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Weekly Strategy

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

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Market View — FBMKLCI Could Take Cue from External Development

The benchmark FTSE Bursa Malaysia Kuala Lumpur Composite Index (FMB KLCI) stayed depressed near three-month lows last week, ignoring regional strength helped by robust US jobs numbers and tame June inflation data from China. The weak earnings from telcos and persistent profit-taking interest overshadowed the rebound in foreign markets encouraged by US Federal Reserve Chair Janet Yellen's dovish comments for a gradual rise in interest rates.

For the week, the FBM KLCI lost another 4.93 points, or 0.28 percent to 1,755, with falls from DiGi.com (-34sen), Petronas Dagangan (-26sen), Petronas Chemicals (-24sen), CIMB (-21sen) and TM (-15sen) offsetting gains on BAT (+68sen), Hong Leong Financial Group (+58sen) and Genting Berhad (+36sen). Average daily traded volume and value improved to 1.86 billion shares and RM1.86 billion, compared with the 1.6 billion shares and RM1.7 billion average respectively the previous week.

The US markets' strong performance last Friday could spill over to our local bourse today after the S&P 500 and the Dow Jones Industrial Average hit new highs subsequent to the release of weaker-than-expected inflation and retail sales numbers for June. The weaker data tempered expectations of another interest rate hike by the US Federal Reserve in the second half of this year. If the forward indicators like the US housing starts and building permits for June, which will be released this Wednesday, reaffirm the view that the rebound in the US economy may not be as strong as expected in the coming quarters, it could allay the pressure on ringgit and reignite the inflow of foreign funds, premised on Malaysia's stronger economic growth, revival in corporate earnings and expectations of an election rally.

China's second quarter 2017 GDP that will be released today should be a boon for market sentiment if it beats expectations as the country is our largest trading partner and an important barometer to our exports growth momentum. China's State Information Center, an official think tank affiliated with the National Development and Reform Commission that acts as China's top economic planning agency, predicts the economy will expand around 6.8% versus first quarter's 6.9%. This growth forecast is a tad higher than the full year target of 6.5% that Premier Li Keqiang indicated last March and could lift market sentiment if investors believe the government will not tighten the debt noose further in the deleveraging process, which has already affected investment.

However, the resilient consumption and pick up in external demand, as shown in the stronger-than-expected June PMI and exports data, could be a good enough reason for the government to keep juggling between deleveraging and economic growth until the next Communist Party leadership change later this year. In fact, the announcement of a plan last Saturday to set up a cabinet-level committee to coordinate China's financial regulation and keep risks at bay is a telltale sign that that the first half 2017 economic expansion will be stronger and will provide more room for maneuvering in the second half of this year without affecting its 6.5% GDP target. Thus, concerns about the ongoing deleveraging process in

China may resurface to contain any excitement when more details about the new committee's roles and plans are made available.

Malaysia's June inflation figure is also due on the same day, which is expected to be within consensus forecast of 3.8%, underscoring the central bank's decision to maintain OPR at 3% in last week's meeting.

News In Brief

Corporate

The government has approved for **Gas Malaysia Bhd** to effect the revision of the natural gas tariff for the non-power sector in Peninsular Malaysia whereby for the period 1 July 2017 to 31 December 2017, the average gas base tariff will be adjusted to RM28.05/MMBtu. In addition, a rebate of RM1.59/MMBtu will apply to all tariff categories and hence, this translates into an average effective tariff of RM26.46/MMBtu which is an increase of 0.6% from the previous average effective tariff of RM26.31/MMBtu. *(Bursa Malaysia)*

IHH Healthcare Bhd's unit, Parkway Pantai Ltd, has issued a US$2bn multicurrency bonds to refinance its debts and to grow its business. The programme will allow Parkway to issue notes or perpetual securities denominated in any currency agreed between the issuer and the relevant dealer. *(Bursa Malaysia/ New Straits Times)*

Public Bank Bhd will redeem its RM3bn subordinated notes which were issued in 2011 and callable on Aug 3, ahead of their maturity date in 2022. It would fully redeem the RM3bn 4.28% subordinated notes together with accrued interest on Aug 3. *(Bursa Malaysia/ The Star)*

