

Daily Brief

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

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Market View *Bogged Down by Worries on Global Growth and US-China Talks*

The local market extended correction on Wednesday, dampened by the sharp overnight fall of more than 3 percent on US stocks amid fears over economic slowdown and doubts major US-China trade issues can be settled within 90 days. The KLCI fell 6.72 points to end at 1,688.27, off an early high of 1,688.60 and low of 1,683.03, as losers beat gainers 519 to 251 on reduced turnover of 1.75bn shares worth RM1.51bn.

Crucial Supports at 1,670/1,657; Resistance at 1,700

Market sentiment should be bogged down with the overnight closure of US markets prolonging uncertainty over the potential success of US-China trade talks and worries over slowdown in global growth. Crucial supports for the index remains at the 25 Oct low of 1,670 and 1,657, the 28 June pivot low, while immediate resistance stays 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.

Bargain Globetronics & Inari

Further weakness on Globetronics should attract bargain hunters ahead of recovery towards the 50%FR (RM2.20), with next hurdle at the 61.8%FR (RM2.38), while downside is cushioned by key retracement support from the 23.6%FR (RM1.82). Likewise, any dips on Inari Amerton will encourage bargain hunting ahead of rebound towards the 61.8%FR (RM1.99), with next resistance from the 76.4%FR (RM2.20), while support from the 38.2%FR (RM1.64) is reinforced by the lower Bollinger band (RM1.58).

Asian Markets Fall after Wall Street Plunge

Asian stocks slid across the board on Wednesday following a bloodletting on Wall Street as goodwill generated by a truce between the U.S. and China over trade evaporated in confusion over what the two sides had agreed upon. U.S. and China agreed over the weekend to hold off on any additional tariffs on each other's goods on Jan. 1, so that trade talks can continue. But discrepancies over when that truce would begin has led to confusion, with conflicting messages coming from within the White House as well as differing opinions from Trump, Washington and Beijing over the actual details of the agreement. Meanwhile, the yield on the benchmark 10-year Treasury note also fell to its lowest level in three months, signaling that the bond market is worried about long-term economic growth.

The Shanghai composite declined 0.61 percent to close at 2,649.81 and the Shenzhen composite fell 0.48 percent to finish at 1,380.78. Elsewhere in Asia, Japan's Nikkei 225 slipped 0.53 percent to close at 21,919.33 while the Topix shed 0.53 percent to end its trading day at 1,640.49. The losses were also seen in South Korea, where the Kospi declined by 0.62 percent to close at 2,101.31. In Australia, the ASX 200 fell 0.78 percent to close at 5,668.40, with most sectors seeing losses on the day.

European Markets Tumble on Trade War Jitters

European stocks dropped on Wednesday, as resurgent trade worries worsened investor fears about global economic growth. Market focus is largely attuned to global trade developments, amid rising doubts that the world's two largest economies will be able to secure a comprehensive trade deal during a cease-fire on tariffs. Brexit-related uncertainty also contributed to the negative mood after Theresa May's government suffered three successive defeats in the British Parliament on Tuesday. On economic front, euro zone retail sales were stronger-than-anticipated in October, according to figures published by the EU's statistics office. Online sales helped push retail sales data up 0.3 percent month-on-month for a 1.7 percent year-on-year gain. Europe's construction and material stocks were among the worst performers, down more than 1.75 percent amid growing trade war concerns. Trading volumes were relatively low as markets in stateside are closed on Wednesday due to a national day of mourning for former U.S. President George H.W. Bush.

The DAX of Germany dropped 1.19 percent to 11,200.24 and the CAC of France fell 1.36 percent to 4,944.37. The FTSE 100 of the U.K. also declined 1.44 percent to 6,921.84.

News In Brief *Corporate*

Sunway Construction Group Bhd (SunCon) has bagged an RM100mn construction contract from Sunway Integrated Properties Sdn Bhd for a mixed development project in Cheras. The project comprises 3 floors of commercial area, 8 floors of office area, 11 floors of serviced apartments, pedestrian decks and 4 floors of basement carpark. The project is expected to be completed by April 30, 2021. (*Bursa Malaysia/ The Edge Markets*)

Comments: YTD, SUNCON has secured RM1.5bn of new jobs, bringing outstanding order book to an estimated amount of RM5.6bn. No change to our earnings forecasts as it is within our FY18 order book replenishment assumption of RM1.5bn. Maintain SELL call on the stock with unchanged target price of RM1.32.

