

Daily Brief

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

Chartist: Stephen Soo

Tel: +603-2167-9607

stsoo@ta.com.my

www.taonline.com.my

Market View *Correction Needed to Neutralize Overbought Momentum*

Blue chips fell for correction Tuesday, as extreme overbought momentum and with stock prices at their highest since April 2015 encouraged profit-taking. The KLCI shed 5.2 points to end at 1,826.95, off an early high of 1,840.35 and low of 1,823.52, as losers bashed gainers 716 to 387 on strong volume totaling 6.47bn shares worth RM4.41bn.

Key Uptrend Supports at 1,820 & 1,796

This profit-taking correction should persist for the next few days, which is needed to neutralize extreme overbought momentum and the peaking volume, and promote more sustainable uptrend ahead. Immediate resistance for the index are at 1,840, yesterday's high matching the 123.6%FP, next will be 1,867, the April 2017 peak matching the 138.2%FP, followed by the all-time high of 1,896 on July 2014. Important uptrend supports in this profit-taking correction are at 1,820 and 1,796, the breakout level.

SELL Rally on AAX & AirAsia

Further rally on AirAsia X shares towards the 61.8%FR (41sen) and 76.4%FR (44sen) would aggravate overbought momentum and encourage profit-taking correction, while key retracement supports are from the 38.2%FR (35sen) and 23.6%FR (32sen). Similarly, the breakout rally on AirAsia above RM3.59 should encounter profit-taking resistance from the 123.6%FP (RM3.93) and 138.2%FP (RM4.14), while uptrend supports are at RM3.59, and the rising 10 and 30-day moving averages at RM3.44 and RM3.30, respectively.

Asian Markets Edge Higher Ahead Of Earnings Season

Asian shares edged higher on Tuesday, approaching record highs after the S&P 500 extended its winning streak overnight. Signs of financial-market stress continue to abate at the start of 2018 amid optimism that lower U.S. taxes and a broadening global economic recovery justify record high prices for global equities. Investors bet on further U.S. interest rate hikes after Friday's payrolls data did nothing to challenge the outlook for monetary policy tightening by the U.S. Federal Reserve. While job growth slowed more than expected, a pickup in monthly wages pointed to labor market strength. With no major data released, investors are looking forward to quarterly earnings releases due at the end of the week.

Japan's Nikkei share average hit a 26-year high Tuesday, as index heavyweight Fast Retailing soared on strong December sales. The Nikkei ended 0.6 percent higher at 23,849.99, the highest closing level since November 1991. Over in Sydney, the S&P/ASX 200 clung to gains, closing 0.09 percent higher at 6,135.8. The resource sector was the best-performer of the day, with major mining companies Rio Tinto and BHP rising 2.34 percent and 1.67 percent, respectively. China stocks also extended a rally to an eighth straight day, with major indexes ending at their six-week highs, helped by gains from consumer and healthcare firms. The Shanghai Composite index was up 5.35 points or 0.16 percent at 3,414.83.

Banking Sector Lift Wall Street Higher

Wall Street's major indexes extended the New Year rally to close at record levels on Tuesday as investors remained optimistic about the market heading into the corporate earnings season and hopes for easing tensions with North Korea. Stocks have mostly climbed since the first

trading days of 2018, extending last year's rally. That is leaving investors hard pressed to find clues portending the rally's end, especially as geopolitical tensions with North Korea appear to be easing and ahead of what analysts expect to be another batch of upbeat quarterly profit results. Shares of financial firms were among the biggest gainers. Higher interest rates typically widen the spread between what banks charge on loans and what they pay on deposits, which should boost their earnings. The KBW Nasdaq Bank index, a measure of 24 of the biggest U.S. bank stocks, added 1.1 percent. Shares of Boeing and Target also contributed to Tuesday's gains after both companies released some financial results. Boeing rose 2.7 percent, contributing roughly 57 points to the Dow's gain after it reported an increase in jetliner deliveries and orders.

The Dow Jones Industrial Average rose 102.8 points, or 0.41 percent, to 25,385.8, the S&P 500 gained 3.58 points, or 0.13 percent, to 2,751.29 and the Nasdaq Composite added 6.19 points, or 0.09 percent, to 7,163.58.