Fraser & Neave Holdings Bhd is expected to boost its annual output by 10% or 6.5mn cases with the installation of a RM90.5mn bottling line at its Shah Alam factory. It bought the cold-aseptic filling line from Japanese bottling system manufacturer Shibuya Corp. Using the latest technology, the new line allows the use of thinner, lightweight containers, reducing the use of PET resin packaging material by 40%. *(The Star)*

Affin Holdings Bhd has received approval from the Finance Ministry and Bank Negara Malaysia to proceed with its proposed reorganisation. The reorganisation entails the transfer of Affin Holdings' entire shareholding in various units to Affin Bank Bhd. The units include Affin Hwang Investment Bank Bhd, Affin Moneybrokers Sdn Bhd, Axa Affin Life Insurance Bhd and Axa Affin General Insurance Bhd. *(Bursa Malaysia/ The Edge)*

Lien Hoe Corp Bhd is selling an estimated 15ha of land in Johor Bahru to Plato Assets (M) Sdn Bhd, for RM100.5mn. The sale proceeds will provide the needed capital funding for business expansion and new investment, as and when such opportunity arises. *(Bursa Malaysia/ The Edge)*

Syarikat Perumahan Negara Bhd (SPNB) has signed a MoU with **Ajiya Bhd** to adopt the latter's Ajiya Green Integrated Building Solutions for the development of housing projects under the SPNB Group. *(Bursa Malaysia/ New Straits Times)*

Amcorp Properties Bhd and its JV partner Grosvenor Europe Investments Ltd has acquired 2 new properties in Madrid, Spain at an undisclosed sum. The 2 properties located at Modesto Lafuente and Santa Engracia streets will be converted into high-end residential and commercial spaces. *(Bursa Malaysia/ The Sun)*

Bursa Malaysia Securities Bhd has ordered **China Automobile Parts Holdings Ltd** (CAP) to reissue its audited financial statements for FY ended Dec 31, 2015 within 6 months or face de-listing. The regulator said on Friday that CAP had until Jan 4, 2018 to reissue the audited statement. *(Bursa Malaysia/ The Star)*

XOX Bhd proposes a private placement to raise RM9.4mn for its branding and marketing expenses. Of the proceeds raised, RM9.2mn has been allocated for branding and marketing expenses and the rest for the proposed private placement expenses. *(Bursa Malaysia/ The Sun)*

In response to an unusual market activity query by Bursa Malaysia, **Mlabs Systems Bhd** said the recent sharp rise in its share price and trading volume could be due to its collaboration with Singapore's e-horizon Asia Pte Ltd to distribute its multimedia videoconferencing and mobile application products. *(Bursa Malaysia/ The Sun)*

News In Brief

Economy

Asia

Fitch Affirms China's A+ Rating With Stable Outlook

Fitch Ratings maintained its A+ rating on China with a stable outlook, citing the strength of the country's external finances and macroeconomic record. Short-term growth prospects remain favorable, and economic policies have been effective in responding to an array of domestic and external pressures in the past year, Fitch said. In a poll of 65 economists, China's economic growth is expected to reach 6.6% this year, topping the government's target of around 6.5%. But large and rising debt levels across the non-financial sector, combined with the low stand-alone credit quality of Fitch-rated banks in the financial system, remain the most significant risk factor for the sovereign rating, Fitch said. In May, Moody's Investors Service cut its sovereign ratings on China by a notch, putting them on par with those of Fitch. That move put Standard & Poor's one step above the two agencies. Moody's had said it expects the financial strength of the world's second-largest economy to erode in coming years as growth slows and debt continues to mount. Fitch said it expects official aggregate financing excluding equity to rise to 208% of gross domestic product this year versus 201 percent in 2016 and 114 percent in 2008. (Reuters)

