Daily Brief

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

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Market View *Range Bound Trade to Persist*

The local market traded sideways for the most of Tuesday's session before late fund buying on selected banking, telco and oil & gas heavyweights lifted the benchmark index sharply higher. The KLCI surged 11.71 points to close at the day's high of 1,724.84, off an opening low of 1,708.48, but losers beat gainers 624 to 298 on muted turnover of 1.83bn shares worth RM2.23bn.

Resistance at 1,727/1,731

Due to the weak buying momentum and market breadth, range bound trading should persist for the immediate term, pending the emergence of any positive domestic market catalysts. On the index, overhead resistance rests at 1,727 (61.8%FR), followed by the 30-day and 50-day moving averages at 1,731 and 1,741 respectively, then 1,750, next will be 1,754, the 200-day moving average. Crucial retracement supports remains at 1,705 (50%FR) and 1,683 (38.2%FR).

Buy on Weakness Affin & AMBank

Any further weakness on Affin shares would aggravate oversold momentum and improve technical rebound upside with key resistance levels from the 38.2%FR (RM2.43) and 50%FR (RM2.54), while important chart supports are from RM2.20 and the 19/9/16 low (RM2.08). Similarly, AMBank should attract bargain hunters on further dip towards RM4.00 or the 14/11/16 low (RM3.90) ahead of oversold rebound to 23.6%FR (RM4.32), with next resistance from the upper Bollinger band (RM4.44) and 100-day moving average (RM4.53).

Technology Sector Weighed on Asian Markets

Asian shares were subdued on Tuesday as investors' rotation out of technology shares took the toll on some of the region's tech heavyweights, although hopes of a major tax cut in the United States underpinned risk sentiment. The tech index hit a five-week low and was down 4.3 percent from its record peak hit a week ago although it still remained the best performer of the year with year-to-date gains of 33 percent. Investors switched to banks and retailers, which are seen benefitting from the expected corporate tax cuts. On economic front, the Reserve Bank of Australia kept its cash rate unchanged at a record low of 1.5 percent during its December policy meeting. The move was largely in line with expectations.

Japan's Nikkei share average dropped on Tuesday with semiconductor equipment manufacturers' stocks hit by weakness in U.S. tech shares overnight, undercutting gains for banks and brokerages. The Nikkei ended 0.4 percent lower at 22,622.38, but the broader Topix added 0.2 percent to 1,790.97. Australia's ASX 200 also finished down 13.78 points, or 0.23 percent, at 5,971.8. The heavily-weighted financial sub-index was lower by 0.49 percent. Across the Korean Strait, the Kospi gained 8.45 points, or 0.34 percent, to 2,510.12. On the Chinese mainland, the Shanghai composite finished down 6.57 points, or 0.2 percent, at 3,303.04 while the Shenzhen composite fell 35.92 points, or 1.88 percent, to 1,866.98.

Wall Street Close Lower as Tech Rally Fizzled Out

U.S. stock-market indexes closed lower Tuesday, driven by losses in utilities, telecoms and industrials sectors, as investors assessed the impact of proposed tax cuts. An earlier rebound in the technology sector fizzled out, sending the Nasdaq Composite into negative territory, reversing solid gains in the morning. Investors were cautious as Republicans were set to try to reconcile the Senate's version of the tax bill with the House's, a task lawmakers hope to complete by Christmas. Investors also looked ahead to a potential government shutdown. If Congress fails to craft a deal on government spending by the end of the week, the federal government could close until a deal is struck. Ten of the 11 major S&P sectors fell, led by losses in telecom services and utilities. The information technology was the only advancing sector.

The Dow Jones Industrial Average dropped 109.41 points, or 0.45 percent, to 24,180.64 the S&P 500 fell 9.87 point, or 0.37 percent, to 2,629.57 and the Nasdaq Composite lost 13.15 points, or 0.19 percent, to 6,762.21.

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News In Brief *Corporate*

Felda Global Ventures Holdings Bhd implemented a structured, systematic and customised training programme for its key stakeholders to improve labour conditions and other sustainability practices throughout its palm oil value chain. Separately, it expects to obtain the first Roundtable on Sustainable Palm Oil certification for eight of its palm oil mill complexes before the end of 2017. *(Source: Bernama / The Edge)*

YTL Hotels & Properties Sdn Bhd, the hospitality arm of **YTL Corp Bhd**, will be teaming up with long-term partner US-based Marriott International Inc to build two new luxury hotels in Malaysia. Management agreements were signed between the two parties for the design and development of hotels under the JW Marriott brand in Kuala Lumpur Sentral and the Edition, which will be located near Kuala Lumpur City Centre. *(Source: The Edge)*

Datuk Seri Johari Abdul Ghani highlighted **IJM Corp Bhd's** success in securing Prudential Assurance Malaysia Bhd as the anchor tenant of the Tun Razak Exchange building, which saw its concrete completion today and is slated to be handed over in the first quarter of 2019. The RM500mn tower has so far secured tenants for 84% of its lettable 560,000 square feet. *(Source: The Edge)*

