

Daily Brief

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

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Market View *Drift Lower on Weak Momentum*

Blue chips ended lower on profit-taking interest Monday, dragging the benchmark index down to a fresh nine-month low. The KLCI lost 4.73 points to close at 1,713.13, off the opening high of 1,717.99 and low of 1,709.17, as losers trashed gainers 659 to 286 on cautious turnover totaling 1.8bn shares worth RM2.57bn.

Support at 1,705, Resistance at 1,727

Given the weak technical momentum, the local market is likely to drift lower amid weak buying momentum and lacking positive domestic leads. On the index, crucial retracement supports remains at 1,705 (50%FR) and 1,683 (38.2%FR), where the index may trough ahead of oversold rebound. On the immediate upside, overhead resistance rests at 1,727 (61.8%FR), followed by the 30-day and 50-day moving averages at 1,732 and 1,742 respectively, then 1,750, next will be 1,753, the 200-day moving average.

BUY ABMB & RHB Bank

Positive technical momentum on ABMB shares point to further upside bias towards the 61.8%FR (RM3.95), matching the 200-day ma, with a convincing breakout to aim for the 76.4%FR (RM4.16) ahead. Key retracement support is from the 38.2%FR (RM3.61) matching the Nov 2019 low. RHB Bank needs sustained strength above the 61.8%FR (RM4.93) and 200-day ma (RM5.10) to enhance upside towards the 76.4%FR (RM5.18), while key retracement support is at the 50%FR (RM4.72), matching the recent low.

Asia Mixed as Dow Futures Spike After Tax Plan Passed

Asian markets traded mixed on Monday, while U.S. futures rose, as investors digested news that the U.S. Senate narrowly passed an important tax bill in the early hours of Saturday. Dow Jones industrial average e-mini futures were up 203 points at 22,441, while earlier, Dow futures rose as high as 24,478. Nasdaq e-mini futures were up 28.75 points and the S&P 500 e-mini futures rose 14.25 points. In Australia, the ASX 200 closed fractionally lower at 5,985.6 as the heavily-weighted financial subindex fell 0.62 percent. The country's so-called Big Four banks closed lower. Shares of ANZ were down 1.01 percent, Commonwealth Bank declined 0.32 percent, Westpac fell by 1.24 percent and the National Australia Bank was lower by 0.51 percent.

Japan's Nikkei 225 declined by 111.87 points, or 0.49 percent, to 22,707.16 while the Topix index fell 9.66 points, or 0.54 percent, to 1,786.87. Across the Korean Strait, the Kospi stood out from its peers, closing up 26.26 points, or 1.06 percent, at 2,501.67. Chinese mainland markets see-sawed between gains and losses throughout the session. In the afternoon, the Shanghai composite closed down 7.24 points, or 0.22 percent, at 3,310.36 while the Shenzhen composite fell 13.89 points, or 0.72 percent, to 1,902.91.

Dow Ends at Record, Tech Slump Drag S&P 500

The Dow Jones Industrial Average gave up a triple-digit gain but held on to post a record close Monday, while a slump for tech shares dragged the Nasdaq Composite and the S&P 500 lower. The Senate passed revisions to the U.S. tax code Saturday after Republicans overcame internal divisions, moving one step closer to pushing through USD1.4 trillion in tax cuts. The

House and Senate still need to reconcile competing versions of the tax plan, something GOP leaders hope to do by Christmas. Banks, which some analysts say could be among the biggest beneficiaries of a tax cut, rallied, with the KBW Nasdaq Bank Index of large U.S. lenders rising 2.2 percent for its fifth consecutive session of gains. However, weakness in tech shares set the tone in late trade, with chipmakers, software developers and payments services companies bearing the brunt of the pain. Shares of technology companies in the S&P 500 slid 1.9 percent, posting the steepest daily loss of the broad index's 11 sectors.

The Dow Jones Industrial Average rose 58.46 points, or 0.24 percent, to 24,290.05 the S&P 500 lost 2.78 point, or 0.11 percent, to 2,639.44 and the Nasdaq Composite dropped 72.22 points, or 1.05 percent, to 6,775.37.

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As of Tuesday, December 05, 2017, the chartist, Stephen Soo, who prepared this report, has interest in the following securities covered in this report:
 (a) nil

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News In Brief *Corporate*

Kossan Rubber Industries Bhd announced that the group had acquired from Midori Anzen Co Ltd its entire 26.97% equity interest in Cleanera for a total cash consideration of USD1.6mn (RM6.5mn). Upon completion of the acquisition, the group shall hold 82% stake in Cleanera. Cleanera's current principal activities are investment holding and the trading of clean-room products. With the increased shareholding of 82% in Cleanera, the group will have better leeway in charting Cleanera's growth into China's booming clean room market. (Source: Bursa Malaysia)

Comments: While our estimated incremental earnings of <0.5% from the acquisition is negligible, we are positive on it as it represents the group's strategic effort to grasp greater control over the trading segment of its niche cleanroom product segment. The consideration translates into 9.1x CY16 EBIT and 0.6x CY16 net asset per share and we estimate the impact on the group's balance sheet to be minimal with net gearing unchanged at 0.1x. Maintain our **Buy** recommendation with a TP of RM8.80/share based on 23.0x against CY18 EPS.