China June Fiscal Spending Growth Quickens to 19.1%

China's fiscal spending jumped 19.1% in June from a year earlier, quickening sharply from a 9.2% rise in May and signalling government efforts to cushion a gradual slowdown in the world's second-largest economy. Central government spending rose 10.2% in June from a year earlier while local government spending soared 20.3%, the finance ministry said on Friday. The pick-up in fiscal spending was mainly due to faster funding allocation to guarantee the key expenditure needs under a drive to make fiscal policy more "active and effective" this year, the ministry said in a statement on its website. Government spending in the first six months of the year rose 15.8% from a year earlier, the ministry said. China's economic growth is expected to have cooled to 6.8% in the second quarter as Beijing tightens the screws on financial risks, a Reuters poll showed, in a sign the world's second-biggest economy is set for a further slowdown over the coming quarters. Government-led stimulus has been a major driver of economic growth over the past years, but the pump-priming has also been accompanied by runaway credit growth and has created a mountain of debt. China has kept its budget deficit at 3% of gross domestic product (GDP) for 2017, the same as last year, and pledged to clamp down on risks associated with local government debt. China's fiscal revenues increased 8.9% in June from a year earlier, also quickening from May's 3.7% rise, the ministry said. (The Star)

Singapore Advance Q2 GDP Lower than Anticipated

An initial reading of Singapore's gross domestic product showed growth undershot expectations in the second quarter as the pace of manufacturing expansion slowed and construction continued to contract. Advance Q2 GDP, based primarily on the first two months of the quarter ended June, rose 2.5% compared to the same period a year prior, according to Statistics Singapore. The pace of economic expansion was unchanged from the final reading from the previous quarter and fell short of a median forecast of 2.8% growth from economists polled by Reuters. Singapore's manufacturing sector grew 8% year on year, slowing from expansion of 8.5% in Q1 but supported by strong demand for semiconductor and semiconductor manufacturing equipment, according to the stats bureau. Services growth sped up, with the sector expanding 1.7% year on year compared to growth of 1.4% in the first quarter. But the construction sector contracted by 5.6% year on year – though that was an improvement on the 6.1% fall seen in the first quarter. (Financial Times)

Japan's Industrial Output Falls More than Forecast

Japan's industrial production declined more than estimated in May, final data from the Ministry of Economy, Trade and Industry showed. Industrial output fell 3.6% on a monthly basis instead of 3.3% decrease estimated previously. Year-on-year, production advanced 6.5%. The monthly decline in shipments was revised to 2.9% from 2.8%. Stock remained stable, in contrast to the initially estimated 0.1 percent rise. The inventory ratio came in at -1.9%, unchanged from the initial estimate. The capacity utilization rate declined by adjusted 4.1% month-on-month in May, data showed. (RTT News)

United States

U.S. Retail Sales Fell 0.2% in June

Spending at U.S. retailers declined in June for the second straight month. Retail sales—a measure of consumer spending at stores, restaurants and websites—decreased a seasonally adjusted 0.2% in June from the prior month, the Commerce Department said. Economists had expected a 0.1% rise. Retail sales had declined a revised 0.1% in May. It was the first back-to-back sales drop since July and August 2016. The report was "soft, though not calamitous," said Ian Shepherdson, chief economist at Pantheon Macroeconomics. He said in a note to clients he still expects a future rebound in the sales data, "but our patience is being tested." Excluding autos, sales were down 0.2% last month; economists had expected a 0.2% gain. Excluding autos and gasoline, sales fell 0.1% in June, the first decline for the measure in nearly a year. In the second quarter, total retail sales were up just 0.2% from the first three months of the year. Overall retail sales rose 3.9% in the first half of 2017 compared with the same period a year earlier, well outpacing the recent trend for consumer-price inflation. Data on retail sales can be volatile from month to month, aren't adjusted for price changes and don't include spending on most services such as housing and health care. June's 0.2% decline from the prior month came with a 0.5 percentage point margin of error. (The Wall Street Journal)

U.S. Consumer Prices Unchanged in June

The consumer-price index, which measures what Americans pay for everything from ice cream to eye-doctor visits, was unchanged in June from the prior month, the Labor Department said. Excluding the often-volatile categories of food and energy, so-called core prices rose 0.1%. Economists had expected overall prices to advance 0.1% and core prices to gain 0.2% on the month. From a year earlier, consumer prices climbed only 1.6%, marking the fourth straight month annual gains have eased. Prices were up 1.7% on the year when excluding food and energy. The report is the Federal Reserve's last peek at a major inflation gauge before officials conclude a two-day policy meeting July 26. The central bank has raised short-term interest rates three times since December but is expected to leave its benchmark unchanged later this month. The Fed is tasked with achieving maximum sustainable employment and stable prices. With unemployment at 4.4% in June, it appears the Fed has closed in on one half of its mandate. Inflation, however, is well shy of its target. (The Wall Street Journal)