Serba Dinamik Holdings Bhd will acquire a 30% stake in eNOAH iSolution India Private Limited (eNOAH) for USD3.6mn (RM14.9mn) from 12 individual shareholders. eNOAH's core business includes technology solutions, business process management and support services alongside software, IT products and platforms. eNOAH services clients from USA, Australia, India, Malaysia and Singapore. (*Bursa Malaysia*)

Comments: We are neutral on the announced acquisition. Based on eNOAH's FY18 PAT, we expect eNOAH to have marginal earnings contribution of circa RM1.8mn (<1% of our FY19 earnings estimate). Nevertheless, we believe the acquisition will give Serba a toehold in the Indian market. Furthermore, the acquisition will allow Serba to further expand its IT division. Maintain Buy on Serba with unchanged TP of RM4.91 based on 15x CY19 PER.

Kerjaya Prospek Group Bhd secured an RM211.6mn contract from **PBB Group Bhd** for construction works at a mixed development project at Taman Megah, Petaling Jaya. The new job brings its outstanding order book to about RM3.1bn. (*Bursa Malaysia/ The Edge Markets*)

UDA Holdings Bhd is eyeing potential tenants from a pool of nearly 300 prospects for its Malaysian Grand Bazaar (MGB) in Bukit Bintang City Centre (BBCC). UDA Holdings managing director Datuk Ahmad Abu Bakar said MGB offers 100,000 sq ft of customisable retail space that has already managed to attract 40 tenants ahead of its opening in 2021. He said the heritage-inspired MGB is targeted to be a top tourist attraction when it is completed. (*StarBiz*)

Tenaga Nasional Bhd (TNB) has completed its 50MWac solar power project in Sepang, Selangor, the largest solar project in the country. In a statement, TNB said the large-scale solar project uses 230,000 solar panels installed on 98 hectares of land in Mukim Tanjung 12, Sepang. The project, won in a competitive bidding by TNB's subsidiary, TNB Sepang Solar Sdn Bhd, would increase TNB's renewable energy capacity to the national grid to 73.2MW. The project reached its commercial operation due date with an initial generation of 2.4MW in October. The Government has set a target of 20% of the country's electricity to be generated from renewable sources by 2030, an increase from 2% currently. (*StarBiz*)

BIMB Holdings Bhd named Mohd Muazzam Mohamed as its new chief executive officer (CEO) effective today. He is currently acting CEO of the firm's subsidiary Bank Islam Malaysia, and is to be both BIMB and Bank Islam's CEO. (*Bursa Malaysia/ The Edge Markets*)

Oil trading and bunkering operator **Straits Inter Logistics Bhd** is proposing to diversify into land transportation and logistics to meet the rising demand from its existing customers for such services. It foresees that the net profit attributable to the inland transportation business segment could contribute more than a fourth of total net profit in future fiscal years.

The group said this was to meet a rising demand for such services from existing customers. *(Bursa Malaysia/ The Edge Markets)*

Willowglen MSC Bhd's Singapore unit secured a one-year RM14.4mn contract to provide supervisory control and data acquisition and radio frequency identification solutions. *(Bursa Malaysia/ The Edge Markets)*

Gamuda Bhd said hearing of a suit filed by **Tenaga Nasional Bhd** (TNB) against its subsidiary for non-payment of bills has been adjourned to Jan 8 next year, pending settlement negotiations between the parties. In the suit filed in March last year, TNB claimed Gamuda's 80%-owned subsidiary Gamuda Water Sdn Bhd failed to settle four electricity bills totalling RM39.5mn. *(Bursa Malaysia/ The Edge Markets)*

Lower content costs and royalty fees helped to lift **Astro Malaysia Holdings Bhd**'s net profit marginally to RM153.2mn for the third quarter net profit of as of Oct 31, up 4.5% YoY. Quarterly revenue was almost flat at RM1.4bn, according to its filing with Bursa Malaysia. The group declared a third interim single-tier dividend of 2.5 sen per share, payable by Jan 4, 2019. *(Bursa Malaysia/ The Edge Markets)*

Berjaya Food Bhd's net profit grew 21% YoY in its second quarter ended Oct 31, 2018 (2QFY19) to RM7.0mn, which it attributed to its Starbucks cafes, especially the opening of new outlets. The company recommended a second interim dividend of 1 sen per share for FY19 to be paid on Jan 25, 2019. *(Bursa Malaysia/ The Edge Markets)*

News In Brief *Economy*

Malaysia **October Exports at Record High of RM96bil, Boost from China**

Malaysia's exports in October surged 17.7% on-year to RM96.38bil, which is a historic high for the country, powered by manufactured goods, with exports to China picking up strongly. The exports of manufactured goods registered a strong growth of 19.9% on-year to RM80.99bil and accounted for 84% of Malaysia's total exports. Trade with China which absorbed 16.8% of Malaysia's total trade expanded by 19.1% on-year to RM29.71bil. Exports to China picked up strongly in October 2018, rising by 33% to RM15.12bil from a decline of 0.6% in September 2018. This was on the back of significant increases in exports of E&E products, petroleum products, chemicals and chemical products as well as LNG. Imports from China were higher by 7.6% to RM14.59bil. The expansion was driven mainly by higher exports of electrical and electronic (E&E) products, petroleum products, chemicals and chemical products as well as manufactures of metal. Exports of mining goods rose by 29.6% to RM8.69bil, accounting for 9% of total exports in October 2018. (The Star)