UMW Oil & Gas Corp Bhd bagged a USD6.8mn (RM27.6mn) contract to provide a jack-up drilling rig for ConocoPhillips Sarawak Ltd. The contract is to drill two firm wells, with the option of two additional wells. It is anticipated that drilling activities for one well will span about 50 days with the activities on the first well commencing in 2QFY18. It will assign its NAGA 4 for the contract. (Source: Bursa Malaysia)

Comments: We are positive on the contract clinched as it confirms our view that UMWOG will continue to secure contracts with minimal idling time. We note that its NAGA 4 is currently contracted with Petronas Carigali to drill 2+1+1+1 wells and is expected to complete drilling wells in December 2017. Moreover, DCR remains steady at circa USD70K/day which is higher than SEA market rates of USD55K/day. We maintain our earnings forecasts as the contract is well within expectations. We do not discount the possibility of NAGA 4 securing a 3-month contract during the idling period in 1QFY18. Maintain **Buy** on UMWOG with unchanged TP of RM0.51/share based on 0.9x CY18 P/B.

IJM Corp Bhd announced that its wholly-owned IJM Construction Sdn Bhd has entered into a pre-bid agreement with three companies to participate in the tender for the Kuala Lumpur-Singapore High Speed Rail project. The agreement was signed with Sunway Construction Sdn Bhd, Jalanan Rejang Sdn Bhd and Maltimur Resources Sdn Bhd, with a consortium set up on an equal shareholding of 25% each. (Source: Bursa Malaysia)

Comments: While both IJM and SUNCON has involved in various rail-related projects, on paper, we see GAMUDA-MRCB JV having an edge given GAMUDA has successfully completed the challenging MRT Line 1 without the stipulated time frame and budget. Besides, GAMUDA, as a main contractor, had also completed the entire stretch of Northern Double Track. Moreover, GAMUDA is the PDP for MRT Line 1 and Line 2 while MRCB is the PDP for LRT Line 3. Maintain our calls and target prices for IJM (Sell, TP: RM2.89) and SUNCON (Buy, TP: RM2.65).

UOA Development Bhd is buying a further 35% stake in Everise Project Sdn Bhd from Kagic Assets Holdings Sdn Bhd for RM159.5mn, which would bring its total shareholding in the property development company to 74%. Kagic Assets made an offer to dispose of its entire interest in Everise, and UOA, as an existing major shareholder, accepted the offer. (Source: Bursa Malaysia)

Al-Salam Real Estate Investment Trust is acquiring 22 properties located across Malaysia for a combined RM115mn in a related party transaction. The properties are in Penang, Perak, Selangor, Kuala Lumpur, Negeri Sembilan, Melaka, Johor, Sabah and Sarawak. The proposed acquisitions mark the continuous growth of the REIT where it leverages on its major unitholder Johor Corp by tapping into its pool of assets for acquisition opportunities. (Source: The Edge)

KKB Engineering Bhd won three contracts worth a combined RM16.8mn for projects in Sarawak. It received a letter of award to supply and install steel structures from Hock Peng Realty Sdn Bhd, a purchase order to supply steel pipes for the Projek Bekalan Air Luar Bandar and a purchase order to supply steel concrete lined pipes and fittings from MKM Wira Sdn Bhd. (Source: Bursa Malaysia)

Ireka Corp Bhd signed a Memorandum of Understanding with the world's largest manufacturer of rolling stock and rail-related products and systems, CRRC Urban Traffic (Europe) Co Ltd (CRRC UT) to venture into rail projects. Simultaneously, it also signed a share subscription agreement with CRRC UT to invest in Ireka and subsequently establish a joint venture relationship between both parties, of which Ireka holding 51% and CRRC UT holding 49%. (Source: Bursa Malaysia)

Cypark Resources Bhd received a Letter of Acceptance of Offer from the Energy Commission, for the development of its 30 MWac solar plant in Negeri Sembilan. The group will participate in the development of a large-scale solar photovoltaic plant of 30 MWac situated at Empangan Terip, Negeri Sembilan. (Source: Bursa Malaysia)

Tomei Consolidated Bhd has granted Tomei (Shenzhen) Jewellery Co Ltd an exclusive right to use the Tomei brand in China excluding Hong Kong and Macau, for two years from Dec 1, 2017 till Nov 30, 2019. (Source: Bursa Malaysia)

Handal Resources Bhd has partnered with China-based Harbin Jingwei Advanced Composite Material and Engineering Corp to jointly develop innovations and advanced material applications for the oil and gas industry in Malaysia and the region. (Source: The Edge)

The major shareholders of **Hovid Bhd** have extended the closing date to accept their takeover offer to Dec 29, after their shareholding rose to only 61.45%, below the 75% acceptance level they were seeking. This is the third extension since the proposal to take the pharmaceutical group private was announced on Oct 9. (Source: Bursa Malaysia)

Five directors of **Trive Property Group Bhd** have been reprimanded and fined a total of RM2.6mn by the Securities Commission Malaysia for knowingly furnishing false or misleading statements in the 2014 audited financial statements of the company to the SC and Bursa Malaysia. (Source: The Edge)

Berjaya Food Bhd executive chairman Datuk Seri Robin Tan Yeong Ching has resigned from the post effective today, to comply with the best practice of the Malaysian code of corporate governance. (Source: Bursa Malaysia)