Prestariang Bhd will collaborate with Dell Global Business Center Sdn Bhd on the implementation of Sistem Kawalan Imigresen Nasional project. It has also appointed In Continu Et Services as its strategic technology partner to perform the works and services on the project. Both parties have agreed to collaborate and co-operate with each other on a confidential basis to mutually agree on the scope of works and price. *(Source: Bursa Malaysia)*

Pharmaniaga Bhd announced that it is partnering Delhi-based MSD Wellcome Trust Hilleman Laboratories Private Ltd and a Ministry of Finance entity to develop and manufacture halal vaccines to be incorporated in Malaysia's national immunisation programmes. *(Source: Bursa Malaysia)*

Axis Real Estate Investment Trust added its 40th property, an industrial facility in Gebeng, Kuantan to its portfolio today. The property comprises two contiguous parcels of land with buildings which are used for pipe coating related industrial activities. This latest acquisition will increase the total assets under management of the trust to RM2.5bn. *(Source: The Edge)*

Cahya Mata Sarawak Bhd obtained a six-month extension valued at about RM87.7mn from the Sarawak government to upkeep state roads. The original contract was for 15 years, which will expire on Dec 31 this year. *(Source: Bursa Malaysia)*

Bison Consolidated Bhd is looking to open 90 new outlets next year and is setting aside about RM24mn for this expansion. These new outlets will mostly be myNEWS stores. The group believes "the worst is over" in terms of same-store sales which has been negative this year, as it is in an aggressive store revamping mode. *(Source: The Edge)*

Hibiscus Petroleum Bhd received Petronas Carigali Sdn Bhd's consent to acquire from Sabah Shell Petroleum Company Limited and Shell Sabah Selatan Sdn Bhd's 50% participating interests in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract. *(Source: Bursa Malaysia)*

Syarikat Takaful Malaysia Bhd launched a strategic bancatakaful partnership with AmBank Islamic Bhd to market its general takaful products to the bank's customer base across the country. *(Source: Bernama)*

NetX Holdings Bhd's 60%-owned subsidiary, PayAllZ Sdn Bhd (PSB), entered into a deal with PayAllZ International Ltd (PIL) to provide technological and software support for PIL's supply of an e-money payment platform to a Cambodian bank. PSB and Hong Kong-based PIL signed a six-year agreement which can be renewed every five years. *(Source: Bursa Malaysia)*

Advance Synergy Bhd is considering selling an 80% stake in its indirect wholly-owned unit Synergy Cards Sdn Bhd to AppAsia Bhd. The group has signed a Memorandum of Understanding with AppAsia for the purpose of recording their intention to enter into a share sale agreement. *(Source: Bursa Malaysia)*

George Kent (M) Bhd net profit for 3QFY17 rose 21% YoY to RM28.7mn, from RM23.7mn, driven mainly by sales of water metres locally. It declared a second interim dividend of 2 sen per share. For 9MFY17, net profit rose 22% to RM72.6mn, from RM59.3mn. *(Source: Bursa Malaysia)*

Petroliam Nasional Bhd's South African unit, Engen, and Vivo Energy Holding BV agreed to a deal worth as much as ZAR3.5bn (USD256mn) to combine some of their African fuel-retail assets, according to people familiar with the matter. The deal represents about 20% of Engen's equity value. *(Source: The Edge)*

News In Brief *Economy*

Global OECD Area Inflation Slows in October

Consumer price inflation in the OECD area slowed in October driven by energy and food prices. Inflation eased to 2.2% in October from 2.3% in September, data from the Paris-based Organization for Economic Cooperation and Development showed. Meanwhile, excluding food and energy, core inflation rose slightly to 1.9% from 1.8% a month ago. Energy price growth weakened to 5.8% from 7.7% in September. At the same time, food price inflation slowed marginally to 1.8% from 1.9% in September. Among OECD members, inflation decreased in Japan, Canada, Germany and the United States. At the same time, the rate was stable in the UK and France. Meanwhile, inflation eased in euro area. (RTT News)

Asia Australia Holds Key Interest Rate Steady for 15th Straight Meeting

Australia's central bank kept its benchmark interest rate unchanged and signaled no plans to move in the near term even as developed economies shift toward withdrawing stimulus. The Reserve Bank of Australia's board kept the key rate at 1.5% for a 15th straight meeting that was also the last one for the year. The decision was expected by economists and markets. "The outlook for non-mining business investment has improved further, with the forward-looking indicators being more positive than they have been for some time," Governor Philip Lowe said in a statement. "One continuing source of uncertainty is the outlook for household consumption. Household incomes are growing slowly and debt levels are high." He also said the economy likely grew at around its "trend rate" over the year to the third quarter. Lowe has recently made clear he's in no rush to follow the U.S., Canada and the U.K. in raising borrowing costs just yet, with some of his Asian peers forecast to follow South Korea and hike next year. The RBA's low rates have lifted business confidence and encouraged firms to hire and invest, but households that loaded up on debt to buy property are struggling with low wage growth to meet repayments and still consume. The RBA chief on Tuesday showed some optimism about the prospects for pay packets, though not in the near-term. (Bloomberg)

