3	97.30	51.9	43.2
PADINI	4.30	4.84	12.6%	Sell	2,829	0.72	27.8	22.8	15.5	18.9	2.7	2.7	6.20	-30.6	4.12	4.4	-18.3
POHUAT	1.52	1.74	14.5%	Buy	334	0.68	17.2	22.0	8.8	6.9	3.9	5.3	1.83	-16.9	1.15	32.2	-15.1
QL	6.90	6.57	-4.8%	Sell	11,195	0.62	12.7	13.0	54.3	52.9	0.7	0.7	7.63	-9.6	4.25	62.4	58.6
SIGN	0.40	0.40	1.3%	Sell	89	1.03	4.8	4.6	8.2	8.6	3.8	3.8	0.79	-49.7	0.37	8.2	-44.0
<i>Tobacco</i>																	
BAT	36.96	27.39	-25.9%	Sell	10,553	0.95	152.8	138.3	24.2	26.7	3.8	3.2	40.20	-8.1	22.46	64.6	-7.6
<b>GAMING</b>																	
<i>Casino</i>																	
GENTING	6.51	8.80	35.2%	Buy	25,067	1.07	66.3	51.5	9.8	12.7	2.5	2.2	9.74	-33.2	6.25	4.2	-28.7
GENM	2.96	3.70	25.0%	Buy	16,735	1.47	28.4	15.8	10.4	18.7	4.1	2.7	5.73	-48.3	2.76	7.2	-46.6
NFO																	
BJTOTO	2.12	2.30	8.5%	Sell	2,856	0.77	19.6	29.8	10.8	7.1	7.5	12.3	2.62	-19.1	2.01	5.5	-5.4
<b>HEALTHCARE</b>																	
<i>Hospitals/ Pharmaceutical</i>																	
CCMDBIO	1.03	1.52	47.6%	Buy	682	0.67	6.9	7.4	15.0	13.8	3.7	4.0	1.49	-30.9	1.01	1.8	-5.0
IHH	5.40	5.40	0.0%	Sell	47,354	0.61	8.8	9.3	61.3	58.1	0.4	0.4	6.42	-15.9	4.54	18.9	-7.8
KPJ	1.06	1.20	13.2%	Buy	4,475	0.54	4.2	4.5	25.1	23.6	2.0	2.1	1.17	-9.4	0.84	26.2	9.3
<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	3.60	4.75	31.9%	Buy	2,360	0.88	16.3	19.8	22.1	18.2	2.2	2.3	4.61	-21.9	1.80	100.0	80.0
Note: SUPERMX proposed bonus issue shares on the basis of 1 for 1. For more detail please refer to 30.08.2018 report.																	
TOPGLOV	5.90	6.12	3.7%	Hold	15,083	0.35	17.0	19.4	34.8	30.4	2.9	1.7	6.36	-7.2	3.18	85.8	47.7
KAREX	0.55	0.40	-26.6%	Sell	546	0.85	1.0	1.1	54.1	51.6	0.9	0.9	1.40	-61.1	0.50	9.0	-58.1
<b>INDUSTRIAL</b>																	
SCIENTX	9.28	9.87	6.4%	Hold	4,537	0.88	59.3	72.8	15.7	12.7	2.2	2.3	9.30	-0.2	6.51	42.5	7.2
SKPRES	1.09	1.45	33.0%	Buy	1,363	1.10	10.1	9.2	10.8	11.9	4.7	4.3	2.35	-53.6	1.04	4.8	-52.2
<b>MEDIA</b>																	
ASTRO	1.27	1.95	53.5%	Buy	6,622	1.26	12.4	11.7	10.2	10.9	9.8	7.9	2.85	-55.4	1.05	21.0	-52.1
MEDIA PRIMA	0.37	0.29	-20.5%	Sell	405	0.86	-6.7	-4.9	na	na	0.0	0.0	0.81	-54.9	0.25	46.0	-52.0
STAR	0.73	0.69	-5.5%	Sell	539	0.96	1.8	0.9	39.8	82.1	0.6	0.3	1.70	-57.1	0.72	2.1	-55.8



**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	75.4%	Buy	501	1.71	3.6	3.6	8.0	7.9	3.5	3.5	0.57	-50.0	0.28	3.6	-41.2
LCTITAN	4.77	4.30	-9.9%	Sell	10,842	na	40.3	48.0	11.8	9.9	4.2	4.8	6.46	-26.2	4.18	14.1	1.5