TRC Synergy Bhd has appointed Tun Jeanne Abdullah, the wife of former Malaysian Prime Minister Tun Abdullah Ahmad Badawi as an independent and non-executive director. (Source: Bursa Malaysia)

Petroliam Nasional Bhd forecasted crude oil price to hover around USD50 and USD60 per barrel in its second Petronas Activity Outlook report. The report compiles project activities and demand outlook for the local oil and gas services and equipment sector between 2018 and 2020. (Source: The Edge)

News In Brief *Economy*

Asia **Malaysia's Manufacturing at 43-Month High in November — IHS Markit**

The overall upturn in Malaysia's manufacturing sector as reflected in November 2017's data, saw the headline Nikkei Malaysia Manufacturing Purchasing Managers' Index TM (PMI) rising to a 43-month high of 52.0, the strongest improvement since April 2014. This, according to IHS Markit which compiles the Nikkei survey, was a recovery from October's three-month low of 48.6 and was consistent with the strongest improvement in the health of the sector since April 2014. Additionally, the headline PMI in November recorded above the neutral 50 threshold for the first time in three months. The rise in the headline PMI index was supported by the fastest expansion in output in nearly three years. Output growth was reportedly supported by stronger inflows of new work said. Moreover, the rate of expansion in new orders was the most pronounced since October 2014. A number of monitored companies commented on stronger underlying demand conditions. The overall upsurge was a reflection of accelerated growth in both output and new orders, supported by improvements in domestic and overseas demand conditions. Subsequently, firms raised their payroll numbers at the joint-strongest pace since December 2012, as a result of greater inflows of new business.

However, it was noted that a shortage in raw materials reportedly led to slower average lead times for the first time in three months, although the degree of deterioration in vendor performance was modest. Following reports of a general hike in raw material prices, input cost inflation intensified further and was overall sharp, while firms raised their average selling prices to pass on higher cost burdens to consumers, Nikkei said. Meanwhile, output charges were moderately raised. (The Edge Market)

BoJ Resolved to Keep Ultra-Easy Policy, Says Kuroda

The Bank of Japan (BoJ) does not plan to change its massive stimulus programme and will "immediately act" if risks to the economy undermines the momentum toward achieving its inflation target, central bank governor Haruhiko Kuroda said. While offering a sanguine view of the global economy, Kuroda warned of factors that could threaten the recovery including geopolitical risks and the rising tide of protectionism. "Particularly, what I'm concerned about are protectionist tendencies in some countries and geopolitical risks surrounding the world economy," Kuroda told a Europlace financial forum. "I sincerely hope that the multilateral trading system would be maintained in coming years," he said. US President Donald Trump's "America First" approach has raised concerns among some policymakers in Asia, where many export-reliant economies including Japan benefit from free trade and advocate multilateral trade agreements. Asked if he has become more worried about the demerits of ultra-loose policy, Kuroda said the BoJ had not changed its message since revamping its policy framework last September. The BoJ changed its strategy by revamping its framework last September, when it noted the yield curve had become "too flat" and wasn't good for the banking system, Kuroda said. "We have been able to maintain yield curve control quite effectively and efficiently without creating financial problems," he said, adding that current levels of the BoJ's yield targets were "quite appropriate". "We will continue our current extremely accommodative monetary policy to achieve the 2% inflation target as soon as possible," the governor said. (The Star)

Japan Monetary Base Jumps 13.2% YoY in November

The monetary base in Japan climbed 13.2% on year in November, coming in at 472.583 trillion yen. That follows the 14.5% jump in October. Banknotes in circulation were up 4.8% on year in November, while coins in circulation advanced an annual 1.2%. Current account balances jumped 15.9%, including a 13.5% spike in reserve balances. The adjusted monetary base was up 7.2% on year to 476.343 trillion yen.

Separately, Japan's consumer confidence improved as expected in November to the highest level in more than four years, survey data from the Cabinet Office showed. The consumer confidence index climbed to 44.9 in November from 44.5 in the previous month. The figure also matched consensus estimate. Moreover, the latest score was the highest since September 2013, when it was 45.4. The indicator for livelihood rose to 43.2 in November from 43.0 in the preceding month. The income growth index increased from 42.5 to 43.0. The gauge measuring employment advanced to 49.3 from 48.7 and willingness to buy durable goods climbed to 44.0 from 43.6. The survey was conducted among 8,400 households on November 15. (RTT News)

Australia Q3 Company Operating Profits Ease 0.2%

Company gross operating profits dipped a seasonally adjusted 0.2% on quarter in the third quarter of 2017, the Australian Bureau of Statistics said. That missed forecasts for an increase of 0.1% following the 3.3% decline in the three months prior. Inventories were up 0.2% on quarter, beating forecasts for a flat reading after sinking 0.5% in Q2. On a yearly basis, company profits jumped 20.0%, while inventories added 1.1%. Wages and salaries were up 1.1% on quarter and 2.5% on year. Sales of manufacturing goods and services were up 2.0% on quarter and 1.5% on year, while wholesale trade added 0.7% on quarter and 2.3% on year.

