

## Weekly Strategy

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

Kaladher Govindan

Tel: +603-2167 9609

kaladher@ta.com.my

www.taonline.com.my

### Market View *Downside Pressure Should Ease, Buy-on-Weakness*

While strong retail participation fueled rotational plays on small caps and ACE Market stocks last week, the local blue-chip benchmark FTSE Bursa Malaysia Kuala Lumpur Composite Index (FMB KLCI) remain trapped in range trade. Local fund buying was offset by profit-taking interest, specifically ahead of the weekend, copying weaker regional peers on disappointment over the US tax bill proposal for a corporate tax rate cut to 20 percent that is only likely to come in 2019.

Week-on-week, the FBM KLCI rose 1.35 points, or 0.08 percent to 1,742.28, with losses on Petronas Dagangan (-RM1.84), PPB Group (-12sen) and IJM Corp (-10sen) offset by gains on BAT (+RM2.05), Genting Berhad (+50sen), MISC (+19sen), and Petronas Chemicals (+15sen). Average daily traded volume and value last week was 2.96 billion shares worth RM2.27 billion, matching the 2.96 billion shares and RM2.26 billion average the previous week.

The benchmark index needs strong catalysts to break free from last two weeks' sideways trading and the upcoming third quarter GDP announcement this Friday should provide the fuel, if it succeeds in outperforming expectations for the third consecutive quarter after registering a strong growth of 5.6% year-on-year (YoY) and 5.8% YoY in first quarter and second quarter respectively.

Consensus economic growth forecast for the third quarter is 5.5% YoY. Actual growth may not disappoint based on the recent Industrial Production Index (IPI) and trade data. The manufacturing output that made up about 66% of IPI rose 7.1% YoY in third quarter from 6.2% YoY in the second quarter. Nominal exports advanced by 22.1% YoY in July-to-September period versus 20.6% YoY in the second quarter and contributed to this year's highest quarterly surplus of RM26.7bn. These data should translate into higher real figures as well. As historical data suggests a strong correlation of 95% between market capitalization and nominal GDP, the current mismatch between stronger-than-expected GDP and lacklustre equity market performance may not prolong.

Signs of tapering off in foreign selling and strengthening of ringgit, despite rising 10-year Malaysian Government Securities (MGS) yield, suggest foreign interest in our local equity market, which lacks the strong double-digit year-to-date gains of regional markets, could improve in the coming months. Ringgit recovered 0.9% week-on-week to RM4.19 against the USD last Friday, almost near its 2017 low of RM4.18, despite MGS yield rising 0.4% to 4.06% during the same period. If foreigners are worried about the immediate-term uncertainty from the 14<sup>th</sup> General Election, this concern could be assuaged temporarily by the fact that the ongoing northeast monsoon season could delay the election to at least March next year and beyond.

Thus, there is still room for rotational investment given the stretched valuations of US equities, which were driven mainly by improving economic data, better-than-expected corporate earnings and policy measures. The near conclusion of the US third quarter earnings reporting season and delays in tax reforms can act as valid reasons for funds to lock in their profits and look for other high yielding assets in the short-term. Bursa Malaysia should benefit given its steep undervaluation against regional markets despite the recovery in economic growth, corporate earnings, crude oil and ringgit. As such, any sustained weakness in undervalued blue chips, especially those in the banking sector (**Maybank (TP: RM10.20)**, **CIMB (TP: RM8.00)**, **AMMB (TP: RM5.70)** & **HLBank (TP: RM17.50)**) construction (**Gamuda (TP: RM6.00)** & **Gadang (TP: RM1.75)**) and building materials (**Chin Hin (TP: RM1.58)** & **Ann Joo (TP: RM4.40)**) players, and growth stocks with good fundamentals should be viewed as a buying opportunity.