Asia **Australia GDP Expands 0.3% in Q3**

Australia's gross domestic product added a seasonally adjusted 0.3% on quarter in the third quarter of 2018, the Australian Bureau of Statistics said. That missed expectations for an increase of 0.6% and was down from 0.9% in the second quarter. On a yearly basis, GDP expanded 2.8% - again missing forecasts for 3.3% and down from 3.4% in the three months prior. Household final consumption expenditure increased 0.3% during the quarter, contributing 0.2 percentage points to GDP growth. The household sector drove domestic growth with increased consumption supported by moderate rises in household income. Compensation of employees increased by 1.0%, while net exports contributed 0.3 percentage points to GDP growth driven by a decline in imports. The terms of trade rose 0.8%. Public spending was funded through increased revenue. General government final consumption expenditure increased 0.5% underpinned by continued expenditure in health, aged care and disability services. Public investment remained at high levels with continued work on a number of large infrastructure projects around the nation. (RTT)

China Services Sector Expands, but Demand Outlook Murky

China's services sector grew at its quickest pace in five months in November thanks to an uptick in new orders, a private survey showed, although the outlook for businesses over the next year worsened for the third month. The Caixin/Markit services purchasing managers' index (PMI) rose to 53.8 in November from 50.8 in October, well above the 50.0 mark separating growth from contraction. The bounce off the 13-month low in October suggests pockets of strength in domestic demand in a sector that accounts for more than half of China's gross domestic product and urban jobs. A sustained improvement in the vast services industry would help steady an economy that has wobbled amid trade frictions with the United States, a manufacturing slowdown at home and a cooler real estate market. The sub index for new business in China's services sector rose to 52.5 in November, also a five-month high, from 50.1 in October, although the rate of growth was modest and within recent ranges. Firms also increased their staffing in November, but at a more gradual pace than a month earlier. The sub index for employment was at 50.7 versus 51.1 in October. (Reuters)

Elsewhere,

- The private sector in **Singapore** continued to expand in November, and at a faster rate, the latest survey from Nikkei showed with a PMI score of 53.8. That was up from 52.6 in October, and it moved farther above the boom-or-bust line of 50 that separates expansion from contraction. Individually, domestic and overseas demand conditions improved, supporting stronger growth in output. In addition, employment jumped at its fastest pace in eight years.

- The services sector in **Japan** continued to expand in November, albeit at a fractionally slower pace, the latest survey from Nikkei showed with a PMI score of 52.3. That's down from 52.4 in October, although it remains well above the boom-or-bust line of 50 that separates expansion from contraction. Individually, business activity continued to grow at a solid rate as demand conditions remained supportive. Confidence strengthened to a 10-month peak. Also, the composite index eased to 52.4 in November from 52.5 in October.

Indonesia Woos Chinese Investors with US\$60b Menu of Belt & Road Projects

Indonesia is offering new projects worth up to US\$60bil to Chinese investors in a bid to capitalise on Beijing's Belt and Road initiative, a senior official said, despite growing concern about the strings tied to some of the loans worldwide. Despite Indonesia's strategic location, Southeast Asia's largest economy has not been among the biggest beneficiaries of China's trillion-dollar push to create a modern day Silk Road. Its best-known Belt and Road project is a \$6-billion railway linking the capital, Jakarta, to the textile hub of Bandung, which has faced land procurement problems. However, Jakarta has been in "structural communication" with Beijing since last year on possible infrastructure projects worth a combined \$50 billion to \$60 billion, said Ridwan Djamiluddin, its deputy minister of maritime affairs. Indonesia has proposed potential projects across the archipelago, while Chinese officials and experts have toured regional governments in search of projects to fund, he told Reuters in an interview. Getting agreement has taken longer than expected because Indonesia insisted on a business-to-business (B2B) structure for all its deals, refusing to take any government-to-government loans, he added. (The Star)

***United States* China Breaks Its Silence on 90-Day U.S. Tariff Truce**

China is beginning to flesh out details of a weekend tariff truce with the U.S., after days of vague Chinese statements and a barrage of comments from President Trump and other administration officials. China's Commerce Ministry in a statement Wednesday acknowledged for the first time that Beijing on Saturday agreed to a 90-day cease-fire to allow negotiations to take place. The statement, attributed to an unnamed spokesman, said that the negotiations have a "clear timeline and road map" and that China aims to quickly implement "an agreed upon consensus." Also this week, key government agencies and China's supreme court announced tough punishments for infringing on intellectual property—a prominent complaint by the Trump administration. Together, the moves begin to fill in some of Beijing's understanding of the agreement between Mr. Trump and President Xi Jinping. Right after the presidents' dinnertime parlay, Chinese officials said the two sides agreed to put tariffs in abeyance to negotiate a settlement but offered few other details then and in the days since.