Other news in Australia:

- The data from the Australian Bureau of Statistics showed retail sales rose 0.5% in October from the previous month, the strongest since May and above expectations for a 0.3% increase. September sales had only inched up by a revised 0.1%. Sales were up across every sector with clothing and eating out particularly strong. (The Business Times)

- The service sector continued to expand in November, and at a faster rate, the Australian Industry Group said performance of service index scored 51.7, up from 51.4 in October, and it moves further above the boom-or-bust line of 50 that separates expansion from contraction. (RTT News)

- Australia had a seasonally adjusted current account deficit of A$9.125 billion in the third quarter of 2017, the Australian Bureau of Statistics said. That missed expectations for a shortfall of A$9.0 billion following the A$9.664 billion deficit in the three months prior. Net exports of GDP came in flat, again missing forecasts for a gain of 0.25 percentage points following the addition of 0.30 percentage points in the second quarter. (RTT News)

ASEAN Manufacturing Conditions Improve Further in November

The ASEAN manufacturing economy saw a further improvement in operating conditions midway through the fourth quarter. The headline Nikkei ASEAN Manufacturing Purchasing Managers' Index (PMI) rose from 50.4 in October to 50.8 in November, marking a fourth successive month of improvement in the health of the sector. While the rate of improvement was the strongest since April it remained similar to those seen in the previous three months and marginal. The majority of countries covered by the survey reported an improvement in operating conditions in November, with five of the seven nations recording an improvement in the latest survey period (the same as in October). Only one country reported a deterioration in business conditions. The Philippines led the overall growth rankings again in November, with its PMI improving to its highest level so far this year. Malaysia moved up to second position, having returned to growth after a modest decline in October, while Myanmar came in third as its rate of growth quickened to a six-month high. Vietnam fell to fourth place in the PMI table, having recorded a slightly slower expansion of its manufacturing sector. Meanwhile, Indonesia's manufacturing industry recorded another marginal upturn, albeit one that was stronger than in the previous month. Thailand reported stable operating conditions in November after a slight deterioration in October. Singapore slid into contraction territory, coming in at the bottom of the PMI rankings. (Markit Economics)

China Services PMI Points to Stronger Growth in November

An independent gauge of China's services sector signalled the quickest growth in three months in November as new business picked up. The Caixin-Markit services purchasing managers' index came in at 51.9 last month, up from 51.2 in October and further above the 50-point level delineating growth in the sector's activity from contraction. The boost in orders and activity prompted businesses to hire at a slightly faster pace and raise prices charged to clients at the fastest rate since July 2015. Input costs also rose at the fastest pace in five months as businesses surveyed for the gauge pointed to upward pressure from fuel, raw materials and salaries. Optimism toward the next 12 months was also up slightly, with just over a fifth of companies expecting greater business activity. The Caixin manufacturing PMI, which like the services reading focuses on smaller and private companies, dipped slightly in November to 50.8, however the gains in services pushed up Caixin's composite gauge to 51.6 last month from a 16-month low of 51 in October. Value added by China's services businesses was equivalent to 51.6% of China's gross domestic product in 2016, according to World Bank figures, the first time the sector surpassed manufacturing. Official gauges – published by China's National Bureau of Statistics and which focus on larger, state-run enterprises – registered slight rises in November. Taken together the four surveys suggest business conditions improved for all but private manufacturers last month. (Financial Times)

Japan November Services Growth Slows but Business Confidence Picks Up

Japan's service sector activity grew at a slower pace in November due to a slowdown in outstanding business, but new orders remained relatively strong and business sentiment improved, suggesting the economy will continue to expand in coming months. The Markit/Nikkei survey showed its Japan Services Purchasing Managers Index (PMI) fell to 51.2 on a seasonally adjusted from 53.4 in October, which was the highest in 26 months. The index remained above the 50 threshold that separates expansion from contraction for the 14th consecutive month. The index for outstanding business fell to 50.6 from 51.5 in the previous month to the lowest level since February. But the pace of new business was largely steady, dipping only marginally to 53.7 from 53.8 in October. Business expectations rose to the highest level since May, though job creation slowed markedly with some firms noting that retiring staff had not been replaced. (Reuters)