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As of Wednesday, January 10, 2018, the chartist, Stephen Soo, who prepared this report, has interest in the following securities covered in this report:
(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

Frost & Sullivan expects **vehicle sales in Malaysia** to reach 601k units in 2018, up 2% from its 2017 overall target. This is as consumer confidence improves in tandem with the nation's economic growth. A strengthening ringgit is likely to reduce import costs of automotive parts and completely built-up models, leading to price stabilisation this year. (The Edge)

Serba Dinamik Holdings Berhad proposed a private placement of up to 10% of its issued share base, potentially raising estimated gross proceeds of RM433.9mn. This is to finance its capital expenditure for Pengerang eco-Industrial Park, partly finance the development of Pengerang International Commercial Centre and to meet future obligations for the engineering, procurement, construction and commissioning contract under the Tanzania project. (Bursa)

Ekuiti Nasional Bhd has divested its 100% interest in APIIT Education Group to JV vehicles owned by the existing key management team and KV Asia Capital, based on an EV of RM725mn. The education group comprises Asia Pacific Schools, Asia Pacific University of Technology and Innovation and Asia Pacific Institute of Information Technology. (Bernama)

Mitrajaya Holdings Berhad clinched a contract from Putrajaya Homes Sdn Bhd totalling RM103.1mn. This relates to the construction of 404 apartment units, under PPAIM, which also includes a 1 block multi-level parking, surau and common facilities. (Bursa)

Perdana Petroleum Berhad entered into a related party transaction with **Dayang Enterprise Holdings Berhad**, for a contract totalling RM41.8mn. This relates to the supply of two accommodation workbarges and two anchor handling tug/supply vessels for the duration of nine months with an option to extend for three months. (Bursa)

Sunway Real Estate Investment Trust is planning a minimum investment of RM100mn, with the bulk of this sum going towards building the second phase of its Sunway Carnival Shopping Mall in Seberang Jaya, on the mainland of Penang. The new extension will increase the mall's net lettable area by 70% in 2020. (The Edge)

Uzma Berhad has been awarded three umbrella contracts for the provision of electrical submersible pump and services for PETRONAS Carigali Sdn Bhd. The execution of the contracts depend on work orders to be issued from time to time. As such, there is no form value for the umbrella contracts. (Bursa)

Comments: We note that the contract secured is an umbrella contract and may not necessarily realise earnings in the near term. This is the usual trend with the majority of Uzma's businesses. We believe the new contracts will be well within our orderbook replenishment assumption of RM100mn in FY18. To recap, we increased our orderbook assumption as management guided better order flow momentum in FY18 and FY19. Thus, we maintain our earnings forecast. Our TP remains unchanged at RM1.56 based on 0.9x CY18 P/B. Reiterate Hold.

Felda Global Ventures Holdings Bhd is anticipating a 30-50% rise in export volume, following the Malaysian government's decision to suspend CPO export tax for the first three months of the year. The tax suspension is expected to benefit plantation companies with significant upstream operations and strengthen commodity prices for the first quarter of the year. (The Edge)

PDZ Holdings Bhd entered into a MOU with PT. Indonesia Bulk Carrier. This is to provide total maritime logistic solutions, such as container liner, bulk cargoes, tug and barge, self-propelled barge, oil and gas support vessels coupled with other related services such as vessel

chartering, pooling management, shipping consultancy and crew management, in line with PDZ's regional expansion plans. (Bursa)

Prestar Resources Bhd, which is planning to list its 51% owned manufacturing and trading subsidiary Tashin Steel Sdn Bhd (TSSB) on the ACE Market, will do so via a special purpose vehicle, Tashin Holdings Bhd, by 4Q2018. TSSB is involved in the processing of steel coils into slit coils and steel sheets, as well as the manufacturing of steel products like expanded metal products, flat bars, square bars, steel pipes, steel plates, checkered plates and C Purlins. (The Edge)

Sedania Innovator Berhad appointed Mr Daniel Bernd Ruppert as its new CEO, replacing the outgoing Mr Mahadzer Arshad, who resigned due to personal commitments. Prior to his appointment, Mr Daniel was the Director of Business Development of LNE Network Systems (Asia) Sdn Bhd. (Bursa)

Kinsteel Bhd submitted an appeal against the suspension and de-listing of its securities to Bursa Securities. The removal of Kinsteel from Bursa on 9 January 2018 will now be deferred, pending a decision on the appeal. (Bursa)

News In Brief *Economy*

Asia **Mustapa Rebut Claims that 50,000 Jobs Will be Lost This Year**

Minister of International Trade and Industry Datuk Seri Mustapa Mohamed said that the total number of retrenchments may not be as high as claimed by some quarters. He said that while it was true that technology and industrial structure has resulted in displacements, it was incorrect for some quarters to allege that 50,000 workers would be retrenched primarily due to the rising cost of doing business. "While there will be some retrenchments, in our view most of those retrenched workers will be reemployed by new and expanding businesses and the total number of retrenchments this year may not be as high as claimed," he said in a statement after a dialogue session with 21 members of the Federation of Malaysian Manufacturers (FMM). The dialogue held was to discuss on the cost of doing business and employment opportunities in Malaysia. Mustapa said that most of those retrenched has been rehired by new and existing companies. In the three-year period between 2014 and 2016, new manufacturing projects implemented have created over 153,000 jobs. In addition another 32,700 jobs will be created from investments secured in the period from January to September 2017. (The Star)