U.S. Industrial Production Rises

U.S. industrial output rose steadily in June, driven by a rebound in oil exploration and coal mining. Industrial output—how much manufacturers, mining companies and utilities produced—grew 0.4% in June from May, the Federal Reserve said. Economists had expected a 0.3% gain. Output has risen for five consecutive months, evidence the economy strengthened in the second quarter after a sluggish start to the year. Industrial production increased at an annual rate of 4.7% in April through June, more than triple the first quarter's gain of 1.4%. Production has risen 2% over the past year—-in line with steady but modest overall economic growth. The rebound has been driven by mining output, which grew 1.6% in June and has risen nearly 10% over the past year. Energy companies are boosting oil and gas extraction this year after several years of weakness caused by a drop in oil prices, which have rebounded. Coal mining has also increased.

Separately, a measure of U.S. consumer sentiment dropped in July for the second straight month, as consumers appear to be losing faith that changes in Washington will swiftly rejuvenate the slow growth rates in the U.S. economy. The University of Michigan said the preliminary reading of its consumer-sentiment index was 93.1 in July, down from a June reading of 95.1 and a May reading of 97.1. Economists surveyed by The Wall Street Journal had expected a preliminary July reading of 94.7. The change in the index was driven by a decline in consumer's expectations for economic improvement in the future. (The Wall Street Journal)

Business Inventories Rebound as Sales Fall

U.S. business inventories rebounded in May as sales recorded their biggest drop in 10 months, government data showed. The Commerce Department said business inventories increased 0.3% after an unrevised 0.2% decrease in April. Sales fell 0.2%, the biggest decline since July 2016, after being unchanged in April. Inventories are a key component of gross domestic product. At May's sales pace, it would take 1.38 months for businesses to clear shelves, up from 1.37 months in April. (CNBC)

Europe and United Kingdom

Germany Pushes Up Eurozone Trade Surplus in May

The Eurozone's trade in goods surplus inched up in May as import and export values both grew on the back of another bumper performance in Germany. Official trade figures from Eurostat show the bloc's seasonally adjusted surplus in goods rose 2.1% from €18.6bn to €19.7bn in May. The reading was just below an average forecast of €20bn. The Eurozone's trade balance has been in surplus since 2012 – the aftermath of the continent's debt crisis – as governments have driven themselves to become more competitive. Of the 19 countries in the single currency area, Germany – the bloc's biggest economy – easily boasts the largest surplus at 14.7% of its GDP. That's a jump from 13.7% in April. Germany is the only country whose surplus is in double digits when measured as a proportion of its total economy. France is second placed among the major economies, with a 3% surplus, while Italy's is at 2.5%, according to Eurostat. The overall value of the Eurozone's seasonally adjusted exports was €183.7bn in May, while imports were €164bn. (Financial Times)

Share Buy-Back: 14 July 2017

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
FITTERS	600,000	0.41	0.41/0.405	22,849,500
GRANFLO	13,800	0.23	0.235/0.225	6,477,600
SALCON	100,000	0.525/0.52	0.525/0.52	1,767,762
TEXCHEM	1,000	1.32	1.33/1.30	2,590,000
TROP	135,000	0.97/0.955	0.97/0.95	3,302,942