BoJ's Kuroda Says Didn't Discuss Succession Plan with PM Abe

Bank of Japan (BoJ) governor Haruhiko Kuroda said he did not discuss with Prime Minister Shinzo Abe who would head the central bank when his term expires in April next year. "The subject of who will become the next BoJ governor did not come up at all," Kuroda told reporters after a meeting with Abe that lasted for about an hour. When asked whether he would serve a second five-year term if requested, Kuroda said, "It would be presumptuous of me to respond." Kuroda said he discussed the global economy with Abe and told him that economic conditions were solid. Kuroda regularly meets Abe to discuss the economy and financial markets, but the timing of the meeting on Tuesday is likely to fuel speculation that the government is already making moves to determine who will lead the BoJ next year. Some economists and even some officials in the BoJ worry that the central bank's purchases of government debt and exchange-traded funds have become excessive after almost five years of quantitative easing. The BoJ's next challenge is to modify quantitative easing so its policy is more sustainable but still loose enough to encourage inflation, some economists say. (The Star)

United States

US Trade Deficit Rises to 9-Month High in October

The U.S. trade deficit increased more than expected in October, hitting a nine-month high as rising oil prices helped to boost the import bill, suggesting that trade could be a drag on growth in the fourth quarter. The Commerce Department said the trade gap widened 8.6% to $48.7 billion. That was the highest level since January and followed an upwardly revised $44.9 billion shortfall in September. Economists polled by Reuters had forecast the trade deficit widening to $47.5 billion in October after a previously reported $43.5 billion deficit the prior month. When adjusted for inflation, the trade deficit increased to $65.3 billion, also the largest since January, from $62.2 billion in September. The so-called real trade deficit in October was above the third-quarter average of $62.0 billion. That suggests trade could subtract from gross domestic product in the October-December quarter, if the deficit does not shrink in the last two months of the year. The chronic trade deficit has garnered the attention of Republican President Donald Trump, who has blamed it for the massive loss of U.S. manufacturing jobs as well as moderate economic growth. Imports of goods and services increased 1.6% to a record $244.6 billion in October. Goods imports were the highest since May 2014 amid a $1.5 billion increase in crude oil imports. Imported oil prices averaged $47.26 per barrel in October, the highest since August 2015. The country's import bill was also pushed up by food imports, which were the highest on record. There were also increases in imports of cellphones and other goods. (CNBC)

U.S. Service Sector Remains Strong After Slower Expansion in November

U.S. service industries continued to post strong sales in November, the latest evidence the economy is experiencing another quarter of solid growth. The Institute for Supply Management, a trade group, said its index of nonmanufacturing activity stood at 57.4 in November, down from October but a high number historically. Any reading above 50 indicates expanding sector activity as measured by factors such as sales, prices, and hiring. Economists surveyed by The Wall Street Journal had expected a reading of 59. The index fell 2.7 percentage points from a 12-year high posted in October but remained robust compared with recent years and suggested the economy as a whole is growing at above a 3% annual rate. "Consumer confidence is there and companies are also reacting favorably to the current business conditions," said Anthony Nieves, who heads the ISM survey. "And the global economy is getting better as well." The report showed a measure of growth in new orders—or sales—fell 4.1 percentage points. Employment growth slipped, as did export growth. But the declines reflected slightly slower growth rather than outright declines. Service industries—a broad category including accountants, lawyers, hair stylists and real-estate brokers—reflect the bulk of the U.S. economy. Despite the decline in the overall index, "it remains well above its average over the past couple of years and consistent with healthy GDP growth," Capital Economics economist Andrew Hunter said in a note to clients. (The Wall Street Journal)

Senate Panel Advances Powell's Nomination to Be Next Fed Chairman

The Senate Banking Committee voted to advance the nomination of Federal Reserve governor Jerome Powell to be the next chairman of the U.S. central bank. All but one of the panel's Democrats— Sen. Elizabeth Warren (D., Mass.)—joined Republicans to approve Mr. Powell's nomination by a 22-1 vote, suggesting he could face an easy confirmation when his nomination advances to the Senate floor for a full vote. "His years of service on the board, at Treasury and in the private sector have equipped him with a lifetime of experience to draw upon when dealing with a myriad of difficult situations that the Fed could face," Chairman Mike Crapo (R., Idaho) said before the vote. Ms. Warren, who voted to confirm Mr. Powell to the Fed board in 2014, voted against his nomination Tuesday, saying she was concerned about "troubling statements" he has made about easing regulations implemented in the wake of the financial crisis. "I am very concerned that the Fed will systematically roll back postcrisis rules under governor Powell's leadership," she said. "That is a risk that our financial system cannot afford." (The Wall Street Journal)

Europe and United Kingdom

Eurozone Businesses Sprinting to Year-End After Busy November

Business activity across the Eurozone looks set to end 2017 on a high note after a busy November, according to a survey giving the latest evidence the bloc's economy was a star performer this year. Growth accelerated last month as firms struggled to meet booming demand -- in stark contrast to Britain, where the dominant services sector lost some momentum as firms worry about what leaving the European Union will mean for them. It confirms that the Eurozone economy remains in rude health and the final quarter of the year is going to be very strong. Forward-looking indicators in the survey suggest the momentum will be maintained this month. IHS Markit's final composite Purchasing Managers' Index for the Eurozone, seen as a good guide to growth, was confirmed at an earlier flash reading of 57.5, up from October's 56.0. The PMI scaled its highest level since April 2011 and was comfortably above the 50 mark that separates growth from contraction. (RTT News)