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(a) nil

### 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

## News In Brief Corporate

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As part of a mutual decision, **Mudajaya Group Berhad** has withdrawn from an RM810mn contract awarded by Consortium Zenith Construction Sdn Bhd for construction works in Penang. This is following uncertainties in being able to secure the exact date for site possession, signing the construction contract and insufficient information provided for the project causing a lapse of time to the timelines in the letter of award. (Bursa)

Malaysia's largest combined cycle gas turbine power plant in Alor Gajah, Melaka is expected to begin operations in 2021. **Edra Power Holdings Sdn Bhd** chief operations officer Datuk Mohamad Nor Ali said the 2,242MW combined cycle gas turbine power plant project was on track. The amount of power generated can light up 10% of the country's electricity requirements. (The Star)

**KNM Group Berhad** has proposed to undertake a private placement of up to 10% of its issued shares. Estimated proceeds of RM53.3mn will be utilised for repayment of borrowings, working capital requirements and defrayment of expenses related to the proposed exercise. (Bursa)

**Dialog Group Berhad** entered into a lease agreement with Johor Corporation to lease two parcels of land at Tanjung Langsat for 30 years at a total lease rental of RM62mn. It will also purchase a tank terminal facility on the land for RM91mn. This is to expand its tank terminal storage capacity and operations at Tanjung Langsat, Johor. (Bursa)

To further expand its overseas markets, **Spritzer Bhd** has proposed to place out a substantial stake of its share base to a Singapore-based strategic investor called Dymon Asia Private Equity (Dape). If the private placement exercise is approved, Dape will own 15% of the enlarged share base of the company. (The Star)

**IJM Land Bhd** will be launching seven projects with a total GDV of RM1.2bn over the next few months. The seven included The Mezzo at Penang's Light City, 3 Residence in Penang, Riana Dutamas at Segambut, Riana South at Cheras, Rimbun Ara and Safira at Seremban 2 and Austin Duta in Johor. (The Star)

**Titijaya Land Berhad** has established an Islamic Commercial Papers Programme of up to RM150.0mn in nominal value and made its first issuance of Islamic Commercial Papers of RM20.0mn on 10 November 2017. Proceeds will be utilised for the repayment of borrowings, to finance investment activities, working capital requirements and general corporate purposes. (Bursa)

**CCK Consolidated Holdings Bhd**, Sarawak's largest integrated poultry firm, will raise the production output of its poultry abattoir in Kuching by one-third under an expansion and upgrading project. The expanded abattoir would gradually increase the group's production to some 40,000 birds per day from current 30,000 birds starting next year. (The Star)

**Destini Berhad** has entered into a joint venture and shareholders agreement with Federal International (2000) Ltd. Both parties intend to leverage on each other's capabilities and expertise in tendering for projects in South Asia and South-East Asia region. This include floating production systems in greenfield development, transportation and installation services, well abandonment and field decommissioning services and downhole and well workover services. (Bursa)

**Hartalega Holdings Bhd** has developed the world's first non-leaching anti-microbial nitrile examination gloves. The gloves are scheduled to be launched in the market in early 2018. (Bernama)

**Malaysia Airports Holdings Berhad's** network of airports registered 6.9% YoY growth for October 2017 with 10.6mn passenger traffic. International passengers registered a 12.6% YoY growth with 4.9mn passengers, while domestic passengers grew by 2.4% YoY with 5.7mn passengers. In a separate article, the group says it is unfazed by potentially stiffer competition affecting its Istanbul operations amid the ongoing construction of a third airport in the Turkish capital. It said travelers have a strong preference for ISD's location compared to the Ataturk Airport. (Bursa, The Edge)

**Petronas Gas Berhad** reported a 2.5% YoY increase in its 9MFY17 net profit to RM1.3bn. Revenue rose 2.9% YoY, driven by higher utilities price and volume, further supported by regasification revenue. Earnings were also aided by higher interest income and lower tax expenses. (Bursa)

**Petronas Dagangan Bhd** reported an 84.5% YoY jump in its 9MFY17 profit to RM1.3bn. Revenue increased 26.6% YoY to RM19.7bn. Average selling price advanced 29% following an increase in MOPS prices, offset by lower sales volume of 2%. There was also a gain on disposal totalling RM424.6mn. (Bursa)

**Westports Holdings Berhad's** 9MFY17 net profit declined 8.6% YoY to RM440.5mn. Operational revenue declined 4.1% YoY. This was due to lower container throughput and higher fuel cost as a result of lower fuel price in 9M2016. (Bursa)

## News In Brief *Economy*

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### *Asia* **RBA Sees Solid Growth, Slow Inflation as Cash Rate Stays on Hold**