Malaysia Says 'Can' Retaliate if EU Discriminates Against Palm Oil

Malaysia can retaliate in a similar manner if the European Union (EU) excludes palm oil from its biofuel mix, Malaysia's Plantation Industries and Commodities Minister Datuk Seri Mah Siew Keong said. Mah said within the next two weeks, the EU is expected to vote on a proposal to exclude palm oil from the region's biofuel mix. "If our product is discriminated, we can also institute the same thing, but we hope it wouldn't come to that. Ministry of International Trade and Industry is negotiating a free trade agreement with Europe, and palm oil will remain at the top of the agenda," he said. Mah was speaking to reporters on the sidelines of a seminar organised by the Malaysian Palm Oil Council.

Palm oil output in Malaysia, the world's second largest producer after Indonesia, is forecast to rise to over 20 million tonnes this year from 19.5 million tonnes in 2017. Plantation industries and commodities minister Mah Siew Keong last forecast in November that 2018 output would "be more than last year" versus a 2017 production outlook of 19.5 million tonnes. He also earlier forecast that palm oil prices would average between 2,600-2,700 ringgit a tonne in 2018. Benchmark palm oil prices were up 0.08% at 2,627 ringgit (US\$656.91) a tonne in early trade on Tuesday. They averaged at 2,807 ringgit in 2017, according to Eikon data, slightly up from 2,741 ringgit the previous year. (The Edge Markets)

Japan Real Wages Climb but Previous Gains Erased by Revisions

Monthly wages climbed in real terms in Japan in November, but a revision to October's reading eliminated what was previously the first such rise since 2016. Real cash earnings rose 0.1% year on year in November, according to preliminary figures from Japan's Ministry of Health, Labour and Welfare, up from a revised fall of 0.1% October (previously a rise of 0.2%) and besting a median forecast from economists surveyed by Bloomberg predicting a fall of 0.1%. Labour cash earnings – not adjusted for inflation – accelerated to year-on-year growth of 0.9% after slowing to a revised pace of 0.2% (previously 0.6%) a month prior. Most of the jump in cash earnings attributed to a jump in overtime earnings and bonus payments, noting that growth in hourly wages for part-time workers slowed sharply from 2.1% to 1.5% in November, the slowest increase since August 2016. (Financial Times)

Japan Consumer Confidence Falls Unexpectedly

Japan's consumer confidence dropped unexpectedly in December, though slightly, survey data from the Cabinet Office showed. The seasonally adjusted consumer confidence index decreased to 44.7 in December from November's 50-month high of 44.9. Meanwhile, economist had expected the index to rise to 45.0. The indicator for livelihood fell to 42.9 in December from 43.2 in the preceding month. The income growth index remained stable at

43.0. The gauge measuring employment weakened to 49.0 from 49.3 and willingness to buy durable goods declined to 43.8 from 44.0. The survey was conducted among 8,400 households on December 15. (RTT News)

Australia Building Approvals Surge 11.7% in November

The total number of building approvals issued in Australia was up a seasonally adjusted 11.7% on month in December, the Australian Bureau of Statistics said - coming in at 21,055. That beat forecasts for a decline of 1.3% following the downwardly revised 0.1% contraction in October. On a yearly basis, approvals surged 17.1% - again beating expectations for a gain of 4.6% following the downwardly revised 17.5% spike in the previous month (originally 18.4%). Approvals for private sector houses fell 2.0% in November, while approvals for dwellings excluding houses skyrocketed 30.6%. (RTT News)

***United States* U.S. Job Openings Unexpectedly Drop in November**

The number of job openings in the U.S. unexpectedly fell in November, official data showed on Tuesday. In the release of the monthly Job Openings and Labor Turnover Survey (JOLTS), the U.S. Labor Department said that the number of job openings, excluding the farming industry, fell to 5.879 million in November from 5.925 million a month earlier, which was revised down from the original reading of 5.996 million. Analysts had expected the number of job openings to increase to 6.038 million in November from the previous month. The report has garnered more attention despite the lag on the data, as outgoing Federal Reserve chair Janet Yellen has cited the survey when assessing the state of the labor market. (Investing.com)