European Retail Sales Pull Back in October

Shoppers kept their wallets shut in the Eurozone in October, with a 1.1% decline in retail sales from September, according to Eurostat. In the wider EU, sales declined by a more modest 0.5%. The Eurozone decline is much larger than economists had expected; Reuters reported a consensus estimate of a 0.7% fall. The biggest declines came from Luxembourg, with a 5.3% drop, Portugal (-2.3%) and Austria (-1.9%) while Romania led the pack with a 1% rise, followed by the UK at 0.9% and Poland and Slovakia at 0.6%. The result meant that sales grew by 0.4% on the year, set against estimates of 1.5%. (Financial Times)

UK Services Sector Growth Hit by Rising Prices

Rising prices held back growth in Britain's dominant service sector during November, a closely watched survey of purchasing managers working in the industry suggested. The CIPS/IHS Markit services purchasing managers' index slowed to 53.8 in November, down from a six-month high of 55.6 in October. Analysts had expected a reading of 55, according to Reuters. A PMI reading above 50 indicates growth, while any reading below 50 indicates contraction. The latest reading suggests that the services sector continued to grow in November, but at a slower pace than it has for most of this year. However, the services PMI does not include Britain's retail sector, which has struggled as consumer prices have risen faster than wages. The latest survey found that inflationary pressures on the services sector increased during November, with respondents reporting the fastest rise in prices charged to customers since February 2008. (Financial Times)

U.K. Retail Sales Rise on Food as Black Friday Falls Short

U.K. retail sales rebounded last month, fueled by higher food spending as Black Friday sales failed to tempt enough British shoppers to open their wallets for other things. The British Retail Consortium said sales rose 0.6% on a like-for-like basis after slumping the most in seven months in October. They climbed 1.5% in total terms. Yet the numbers suggest households are still reluctant to spend on non-essentials given the squeeze on budgets. Wages are lagging behind inflation and Brexit is creating uncertainty for the economy. The BRC said that in the three months through November, nominal food sales increased 2.8% on a like-for-like basis, buoyed by inflation, while non-food sales fell 1.2%. "Black Friday, the big retail event of the month, failed to fundamentally shift underlying trends in spending," said Helen Dickinson, chief executive of the BRC. "Rather than increasing overall sales, the event has shifted spending away from other parts of the festive period, and focuses shoppers' attentions online." Non-food sales -- the focus of Black Friday promotions -- fell as retailers reported shoppers were tempted solely by generous promotions, with gaming, wearable tech and "the internet of things" proving the best sellers, the BRC said. Consumer spending grew 2.8% in the year to November, maintaining the "muted levels" of expansion seen so far in the second half of 2017, a separate report by Barclaycard said on Tuesday. Growth in the private sector slowed in the three months to November, according to the Confederation of British Industry. (Bloomberg)

Share Buy-Back: 05 December 2017

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
ASTINO	120,000	0.985/0.955	0.985/0.955	1,024,837
EPMB	20,000	0.50/0.475	0.50/0.47	6,968,900
FFHB	57,900	0.605/0.595	0.605/0.595	1,336,900
GLOMAC	30,600	0.60/0.595	0.60/0.595	4,908,300
GRANFLO	10,000	0.24	0.235/0.225	7,687,000
KOMARK	10,000	0.26	0.255/0.245	5,230,700
LEESK	160,000	0.33	0.325/0.32	662,400
LIENHOE	266,000	0.35/0.345	0.355/0.345	16,935,700
MALAKOF	110,000	0.91	0.915/0.90	110,000
MMSV	100,000	1.58/1.55	1.59/1.53	2,091,500
NYLEX	206,000	0.81/0.97	0.81/0.97	4,364,724
P&O	10,000	1.26/1.24	1.26/1.24	9,952,900
SUNWAY	150,000	1.61	1.63/1.61	18,906,362
UNIMECH	268,800	1.03/1.00	1.03/1.00	5,635,510