Also, the latest forecast from TD Securities and the Melbourne Institute showed that consumer prices in Australia are predicted to rise 0.2% on month in November. That follows the 0.3% increase predicted for October. On a yearly basis, consumer prices are called higher by 2.7% in November - up slightly from 2.6% in October. Also, ANZ Bank noted that job ads were up 1.5% on month in November, unchanged from the October reading. (RTT News)

Indonesia Factory Activity Picks Up in December

Conditions in Indonesia's manufacturing sector improved slightly last month after growth slowed in October, but currency weakness and lack of resources continued to drive up costs for factories, according to an industry survey. The Indonesia Nikkei-Markit manufacturing purchasing managers' index came in at 50.4 in November, up from 50.1 in October as factory output continued to rise and new orders growth picked up slightly. However export order growth slowed markedly and the pace of jobs shedding remained more or less steady. Input costs also climbed due to a lack of raw materials and currency weakness relative to the US dollar. Markit said those factors "further weighed on firms" margins as they were unable to fully pass on higher cost burdens to price-sensitive customers. (Financial Times)

Indonesia Inflation Rate Falls to Lowest in Nearly a Year

Indonesia's annual inflation rate fell for a fifth consecutive month in November, reaching its lowest since December 2016. The headline consumer price index (CPI) rose 3.30% in November from a year earlier, compared with the 3.58% increase in October. Analysts polled by Reuters expected the index to increase 3.40%. The CPI rose 0.20% on a monthly basis. Prices of some raw food, such as garlic and tomatoes, fell in November, but prices of processed food and housing increased. The annual core inflation rate, which excludes administered and volatile food prices, increased 3.05%, lower than 3.07% a month earlier and against analysts' expectation of 3.10%. The central bank most recently estimated Indonesia's inflation by year end to be at around 3.0% - 3.5%. (The Business Times)

***United States* U.S. Factory Orders Slip; Business Spending Robust**

New orders for U.S.-made goods fell less than expected in October and shipments of core capital goods were much stronger than previously reported, pointing to sustained strength in manufacturing that should buoy the economy. Factory goods orders dipped 0.1% amid a drop in demand for both civilian and defense aircraft after an upwardly revised 1.7% jump in September, the Commerce Department said. Economists had forecast factory orders falling 0.4% in October after a previously reported 1.4% increase in the prior month. Orders for non-defense capital goods excluding aircraft - seen as a measure of business spending plans - rose 0.3% in October instead of the 0.5% drop reported last month. These so-called core

capital goods orders surged 2.3% in September. Shipments of core capital goods, which are used to calculate business equipment spending in the gross domestic product report, advanced 1.1% in October instead of the previously reported 0.4% rise. Core capital goods shipments increased 1.3% in September. October's upward revision to core capital goods shipments prompted forecasting firm Macroeconomic Advisers to boost its fourth-quarter GDP growth estimate by two-tenths of percentage point to a 2.7% annualized rate. (Reuters)

Europe and United Kingdom

Investors Unsure Eurozone Growth to Stay Strong in 2018: Sentix

Investor sentiment in the Eurozone fell more than expected in December, research group Sentix said, adding that the fall was no reason for concern given the headline figure had been rising sharply and hit a 10-year high last month. Sentix's economic sentiment index for the Eurozone, based on a survey of 975 investors, fell to 31.1 in December from 34.0 last month. It attributed the fall to a sub-index measuring expectations about the economy falling by six points. "In the eyes of surveyed investors the Eurozone is doing great, but looking forward there is a question mark," the Frankfurt-based research firm said. "Investors are asking whether 2018 can be even better, and are hedging their bets on the future by placing their expectations below those of September 2017," it added. It said the decline was no reason for concern as the fall had come after a 10-year high record reading. A separate index tracking Germany also fell. Sentix linked the fall to uncertainty created by Conservative Chancellor Angela Merkel's failure last month to form a government with the ecologist Greens and the pro-business Free Democrats. Merkel has turned to Social Democrats (SPD) in the hope of renewing a "grand coalition" with the centre left party that has ruled Germany for the last four years. It said investors now wanted to know how expensive a tie-up with the SPD, who want to significantly increase investments on infrastructure and education, broaden a social security net and improve worker rights, would be. (Reuters)

Eurozone PPI Inflation Eases More than Forecast

Eurozone producer price inflation eased at a faster-than-expected pace in October, data from Eurostat showed. Producer prices climbed 2.5% year-over-year in October, slower than previous month's 2.8% rise, which was revised down from a 2.9% increase reported earlier. Economists had expected the PPI inflation to moderate to 2.6%. Excluding energy, producer price inflation accelerated marginally to 2.3% from 2.2%. On a monthly basis, producer prices went up 0.4% from September, when it grew by 0.5%, revised down from 0.6%. It was forecast to rise by 0.3%. In the EU28, producer prices advanced 2.5% annually and by 0.4% monthly in October. Industrial producer prices rose in all member states, with the largest increases recorded in Belgium, Bulgaria, Poland, Hungary and Ireland. (RTT News)