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SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price (RM)	Target Price (RM)	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg
				FY17	FY18	FY17	FY18	FY17	FY18	High Price	% Chg	Low Price	% Chg	YTD
	13-Jul-17													
AUTOMOBILE														
BAUTO	1.94	2.37	0.94	10.3	15.8	18.8	12.3	6.0	8.1	2.44	-20.5	1.88	3.2	-8.9
MBMR	2.20	2.28	0.61	24.1	25.3	9.1	8.7	4.1	4.1	2.70	-18.5	2.08	5.8	2.8
UMW	5.74	5.04	1.25	19.8	30.6	29.0	18.7	2.3	3.5	6.47	-11.3	4.09	40.2	35.9
BANKS & FINANCIAL SERVICES														
AFG	3.85	4.80	1.29	33.6	30.5	11.5	12.6	4.2	4.2	4.49	-14.3	3.60	6.9	3.5
AFFIN	2.60	3.70	0.96	29.4	33.6	8.8	7.7	3.1	3.1	3.00	-13.3	2.08	25.0	8.8
AMBANK	5.10	5.70	1.33	43.9	48.4	11.6	10.5	3.5	3.5	5.70	-10.5	3.90	30.8	18.3
CIMB	6.34	8.00	1.38	49.6	55.2	12.8	11.5	3.2	3.6	6.87	-7.7	4.11	54.2	40.6
HLBANK	15.86	17.50	0.66	105.2	115.5	15.1	13.7	2.6	2.6	16.30	-2.7	12.70	24.9	17.5
MAYBANK	9.62	11.00	0.96	73.4	82.9	13.1	11.6	5.2	5.2	9.68	-0.6	7.50	28.3	17.3
PBBANK	20.36	23.60	0.79	137.2	142.4	14.8	14.3	2.8	2.8	20.66	-1.5	19.26	5.7	3.2
RHBBANK	5.06	5.80	1.32	50.7	54.5	10.0	9.3	2.4	2.4	5.59	-9.5	4.53	11.7	7.4
BURSA	10.28	10.00	0.70	40.3	39.0	25.5	26.3	3.3	3.3	11.14	-7.7	8.20	25.4	16.2
CONSTRUCTION														
BPURI	0.38	0.45	0.79	5.6	5.6	6.7	6.8	0.0	0.0	0.51	-25.5	0.38	1.3	-12.6
GADANG	1.29	1.57	0.64	14.6	13.5	8.8	9.6	2.2	2.2	1.37	-5.8	0.89	45.8	22.9
GAMUDA	5.39	6.00	1.05	28.1	34.8	19.2	15.5	2.2	2.2	5.52	-2.4	4.65	15.9	12.8
IJM	3.48	3.50	1.09	15.3	20.3	22.7	17.1	2.2	2.7	3.61	-3.6	3.07	13.4	8.7
PESONA	0.65	0.78	1.01	4.9	5.7	13.1	11.4	3.8	3.8	0.74	-11.6	0.37	78.1	7.4
SENDAI	1.14	0.58	1.28	8.3	9.6	13.7	11.8	0.9	0.9	1.39	-18.0	0.41	181.5	98.3
SUNCON	2.01	2.26	na	12.6	12.5	15.9	16.0	2.7	2.7	2.15	-6.5	1.56	28.8	18.2
WCT	1.87	1.49	1.10	11.9	12.0	15.7	15.6	1.6	1.6	2.48	-24.4	1.49	25.4	8.7
LITRAK	5.88	6.26	0.10	42.0	45.8	14.0	12.9	4.3	4.3	6.15	-4.4	5.57	5.6	0.0
Building Materials														
WTHORSE	1.98	2.00	0.49	11.0	11.5	18.0	17.2	5.1	5.1	2.19	-9.6	1.93	2.6	-1.5
CONSUMER														
Brewery														
CARLSBG	14.98	17.84	0.50	74.8	81.3	20.0	18.4	5.0	5.4	15.30	-2.1	13.72	9.2	7.6
HEIM	17.96	21.08	0.59	93.1	101.9	19.3	17.6	4.7	5.1	19.10	-6.0	15.56	15.4	9.6
Retail														
AEON	2.21	2.23	0.49	6.7	7.9	32.9	28.1	1.8	2.1	3.00	-26.3	2.11	4.7	-14.0
AMWAY	7.31	8.62	0.35	26.4	40.6	27.7	18.0	1.4	2.1	8.89	-17.8	7.30	0.1	-0.3
F&N	25.30	27.41	0.32	121.1	151.0	20.9	16.8	2.8	3.0	26.52	-4.6	22.44	12.7	7.8
HUPSENG	1.20	1.50	0.46	6.5	6.6	18.4	18.1	5.0	5.0	1.33	-9.6	1.13	6.1	4.3
NESTLE	84.00	88.66	0.36	290.1	327.7	29.0	25.6	3.3	3.3	85.20	-1.4	74.12	13.3	7.4