***Europe and United Kingdom* Euro-Area Unemployment Rate Drops to Lowest Level Since 2009**

Joblessness in the euro area declined to the lowest level since early 2009, raising the prospect of a tighter jobs market finally putting the upward pressure on wages keenly anticipated by the European Central Bank. The unemployment rate dropped to 8.7% in November from 8.8% the previous month, according to a report from Eurostat. The reading matches the median of 34 estimates in a Bloomberg survey. While the region's economy has returned to health following a period marred by bank failures, record joblessness and a sovereign-debt crisis that jeopardized the currency union, inflation has proved sluggish -- in part because wages have been slow to rise. In a bid to fuel price pressures, policy makers have committed to continuing asset purchases until at least September. While falling unemployment should further boost consumption, thereby contributing to the self-sustaining character of the recovery, the key question for the ECB is when the unemployment level will start to affect wages. With the number of companies beginning to see production bottlenecks due to a lack of personnel, wage growth should start to pick up. Economic activity in the euro-area accelerated to the fastest pace in almost seven years in December as services surged while factories benefited from booming domestic demand and near-record growth in export orders. In Germany, where unemployment is the lowest on record amid a veritable economic boom, industrial production increased almost twice as much as forecast in November, a separate release on Tuesday showed. (Bloomberg)

Germany's Industrial Output Rebounds in November

Germany's industrial production rebounded at a faster than expected pace in November, figures from Destatis revealed. Industrial output expanded 3.4% month-on-month in November, reversing a revised 1.2% drop in October. Output was expected to grow 1.8%. Excluding energy and construction, industrial output gained 4.3% in November. Energy production fell 3.1%, while construction output grew 1.5%. Data showed that production of capital goods grew 5.7% and that of consumer goods gained 3.6%. At the same time, production of intermediate goods logged a monthly growth of 3%.

Separately, the country's exports climbed 4.1% on month in November, in contrast to a 0.3% drop registered in October. The rate also exceeded the expected rate of 1.2%. At the same time, monthly growth in imports accelerated to 2.3% from 1.8% in October. Imports were

forecast to climb 0.6%. The trade surplus rose to a seasonally adjusted EUR 22.3 billion from around EUR 19.9 billion in October. On a yearly basis, exports advanced 8.2%, faster than October's 6.9% increase. Meanwhile, imports grew at a slightly slower pace of 8.3% after rising 8.4%. On an unadjusted basis, the trade surplus increased to EUR 23.7 billion from EUR 22 billion in the previous year. The current account surplus came in at EUR 25.4 billion versus EUR 24.9 billion a year ago. (RTT News)

Share Buy-Back: 09 January 2018

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
FIAMMA	50,000	0.52	0.52/0.515	21,990,000
KPJ	50,000	0.99/0.97	0.99/0.97	16,937,000
MALAKOF	200,000	1.04/1.02	1.07/1.00	2,124,400
SCGM	30,000	2.37/2.35	2.37/2.35	703,500

Source: Bursa Malaysia

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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