Housebuilding Recovery Lifts UK Construction Sector

Activity in Britain's construction industry rose much faster than expected in November due to an increase in housebuilding, according to a closely watched survey. The IHS Markit construction purchasing managers' index rose from 50.8 in October to 53.1 in November. Economists had forecast a reading of 51. Anything above 50 indicates expansion. The sector has been more sensitive to Brexit-related uncertainty than other industries, because construction projects take years to complete. Businesses must anticipate what demand for offices and houses will be when a building is finished, rather than when construction begins. Official UK growth figures for the third quarter of this year showed that the construction sector contracted for two consecutive quarters, as a number of large commercial and infrastructure projects came to an end without new work to replace them. Technically, this means that industry has fallen into a recession. However, the latest PMI surveys suggest that the sector has regained some momentum and returned to growth during the final three months of the year. The UK government's Help to Buy equity loan scheme has made residential property a rare bright spot for the construction industry in recent months, with the policy supporting demand for new houses. This trend continued in November, according to the PMI survey. (Financial Times)

UK GDP Growth to Be Sluggish: CBI

UK economic growth is set to remain steady but sluggish as squeezed real wages dampen household spending and Brexit uncertainty weigh on business investment, the Confederation of British Industry said in a report. Elsewhere, the results of the Purchasing Managers' survey showed that construction output expanded the most in five months in November, driven by housing activity. According to the CBI's Economic Forecast, the British economy will grow 1.5% each this year and next. For 2019, the CBI projected 1.3% expansion. The CBI forecast quarterly GDP growth of a subdued 0.3 percent up to the end of 2019. The assessment remained largely similar to that published in June. CBI Chief Economist Rain Newton-Smith cautioned that the outlook remains subject to a high degree of downside risk - particularly in 2019, where a more disorderly outcome from Brexit negotiations could disrupt the economy and financial markets. The business lobby expects the Bank of England to lift its key interest rate by 25 basis points each in the third quarter of 2018 and then in second and third quarters of 2019. Even after three hikes, the rate will remain relatively low at 1.25%, the CBI noted. Inflation is forecast to peak at 3% in October 2017, before easing gradually. However, with only a lukewarm pick-up in wage growth expected, living standards are set to stay under pressure. (RTT News)

Share Buy-Back: 04 December 2017

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
E&O	600,000	1.49/1.45	1.49/1.44	19,303,747
EPMB	20,000	0.495/0.48	0.495/0.455	6,948,900
FFHB	135,100	0.63/0.60	0.63/0.595	1,279,000
GRANFLO	23,000	0.235/0.23	0.245/0.23	7,677,000
HEVEA	10,000	1.26	1.30/1.25	832,000
LEESK	352,400	0.325/0.32	0.325/0.31	502,400
LIENHOE	349,100	0.35	0.35	16,669,700
NYLEX	148,000	0.81/0.80	0.81/0.80	4,158,724
PECCA	5,000	1.44	1.47/1.44	3,023,600
PRTASCO	1,000	1.05	1.06/1.03	483,500
SCGM	25,000	2.63	2.74/2.60	239,400
SUNWAY	450,000	1.62/1.61	1.63/1.61	18,756,362
TCHONG	1,000	1.51	1.52/1.50	19,339,000