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	0.45	0.70	57.3%	Buy	330	0.93	6.3	6.2	7.0	7.2	5.6	5.4	0.71	-36.9	0.44	1.1	-31.0
PCHEM	9.15	10.79	17.9%	Buy	73,200	0.76	57.5	58.1	15.9	15.8	3.1	3.4	10.20	-10.3	7.38	24.0	18.8
SAPNRG	0.35	0.33	-4.3%	Sell	2,067	1.77	-5.0	-6.4	na	na	0.0	0.0	1.28	-73.0	0.31	11.3	-51.4
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	0.78	1.35	73.1%	Buy	250	1.42	13.9	11.3	5.6	6.9	0.0	0.0	1.67	-53.3	0.78	0.6	-39.1
<b>PLANTATIONS</b>																	
FGV	0.82	1.01	23.2%	Buy	2,991	1.57	-7.2	-1.8	na	na	0.0	0.0	2.18	-62.4	0.81	1.2	-51.5
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	4.39	4.25	-3.2%	Sell	26,808	0.76	17.8	15.9	24.7	27.6	4.7	2.1	4.81	-8.7	4.17	5.3	-0.9
KFIMA	1.54	1.89	22.7%	Buy	434	0.69	14.7	12.1	10.5	12.8	5.8	5.8	1.76	-12.5	1.41	9.2	-1.9
KLK	24.44	21.31	-12.8%	Sell	26,028	0.55	70.3	87.2	34.8	28.0	1.4	1.8	25.98	-5.9	23.26	5.1	-2.2
SIMEPLT	4.83	5.28	9.3%	Buy	32,848	na	18.8	18.2	25.6	26.5	3.6	3.1	5.97	-19.0	4.55	6.1	-19.0
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	5.37	4.11	-23.5%	Sell	1,126	0.52	18.5	12.3	29.0	43.5	2.2	2.2	6.88	-21.9	5.36	0.2	-17.5
<b>PROPERTY</b>																	
GLOMAC	0.40	0.32	-20.0%	Sell	314	0.61	1.5	0.7	27.6	58.7	3.8	1.3	0.58	-30.4	0.38	6.7	-27.9
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	1.70	1.86	9.4%	Buy	9,360	1.10	14.3	14.7	11.9	11.6	2.9	2.9	2.06	-17.5	1.21	40.5	-8.1
MAHSING	1.01	1.08	6.9%	Hold	2,452	1.04	8.5	9.4	11.8	10.8	5.0	5.0	1.55	-34.8	0.94	7.4	-30.3
SIMEPROP	0.98	1.03	5.6%	Hold	6,631	na	2.8	5.8	34.2	16.7	1.5	2.1	1.78	-45.2	0.91	7.1	-45.2
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	2.21	2.35	6.3%	Buy	8,745	1.06	8.3	14.6	26.6	15.1	3.6	4.1	4.00	-44.8	1.93	14.5	-44.8
SUNWAY	1.48	1.51	2.0%	Hold	7,182	0.89	11.5	12.4	12.9	11.9	4.1	4.1	1.82	-18.7	1.35	9.6	-9.2
<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	1.00	1.29	29.0%	Buy	2,044	0.53	6.8	7.3	14.8	13.8	7.0	7.5	1.83	-45.4	0.98	2.0	-45.4
<b>POWER &amp; UTILITIES</b>																	
MALAKOF	0.80	0.92	15.7%	Buy	3,891	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	25.34	28.23	11.4%	Hold	25,174	0.76	98.3	108.6	25.8	23.3	3.0	3.2	28.36	-10.6	23.00	10.2	5.4