Australia's central bank used its Statement on Monetary Policy to flesh out its consistent recent view of accelerating growth and sluggish inflation, suggesting interest rates will stay at a record-low 1.5%. Underlying inflation forecasts revised slightly lower for 2018 and cut by half percentage point for 2019, mainly to allow for upcoming reweighting of CPI. "The assessment of pricing pressures in the near term has not changed," the RBA said. Quarterly GDP growth to ease slightly in third quarter, then to average about 3% over next couple of years, led by resource exports and more positive business investment. Household consumption likely slowed in third quarter after weak retail data; weak income growth and high debt levels are constraints. Labor market conditions have "strengthened considerably" and forward indicators suggest "above-average employment growth" will continue. (Bloomberg)

### **Singapore Retail Sales Slip 0.5% in September**

Singapore retail sales fell for the first time in six months in September amid poor motor vehicle sales, a sharp reversal from a strong showing in August. Retailers saw total takings decline by 0.5% year-on-year, but when car sales was stripped away, retail sales actually grew 3.3%, according to the latest data released by the Department of Statistics. This was a sharp deterioration from August's total sales growth of 3.7% - its strongest growth rate since March 2016 and the sixth straight month of expansion - which was revised up from 3.5%. On a year-on-year basis, motor vehicles plunged the most among all the categories at 15.3%, followed by computer and telecommunications equipment at 7.4%. Supermarket sales fared the best at 9.8%, with petrol service station next at 9.2%. On a month-on-month basis, retail sales fell 4.2% from August. Excluding car sales, it still fell by 0.2%. Again, motor vehicles fared the worst, declining 19.9% compared to August. Recreational goods had the strongest growth at 5.5 per cent. Sales of food and beverage services also fell both in year-on-year and month-on-month terms in September. It declined 0.3% from a year ago, and 1.1% from August. The total retail sales value in September was estimated at S\$3.4 billion, lower than the S\$3.5 billion a year ago. (Business Times)

### **Japan Tertiary Activity Index Down More than Expected**

Japan's tertiary activity index decreased for the second straight month in September, and at a faster-than-expected rate, data published by the Ministry of Economy, Trade and Industry showed. The tertiary activity index dropped 0.2% month-over-month in September, following a 0.1% decrease in August. Economists had expected a 0.1% stable rate of fall for the month. Among the individual components of the survey, activity was down for wholesale trade, medical, health care and welfare, information and communications, electricity, gas, heat supply and water, business related services and goods rental and leasing. At the same time, activity was up for finance and insurance, real estate, transport and postal activities, retail trade and living and amusement-related services. On a yearly basis, the tertiary activity index climbed at a steady pace of 0.6% in September. (RTT News)

### *United States* **Consumer Sentiment Dips in Early November**

A measure of U.S. consumer sentiment dipped in early November from last month's 13-year high, as respondents' expectations of current and future economic conditions declined slightly. The University of Michigan said its preliminary reading on consumer sentiment was 97.8 in November, down from 100.7 in October. The October reading was the index's highest since early 2004. Economists surveyed by The Wall Street Journal had expected a preliminary reading of 100.0 in November. The index remained at a high level despite the month-over-month decline. November's reading was the third-highest so far this year. Consumers' short-term inflation expectations ticked higher, an encouraging development for Federal Reserve policy makers who monitor expectations for inflation because they

have the potential to feed into actual prices. The expected change in inflation rates over the next year was 2.6% in November compared with 2.4% in October. The expected rate of inflation over the next five years was 2.5% in November, unchanged for the fourth straight month. Inflation has undershot the Fed's 2% annual target for months. The price index for personal-consumption expenditures slightly exceeded 2% in February for the first time in nearly five years but has since settled lower, and rose only 1.6% on the year in September. Officials including Chairwoman Janet Yellen have said current weak inflation likely reflects idiosyncratic, one-off developments. (The Wall Street Journal)

## *Europe and United Kingdom*

### **UK Industrial Output Grows at Fastest Rate So Far in 2017, Finds ONS**

UK industrial output grew at its fastest rate seen this year in September according to the Office for National Statistics, in data which is likely to make the Bank of England feel more comfortable about its decision to raise interest rates for the first time in a decade last week. Within that, manufacturing rose by 0.7%, also ahead of expectations. The ONS further reported that the UK's trade in goods deficit was £11.25bn in the month, better than the £12.8bn analysts had pencilled in, with exports rising faster than imports. The overall trade deficit, including services, came in at £2.75bn, down from £3.4bn in the previous month. The data briefly pushed up the pound to \$1.3167, although the boost did not last. Despite the positive news on industrial production and trade, a separate release from the ONS suggested the construction sector had a torrid September, with output contracting 1.6%. The overall UK economy is estimated by the ONS to have grown by 0.4%, up from the 0.3% rate in the second quarter. The ONS reported that industrial production rose by 0.7% in the month, more than double the 0.3% financial analysts had expected. (BBC News)