Source: Bursa Malaysia

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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 YTD
				FY17	FY18	FY17	FY18	FY17	FY18	High Price	% Chg	Low Price	% Chg	
	04-Dec-17													
AUTOMOBILE														
BAUTO	2.05	2.50	0.76	10.2	14.3	20.1	14.3	5.7	5.6	2.20	-6.8	1.84	11.4	-3.8
MBMR	2.13	2.32	0.92	20.7	23.2	10.3	9.2	1.9	2.2	2.60	-18.1	2.01	6.0	-0.5
PECCA	1.46	1.68	na	7.7	11.1	18.9	13.2	3.4	3.8	1.70	-14.1	1.28	14.1	-8.2
SIME	2.30	1.98	1.45	11.8	12.0	19.6	19.2	10.0	1.3	2.55	-9.8	1.83	25.5	24.4
UMW	5.17	4.20	1.36	-0.4	19.2	na	26.9	0.0	1.9	6.08	-15.0	4.09	26.3	22.4
BANKS & FINANCIAL SERVICES														
ABMB	3.80	4.20	1.41	33.1	30.6	11.5	12.4	4.2	4.2	4.49	-15.4	3.62	5.0	2.2
AFFIN	2.27	2.50	0.92	23.5	24.2	9.7	9.4	3.5	3.5	3.00	-24.3	2.24	1.3	-5.0
AMBANK	4.08	5.10	1.18	43.9	48.6	9.3	8.4	4.3	4.4	5.70	-28.4	4.06	0.5	-5.3
CIMB	5.95	7.00	1.52	48.7	50.9	12.2	11.7	4.2	4.3	7.08	-16.0	4.49	32.5	31.9
HLBANK	15.30	17.50	0.62	104.9	114.2	14.6	13.4	2.9	2.9	16.48	-7.2	13.02	17.5	13.3
MAYBANK	9.25	9.70	0.97	68.4	70.9	13.5	13.1	5.4	5.4	9.86	-6.2	7.68	20.4	12.8
PBBANK	20.00	23.60	0.60	137.2	142.4	14.6	14.0	2.8	2.9	20.90	-4.3	19.50	2.6	1.4
RHBBANK	4.90	5.20	1.56	50.6	52.2	9.7	9.4	3.1	3.1	5.59	-12.3	4.62	6.1	4.0
BURSA	9.67	11.10	0.78	40.2	39.0	24.0	24.8	3.5	3.5	10.98	-11.9	8.08	19.7	10.9
CONSTRUCTION														
GADANG	1.06	1.75	0.61	15.2	14.3	7.0	7.4	2.8	2.8	1.37	-22.6	0.89	19.8	1.0
GAMUDA	4.75	6.00	0.94	27.8	34.5	17.1	13.8	2.5	2.5	5.52	-13.9	4.58	3.7	-0.6
IJM	2.90	2.89	0.84	15.3	13.7	19.0	21.1	2.6	3.3	3.61	-19.7	2.85	1.8	-9.4
PESONA	0.47	0.55	0.95	3.5	5.8	13.3	8.0	3.2	3.2	0.74	-36.7	0.47	0.0	-23.1
SENDAI	0.91	0.58	1.28	8.2	9.6	11.1	9.5	1.1	1.1	1.39	-34.5	0.51	80.2	58.3
SUNCON	2.38	2.65	na	11.3	14.7	21.0	16.2	2.3	2.3	2.44	-2.5	1.61	47.8	40.0
WCT	1.56	1.61	1.03	11.5	12.5	13.6	12.5	1.9	1.9	2.48	-37.0	1.49	4.7	-9.3
LITRAK	5.75	6.26	0.31	41.9	45.6	13.7	12.6	4.3	4.3	6.15	-6.5	5.61	2.5	-2.2
<i>Building Materials</i>														
ANNJOO	3.67	4.40	1.31	41.2	45.3	8.9	8.1	4.4	6.0	3.98	-7.8	1.99	84.4	69.1
CHINHIN	1.15	1.36	na	5.7	9.7	20.1	11.8	2.6	4.3	1.49	-22.8	0.85	35.3	32.2
CONSUMER														
<i>Brewery</i>														
CARLSBG	15.08	18.06	0.73	79.3	86.2	19.0	17.5	5.2	5.7	16.00	-5.8	13.72	9.9	8.3
HEIM	17.60	19.14	0.44	79.6	84.0	22.1	21.0	4.1	4.3	19.58	-10.1	15.78	11.5	7.4
<i>Retail</i>														