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
	05-Dec-17			FY17	FY18	FY17	FY18	FY17	FY18	High Price	% Chg	Low Price	% Chg	YTD
AUTOMOBILE														
BAUTO	2.08	2.50	0.76	10.2	14.3	20.4	14.5	5.6	5.5	2.20	-5.5	1.84	13.0	-2.3
MBMR	2.21	2.32	0.92	20.7	23.2	10.7	9.5	1.9	2.1	2.60	-15.0	2.01	10.0	3.3
PECCA	1.51	1.68	na	7.7	11.1	19.5	13.6	3.3	3.7	1.70	-11.2	1.28	18.0	-5.0
SIME	2.25	1.98	1.45	11.8	12.0	19.1	18.8	10.2	1.3	2.55	-11.8	1.83	22.8	21.7
UMW	5.12	4.20	1.36	-0.4	19.2	na	26.6	0.0	2.0	6.08	-15.8	4.09	25.1	21.3
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	2.28	2.50	0.92	23.5	24.2	9.7	9.4	3.5	3.5	3.00	-24.0	2.24	1.8	-4.6
AMBANK	4.10	5.10	1.18	43.9	48.6	9.3	8.4	4.3	4.4	5.70	-28.1	4.06	1.0	-4.9
CIMB	5.97	7.00	1.52	48.7	50.9	12.3	11.7	4.2	4.3	7.08	-15.7	4.49	33.0	32.4
HLBANK	17.00	17.50	0.62	104.9	114.2	16.2	14.9	2.6	2.6	17.00	0.0	13.02	30.6	25.9
MAYBANK	9.38	9.70	0.97	68.4	70.9	13.7	13.2	5.3	5.3	9.86	-4.9	7.68	22.1	14.4
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	9.54	11.10	0.78	40.2	39.0	23.7	24.5	3.6	3.6	10.98	-13.1	8.08	18.1	9.4
CONSTRUCTION														
GADANG	1.05	1.75	0.61	15.2	14.3	6.9	7.4	2.9	2.9	1.37	-23.4	0.89	18.6	0.0
GAMUDA	4.68	6.00	0.94	27.8	34.5	16.8	13.6	2.6	2.6	5.52	-15.2	4.58	2.2	-2.1
IJM	3.02	2.89	0.84	15.3	13.7	19.8	22.0	2.5	3.1	3.61	-16.3	2.85	6.0	-5.6
PESONA	0.46	0.55	0.95	3.5	5.8	13.2	8.0	3.3	3.3	0.74	-37.4	0.46	1.1	-24.0
SENDAI	0.89	0.58	1.28	8.2	9.6	10.8	9.3	1.1	1.1	1.39	-36.3	0.51	75.2	53.9
SUNCON	2.37	2.65	na	11.3	14.7	20.9	16.1	2.3	2.3	2.44	-2.9	1.61	47.2	39.4
WCT	1.53	1.61	1.03	11.5	12.5	13.3	12.3	2.0	2.0	2.48	-38.2	1.49	2.7	-11.0
LITRAK	5.67	6.26	0.31	41.9	45.6	13.5	12.4	4.4	4.4	6.15	-7.8	5.61	1.1	-3.6
Building Materials														
ANNJOO	3.63	4.40	1.31	41.2	45.3	8.8	8.0	4.4	6.1	3.98	-8.8	1.99	82.4	67.3
CHINHIN	1.16	1.36	na	5.7	9.7	20.3	11.9	2.6	4.3	1.49	-22.1	0.85	36.5	33.3
CONSUMER														
Brewery														
CARLSBG	15.06	18.06	0.73	79.3	86.2	19.0	17.5	5.2	5.7	16.00	-5.9	13.72	9.8	8.2
HEIM	17.64	19.14	0.44	79.6	84.0	22.2	21.0	4.1	4.3	19.58	-9.9	15.78	11.8	7.7
Retail														
AEON	1.85	1.97	0.47	4.7	6.7	39.2	27.7	1.9	2.2	2.70	-31.5	1.77	4.5	-28.0
AMWAY	7.07	8.18	0.36	35.7	43.9	19.8	16.1	4.2	5.4	8.18	-13.6	7.04	0.4	-3.5
F&N	25.72	27.41	0.18	102.6	155.7	25.1	16.5	2.2	2.3	26.00	-1.1	22.50	14.3	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	1.18	1.48	0.64	9.7	12.5	12.1	9.5	3.8	4.2	1.76	-33.0	1.15	2.6	-4.8
NESTLE	97.48	120.50	0.39	292.7	325.4	33.3	30.0	2.8	3.0	98.00	-0.5	74.12	31.5	24.7
PADINI	5.12	4.67	0.63	23.5	27.0	21.8	19.0	2.2	2.4	5.49	-6.7	2.26	126.5	101.6
POHUAT	1.74	2.50	0.77	26.8	26.8	6.5	6.5	3.4	4.6	2.08	-16.3	1.58	10.1	0.6
QL	4.30	3.26	0.28	12.1	12.8	35.6	33.5	1.0	1.0	4.30	0.0	3.26	32.1	29.1
SIGN	0.78	0.92	1.07	6.7	6.9	11.5	11.2	3.2	3.2	1.07	-27.6	0.77	0.6	-2.5
Tobacco														
BAT	37.88	52.08	1.31	198.6	187.4	19.1	20.2	5.3	5.3	51.04	-25.8	35.78	5.9	-14.2
GAMING														