### **UK GDP Growth Improves in October: NIESR**

UK economic growth slightly improved in October, despite a slowdown in activity versus a year ago, the National Institute of Economic and Social Research showed. Economic output grew 0.5% in the three months to October, which was slightly stronger than the 0.4% expansion in the third quarter, the think tank said, citing its monthly estimates of GDP. The monthly estimate is closely tracking the forecast for real GDP growth for the final quarter of this year of 0.5%, the NIESR said. "Although economic growth is likely to be stronger in the second half of this year compared with the first, it is important to note that activity has slowed since last year and this at a time when growth in other OECD countries has strengthened," Amit Kara, Head of UK Macroeconomic Forecasting at NIESR, said. "Looking ahead, we expect the pattern of demand in the UK economy to rebalance towards international trade in response to strengthening global growth and weaker sterling and away from domestic demand." If the economy continues to expand at this pace and inflation remains elevated, there is a case for the Bank of England to gradually raise the policy rate to stop the economy from overheating, Kara said. The NIESR's latest forecast for the UK is conditioned on a 25 basis points increase in Bank Rate every six months such that the policy rate reaches 2% in 2021, the economist added. (RTT News)

**Share Buy-Back: 10 November 2017**

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
AMPROP	85,000	0.80	0.80/0.79	15,601,800
BKAWAN	132,400	19.90/19.84	19.98/19.84	33,323,431
BORNOIL	500,000	0.10	0.095/0.09	40,900,000
E&O	100,000	1.48	1.49/1.48	13,322,747
FFHB	20,000	0.67	0.67	792,800
LIENHOE	247,700	0.35	0.36/0.35	14,393,900
PECCA	10,000	1.29/1.28	1.31/1.28	2,130,000

Source: Bursa Malaysia

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**Kaladher Govindan – Head of Research**

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Menara TA One | 22 Jalan P. Ramlee | 50250 Kuala Lumpur | Malaysia | Tel: 603 – 2072 1277 | Fax: 603 – 2032 5048  
[www.ta.com.my](http://www.ta.com.my)