SNAPSHOT OF STOCKS UNDER COVERAGE																
Company	Share Price (RM)	Target Price (RM)	Recom	Market Cap. (RMm)	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD
						FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
AUTOMOBILE																
	09-Jan-18															
BAUTO	2.37	2.50	Buy	2,737	0.73	14.3	19.9	16.6	11.9	4.9	5.1	2.47	-4.0	1.84	28.8	7.7
MBMR	2.41	2.32	Hold	942	0.80	23.2	23.9	10.4	10.1	1.9	2.0	2.60	-7.3	2.01	19.9	9.5
PECCA	1.63	1.69	Buy	301	na	11.1	12.5	14.6	13.1	3.4	3.7	1.70	-4.1	1.28	27.3	5.2
SIME	2.69	1.97	Hold	18,294	1.56	12.0	12.7	22.5	21.3	1.1	1.2	2.96	-9.1	1.92	40.2	21.7
UMW	6.37	4.37	Sell	7,442	1.38	20.7	36.9	30.8	17.3	1.6	2.8	6.44	-1.1	4.24	50.2	22.5
BANKS & FINANCIAL SERVICES																
ABMB	4.10	4.20	Buy	6,347	1.36	30.6	35.6	13.4	11.5	3.9	3.9	4.49	-8.7	3.62	13.3	0.5
AFFIN	2.51	2.50	Hold	4,877	0.88	24.2	28.1	10.4	8.9	3.2	3.2	2.98	-15.6	2.22	13.0	8.7
AMBANK	4.48	5.10	Buy	13,504	1.29	48.6	52.0	9.2	8.6	4.0	4.0	5.70	-21.4	4.06	10.3	1.6
CIMB	6.75	7.00	Buy	62,272	1.47	50.9	56.0	13.3	12.1	3.8	4.1	7.08	-4.7	4.71	43.3	3.2
HLBANK	17.60	17.50	Buy	36,003	0.68	114.2	120.9	15.4	14.6	2.6	2.6	17.80	-1.1	13.06	34.8	3.5
MAYBANK	9.83	9.70	Hold	105,972	1.05	70.9	77.7	13.9	12.6	5.1	5.1	9.86	-0.3	8.05	22.1	0.3
PBBANK	20.82	23.60	Buy	80,396	0.63	142.4	149.8	14.6	13.9	2.8	2.9	21.08	-1.2	19.66	5.9	0.2
RHBBANK	5.10	5.20	Hold	20,451	1.62	52.2	53.8	9.8	9.5	2.9	2.9	5.59	-8.8	4.71	8.3	2.0
BURSA	10.66	11.10	Buy	5,730	0.93	39.0	41.5	27.4	25.7	3.2	3.2	10.98	-2.9	8.08	31.9	5.3
<i>Note: BURSA proposed bonus issue of shares on the basis of 1 for 2. Ex-Target price RM7.04</i>																
CONSTRUCTION																
GADANG	1.15	1.73	Buy	758	0.98	14.3	18.2	8.1	6.3	2.6	2.6	1.37	-16.1	1.01	13.9	3.6
GAMUDA	5.00	6.00	Buy	12,278	0.85	34.5	35.7	14.5	14.0	2.4	2.4	5.52	-9.4	4.58	9.2	0.8
IJM	3.03	2.89	Sell	10,994	0.87	13.7	18.2	22.1	16.7	3.1	3.1	3.61	-16.1	2.71	11.8	-0.7
PESONA	0.51	0.55	Buy	354	0.86	5.8	4.8	8.8	10.7	2.9	2.9	0.74	-30.6	0.44	17.2	13.3
SENDAI	0.87	0.58	Sell	679	1.23	9.6	9.0	9.1	9.7	1.1	1.1	1.39	-37.4	0.51	72.3	0.6
SUNCON	2.60	2.65	Buy	3,360	0.51	14.7	16.4	17.7	15.8	2.1	2.3	2.64	-1.5	1.67	55.7	3.6
WCET	1.78	1.64	Hold	2,504	1.06	12.6	11.2	14.1	15.9	1.7	1.7	2.48	-28.1	1.46	21.9	9.9
LITRAK	5.56	6.26	Hold	2,934	0.32	45.6	47.1	12.2	11.8	4.5	4.5	6.15	-9.6	5.40	3.0	0.2
<i>Building Materials</i>																
ANNJOO	3.73	4.40	Buy	1,921	1.29	45.3	49.2	8.2	7.6	5.9	7.0	3.98	-6.3	2.27	64.3	-3.4
CHINHIN	1.20	1.49	Buy	668	1.13	12.4	12.0	9.6	10.0	4.2	5.0	1.49	-19.5	0.86	39.5	-0.8
ENGTEX	1.12	1.38	Buy	477	0.70	14.2	16.1	7.9	7.0	3.7	4.9	1.52	-26.3	1.07	4.7	1.8
CONSUMER																
<i>Brewery</i>																
CARLSBG	15.44	18.06	Buy	4,750	0.74	86.2	88.7	17.9	17.4	5.6	5.7	16.00	-3.5	13.90	11.1	0.9