In the meantime, tweets from Mr. Trump, as well as statements from him and top administration officials, have described concessions Beijing purportedly made—including a reduction in tariffs on American-made autos and an agreement to purchase a "very substantial" amount of agricultural, energy, industrial and other products from the U.S. The Commerce Ministry's statement didn't mention purchases of agricultural and other products, tariff reductions for imports of U.S. autos or negotiating about intellectual property protection, technology transfers and other structural issues the U.S. says are on the agenda. (WSJ)

Eurozone Eurozone Retail Sales Up Slightly More than Expected with Online Push

Eurozone sales rose by slightly more than expected in October, but September data were revised downwards, with online sales providing another push to figures offering a mixed picture as overall economic growth slows. The European Union's statistics office Eurostat said that retail sales in the 19 countries sharing the euro were up 0.3% month-on-month for a 1.7% year-on-year gain. Economists polled by Reuters had expected a 0.2% monthly rise and a 2.1% annual increase. Eurostat also revised downwards September data to a 0.5% month-on-month decline from a previous flat reading and to a 0.3% year-on-year gain from a previous 0.8% increase. Sales of non-food products were down 0.1% in the month after a 0.7% decline in September. However, mail orders and internet purchases rose 0.9% in the month and by 9.9% year-on-year. Eurozone economic growth slowed to a four-year low of 0.2% quarter-on-quarter in the third quarter of 2018, Eurostat has estimated, after expansion of 0.4% in both the first and second quarter. (Reuters)

Eurozone Economic Growth Continues to Slow in November

After accounting for seasonal factors, November's final IHS Markit Eurozone PMI Composite Output Index registered its lowest level since September 2016. Posting 52.7 in November, the index was down from October's 53.1 though slightly higher than the earlier flash estimate of 52.4. It was in Germany where the euro area's growth slowdown was centred, with latest data showing the weakest expansion here in nearly four years. However, Italy remained the weakest-performing country, with activity slightly down for a second successive month. In contrast, firmer growth was seen in Ireland, France and Spain, although rates of expansion remained down on those seen earlier in the year. Despite the latest slowdown at the composite euro area level, growth has now been registered throughout the past five-and-a-half years, with both the manufacturing and service sectors continuing to expand in November. Goods producers did, however, record only a marginal increase in output, the weakest in the current expansionary cycle which began in July 2013. Service sector growth remained at a solid level, albeit the weakest seen in over two years. (Markit Economics)

UK Service Sector Growth Eases to 28-month Low in November

UK service sector companies experienced another difficult month in November, with both business activity and incoming new work expanding at the weakest rates for almost two-and-a-half years. The slowdown in business activity growth was highlighted by a fall in the headline seasonally adjusted IHS Markit/CIPS UK Services PMI Business Activity Index to 50.4 in November. This was down from 52.2 in October and the lowest reading since July 2016. The latest figure was only slightly above the 50.0 no-change value and therefore pointed to a marginal overall expansion of service sector output. Reports from survey respondents suggested that subdued business and consumer spending had held back growth in November. A number of firms noted that heightened Brexit uncertainty had led to delays with clients' business investment decisions. Service providers signalled a slowdown in new business growth for the third month running during November. Moreover, the latest upturn in new work was only marginal and the weakest seen since July 2016. A lack of new work to replace completed projects resulted in reduced pressure on business capacity in November. Reflecting this, service sector firms recorded the joint sharpest drop in work-in-hand (but not yet completed) since September 2009. (Markit Economics)