PADINI	3.60	4.10	0.48	22.3	24.7	16.1	14.6	4.2	4.7	3.66	-1.6	2.26	59.3	41.8
POHUAT	1.93	2.46	0.64	27.5	27.0	7.0	7.1	3.1	4.1	2.04	-5.4	1.47	31.3	11.6
QL	4.90	4.41	0.43	15.7	16.6	31.2	29.4	0.9	1.0	5.00	-2.0	4.14	18.3	13.1
SIGN	0.90	1.23	0.56	8.1	11.6	11.1	7.8	2.8	3.9	1.07	-15.9	0.78	15.4	13.2
Tobacco														
BAT	42.94	52.08	1.01	198.6	187.4	21.6	22.9	4.7	4.7	55.46	-22.6	40.61	5.7	-2.8
GAMING														
Casino														
GENTING	9.55	11.51	1.35	49.3	54.7	19.4	17.4	0.5	0.6	10.00	-4.5	7.50	27.4	20.2
GENM	5.74	6.54	1.29	25.7	27.7	22.3	20.7	1.4	1.6	6.38	-10.0	4.22	35.9	27.0
NFO														
BJTOTO	2.41	3.34	0.75	19.3	23.2	12.5	10.4	5.8	6.6	3.42	-29.5	2.38	1.3	-18.6
LUSTER	0.12	0.13	1.25	0.4	0.4	33.1	33.3	0.0	0.0	0.16	-25.0	0.05	140.0	140.0
HEALTHCARE														
Hospitals														
IHH	5.98	6.39	0.77	9.5	15.0	62.7	40.0	0.6	0.6	6.73	-11.1	5.54	7.9	-5.8
KPJ	4.20	4.70	0.51	13.3	16.5	31.5	25.5	1.5	1.8	4.37	-3.9	3.85	9.1	0.5
Rubber Gloves														
HARTA	6.98	6.80	0.58	17.2	24.4	40.5	28.6	1.1	1.6	7.40	-5.7	4.06	71.9	44.5
KOSSAN	7.04	7.60	0.15	35.8	40.0	19.7	17.6	2.5	2.8	7.15	-1.5	5.62	25.3	6.8
SUPERMX	1.91	1.80	0.33	12.3	15.1	15.5	12.7	1.9	2.4	2.38	-19.7	1.88	1.6	-9.5
TOPGLOV	5.66	6.05	-0.20	26.4	29.8	21.4	19.0	2.3	2.6	5.94	-4.7	4.20	34.8	5.8
KAREX	1.56	2.20	0.30	3.7	5.5	41.8	28.4	0.6	0.9	2.64	-40.9	1.51	3.3	-33.9
INDUSTRIAL														
SCIENTX	8.66	9.71	0.53	54.5	66.3	15.9	13.1	2.1	2.3	8.99	-3.7	6.01	44.1	29.3
SKPRES	1.30	1.80	0.50	8.6	10.6	15.1	12.2	3.2	4.0	1.44	-9.7	1.15	13.0	0.8
MEDIA														
ASTRO	2.56	3.45	1.05	13.2	14.5	19.3	17.7	4.9	5.1	3.01	-15.0	2.51	2.0	-1.5
MEDIA PRIMA	0.90	0.60	0.65	1.7	2.8	52.4	31.7	1.5	2.5	1.52	-41.1	0.87	3.5	-22.2
STAR	2.37	1.40	0.64	7.1	6.5	33.4	36.5	7.6	7.6	2.67	-11.2	2.19	8.2	5.8
OIL & GAS														
DNEX	0.59	0.76	1.02	3.7	4.6	16.0	12.8	1.7	1.7	0.69	-15.2	0.20	200.0	129.4
LCTITAN	6.41	7.41	na	60.3	71.5	10.6	9.0	4.1	5.5	6.53	-1.8	6.33	1.3	-1.4
MHB	0.78	0.87	1.83	-1.2	1.3	na	59.2	0.0	0.0	1.16	-33.2	0.78	0.0	-15.3
MISC	7.39	6.85	0.79	56.4	48.9	13.1	15.1	4.1	4.1	7.90	-6.5	7.03	5.1	0.5
PANTECH	0.60	0.69	1.27	4.1	4.9	14.3	12.1	3.0	3.3	0.67	-10.5	0.44	36.8	33.7
PCHEM	6.85	7.74	1.06	39.2	40.5	17.5	16.9	3.1	3.2	7.80	-12.2	6.43	6.5	-1.9
SENERGY	1.65	1.71	2.49	6.6	4.0	25.0	41.6	0.6	0.6	2.10	-21.4	1.33	24.1	1.9
UMWOG	0.29	0.80	2.09	-11.7	-3.5	na	na	0.0	0.0	1.04	-72.6	0.29	0.0	-67.4
Note: UMWOG proposed rights issue of shares. Ex-Target price RM0.43. For more details please refer to 08.05.17 report.														
UZMA	1.56	1.55	1.48	12.0	12.6	13.0	12.3	0.0	0.0	1.98	-21.2	1.30	20.0	-8.2