Casino														
GENTING	8.91	11.53	1.51	48.7	54.4	18.3	16.4	1.6	1.8	10.00	-10.9	7.67	16.2	12.1
GENM	5.13	6.51	1.53	18.7	27.0	27.4	19.0	1.6	1.8	6.38	-19.6	4.47	14.8	13.5
NFO														
BJTOTO	2.27	3.34	0.80	18.3	21.5	12.4	10.6	6.2	7.0	3.12	-27.2	2.25	0.9	-23.3
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														
Hospitals/ Pharmaceutical														
CCMDBIO	2.41	2.70	0.61	14.0	15.0	17.2	16.0	3.9	4.1	2.43	-0.8	1.90	26.8	21.7
IHH	5.64	6.40	0.73	6.7	11.9	83.8	47.5	0.5	0.5	6.45	-12.6	5.42	4.1	-11.2
KPJ	0.93	1.09	0.39	3.2	3.6	28.8	26.0	1.9	2.2	1.14	-18.9	0.92	1.1	-11.5
Rubber Gloves														
HARTA	9.03	6.87	0.77	19.4	24.5	46.6	36.8	0.9	1.2	9.80	-7.9	4.53	99.3	87.0
KOSSAN	7.49	8.80	0.13	29.1	38.3	25.8	19.6	1.9	2.6	8.31	-9.9	5.62	33.3	13.7
SUPERMX	1.82	1.80	0.30	10.2	15.3	17.8	11.9	1.7	2.9	2.18	-16.5	1.69	7.7	-13.7
TOPGLOV	6.52	6.30	-0.11	26.4	29.4	24.7	22.2	2.2	2.2	7.05	-7.5	4.56	43.0	21.9
KAREX	1.34	1.00	0.35	2.8	2.8	48.1	48.5	1.5	0.5	2.52	-46.8	1.32	1.5	-43.2
INDUSTRIAL														
SCIENTX	8.56	9.38	0.44	52.3	64.9	16.4	13.2	1.9	2.1	9.85	-13.1	6.67	28.3	27.8
SKPRES	1.97	2.20	0.39	8.3	10.4	23.8	19.0	2.1	2.6	2.15	-8.4	1.24	58.9	52.7
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	0.64	0.45	0.55	-7.6	-3.8	na	na	0.0	0.0	1.28	-50.0	0.62	3.2	-44.3
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) FY17	EPS (sen) FY18	PER (X) FY17	PER (X) FY18	Div Yield (%) FY17	Div Yield (%) FY18	52weeks High Price	52weeks % Chg	52weeks Low Price	52weeks % Chg	% Chg YTD
OIL & GAS														
DNEX	0.41	0.75	1.19	3.6	4.5	11.3	9.1	2.4	2.4	0.69	-40.6	0.23	82.2	60.8
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	7.08	6.56	1.07	57.2	46.8	12.4	15.1	4.2	4.2	7.90	-10.4	6.89	2.8	-3.7
PANTECH	0.63	0.69	1.16	4.0	6.1	15.9	10.3	2.9	4.4	0.74	-14.9	0.44	44.8	41.6
PCHEM	7.45	8.05	1.01	52.7	49.8	14.1	15.0	3.1	3.0	7.80	-4.5	6.69	11.4	6.7
SAPNRG	1.27	1.66	2.77	6.6	-0.4	19.2	na	0.8	0.0	2.10	-39.5	1.24	2.4	-21.6
SERBADK	3.14	3.40	na	22.9	25.7	13.7	12.2	2.2	2.5	3.25	-3.4	1.51	107.9	109.3
UMWOG	0.31	0.51	1.67	-1.7	0.4	na	76.7	0.0	0.0	0.92	-66.4	0.27	14.8	-63.7
UZMA	1.44	1.56	1.16	11.6	13.2	12.4	10.9	0.0	0.0	1.98	-27.3	1.28	12.5	-15.3
PLANTATIONS														
FGV	1.80	2.01	1.80	2.1	3.7	86.1	48.6	2.8	2.8	2.18	-17.4	1.47	22.4	16.1
IJMPLNT	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	4.50	4.14	1.25	17.3	21.0	25.9	21.4	2.1	3.6	4.81	-6.4	4.31	4.4	2.3
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	24.44	26.18	0.77	100.5	120.7	24.3	20.2	2.0	2.5	25.50	-4.2	23.00	6.3	1.8
SIMEPLT	4.75	6.25	na	17.6	21.0	27.0	22.6	2.9	2.9	5.65	-15.9	4.58	3.7	-15.0
UMCCA	6.51	7.52	0.40	37.5	31.8	17.4	20.5	3.5	2.6	7.08	-8.1	5.61	16.0	9.0
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	0.61	0.69	0.69	17.3	1.8	3.5	33.1	6.6	0.8	1.21	-50.0	0.60	1.7	-46.5
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	1.92	2.13	0.75	18.9	16.5	10.2	11.6	3.1	3.1	2.22	-13.5	1.85	3.9	-1.5