HEIM	19.18	19.14	Buy	5,794	0.43	84.0	88.3	22.8	21.7	3.9	4.1	19.58	-2.0	15.78	21.5	1.5
<i>Retail</i>																
AEON	1.69	1.97	Sell	2,373	0.39	6.7	7.7	25.3	21.9	2.4	2.7	2.70	-37.4	1.64	3.0	-4.0
AMWAY	7.51	8.18	Buy	1,235	0.39	43.9	45.2	17.1	16.6	5.1	5.3	8.18	-8.2	7.04	6.7	1.8
F&N	28.28	28.55	Hold	10,366	0.21	155.7	182.7	18.2	15.5	2.1	2.3	28.52	-0.8	22.64	24.9	4.7
HUPSENG	1.15	1.25	Hold	920	0.43	5.4	5.6	21.2	20.7	3.9	4.3	1.28	-10.2	1.08	6.5	5.5
JOHOTIN	1.25	1.70	Buy	388	0.72	12.5	12.6	10.0	9.9	4.0	4.3	1.76	-29.0	1.16	7.8	3.3
NESTLE	103.00	120.50	Buy	24,154	0.40	330.1	373.8	31.2	27.6	2.9	3.3	105.00	-1.9	74.12	39.0	-0.2
PADINI	5.28	4.67	Sell	3,474	0.86	27.0	30.0	19.6	17.6	2.4	2.5	5.50	-4.0	2.26	133.6	0.0
POHUAT	1.67	2.37	Buy	367	0.56	25.3	25.5	6.6	6.6	4.8	4.8	2.07	-19.3	1.62	3.1	-6.7
QL	4.71	3.26	Sell	7,642	0.42	12.8	14.7	36.7	32.0	1.0	1.0	4.75	-0.8	3.26	44.7	8.3
SIGN	0.75	0.92	Buy	171	0.94	6.9	9.2	10.7	8.1	3.4	4.7	1.07	-30.4	0.69	8.0	5.7
<i>Tobacco</i>																
BAT	36.82	52.08	Buy	10,513	1.41	187.4	175.4	19.6	21.0	5.4	5.4	51.04	-27.9	34.06	8.1	-8.0
GAMING																
<i>Casino</i>																
GENTING	9.36	11.53	Buy	35,806	1.57	54.4	59.8	17.2	15.7	1.7	1.7	10.00	-6.4	8.00	17.1	1.7
GENM	5.76	6.51	Buy	32,650	1.58	27.0	30.6	21.3	18.8	1.6	1.7	6.38	-9.7	4.64	24.2	2.3
<i>NFO</i>																
BJTOTO	2.33	3.34	Buy	3,139	0.81	21.5	26.0	10.8	9.0	6.9	7.7	3.00	-22.3	2.23	4.5	4.0
HEALTHCARE																
<i>Hospitals/ Pharmaceutical</i>																
CCMDBIO	2.79	2.70	Buy	778	0.86	15.0	16.1	18.6	17.4	3.5	3.7	2.80	-0.4	1.90	46.8	10.3
IHH	5.83	6.40	Buy	48,034	0.74	11.9	15.0	49.1	39.0	0.5	0.6	6.45	-9.6	5.42	7.6	-0.5
KPJ	0.98	1.12	Buy	4,179	0.48	3.8	4.2	25.9	23.3	2.1	2.3	1.14	-14.0	0.90	8.9	1.0
<i>Rubber Gloves</i>																
HARTA	10.80	7.30	Sell	17,851	0.87	25.8	30.5	41.9	35.4	1.1	1.3	11.40	-5.3	4.53	138.4	1.1
KOSSAN	8.60	8.80	Buy	5,499	0.09	38.3	43.0	22.5	20.0	2.2	2.5	8.70	-1.1	5.62	53.0	6.0
SUPERMX	2.31	1.80	Sell	1,515	0.46	15.3	17.9	15.1	12.9	2.3	2.7	2.39	-3.3	1.69	36.7	15.5
TOPGLOV	8.99	7.00	Sell	11,284	0.09	33.7	36.4	26.7	24.7	1.9	2.0	9.25	-2.8	4.56	97.1	12.5
KAREX	1.31	1.00	Sell	1,313	0.66	2.8	5.2	47.4	25.2	0.5	1.0	2.52	-48.0	1.20	9.2	0.8
INDUSTRIAL																
SCIENTX	8.90	9.84	Buy	4,305	0.56	68.2	74.9	13.0	11.9	2.4	2.9	9.85	-9.6	6.69	33.0	2.8
SKPRES	2.30	2.20	Hold	2,875	0.67	10.4	14.8	22.2	15.6	2.3	3.2	2.35	-2.1	1.24	85.5	0.9
MEDIA																
ASTRO	2.75	3.10	Buy	14,338	1.07	14.0	13.7	19.7	20.1	4.7	4.9	2.94	-6.5	2.45	12.2	3.8
MEDIA PRIMA	0.76	0.45	Sell	843	1.14	-3.8	-1.7	na	na	0.0	0.0	1.28	-40.6	0.58	31.0	0.0
STAR	1.49	1.25	Sell	1,099	1.10	6.7	6.7	22.2	22.2	8.1	8.1	2.22	-32.8	1.31	13.7	-9.7

SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price (RM)	Target Price (RM)	Recom	Market Cap. (RMm)	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD
						FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
OIL & GAS																
DNEK	0.54	0.72	Buy	948	1.37	4.2	4.5	12.9	11.9	1.9	1.9	0.69	-21.7	0.27	103.8	11.3
LCTITAN	5.11	6.66	Buy	11,615	na	63.4	68.2	8.1	7.5	4.9	5.3	6.53	-21.7	4.14	23.4	8.7
MHB	0.92	0.78	Sell	1,464	1.82	-0.5	0.3	na	269.6	0.0	0.0	1.16	-21.1	0.63	46.4	10.9
MISC	7.55	6.56	Sell	33,702	1.09	46.8	52.3	16.1	14.4	4.0	4.0	7.90	-4.4	6.89	9.6	1.8
PANTECH	0.66	0.69	Sell	487	1.13	6.1	6.8	10.7	9.6	4.2	4.7	0.74	-11.5	0.45	45.6	1.6
PCHEM	8.14	8.05	Hold	65,120	1.03	49.8	52.6	16.4	15.5	2.7	2.8	8.27	-1.6	6.80	19.7	5.7
SAPNRG	0.94	1.25	Buy	5,603	2.44	-6.5	-4.9	na	na	0.0	0.0	2.10	-55.5	0.67	40.6	31.7
SERBADK	3.40	3.40	Sell	4,539	na	25.7	27.8	13.2	12.2	2.3	2.4	3.60	-5.6	1.51	125.2	4.9
UMWOG	0.43	0.51	Buy	3,492	1.90	0.4	1.2	105.2	34.3	0.0	0.0	0.90	-52.7	0.27	57.4	39.3
UZMA	1.45	1.56	Hold	464	0.99	13.2	14.4	11.0	10.0	0.0	0.0	1.98	-26.8	1.26	15.1	13.3
PLANTATIONS																
FGV	1.96	2.01	Hold	7,150	1.75	3.7	4.5	52.9	43.1	2.6	2.6	2.18	-10.1	1.51	29.8	16.0
IJMLNT	2.67	2.69	Sell	2,351	0.19	9.1	12.5	29.3	21.3	3.0	3.4	3.60	-25.8	2.67	0.0	-2.6
IOICORP	4.67	4.12	Sell	29,346	1.15	21.0	21.8	22.2	21.4	3.4	3.6	4.81	-2.9	4.31	8.4	2.9
KFIMA	1.63	1.89	Buy	460	0.56	13.3	14.5	12.3	11.2	5.5	5.5	1.96	-16.8	1.56	4.5	3.8
KLK	25.18	26.18	Hold	26,816	0.81	120.7	126.3	20.9	19.9	2.4	2.5	25.50	-1.3	23.00	9.5	0.7
SIMEPLT	5.60	6.25	Buy	38,085	na	21.0	22.1	26.6	25.4	2.5	2.7	6.00	-6.7	4.58	22.3	-6.7
TMH	1.67	2.10	Buy	2,306	0.71	9.3	9.6	17.9	17.4	1.4	1.5	1.94	-13.9	1.56	7.1	1.2
UMCCA	6.61	6.73	Sell	1,385	0.40	22.8	34.8	29.0	19.0	2.6	2.7	7.08	-6.6	5.76	14.7	1.5
PROPERTY																
GLOMAC	0.61	0.50	Sell	441	0.66	3.0	4.4	20.6	13.8	3.3	3.3	0.75	-18.1	0.58	5.2	0.0
HUAYANG	0.64	0.59	Sell	224	0.90	1.8	3.4	34.7	18.7	0.8	0.8	1.21	-47.5	0.60	6.7	4.1
IBRACO	0.90	0.92	Hold	444	na	9.1	12.4	9.8	7.2	4.5	5.6	0.99	-9.6	0.76	18.5	9.8
IOIPG	1.92	2.02	Hold	10,572	0.80	16.5	16.3	11.6	11.8	3.1	3.1	2.22	-13.5	1.79	7.3	3.8
MAHSING	1.48	1.69	Buy	3,591	0.89	13.0	12.6	11.3	11.8	4.4	4.4	1.64	-9.8	1.38	7.2	2.1
SIMEPROP	1.64	1.61	Sell	11,153	na	9.2	9.1	17.8	18.0	1.2	1.2	1.78	-7.9	1.04	57.7	-7.9
SNTORIA	0.65	0.76	Buy	368	0.19	8.3	8.6	7.9	7.6	1.5	1.5	0.91	-28.5	0.60	8.3	-6.5
<i>Note: SNTORIA proposed bonus issue of warrants & right issue of shares. For more details please refer to</i>																
SPB	4.91	5.28	Hold	1,687	0.65	21.2	26.1	23.2	18.8	2.4	2.4	5.50	-10.7	4.32	13.6	0.2
SPSETIA	3.41	3.77	Buy	10,314	0.94	21.3	21.9	16.0	15.6	3.5	3.5	4.38	-22.2	3.06	11.5	-14.8
SUNWAY	1.77	1.74	Hold	8,666	0.80	11.9	12.6	14.9	14.1	2.8	3.4	1.96	-9.6	1.27	39.5	8.6
REIT																