AEON	1.81	1.97	0.47	4.7	6.7	38.3	27.1	1.9	2.2	2.70	-33.0	1.77	2.3	-29.6
AMWAY	7.06	8.18	0.36	35.7	43.9	19.8	16.1	4.2	5.4	8.18	-13.7	7.04	0.3	-3.7
F&N	25.70	27.41	0.18	102.6	155.7	25.0	16.5	2.2	2.3	26.00	-1.2	22.44	14.5	9.5
HUPSENG	1.11	1.25	0.43	5.2	5.4	21.5	20.4	4.1	4.1	1.28	-13.3	1.08	2.8	-3.5
JOHOTIN	1.21	1.48	0.64	9.7	12.5	12.4	9.7	3.7	4.1	1.76	-31.3	1.15	5.2	-2.4
NESTLE	97.40	120.50	0.39	292.7	325.4	33.3	29.9	2.8	3.0	98.00	-0.6	74.12	31.4	24.6
PADINI	5.11	4.67	0.63	23.5	27.0	21.8	19.0	2.3	2.4	5.49	-6.9	2.26	126.1	101.2
POHUAT	1.77	2.50	0.77	26.8	26.8	6.6	6.6	3.4	4.5	2.08	-14.9	1.58	12.0	2.3
QL	4.25	3.26	0.28	12.1	12.8	35.2	33.1	1.0	1.1	4.25	0.0	3.26	30.6	27.6
SIGN	0.79	0.92	1.07	6.7	6.9	11.7	11.4	3.2	3.2	1.07	-26.2	0.78	1.3	-0.6
<i>Tobacco</i>														
BAT	37.86	52.08	1.31	198.6	187.4	19.1	20.2	5.3	5.3	51.04	-25.8	35.78	5.8	-14.3
GAMING														
<i>Casino</i>														
GENTING	8.95	11.53	1.51	48.7	54.4	18.4	16.5	1.6	1.8	10.00	-10.5	7.67	16.7	12.6
GENM	5.00	6.51	1.53	18.7	27.0	26.7	18.5	1.6	1.8	6.38	-21.6	4.47	11.9	10.7
<i>NFO</i>														
BJTOTO	2.32	3.34	0.80	18.3	21.5	12.7	10.8	6.0	6.9	3.12	-25.6	2.25	3.1	-21.6
LUSTER	0.11	0.15	2.06	0.4	0.4	30.3	30.5	0.0	0.0	0.16	-31.3	0.05	120.0	120.0
HEALTHCARE														
<i>Hospitals/ Pharmaceutical</i>														
CCMDBIO	2.42	2.70	0.61	14.0	15.0	17.3	16.1	3.9	4.1	2.43	-0.4	1.90	27.4	22.2
IHH	5.61	6.40	0.73	6.7	11.9	83.3	47.2	0.5	0.5	6.45	-13.0	5.42	3.5	-11.7
KPJ	0.94	1.09	0.39	3.2	3.6	29.3	26.5	1.9	2.1	1.14	-17.5	0.94	0.0	-10.0
<i>Rubber Gloves</i>														
HARTA	9.15	6.87	0.77	19.4	24.5	47.2	37.3	0.9	1.2	9.80	-6.6	4.53	102.0	89.4
KOSSAN	7.75	8.80	0.13	29.1	38.3	26.7	20.3	1.9	2.5	8.31	-6.7	5.62	37.9	17.6
SUPERMX	1.90	1.80	0.30	10.2	15.3	18.6	12.4	1.7	2.8	2.20	-13.6	1.69	12.4	-10.0
TOPGLOV	6.72	6.30	-0.11	26.4	29.4	25.5	22.8	2.2	2.2	7.05	-4.7	4.56	47.4	25.6
KAREX	1.40	1.00	0.35	2.8	2.8	50.2	50.7	1.4	0.5	2.52	-44.4	1.37	2.2	-40.7
INDUSTRIAL														
SCIENTX	8.59	9.38	0.44	52.3	64.9	16.4	13.2	1.9	2.1	9.85	-12.8	6.67	28.8	28.2
SKPRES	2.03	2.20	0.39	8.3	10.4	24.6	19.6	2.0	2.6	2.15	-5.6	1.24	63.7	57.4
MEDIA														
ASTRO	2.83	3.40	1.29	13.2	14.5	21.4	19.5	4.4	4.6	2.94	-3.7	2.47	14.6	8.8
MEDIA PRIMA	0.63	0.45	0.55	-7.6	-3.8	na	na	0.0	0.0	1.28	-50.8	0.62	1.6	-45.2
STAR	1.34	1.25	0.80	5.6	6.7	23.8	19.9	31.3	9.0	2.22	-39.6	1.31	2.3	-31.2