Share Buy-Back: 05 December 2018

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
ANCOM	50,000	0.51/0.50	0.51/0.50	4,694,359
BKAWAN	39,000	16.80/16.72	16.80/16.70	35,569,831
BREM	28,900	0.75	0.75	1,217,534
E&O	570,000	1.14	1.14/1.10	10,189,696
EWEIN	300,000	0.615/0.61	0.615/0.60	3,400,000
GKENT	316,400	1.03	1.04/1.01	13,630,100
GLOMAC	94,000	0.40	0.40/0.39	14,742,300
HAIO	5,900	2.99/2.97	2.99/2.95	9,875,688
IGBB	92,700	2.57/2.55	2.57/2.55	4,102,820
IJM	200,000	1.68/1.66	1.70/1.66	8,047,000
INCKEN	786,000	0.65/0.64	0.65/0.64	26,999,000
KERJAYA	140,000	1.23/1.20	1.23/1.19	4,898,700
KPJ	2,000,000	1.07	1.07/1.03	107,697,500
MALAKOF	536,100	0.795/0.785	0.80/0.775	106,146,400
MITRA	81,400	0.30/0.295	0.305/0.295	6,076,400
MKH	46,900	1.20/1.18	1.20/1.18	6,844,700
MMSV	179,000	0.81/0.785	0.81/0.785	4,577,175
NYLEX	40,000	0.67/0.64	0.67/0.64	8,644,024
PANTECH	155,700	0.45/0.445	0.45/0.44	6,939,324
SALCON	945,000	0.235/0.23	0.235/0.225	21,568,927
SYF	150,000	0.235/0.23	0.235/0.23	11,245,700
SYSCORP	27,000	0.275/0.27	0.275/0.26	25,075,600
TAANN	162,000	2.03/1.99	2.03/1.97	911,800
TROP	93,000	0.885/0.855	0.885/0.85	20,371,442
YILAI	7,500	0.61	0.61	14,429,408
YINSON	33,900	4.29/4.27	4.49/4.27	10,623,000