SNAPSHOT OF STOCKS UNDER COVERAGE														
Company	Share Price (RM)	Target Price (RM)	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD
				FY17	FY18	FY17	FY18	FY17	FY18	High Price	% Chg	Low Price	% Chg	
	10-Nov-17													
<b>AUTOMOBILE</b>														
BAUTO	2.07	2.50	0.81	10.2	14.3	20.3	14.4	5.6	5.6	2.20	-5.9	1.84	12.5	-2.8
MBMR	2.10	2.09	1.00	20.7	23.2	10.2	9.1	2.0	2.2	2.60	-19.2	2.01	4.5	-1.9
PECCA	1.30	1.69	na	7.8	11.1	16.6	11.7	3.8	4.2	1.81	-28.2	1.28	1.6	-18.2
UMW	5.20	5.04	1.38	19.7	30.6	26.4	17.0	2.5	3.8	6.08	-14.5	4.09	27.0	23.1
<b>BANKS &amp; FINANCIAL SERVICES</b>														
ABMB	3.69	4.80	1.39	33.1	30.6	11.2	12.1	4.3	4.3	4.49	-17.8	3.60	2.5	-0.8
AFFIN	2.51	3.00	0.88	29.4	33.6	8.5	7.5	3.2	3.2	3.00	-16.3	2.22	13.1	5.0
AMBANK	4.33	5.70	1.20	43.9	48.6	9.9	8.9	4.1	4.2	5.70	-24.0	3.90	11.0	0.5
CIMB	6.18	8.00	1.47	49.6	55.2	12.4	11.2	4.1	4.5	7.08	-12.7	4.49	37.6	37.0
HLBANK	16.00	17.50	0.58	104.9	114.2	15.3	14.0	2.8	2.8	16.48	-2.9	12.80	25.0	18.5
MAYBANK	9.18	10.20	0.97	69.6	75.9	13.2	12.1	5.4	5.4	9.86	-6.9	7.63	20.3	12.0
PBBANK	20.46	23.60	0.60	137.2	142.4	14.9	14.4	2.7	2.8	20.90	-2.1	19.46	5.1	3.8
RHBBANK	4.89	5.80	1.44	50.6	55.0	9.7	8.9	3.1	3.1	5.59	-12.5	4.58	6.8	3.8
BURSA	9.88	11.10	0.78	40.2	39.0	24.6	25.3	3.4	3.4	10.98	-10.0	8.08	22.3	13.3
<b>CONSTRUCTION</b>														
BPURI	0.37	0.38	0.55	4.7	4.6	7.8	8.0	0.0	0.0	0.49	-24.7	0.33	12.3	-16.1
GADANG	1.20	1.75	0.39	15.2	14.3	7.9	8.4	2.5	2.5	1.37	-12.4	0.89	35.6	14.3
GAMUDA	4.80	6.00	0.97	27.8	34.5	17.3	13.9	2.5	2.5	5.52	-13.0	4.65	3.2	0.4
IJM	3.07	3.50	0.89	15.3	20.2	20.1	15.2	2.4	3.1	3.61	-15.0	3.06	0.3	-4.1
PESONA	0.53	0.64	0.68	4.4	6.6	12.0	7.9	4.8	4.8	0.74	-28.6	0.50	5.0	-13.2
SENDAI	0.95	1.22	0.82	9.6	11.5	9.9	1.1	1.1	1.39	-32.0	0.51	87.1	64.3	
SUNCON	2.39	2.55	na	12.7	14.7	18.9	16.3	2.3	2.3	2.43	-1.6	1.58	51.3	40.6
WCT	1.68	1.61	1.01	11.5	12.5	14.6	13.5	1.8	1.8	2.48	-32.1	1.49	12.8	-2.3
LITRAK	5.80	6.26	0.33	41.9	45.7	13.8	12.7	4.3	4.3	6.15	-5.7	5.57	4.1	-1.4
<i>Building Materials</i>														
ANNJOO	3.86	4.40	1.17	41.3	45.4	9.3	8.5	5.3	5.7	3.98	-3.0	1.97	95.9	77.9
CHINHIN	1.30	1.58	na	8.3	11.3	15.7	11.5	3.1	4.6	1.49	-12.8	0.85	53.8	49.4
WTHORSE	1.96	1.67	0.50	6.7	10.0	29.2	19.7	5.1	5.1	2.19	-10.5	1.92	2.1	-2.5
<b>CONSUMER</b>														
<i>Brewery</i>														
CARLSBG	15.66	18.06	0.65	79.3	86.2	19.8	18.2	5.0	5.5	16.00	-2.1	13.72	14.1	12.5
HEIM	18.60	19.14	0.48	79.6	84.0	23.4	22.1	3.9	4.1	19.58	-5.0	15.56	19.5	13.6