PETGAS	19.30	18.90	-2.1%	Sell	38,190	0.89	99.1	100.9	19.5	19.1	3.5	3.6	19.50	-1.0	15.90	21.4	10.4
TENAGA	14.14	16.62	17.5%	Buy	80,413	0.94	117.5	115.0	12.0	12.3	4.2	4.1	16.34	-13.5	13.54	4.4	-7.3
YTLPOWR	0.89	0.76	-14.1%	Sell	6,793	1.02	8.4	7.4	10.6	11.9	5.6	5.6	1.33	-33.5	0.73	21.2	-31.4
<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	4.32	4.20	-2.8%	Hold	33,588	1.09	18.8	19.5	23.0	22.2	4.4	4.5	5.10	-15.3	3.93	9.9	-15.3
MAXIS	5.50	4.55	-17.3%	Sell	42,992	0.92	23.8	23.4	23.1	23.5	3.6	3.6	6.14	-10.4	5.15	6.8	-8.5
TM	2.56	2.10	-18.0%	Sell	9,620	1.75	17.0	16.0	15.1	16.0	3.3	3.1	6.50	-60.6	2.11	21.3	-59.4
<b>TECHNOLOGY</b>																	
<i>Semiconductor &amp; Electronics</i>																	
ELSOFT	1.25	1.56	24.8%	Buy	831	0.63	5.4	6.2	23.0	20.2	3.1	3.5	1.50	-16.7	0.93	35.1	11.1
INARI	1.80	2.05	13.9%	Buy	5,700	0.86	7.9	8.0	22.9	22.6	3.7	3.5	2.56	-29.6	1.58	13.7	-20.4
MPI	10.80	13.45	24.5%	Buy	2,148	1.01	70.8	80.4	15.3	13.4	2.7	3.0	13.20	-18.2	7.57	42.7	-14.4
N2N	1.07	1.50	40.2%	Buy	602	0.70	3.4	4.3	31.2	25.0	2.0	0.8	1.37	-21.9	0.67	59.7	16.3
UNISEM	3.23	3.30	2.2%	Buy	2,348	0.88	12.9	18.4	25.1	17.6	2.5	3.4	3.68	-12.2	1.60	101.9	-11.5
<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	0.26	0.42	61.5%	Buy	364	na	2.5	3.4	10.2	7.7	3.8	3.9	0.32	-17.5	0.23	15.6	-7.1
TNLOGIS	0.81	0.79	-2.5%	Buy	370	0.89	10.0	4.3	8.1	18.7	0.0	0.0	1.40	-42.1	0.77	5.2	-39.6
WPRTS	3.76	3.78	0.5%	Sell	12,822	0.73	15.6	20.0	24.1	18.8	3.1	4.0	3.95	-4.8	3.10	21.3	1.6

**SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE**

Company	Share Price (S\$)	Target Price (S\$)	% upside	Recom	Market Cap. (S\$m)	Beta	EPS (cent)		PER (X)		Div Yield (%)		52week		52week		% Chg YTD
							FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
<b>BANKS &amp; FINANCIAL SERVICES</b>																	
DBS	24.96	27.40	9.8%	Buy	63,688	1.26	213.3	247.1	11.7	10.1	3.6	3.6	30.8	-18.9	22.65	10.2	2.1
OCBC	11.55	13.50	16.9%	Buy	49,098	1.24	107.8	121.3	10.7	9.5	6.7	7.7	14.0	-17.7	10.36	11.5	-6.8
UOB	25.78	30.20	17.1%	Buy	42,963	1.20	229.7	255.5	11.2	11.2	3.1	3.1	30.4	-15.1	23.80	8.3	-1.9
<b>PLANTATIONS</b>																	
WILMAR	3.14	3.67	16.9%	Buy	20,091	0.66	26.2	28.1	12.0	11.2	3.5	3.5	3.3	-5.1	2.97	5.7	1.6
IFAR	0.20	0.18	-10.0%	Sell	287	1.01	1.9	2.6	10.5	7.7	1.3	1.8	0.4	-52.4	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.