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	
OIL & GAS														
DNEX	0.42	0.75	1.19	3.6	4.5	11.6	9.3	2.4	2.4	0.69	-39.1	0.23	86.7	64.7
LCTITAN	4.77	6.66	na	42.8	63.4	11.1	7.5	4.8	5.2	6.53	-27.0	4.14	15.2	-26.6
MHB	0.83	0.78	1.73	-2.0	-0.5	na	na	0.0	0.0	1.16	-28.9	0.63	32.0	-9.8
MISC	7.09	6.56	1.07	57.2	46.8	12.4	15.1	4.2	4.2	7.90	-10.3	6.89	2.9	-3.5
PANTECH	0.65	0.69	1.16	4.0	6.1	16.3	10.5	2.8	4.3	0.74	-12.8	0.44	48.3	44.9
PCHEM	7.43	8.05	1.01	52.7	49.8	14.1	14.9	3.1	3.0	7.80	-4.7	6.69	11.1	6.4
SAPNRG	1.28	1.66	2.77	6.6	-0.4	19.4	na	0.8	0.0	2.10	-39.0	1.24	3.2	-21.0
SERBADK	3.18	3.40	na	22.9	25.7	13.9	12.4	2.2	2.4	3.25	-2.2	1.51	110.6	112.0
UMWOG	0.32	0.51	1.67	-1.7	0.4	na	79.2	0.0	0.0	0.92	-65.3	0.27	18.5	-62.5
UZMA	1.45	1.55	1.16	11.3	12.3	12.8	11.8	0.0	0.0	1.98	-26.8	1.28	13.3	-14.7
PLANTATIONS														
FGV	1.79	2.01	1.80	2.1	3.7	85.6	48.3	2.8	2.8	2.18	-17.9	1.47	21.8	15.5
IJMLNT	2.82	2.69	0.29	12.3	9.1	22.9	30.9	2.5	2.8	3.60	-21.7	2.81	0.4	-17.1
IOICORP	4.46	4.14	1.25	17.3	21.0	25.7	21.2	2.1	3.6	4.81	-7.3	4.31	3.5	1.4
KFIMA	1.60	1.89	0.53	19.9	13.3	8.0	12.0	5.6	5.6	1.96	-18.4	1.60	0.0	-5.9
KLK	24.38	26.18	0.77	100.5	120.7	24.3	20.2	2.1	2.5	25.50	-4.4	23.00	6.0	1.6
SIMEPLT	4.85	6.25	na	17.6	21.0	27.6	23.0	2.9	2.9	5.65	-14.2	4.83	0.4	-13.2
UMCCA	6.52	7.52	0.40	37.5	31.8	17.4	20.5	3.5	2.6	7.08	-7.9	5.59	16.6	9.2
PROPERTY														
GLOMAC	0.60	0.50	0.56	1.4	3.4	41.5	17.7	4.5	4.5	0.75	-19.5	0.59	1.7	-13.7
HUAYANG	0.60	0.69	0.69	17.3	1.8	3.5	32.8	6.7	0.8	1.21	-50.4	0.60	0.0	-46.9
IBRACO	0.88	0.94	na	3.3	10.5	27.0	8.4	2.3	4.5	1.05	-16.2	0.76	16.6	-12.0
IOIPG	1.89	2.13	0.75	18.9	16.5	10.0	11.4	3.2	3.2	2.22	-14.9	1.85	2.3	-3.1
MAHSING	1.51	1.70	1.01	13.8	13.0	10.9	11.6	4.3	4.3	1.64	-7.9	1.38	9.4	5.6
SIMEPROP	1.12	1.65	na	7.0	9.2	15.9	12.2	0.0	1.8	1.32	-15.2	1.12	0.0	-25.3
SNTORIA	0.69	0.86	0.29	6.8	8.3	10.1	8.3	0.0	1.5	1.00	-31.5	0.66	3.8	-14.4
Note: SNTORIA proposed bonus issue of warrants & right issue of shares. For more details please refer to 25.09.17 report.														
SPB	4.53	5.97	0.70	25.6	22.8	12.9	14.5	2.6	2.6	5.19	-12.7	4.32	4.8	2.5
SPSETIA	3.31	4.10	0.84	11.5	12.1	14.0	13.3	4.2	4.2	4.38	-24.5	3.03	9.3	8.6
SUNWAY	1.61	1.75	0.75	13.3	13.2	12.6	12.7	3.1	3.1	1.96	-17.8	1.24	29.9	25.2
REIT														
SUNREIT	1.68	1.87	0.71	9.2	10.0	18.2	16.7	5.5	6.0	1.81	-7.2	1.65	1.8	-2.3
CMMT	1.42	1.72	0.41	8.1	8.6	17.6	16.5	5.9	6.3	1.72	-17.4	1.40	1.4	-7.2
POWER & UTILITIES														
MALAKOF	0.91	1.16	0.65	6.3	6.0	14.4	15.1	7.7	7.7	1.43	-36.7	0.90	0.6	-33.9
PETDAG	24.40	22.08	0.55	102.8	105.1	23.7	23.2	3.2	3.2	25.70	-5.1	21.00	16.2	2.5
PETGAS	15.94	19.10	0.94	89.1	98.8	17.9	16.1	4.2	4.3	21.98	-27.5	15.82	0.8	-25.2
TENAGA	15.58	17.38	0.72	131.6	129.9	11.8	12.0	3.0	3.0	15.60	-0.1	13.00	19.8	12.1
YTLPOWR	1.13	1.17	0.74	8.2	9.7	13.7	11.7	4.4	4.4	1.50	-24.7	1.11	1.8	-22.6
TELECOMMUNICATIONS														
AXIATA	5.34	5.75	1.39	14.3	16.0	37.3	33.4	1.4	1.5	5.47	-2.4	4.24	25.9	13.1
DIGI	4.65	5.20	0.80	19.5	20.0	23.8	23.3	4.2	4.3	5.19	-10.4	4.36	6.7	-3.7
MAXIS	5.83	6.10	0.77	26.0	26.2	22.4	22.2	3.4	3.4	6.60	-11.7	5.48	6.4	-2.5
TM	5.97	7.20	0.63	22.6	23.2	26.4	25.7	3.4	3.5	6.69	-10.8	5.81	2.8	0.3
TECHNOLOGY														
<i>Semiconductor & Electronics</i>														
ELSOFT	2.68	2.70	0.56	11.3	15.0	23.7	17.9	3.0	3.9	2.95	-9.2	1.29	108.5	90.9
IRIS	0.15	0.25	1.84	-1.3	0.6	na	26.2	0.0	0.0	0.22	-34.1	0.10	45.0	31.8
INARI	3.24	3.05	0.94	11.2	14.2	29.0	22.8	3.0	3.1	3.37	-3.9	1.61	101.7	95.6
MPI	12.60	15.00	0.41	89.5	105.5	14.1	11.9	2.1	2.5	14.52	-13.2	7.31	72.4	70.0
UNISEM	3.54	3.85	0.96	23.5	27.1	15.0	13.1	3.4	3.4	4.25	-16.7	2.29	54.6	50.0
TRANSPORTATION														
<i>Airlines</i>														
AIRASIA	3.21	3.83	1.01	53.1	38.3	6.0	8.4	1.2	1.6	3.59	-10.6	2.16	48.6	40.2
AIRPORT	8.45	8.47	1.28	19.6	19.7	43.1	42.8	1.2	1.2	9.45	-10.6	5.91	43.0	39.4
<i>Freight & Tankers</i>														
PTRANS	0.29	0.44	na	2.1	2.3	13.9	12.5	2.1	2.5	0.38	-25.4	0.14	102.3	95.9
TNLOGIS	1.33	1.80	1.14	12.0	13.6	11.1	9.8	3.2	3.8	1.83	-27.5	1.29	3.1	-14.7
WPRTS	3.58	4.06	0.89	17.1	16.8	20.9	21.3	3.6	3.5	4.39	-18.5	3.37	6.2	-16.7

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	
BANKS & FINANCIAL SERVICES														
DBS	24.60	23.30	1.26	172.7	189.1	14.2	13.0	2.4	2.4	-1.6	17.2	43.44	41.9	0.0
OCBC	12.36	13.50	1.20	95.5	104.0	12.9	11.9	5.7	6.7	-0.7	8.9	8.84	38.6	0.0
UOB	26.26	26.90	1.07	200.8	215.4	13.1	12.2	2.7	2.7	-1.3	20.1	30.97	28.7	0.0
PLANTATIONS														
WILMAR	3.14	3.63	0.85	25.6	29.9	12.3	10.5	2.2	2.5	-21.5	3.1	1.95	-12.5	0.0
IFAR	0.40	0.53	0.97	4.9	5.2	8.2	7.7	3.0	3.2	-32.8	0.4	2.56	-23.8	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.