<i>Retail</i>														
AEON	2.00	2.23	0.45	6.5	7.5	30.7	26.6	2.0	2.4	2.82	-29.1	1.95	2.6	-22.2
AMWAY	7.30	8.62	0.33	30.6	38.7	23.8	18.9	4.5	4.8	8.18	-10.7	7.05	3.5	-0.4
F&N	25.56	27.41	0.17	102.6	150.9	24.9	16.9	2.2	2.3	26.00	-1.7	22.44	13.9	8.9
HUPSENG	1.13	1.50	0.37	6.5	6.6	17.3	17.1	5.3	5.3	1.28	-11.7	1.12	0.9	-1.8
JOHOTIN	1.43	1.80	0.43	13.5	15.1	10.6	9.5	3.0	3.5	1.76	-18.8	1.08	32.4	15.3
NESTLE	88.78	92.76	0.39	292.7	325.4	30.3	27.3	3.1	3.2	90.00	-1.4	74.12	19.8	13.5
PADINI	5.30	4.67	0.51	23.5	27.0	22.6	19.7	2.2	2.4	5.38	-1.5	2.26	134.5	108.7
POHUAT	2.00	2.50	0.65	27.3	27.3	7.3	7.3	4.0	4.0	2.08	-3.8	1.55	29.0	15.6
QL	3.94	3.26	0.31	12.1	12.8	32.6	30.7	1.1	1.1	4.03	-2.2	3.26	21.0	18.3
SIGN	0.88	1.08	0.88	6.7	8.6	13.2	10.3	2.8	4.0	1.07	-17.8	0.79	12.1	10.7
<i>Tobacco</i>														
BAT	39.40	52.08	1.30	198.6	187.4	19.8	21.0	5.1	5.1	51.04	-22.8	37.00	6.5	-10.8
<b>GAMING</b>														
<i>Casino</i>														
GENTING	9.41	11.54	1.46	50.2	54.4	18.8	17.3	1.5	1.7	10.00	-5.9	7.50	25.5	18.4
GENM	5.05	6.53	1.53	21.0	27.1	24.0	18.6	1.6	1.8	6.38	-20.8	4.42	14.3	11.8
<i>INFO</i>														
BJTOTO	2.37	3.34	0.79	18.3	21.5	12.9	11.0	5.9	6.8	3.13	-24.3	2.25	5.3	-19.9
LUSTER	0.13	0.15	2.00	0.4	0.4	34.4	34.7	0.0	0.0	0.16	-21.9	0.05	150.0	150.0
<b>HEALTHCARE</b>														
<i>Hospitals/ Pharmaceutical</i>														
CCMDBIO	2.20	2.45	0.58	12.7	13.6	17.4	16.2	3.9	4.1	2.43	-9.5	1.90	15.8	11.1
IHH	5.63	6.41	0.71	7.9	13.1	70.9	43.0	0.6	0.6	6.60	-14.7	5.50	2.4	-11.3
KPJ	1.02	1.17	0.39	3.3	4.1	30.8	25.1	1.5	1.8	1.14	-10.5	0.96	6.0	-2.4
<i>Rubber Gloves</i>														
HARTA	8.70	6.87	0.66	19.4	24.6	44.9	35.4	1.0	1.3	8.80	-1.1	4.53	92.1	80.1
KOSSAN	7.48	7.35	0.03	33.9	40.0	22.0	18.7	2.3	2.7	7.74	-3.4	5.62	33.1	13.5
SUPERMX	1.86	1.80	0.27	10.6	15.2	17.6	12.3	1.8	2.4	2.38	-21.8	1.69	10.1	-11.8
TOPGLOV	6.89	6.00	-0.30	26.4	29.4	26.1	23.4	2.1	2.1	6.97	-1.1	4.56	51.1	28.8
KAREX	1.60	1.60	0.17	2.8	4.6	57.4	34.5	1.3	0.7	2.62	-38.9	1.37	16.8	-32.2
<b>INDUSTRIAL</b>														
SCIENTX	8.85	9.38	0.40	52.3	64.9	16.9	13.6	1.8	2.0	9.85	-10.2	6.64	33.3	32.1
SKPRES	1.92	2.20	0.45	8.3	10.4	23.2	18.5	2.2	2.7	2.02	-5.0	1.24	54.8	48.8
<b>MEDIA</b>														
ASTRO	2.82	3.40	1.32	13.2	14.5	21.3	19.4	4.4	4.6	2.94	-4.1	2.47	14.2	8.5
MEDIA PRIMA	0.83	0.60	0.47	0.9	2.8	96.8	29.3	0.8	2.7	1.28	-35.5	0.66	26.0	-28.3
STAR	1.51	1.00	0.66	3.3	4.0	45.5	37.4	27.8	11.9	2.22	-31.9	1.50	0.7	-22.5