SUNREIT	1.74	1.87	Hold	5,124	0.84	10.0	10.7	17.3	16.3	5.8	6.1	1.90	-8.4	1.64	6.1	-8.4
CMMT	1.47	1.72	Buy	2,995	0.71	8.6	8.9	17.0	16.5	6.1	6.3	1.83	-19.7	1.39	5.8	-19.7
POWER & UTILITIES																
MALAKOF	1.04	1.16	Buy	5,198	0.81	6.0	6.8	17.4	15.3	6.7	6.7	1.39	-25.2	0.86	20.9	6.1
PETDAG	25.14	22.08	Sell	24,975	0.45	105.1	105.7	23.9	23.8	3.1	3.1	25.70	-2.2	21.00	19.7	3.6
PETGAS	19.00	19.10	Buy	37,596	0.97	98.8	99.5	19.2	19.1	3.6	3.7	21.58	-12.0	15.82	20.1	8.7
TENAGA	15.88	17.38	Buy	89,976	0.70	129.9	127.9	12.2	12.4	2.9	2.9	15.94	-0.4	13.00	22.2	4.1
YTLPOWR	1.32	1.17	Sell	10,464	0.88	9.6	10.1	13.7	13.1	3.8	3.8	1.50	-12.0	1.11	18.9	2.3
TELECOMMUNICATIONS																
AXIATA	5.63	5.75	Hold	50,940	1.36	16.0	19.5	35.2	28.8	1.4	2.8	5.82	-3.3	4.24	32.8	2.6
DIGI	4.85	5.20	Buy	37,709	0.79	20.0	20.6	24.3	23.5	4.1	4.3	5.19	-6.6	4.36	11.2	-4.9
MAXIS	6.03	6.10	Hold	47,098	0.72	26.2	25.7	23.0	23.4	3.3	3.3	6.60	-8.6	5.48	10.0	0.3
TM	6.10	7.20	Buy	22,923	0.49	23.2	24.9	26.3	24.5	3.4	3.7	6.69	-8.8	5.85	4.3	-3.2
TECHNOLOGY																
<i>Semiconductor & Electronics</i>																
ELSOFT	2.74	2.70	Hold	754	0.66	15.0	15.7	18.3	17.4	3.8	4.0	2.95	-7.1	1.36	100.8	1.5
IRIS	0.24	0.25	Buy	581	2.05	0.6	0.7	42.5	35.2	0.0	0.0	0.24	-2.1	0.12	104.3	27.0
INARI	3.65	3.35	Hold	7,489	0.87	14.2	15.9	25.7	23.0	2.8	3.1	3.82	-4.5	1.72	112.6	7.4
MPI	12.40	12.95	Hold	2,466	0.60	105.5	121.2	11.7	10.2	2.6	2.6	14.52	-14.6	7.63	62.5	-1.7
UNISEM	3.39	3.25	Sell	2,488	1.02	27.1	28.7	12.5	11.8	3.5	3.5	4.25	-20.2	2.37	43.0	-7.1
TRANSPORTATION																
<i>Airlines</i>																
AIRASIA	3.74	3.83	Buy	12,499	1.26	38.3	39.8	9.8	9.4	1.3	1.6	3.76	-0.5	2.16	73.1	11.6
AIRPORT	9.05	8.47	Sell	15,016	1.39	19.7	20.1	45.8	44.9	1.1	1.3	9.45	-4.2	6.02	50.3	3.0
<i>Freight & Tankers</i>																
PTRANS	0.31	0.44	Buy	390	na	2.3	3.6	13.6	8.7	2.3	3.5	0.38	-18.8	0.14	120.0	10.7
TNLOGIS	1.35	1.80	Buy	617	1.14	13.6	14.0	9.9	9.6	3.7	3.7	1.83	-26.4	1.29	4.7	0.7
WPRTS	3.53	4.02	Hold	12,037	0.72	15.5	20.0	22.7	17.7	3.3	4.2	4.31	-18.1	3.34	5.7	-4.6

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

Company	Share Price (S\$)	Target Price (S\$)	Recom	Market Cap. (S\$m)	Beta	EPS (cent)		PER (X)		Div Yield (%)		52week		52week		% Chg YTD
						FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
BANKS & FINANCIAL SERVICES																
DBS	26.51	23.30	Sell	67,803	1.25	189.1	214.6	14.0	12.4	2.3	2.3	26.6	-0.3	17.77	49.2	6.7
OCBC	12.91	13.50	Buy	54,039	1.22	104.1	110.6	12.4	11.7	6.7	7.7	13.0	-0.8	9.17	40.8	4.2
UOB	27.80	26.90	Hold	46,232	1.06	215.4	229.3	12.9	12.9	2.5	2.5	27.8	0.0	20.38	36.4	5.1
PLANTATIONS																
WILMAR	3.21	3.63	Hold	20,539	0.83	29.9	31.8	10.7	10.1	2.5	2.8	4.0	-19.8	3.06	4.9	3.9
IFAR	0.40	0.53	Hold	574	1.02	5.2	5.7	7.7	7.0	3.2	3.5	0.6	-31.0	0.37	9.6	2.6

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.