For Internal Circulation Only

SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price	Target Price	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg
	(RM)	(RM)		FY17	FY18	FY17	FY18	FY17	FY18	High Price	% Chg	Low Price	% Chg	YTD
PLANTATIONS														
FGV	1.63	1.55	1.78	4.2	8.5	38.6	19.2	3.1	3.1	2.52	-35.3	1.42	14.8	5.2
IJMPLNT	2.97	3.88	0.47	12.3	15.7	24.2	18.9	2.4	2.7	3.70	-19.7	2.96	0.3	-12.6
IOICORP	4.49	4.15	1.07	18.7	21.0	24.0	21.4	2.2	2.7	4.81	-6.7	4.21	6.7	2.0
KLK	24.66	26.19	0.86	111.8	119.1	22.1	20.7	2.2	2.4	25.50	-3.3	22.92	7.6	2.8
SIME	9.55	10.02	1.23	34.0	37.5	28.1	25.5	2.6	3.2	9.70	-1.5	7.42	28.7	17.9
UMCCA	6.49	7.52	0.43	37.6	34.5	17.3	18.8	3.5	2.6	6.58	-1.4	5.53	17.4	8.2
PROPERTY														
GLOMAC	0.64	0.70	0.57	1.6	6.3	39.8	10.1	4.7	4.7	0.83	-23.0	0.63	0.8	-8.6
HUAYANG	0.98	0.96	0.67	17.3	10.2	5.7	9.5	4.1	2.1	1.43	-31.9	0.98	0.0	-13.7
IBRACO	0.76	0.92	0.38	4.9	10.2	15.6	7.4	4.6	5.3	1.05	-27.6	0.76	0.7	-24.0
IOIPG	2.16	2.25	0.86	17.4	17.4	12.4	12.4	3.2	3.5	2.46	-12.2	1.85	16.9	10.8
MAHSING	1.60	1.76	0.73	14.3	13.5	11.2	11.8	4.1	4.1	1.70	-5.9	1.34	19.4	11.9
SNTORIA	0.85	0.98	0.27	6.2	10.3	13.8	8.2	1.2	1.2	1.00	-15.0	0.69	23.2	6.2
SPB	4.89	5.98	0.59	25.6	22.8	12.7	14.3	2.5	2.5	5.19	-5.8	4.32	13.1	10.6
SPSETIA	3.26	4.10	0.67	27.1	29.5	14.6	13.4	4.3	4.3	4.50	-27.6	2.90	12.4	4.2
SUNWAY	3.96	4.15	0.47	18.2	18.4	13.1	13.0	3.0	3.0	4.05	-2.2	2.84	39.4	32.0
Note: SUNWAY proposed bonus issue of shares and warrants. Ex-Target price RM1.69. For more details please refer to 15.06.17 report.														
REIT														
SUNREIT	1.70	1.86	0.51	8.9	10.1	19.2	16.8	5.2	5.9	1.84	-7.6	1.63	4.3	-1.2
CMMT	1.56	1.72	0.58	8.1	8.6	19.3	18.1	5.4	5.7	1.72	-9.3	1.45	7.6	2.0
POWER & UTILITIES														
MALAKOF	1.03	1.13	0.76	7.1	6.4	14.5	16.1	6.8	6.8	1.80	-42.8	1.01	2.0	-24.8
PETDAG	23.66	21.47	0.76	98.4	102.3	24.1	23.1	3.1	3.2	25.70	-7.9	22.92	3.2	-0.6
PETGAS	18.80	19.60	0.76	88.2	101.3	21.3	18.6	3.3	3.8	22.50	-16.4	18.10	3.9	-11.7