SNAPSHOT OF STOCKS UNDER COVERAGE														
Company	Share Price (RM)	Target Price (RM)	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD
				FY17	FY18	FY17	FY18	FY17	FY18	High Price	% Chg	Low Price	% Chg	
<b>OIL &amp; GAS</b>														
DNEX	0.47	0.75	1.10	3.6	4.5	12.9	10.3	2.2	2.2	0.69	-32.6	0.23	106.7	82.4
LCTITAN	5.29	6.66	na	42.8	63.4	12.4	8.3	4.3	4.7	6.53	-19.0	4.14	27.8	-18.6
MHB	0.93	0.78	1.73	-2.0	-0.5	na	na	0.0	0.0	1.16	-19.8	0.63	48.8	1.6
MISC	7.30	6.56	1.07	57.2	46.8	12.8	15.6	4.1	4.1	7.90	-7.6	6.91	5.6	-0.7
PANTECH	0.68	0.69	1.13	4.0	6.1	17.1	11.1	2.6	4.0	0.74	-8.1	0.44	56.3	52.8
PCHEM	7.44	8.05	0.99	52.7	49.8	14.1	14.9	3.1	3.0	7.80	-4.6	6.54	13.8	6.6
SENERGY	1.45	1.66	2.83	6.6	-0.4	21.9	na	0.7	0.0	2.10	-31.0	1.33	9.0	-10.5
SERBADK	2.76	3.40	na	22.9	25.7	12.1	10.7	2.5	2.7	2.79	-1.1	1.51	82.8	84.0
UMWOG	0.33	0.48	1.70	-3.2	-0.9	na	na	0.0	0.0	0.92	-64.2	0.27	22.2	-61.4
Note: UMWOG proposed rights issue of shares. Ex-Target price RM0.43. For more details please refer to 08.05.17 report.														
UZMA	1.45	1.55	1.31	11.3	12.3	12.8	11.8	0.0	0.0	1.98	-26.8	1.28	13.3	-14.7
<b>PLANTATIONS</b>														
FGV	1.86	1.52	1.79	1.0	2.5	188.1	73.0	2.7	2.7	2.18	-14.7	1.42	31.0	20.0
IJMLNT	2.87	3.58	0.32	12.3	14.1	23.3	20.4	2.4	2.8	3.60	-20.3	2.83	1.4	-15.6
IOICORP	4.50	4.14	1.29	17.3	21.0	25.9	21.4	2.1	3.6	4.81	-6.4	4.32	4.2	2.3
KFIMA	1.69	1.89	0.46	19.9	13.3	8.5	12.7	5.3	5.3	1.96	-13.8	1.65	2.4	-0.6
KLK	24.70	26.18	0.78	103.4	120.4	23.9	20.5	2.1	2.4	25.50	-3.1	23.00	7.4	2.9
SIME	9.07	9.80	1.51	34.2	37.3	26.5	24.3	2.5	2.5	9.70	-6.5	7.85	15.5	12.0
UMCCA	7.04	7.52	0.39	37.5	31.8	18.8	22.1	3.3	2.4	7.08	-0.6	5.54	27.0	17.9
<b>PROPERTY</b>														
GLOMAC	0.64	0.60	0.53	1.4	5.0	44.2	12.7	4.3	4.2	0.77	-16.9	0.61	4.9	-7.9
HUAYANG	0.71	0.69	0.65	17.3	1.8	4.1	38.8	5.6	0.7	1.21	-41.3	0.71	0.0	-37.2
IBRACO	0.87	0.94	na	3.3	10.5	26.7	8.3	2.3	4.6	1.05	-17.1	0.76	15.2	-13.0
IOIPG	1.99	2.23	0.81	18.9	16.9	10.5	11.8	3.0	3.0	2.28	-12.5	1.85	7.7	2.1
MAHSING	1.54	1.76	1.00	14.3	13.5	10.8	11.4	4.2	4.2	1.64	-6.1	1.34	14.9	7.7
SNTORIA	0.76	0.98	0.26	6.2	10.3	12.2	7.3	1.3	1.3	1.00	-24.5	0.69	9.4	-5.6
Note: SNTORIA proposed bonus issue of warrants & right issue of shares. For more details please refer to 25.09.17 report.														
SPB	4.80	5.97	0.67	25.6	22.8	12.9	14.4	2.5	2.5	5.19	-7.5	4.32	11.0	8.6
SPSETIA	3.29	4.10	0.91	11.6	12.7	14.5	13.2	4.3	4.3	4.50	-26.9	3.10	6.1	5.1
SUNWAY	1.68	1.83	0.73	15.8	15.2	12.4	12.9	3.0	3.0	1.96	-14.2	1.24	35.6	30.7
<b>REIT</b>														
SUNREIT	1.69	1.87	0.75	9.2	10.0	18.3	16.8	5.4	5.9	1.81	-6.6	1.63	3.7	-1.7