Source: Bursa Malaysia

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SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price (RM)	Target Price (RM)	% upside	Recom	Market Cap. (RMm)	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD
							FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
AUTOMOBILE																	
BAUTO	2.09	2.59	23.9%	Buy	2,423	0.65	12.1	17.2	17.3	12.1	5.0	5.8	2.44	-14.4	1.80	16.1	-3.8
MBMR	2.06	3.19	54.9%	Buy	805	0.55	31.4	31.9	6.6	6.5	3.9	3.9	2.68	-23.1	1.86	10.8	-6.4
PECCA	0.80	1.15	43.8%	Buy	147	0.77	6.0	6.8	13.4	11.7	6.3	6.3	1.65	-51.5	0.70	15.1	-48.4
SIME	2.39	2.65	10.9%	Buy	16,254	1.65	12.6	15.0	19.0	16.0	3.3	3.8	3.04	-21.3	2.02	18.1	9.0
UMW	5.57	6.41	15.1%	Buy	6,507	0.76	39.2	47.1	14.2	11.8	3.6	4.3	6.98	-20.2	4.20	32.6	7.1
BANKS & FINANCIAL SERVICES																	
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	4.25	4.40	3.5%	Hold	12,810	1.33	37.6	41.5	11.3	10.2	3.5	4.2	4.90	-13.3	3.40	25.0	-3.6
CIMB	5.80	6.30	8.6%	Buy	55,474	1.48	49.0	56.8	11.8	10.2	5.0	4.9	7.39	-21.5	5.21	11.3	-11.3
HLBANK	20.66	21.80	5.5%	Hold	42,262	0.87	129.0	145.1	16.0	14.2	2.3	2.3	21.26	-2.8	15.30	35.0	21.5
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	5.36	5.50	2.6%	Hold	21,494	1.27	55.2	58.9	9.7	9.1	3.4	3.4	5.88	-8.8	4.71	13.8	7.2
BURSA	7.16	7.30	2.0%	Sell	5,782	0.84	29.2	30.0	24.5	23.9	3.4	3.4	8.12	-11.8	6.29	13.8	7.2
BUILDING MATERIALS																	
ANNJO	1.32	1.37	3.8%	Hold	710	1.81	22.9	19.4	5.8	6.8	8.3	8.3	3.94	-66.5	1.30	1.5	-65.8
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	1.76	2.08	18.2%	Buy	517	0.84	24.2	24.9	13.3	12.9	3.0	3.1	2.00	-12.0	1.49	18.1	-3.8
CMSB	3.22	4.25	32.0%	Buy	3,448	1.72	24.2	24.9	13.3	12.9	3.0	3.1	4.42	-27.1	1.74	85.1	-17.4
CSCSTEL	1.04	0.93	-10.6%	Sell	384	1.01	8.4	11.3	12.4	9.2	4.3	5.8	1.66	-37.3	1.00	4.5	-32.5
ENGTEX	0.85	0.96	12.9%	Hold	370	1.02	5.0	11.3	17.0	7.5	0.9	2.7	1.23	-30.9	0.84	1.2	-22.7
CONSTRUCTION																	
GADANG	0.55	0.78	41.8%	Buy	364	1.55	16.0	14.4	3.4	3.8	5.5	5.5	1.20	-54.2	0.53	3.8	-50.5
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	41.2%	Buy	159	na	4.6	4.5	5.5	5.7	4.7	5.9	0.45	-43.3	0.25	2.0	-13.6
IJM	1.69	1.19	-29.6%	Sell	6,131	1.40	9.6	8.5	17.5	20.0	3.6	2.4	3.19	-47.0	1.39	21.6	-44.6
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	0.19	0.28	47.4%	Buy	132	1.29	2.4	3.8	7.9	5.0	7.9	7.9	0.53	-64.2	0.19	2.7	-57.8
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	1.52	1.32	-13.2%	Sell	1,964	1.23	11.3	11.0	13.5	13.8	5.3	5.9	2.64	-42.4	1.30	16.9	-39.4
WCT	0.70	0.69	-2.1%	Sell	966	1.21	5.2	6.3	13.6	11.1	4.3	4.3	1.83	-61.7	0.69	1.4	-56.8
LITRAK	3.85	4.54	17.9%	Buy	2,033	0.46	43.3	42.8	8.9	9.0	6.5	6.5	5.90	-34.7	3.63	6.1	-30.6
CONSUMER																	
<i>Brewery</i>																	