MAHSING	1.50	1.70	1.01	13.8	13.0	10.8	11.5	4.3	4.3	1.64	-8.5	1.38	8.7	4.9
SIMEPROP	1.11	1.65	na	7.0	9.2	15.8	12.1	0.0	1.8	1.32	-15.9	1.04	6.7	-26.0
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	13.0	14.7	2.6	2.6	5.19	-12.7	4.32	4.8	2.5
SPSETIA	3.34	4.10	0.84	11.5	12.1	14.1	13.4	4.2	4.2	4.38	-23.8	3.03	10.3	9.6
SUNWAY	1.62	1.75	0.75	13.3	13.2	12.7	12.8	3.1	3.1	1.96	-17.3	1.24	30.3	26.0
REIT														
SUNREIT	1.67	1.87	0.71	9.2	10.0	18.1	16.7	5.5	6.0	1.81	-7.7	1.65	1.2	-2.9
CMMT	1.41	1.72	0.41	8.1	8.6	17.4	16.3	6.0	6.3	1.72	-18.0	1.40	0.7	-7.8
POWER & UTILITIES														
MALAKOF	0.90	1.16	0.65	6.3	6.0	14.3	15.0	7.8	7.8	1.43	-37.1	0.90	0.0	-34.3
PETDAG	24.56	22.08	0.55	102.8	105.1	23.9	23.4	3.1	3.2	25.70	-4.4	21.00	17.0	3.2
PETGAS	16.10	19.10	0.94	89.1	98.8	18.1	16.3	4.2	4.3	21.98	-26.8	15.82	1.8	-24.4
TENAGA	15.64	17.38	0.72	131.6	129.9	11.9	12.0	2.9	2.9	15.64	0.0	13.00	20.3	12.5
YTLPOWR	1.14	1.17	0.74	8.2	9.7	13.9	11.8	4.4	4.4	1.50	-24.0	1.11	2.7	-22.0
TELECOMMUNICATIONS														
AXIATA	5.36	5.75	1.39	14.3	16.0	37.4	33.5	1.3	1.5	5.47	-2.0	4.24	26.4	13.6
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	5.90	6.10	0.77	26.0	26.2	22.7	22.5	3.4	3.4	6.60	-10.6	5.48	7.7	-1.3
TM	6.18	7.20	0.63	22.6	23.2	27.3	26.6	3.3	3.4	6.69	-7.6	5.81	6.4	3.9
TECHNOLOGY														
Semiconductor & Electronics														
ELSOFT	2.67	2.70	0.56	11.3	15.0	23.6	17.8	3.0	3.9	2.95	-9.5	1.29	107.7	90.2
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	3.12	3.05	0.94	11.2	14.2	27.9	22.0	3.1	3.2	3.37	-7.4	1.61	94.2	88.3
MPI	12.24	15.40	0.41	89.5	105.5	13.7	11.6	2.2	2.6	14.52	-15.7	7.31	67.4	65.2
UNISEM	3.36	3.85	0.96	23.5	27.1	14.3	12.4	3.6	3.6	4.25	-20.9	2.29	46.7	42.4
TRANSPORTATION														
Airlines														
AIRASIA	3.20	3.83	1.01	53.1	38.3	6.0	8.4	1.3	1.6	3.59	-10.9	2.16	48.1	39.7
AIRPORT	8.37	8.47	1.28	19.6	19.7	42.7	42.4	1.2	1.2	9.45	-11.4	5.91	41.6	38.1
Freight & Tankers														
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	1.31	1.80	1.14	12.0	13.6	10.9	9.6	3.3	3.8	1.83	-28.5	1.29	1.6	-16.0
WPRTS	3.44	4.06	0.89	17.1	16.8	20.1	20.5	3.7	3.7	4.39	-21.6	3.37	2.1	-20.0

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

Company	Share Price (S$)	Target Price (S$)	Beta	EPS (cent) FY17	EPS (cent) FY18	PER (X) FY17	PER (X) FY18	Div Yield (%) FY17	Div Yield (%) FY18	52week High Price	52week % Chg	52week Low Price	52week % Chg	% Chg YTD
BANKS & FINANCIAL SERVICES														
DBS	24.80	23.30	1.26	172.7	189.1	14.4	13.1	2.4	2.4	-0.8	17.2	44.61	43.0	0.0
OCBC	12.51	13.50	1.20	95.5	104.0	13.1	12.0	5.7	6.7	-0.5	8.9	8.84	40.2	0.0
UOB	26.32	26.90	1.07	200.8	215.4	13.1	12.2	2.7	2.7	-1.1	20.1	31.27	29.0	0.0
PLANTATIONS														
WILMAR	3.12	3.63	0.85	25.6	29.9	12.2	10.4	2.2	2.6	-22.0	3.1	1.30	-13.1	0.0
IFAR	0.39	0.53	0.97	4.9	5.2	7.9	7.4	3.1	3.3	-35.3	0.4	1.32	-26.7	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.*