CMMT	1.46	1.72	0.41	8.1	8.6	18.1	16.9	5.8	6.1	1.72	-15.1	1.40	4.3	-4.6
<b>POWER &amp; UTILITIES</b>														
MALAKOF	1.00	1.22	0.61	6.8	6.9	14.6	14.6	7.0	7.0	1.51	-33.8	1.00	0.5	-27.0
PETDAG	21.60	21.47	0.68	98.2	102.3	22.0	21.1	3.4	3.5	25.70	-16.0	21.00	2.9	-9.2
PETGAS	17.80	19.37	0.89	87.6	100.1	20.3	17.8	3.5	3.9	21.98	-19.0	16.64	7.0	-16.4
TENAGA	14.90	17.38	0.77	175.7	130.0	8.5	11.5	3.0	3.0	15.46	-3.6	13.00	14.6	7.2
YTLPOWR	1.31	1.40	0.68	8.2	11.2	15.9	11.7	3.8	3.8	1.50	-12.7	1.28	2.3	-10.3
<b>TELECOMMUNICATIONS</b>														
AXIATA	5.34	5.40	1.35	15.7	16.9	34.1	31.6	1.5	1.6	5.47	-2.4	4.11	29.9	13.1
DIGI	4.84	5.20	0.76	19.5	20.0	24.8	24.2	4.0	4.1	5.19	-6.7	4.63	4.5	0.2
MAXIS	5.99	6.10	0.74	26.0	26.2	23.1	22.8	3.3	3.3	6.60	-9.2	5.48	9.3	0.2
TM	6.16	7.20	0.63	22.6	23.2	27.3	26.6	3.3	3.4	6.69	-7.9	5.81	6.0	3.5
<b>TECHNOLOGY</b>														
<i>Semiconductor &amp; Electronics</i>														
ELSOFT	2.55	3.00	0.57	11.3	14.1	22.6	18.1	3.1	3.9	2.95	-13.6	1.29	98.4	81.6
IRIS	0.17	0.25	1.84	-1.3	0.6	na	29.8	0.0	0.0	0.22	-25.0	0.10	65.0	50.0
INARI	2.89	2.75	0.80	11.3	13.0	25.7	22.3	3.4	3.2	2.95	-2.0	1.61	79.9	74.5
MPI	13.74	15.00	0.16	89.5	105.5	15.4	13.0	2.0	2.3	14.52	-5.4	7.20	90.8	85.4
UNISEM	3.89	3.85	0.77	23.5	27.1	16.5	14.3	3.1	3.1	4.25	-8.5	2.27	71.4	64.8
<b>TRANSPORTATION</b>														
<i>Airlines</i>														
AIRASIA	3.24	3.76	0.92	44.0	37.6	7.4	8.6	1.2	1.5	3.59	-9.7	2.16	50.0	41.5
AIRPORT	8.35	8.47	1.23	19.6	19.7	42.6	42.3	1.2	1.2	9.45	-11.6	5.91	41.3	37.8
<i>Freight &amp; Tankers</i>														
PTRANS	0.30	0.44	na	2.1	2.3	14.6	13.2	2.1	2.3	0.38	-21.4	0.14	112.9	106.3
TNLOGIS	1.36	1.80	1.12	12.0	13.6	11.3	10.0	3.1	3.7	1.83	-25.8	1.35	0.7	-12.8
WPRTS	3.67	4.06	0.87	17.1	16.8	21.4	21.8	3.5	3.4	4.39	-16.4	3.58	2.5	-14.7

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE														
Company	Share Price (S\$)	Target Price (S\$)	Beta	EPS (cent)		PER (X)		Div Yield (%)		52week		52week		% Chg YTD
				FY17	FY18	FY17	FY18	FY17	FY18	High Price	% Chg	Low Price	% Chg	
<b>BANKS &amp; FINANCIAL SERVICES</b>														
DBS	24.01	23.30	1.25	172.7	189.1	13.9	12.7	2.5	2.5	-1.2	16.0	50.25	38.5	0.0
OCBC	11.75	13.50	1.20	95.5	104.0	12.3	11.3	5.7	6.7	-1.9	8.5	8.84	31.7	0.0
UOB	25.24	26.90	1.07	200.8	215.5	12.6	11.7	2.8	2.8	-1.0	18.6	36.06	23.7	0.0
<b>PLANTATIONS</b>														
WILMAR	3.31	3.72	0.84	28.9	31.1	11.4	10.6	2.4	2.7	-17.3	3.1	7.47	-7.8	0.0
IFAR	0.46	0.53	1.01	4.9	5.2	9.4	8.8	2.6	2.8	-23.5	0.4	4.60	-13.3	0.0

**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.