CARLSBG	19.14	20.65	7.9%	Hold	5,888	0.52	89.3	93.2	21.4	20.5	4.6	4.9	20.88	-8.3	14.83	29.0	25.8
HEIM	19.90	23.11	16.1%	Buy	6,012	0.59	95.2	103.3	20.9	19.3	4.6	5.0	24.02	-17.2	17.42	14.2	5.3
<i>Retail</i>																	
AEON	1.61	1.72	6.8%	Sell	2,260	0.54	5.6	6.8	28.8	23.6	2.5	2.8	2.65	-39.2	1.45	11.0	-8.5
AMWAY	6.65	7.17	7.8%	Hold	1,093	0.64	28.1	28.0	23.7	23.8	3.8	4.1	8.52	-21.9	6.40	3.9	-9.0
F&N	32.98	29.34	-11.0%	Sell	12,096	0.72	111.0	123.1	29.7	26.8	1.7	2.0	40.00	-17.6	25.68	28.4	22.1
HUPSENG	1.01	1.12	10.9%	Sell	808	0.47	5.7	5.3	17.9	19.1	5.4	5.0	1.20	-15.8	0.99	2.0	-7.3
JOHOTIN	1.01	1.17	15.8%	Buy	314	1.16	8.8	8.6	11.4	11.7	5.0	5.4	1.42	-28.9	0.84	21.0	-16.5
NESTLE	147.50	162.00	9.8%	Buy	34,589	0.55	317.5	348.6	46.5	42.3	2.0	2.2	163.00	-9.5	97.30	51.6	42.9
PADINI	4.20	4.84	15.2%	Sell	2,763	0.72	27.8	22.8	15.1	18.4	2.7	2.7	6.20	-32.3	4.12	2.0	-20.2
POHUAT	1.52	1.74	14.5%	Buy	334	0.68	17.7	22.5	8.6	6.8	3.9	5.3	1.83	-16.9	1.15	32.2	-15.1
QL	7.04	6.63	-5.8%	Sell	11,422	0.62	12.7	13.1	55.4	53.8	0.6	0.6	7.63	-7.7	4.25	65.6	61.8
SIGN	0.38	0.40	5.3%	Sell	86	1.03	4.8	4.6	7.9	8.3	3.9	3.9	0.79	-51.6	0.37	4.1	-46.1
<i>Tobacco</i>																	
BAT	37.66	26.04	-30.9%	Sell	10,753	0.95	150.8	132.2	25.0	28.5	3.7	3.2	40.20	-6.3	22.46	67.7	-5.9
GAMING																	
<i>Casino</i>																	
GENTING	6.40	8.80	37.5%	Buy	24,644	1.07	66.3	51.5	9.7	12.4	2.5	2.2	9.74	-34.3	6.25	2.4	-29.9
GENM	2.93	3.70	26.3%	Buy	16,565	1.47	28.4	15.8	10.3	18.5	4.1	2.7	5.73	-48.9	2.76	6.2	-47.1
NFO																	
BJTOTO	2.11	2.30	9.0%	Sell	2,842	0.77	19.6	29.8	10.7	7.1	7.6	12.3	2.62	-19.5	2.01	5.0	-5.8
HEALTHCARE																	
<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	1.07	1.20	12.1%	Buy	4,517	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	6.36	4.95	-22.2%	Sell	21,169	1.00	13.2	15.3	48.2	41.5	1.5	1.6	7.45	-14.6	4.45	43.1	19.1
KOSSAN	4.29	4.97	15.9%	Buy	5,487	0.53	15.7	18.4	27.3	23.3	1.4	1.7	4.72	-9.1	3.19	34.5	5.8
SUPERMX	3.56	4.75	33.4%	Buy	2,334	0.88	16.3	19.8	21.8	18.0	2.2	2.3	4.61	-22.8	1.80	97.8	78.0
Note: SUPERMX proposed bonus issue shares on the basis of 1 for 1. For more detail please refer to 30.08.2018 report.																	
TOPGLOV	5.95	6.12	2.9%	Hold	15,211	0.35	17.0	19.4	35.1	30.7	2.9	1.7	6.36	-6.4	3.18	87.4	48.9
KAREX	0.54	0.40	-25.2%	Sell	536	0.85	1.0	1.1	53.1	50.7	0.9	0.9	1.40	-61.8	0.50	7.0	-58.8
INDUSTRIAL																	
SCIENTX	9.23	11.04	19.6%	Buy	4,513	0.88	59.3	75.4	15.6	12.2	2.2	2.3	9.30	-0.8	6.51	41.8	6.6
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
MEDIA																	
ASTRO	1.29	1.95	51.2%	Buy	6,726	1.26	12.4	11.7	10.4	11.0	9.7	7.8	2.85	-54.7	1.05	22.9	-51.3
MEDIA PRIMA	0.36	0.29	-18.3%	Sell	394	0.86	-6.7	-4.9	na	na	0.0	0.0	0.81	-56.2	0.25	42.0	-53.3
STAR	0.72	0.69	-4.2%	Sell	531	0.96	1.8	0.9	39.2	80.9	0.6	0.3	1.70	-57.6	0.72	0.7	-56.4

SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price (RM)	Target Price (RM)	% upside	Recom	Market Cap. (RMm)	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD
							FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
OIL & GAS																	
DNEX	0.28	0.51	82.1%	Buy	492	1.71	3.6	3.7	7.9	7.6	3.6	3.6	0.57	-50.9	0.27	3.7	-42.3
LCTITAN	4.70	4.51	-4.0%	Sell	10,683	na	40.3	51.1	11.7	9.2	4.3	5.3	6.46	-27.2	4.18	12.4	0.0
MHB	0.60	0.78	30.0%	Buy	960	1.55	-5.6	0.4	na	149.0	0.0	0.0	0.98	-38.8	0.57	6.2	-27.3
MISC	6.12	5.21	-14.9%	Sell	27,318	0.91	26.2	36.4	23.4	16.8	4.9	4.9	7.90	-22.5	5.03	21.7	-17.5
PANTECH	0.45	0.71	59.6%	Buy	330	0.93	6.3	6.2	7.0	7.1	5.6	5.4	0.71	-36.9	0.44	1.1	-31.0
PCHEM	9.21	10.79	17.2%	Buy	73,680	0.76	57.5	58.1	16.0	15.9	3.0	3.4	10.20	-9.7	7.38	24.8	19.6
SAPNRG	0.34	0.34	1.5%	Sell	2,007	1.77	-5.0	-6.4	na	na	0.0	0.0	1.28	-73.8	0.31	8.1	-52.8
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	3.68	4.91	33.4%	Buy	5,404	na	28.3	32.8	13.0	11.2	2.4	3.0	4.28	-14.0	2.87	28.2	13.6
VELESTO	0.22	0.33	50.0%	Buy	1,807	1.74	-0.4	0.0	na	5067.2	0.0	0.0	0.48	-54.2	0.20	12.8	-27.9
UZMA	0.78	1.36	74.4%	Buy	250	1.42	13.9	11.3	5.6	6.9	0.0	0.0	1.67	-53.3	0.76	3.3	-39.1
PLANTATIONS																	
FGV	0.78	1.01	30.3%	Buy	2,827	1.57	-7.2	-1.8	na	na	0.0	0.0	2.18	-64.4	0.78	0.0	-54.1
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	4.38	4.25	-3.0%	Sell	26,746	0.76	17.8	15.9	24.6	27.6	4.7	2.1	4.81	-8.9	4.17	5.0	-1.1
KFIMA	1.52	1.89	24.3%	Buy	428	0.69	14.7	12.1	10.3	12.6	5.9	5.9	1.76	-13.6	1.41	7.8	-3.2
KLK	24.40	21.31	-12.7%	Sell	25,985	0.55	70.3	87.2	34.7	28.0	1.4	1.8	25.98	-6.1	23.26	4.9	-2.4
SIMEPLT	4.80	5.28	10.0%	Buy	32,644	na	18.8	18.2	25.5	26.4	3.6	3.1	5.97	-19.5	4.55	5.4	-19.5
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
PROPERTY																	
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	0.35	0.44	25.7%	Hold	123	0.77	1.3	2.2	28.0	15.8	0.0	0.0	0.75	-53.0	0.30	16.7	-42.6
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
IOIPG	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	1.00	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	1.00	1.03	3.5%	Hold	6,767	na	2.8	5.8	34.9	17.1	1.5	2.0	1.78	-44.1	0.91	9.3	-44.1
SNTORIA	0.35	0.44	25.7%	Hold	195	0.74	3.6	6.0	9.6	5.8	0.0	0.0	0.70	-50.0	0.35	1.4	-49.6
SPB	5.34	5.70	6.7%	Accept Offer	1,835	0.20	18.7	23.4	28.5	22.9	2.2	2.2	5.50	-2.9	3.95	35.2	9.0
SPSETIA	2.24	2.35	4.9%	Buy	8,864	1.06	8.3	14.6	26.9	15.3	3.6	4.0	4.00	-44.0	1.93	16.1	-44.0
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
REIT																	
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	1.01	1.29	27.7%	Buy	2,065	0.53	6.8	7.3	14.9	13.9	7.0	7.4	1.83	-44.8	0.98	3.1	-44.8
POWER & UTILITIES																	
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	25.30	28.23	11.6%	Hold	25,134	0.76	98.3	108.6	25.8	23.3	3.0	3.2	28.36	-10.8	23.00	10.0	5.2
PETGAS	19.28	18.90	-2.0%	Sell	38,150	0.89	99.1	100.9	19.5	19.1	3.5	3.6	19.62	-1.7	15.90	21.3	10.3
TENAGA	13.92	16.62	19.4%	Buy	79,161	0.94	117.5	115.0	11.8	12.1	4.2	4.1	16.34	-14.8	13.54	2.8	-8.8
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
TELECOMMUNICATIONS																	
AXIATA	3.90	4.50	15.4%	Buy	35,377	1.78	11.6	14.7	33.7	26.5	2.5	3.2	5.82	-33.0	3.20	21.9	-29.0
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	5.38	4.55	-15.4%	Sell	42,054	0.92	23.8	23.4	22.6	22.9	3.7	3.7	6.14	-12.4	5.15	4.5	-10.5
TM	2.54	2.10	-17.3%	Sell	9,545	1.75	17.0	16.0	15.0	15.9	3.3	3.2	6.50	-60.9	2.11	20.4	-59.7
TECHNOLOGY																	
<i>Semiconductor & Electronics</i>																	
ELSOFT	1.24	1.33	7.3%	Hold	824	0.63	5.4	5.3	22.8	23.6	3.1	3.0	1.50	-17.3	0.93	34.1	10.2
INARI	1.77	2.10	18.6%	Buy	5,605	0.86	7.9	8.1	22.5	21.8	3.8	3.7	2.56	-30.7	1.58	11.8	-21.8
MPI	10.50	13.70	30.5%	Buy	2,088	1.01	70.8	82.6	14.8	12.7	2.8	3.0	13.20	-20.5	7.57	38.7	-16.8
N2N	1.01	1.50	48.5%	Buy	568	0.70	3.4	4.3	29.5	23.6	2.2	0.8	1.37	-26.3	0.67	50.7	9.8
UNISEM	3.24	3.30	1.9%	Buy	2,356	0.88	12.8	20.2	25.3	16.0	2.5	3.4	3.68	-12.0	1.60	102.5	-11.2
TRANSPORTATION																	
<i>Airlines</i>																	
AIRASIA	3.11	2.71	-12.9%	Buy	10,394	1.17	28.3	27.1	11.0	11.5	25.7	2.6	4.75	-34.5	2.30	35.2	-7.2
AIRPORT	7.81	8.79	12.5%	Buy	12,958	0.90	33.8	35.7	23.1	21.9	1.9	1.3	9.98	-21.7	7.26	7.6	-11.1
<i>Freight & 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	0.79	0.79	0.6%	Buy	358	0.89	10.0	4.3	7.8	18.2	0.0	0.0	1.40	-43.9	0.77	1.9	-41.4
WPRTS	3.73	3.78	1.3%	Sell	12,719	0.73	15.6	20.0	23.9	18.6	3.1	4.0	3.95	-5.6	3.10	20.3	0.8

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

Company	Share Price (S\$)	Target Price (S\$)	% upside	Recom	Market Cap. (S\$m)	Beta	EPS (cent)		PER (X)		Div Yield (%)		52week		52week		% Chg YTD
							FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
BANKS & FINANCIAL SERVICES																	
DBS	24.65	27.40	11.2%	Buy	62,897	1.26	213.3	247.1	11.6	10.0	3.7	3.7	30.8	-19.9	22.65	8.8	0.9
OCBC	11.49	13.50	17.5%	Buy	48,843	1.24	107.8	121.3	10.7	9.5	6.7	7.7	14.0	-18.2	10.36	10.9	-7.3
UOB	25.74	30.20	17.3%	Buy	42,894	1.20	229.7	255.5	11.2	11.2	3.1	3.1	30.4	-15.2	23.80	8.2	-2.0
PLANTATIONS																	
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	0.21	0.18	-12.2%	Sell	294	1.01	1.9	2.6	10.8	7.9	1.3	1.7	0.4	-51.2	0.18	12.0	-47.4

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.