TENAGA	14.20	17.37	1.02	131.9	130.8	10.8	10.9	3.1	3.2	14.90	-4.7	13.00	9.2	2.2
YTLPOWR	1.43	1.90	0.53	8.2	10.7	17.4	13.4	7.0	7.0	1.64	-12.8	1.39	2.9	-4.0
TELECOMMUNICATIONS														
AXIATA	4.60	5.25	1.31	14.6	16.0	31.5	28.8	1.6	1.7	5.99	-23.2	4.11	11.9	-2.5
DIGI	4.66	4.90	0.93	20.0	20.4	23.3	22.8	4.3	4.4	5.19	-10.2	4.63	0.6	-3.5
MAXIS	5.50	5.70	0.71	24.8	25.0	22.1	22.0	3.6	3.6	6.60	-16.7	5.48	0.4	-8.0
TM	6.41	7.50	0.66	21.4	22.3	29.9	28.7	3.0	3.1	6.90	-7.1	5.81	10.3	7.7
TECHNOLOGY														
Semiconductor & Electronics														
IRIS	0.17	0.28	1.31	-2.6	-0.3	na	na	0.0	0.0	0.24	-29.2	0.10	70.0	54.5
INARI	2.35	2.30	0.79	10.3	12.4	22.8	19.0	3.4	2.1	2.43	-3.3	1.47	59.7	41.6
MPI	13.38	15.60	0.51	94.2	112.9	14.2	11.8	2.0	2.0	13.58	-1.5	7.20	85.8	80.6
UNISEM	3.62	3.95	0.82	26.9	27.1	13.4	13.4	3.3	3.3	3.70	-2.2	2.27	59.5	53.4
TRANSPORTATION														
Airlines														
AIRASIA	3.07	3.34	1.11	37.6	37.1	8.2	8.3	1.3	1.6	3.59	-14.5	2.16	42.1	34.1
AIRPORT	8.59	8.10	1.44	17.2	17.5	49.8	49.1	1.2	1.2	9.45	-9.1	5.76	49.1	41.7
Freight & Tankers														
TNLOGIS	1.74	2.05	0.75	14.3	22.7	12.2	7.7	2.5	4.0	1.87	-7.0	1.47	18.4	9.4
WPRTS	3.69	4.05	0.67	17.1	15.1	21.5	24.4	3.5	3.1	4.59	-19.6	3.61	2.2	-14.2

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

Company	Share Price	Target Price	Beta	EPS (cent)		PER (X)		Div Yield (%)		52week		52week		% Chg
	(S$)	(S$)		FY17	FY18	FY17	FY18	FY17	FY18	High Price	% Chg	Low Price	% Chg	YTD
BANKS & FINANCIAL SERVICES														
DBS	21.10	23.30	1.22	173.8	190.2	12.1	11.1	2.8	2.8	21.2	-0.4	14.72	43.3	21.7
OCBC	11.05	12.00	1.14	87.7	92.4	12.6	12.0	5.7	6.7	11.1	0.0	8.84	33.6	23.9
UOB	23.85	25.40	1.09	195.6	209.3	12.2	11.4	2.9	2.9	24.0	-0.7	17.51	36.2	16.9
PLANTATIONS														
WILMAR	3.35	3.72	0.91	28.9	31.1	11.6	10.8	2.4	2.7	4.0	-16.3	2.96	13.2	-6.7
IFAR	0.48	0.53	1.12	4.9	5.2	9.8	9.1	2.5	2.7	0.6	-20.2	0.44	8.0	-9.5

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 premiu*