

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 *Rotational Play on Penny Stocks to Highlight*

The local market extended losses on Thursday, with blue chips leading falls in line with regional weakness as investors speculate that China may reduce US bond purchases. The KLCI lost 6.04 points to end at 1,816.88, off a high of 1,823.31 and low of 1,812.78, as losers thrashed gainers 781 to 265 on reduced turnover totaling 4.01bn shares worth RM3.04bn.

Key Uptrend Supports at 1,807 & 1,796

Rotational speculative trading plays on lower-priced and ACE Market stocks should continue to highlight active trade, as blue chips slip into profit-taking consolidation. Important supports in this profit-taking correction is at 1,807, the falling 10-day moving average, and 1,796, the breakout level. Immediate resistance for the index remains at 1,840, Tuesday'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.

Sell Bumi Armada & Wah Seong

Weakening trend indicators and overbought technical condition could force Bumi Armada to extend overbought correction towards RM0.82 and RM0.75, the 10 and 100-day moving averages, while key resistance capping immediate upside is at 123.6%FP (RM0.90). Likewise, Wah Seong could also weaken further from recent rally, with good support levels found at mid Bollinger band (RM1.20) and 50-day ma (RM1.13). Key resistance levels are at 176.4%FP (RM1.32) or the upper band (RM1.35).

Asian Markets Take Breather on China Bond Buying News

The New Year rally in Asian shares ran out of steam on Thursday as concerns about the U.S. administration's protectionist stance hit Wall Street while U.S. bonds were dented by speculation China may curtail buying. One of the reason cited for the decline was a report that China, the largest buyer of U.S. Treasury's, could potentially slow or halt its purchases following recommendation from officials in Beijing. That suggestion was reported by Bloomberg on Wednesday from sources familiar with the matter. Meanwhile, Canada is increasingly convinced that President Donald Trump will soon announce the United States intends to pull out of NAFTA, two government sources said. The comments cast further doubt on prospects for talks to modernize the trilateral North American Free Trade Agreement (NAFTA), which Trump has repeatedly threatened to abandon unless major changes are made.

Japan's Nikkei share average ended lower on Thursday, hit by declines in automakers and electronic component makers as the strong yen soured investor appetite. The Nikkei shed 0.3 percent to 23,710.43. Over in Seoul, the Kospi finished lower by 0.47 percent at 2,487.91. Chipmakers, which had weighed on the index in the last session, extended declines. In Sydney, the benchmark S&P/ASX 200 shed 0.48 percent to close at 6,067.6, with most sectors except gold producers edging lower on the day. China stocks were little changed, with the benchmark index up for a 10th successive session even as investors took profit in consumer and energy firms after a recent robust rally. The Shanghai Composite index was up 3.74 points or 0.11 percent at 3,425.57.

Energy Sector and Earnings Optimism Lift Wall Street Higher

Wall Street rebounded from the first retreat of the year to set fresh records on Thursday, as energy shares surged amid rising oil prices and optimism about corporate earnings. The S&P energy sector closed up 2 percent as Brent crude oil hit a more than three-year high, breaking through the psychologically important USD70 a barrel level for the first time since December 2014. Brent fell 0.1 percent to USD69.14 after briefly topping USD70. Energy stocks could also get an added boost in the coming weeks, as those companies in the S&P 500 are expected to more than double their fourth-quarter earnings from the year-earlier period, according to estimates from Fact-Set and analysts. Investors have also brushed aside a rapid increase in bond yields. China's foreign-exchange regulator on Thursday dismissed a Bloomberg News report suggesting Beijing is looking to pare back on U.S. bond buys as "fake news." Meanwhile, the major indexes pared gains briefly in late afternoon trading after New York Fed President William Dudley said tax cuts could lead to economic overheating. He predicted above-trend GDP growth with rising inflation in 2018.

The Dow Jones Industrial Average rose 205.6 points, or 0.81 percent, to 25,574.73, the S&P 500 gained 19.33 points, or 0.70 percent, to 2,767.56 and the Nasdaq Composite added 58.21 points, or 0.81 percent, to 7,211.78.

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As of Friday, January 12, 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*

CIMB Group Holdings Berhad announced the proposed divestment of a 20% stake in CIMB-Principal Asset Management Berhad to Principal International (Asia) Limited and 10% stake in CIMB-Principal Islamic Asset Management Sdn. Bhd. to Principal Financial Services Inc. At a total consideration of RM470.3mn, this is expected to result in a gain on disposal of RM950mn and improvement to its CET1 ratio of 18bps. (Bursa)

Ta Ann Holdings Berhad is acquiring a 30.4% stake in Sarawak Plantation Berhad (SPB) for RM169.9mn. The acquisition is part of plans to further expand its oil palm plantation business and gain larger market access in Sarawak. SPB has a total planted hectareage of 34,837ha. (Bursa)

HLT Global Berhad had propose to acquire a 55% stake in HL Rubber Industries Sdn Bhd for RM33.0mn. This will be satisfied through the issuance of 113.8mn new ordinary shares at an issue price of RM0.29/share. Following the move, HLT proposes to diversify its existing fabrication business of glove-dipping lines to include the manufacturing and trading of rubber gloves. (Bursa)

Uzma Berhad had secured two contracts from Petronas Carigali. The first is an umbrella contract for the provision of 340K and 460K Hydraulic Workover Unit for Petronas Carigali. It was also awarded the contract for provision of Hydraulic Workover Unit – “Ghazi 461”. (Bursa)

Amtek Holdings Berhad announced the proposed disposal of its entire Crocodile’s brand inventories, accessories and retail fixed assets located at consignment sales outlets, boutique and warehouse. This also includes the termination of both the license agreements for distributing and retailing the Crocodile brand men’s apparel and small leather goods in Malaysia. The aggregate tentative cash consideration is RM8.0mn. (Bursa)

Kumpulan Perangsang Selangor Bhd’s 60% owned unit, King Koil Licensing Company Inc, is planning to set up its first mattress manufacturing facility for direct distribution in Western United States by the 2Q2018. The in-house manufacturing and direct sales to retailers will enable it to have greater control of product quality and market distribution. (Bursa)

LBS Bina Group launched its first development of the year, a two-tower condominium in Bukit Jalil worth RM954.7mn in GDV. Called Residensi Bintang Bukit Jalil, it comprises a 47-storey North Tower and a 50-storey South Tower with a total of 1,342 units. (The Edge)

Malaysia Airlines Bhd is aiming for a 10% market share of flying Muslim pilgrims on charter flights to Saudi Arabia, as it prepares to launch its new charter services using the reconfigured A380 aircraft sometime in October this year. There are about one million pilgrims who perform their hajj and umrah yearly from the region, and the airline controls about 6% of this market. (The Star)

Low profile **Kuchai Development Bhd** could be a major beneficiary of the impending listing of Great Eastern’s insurance arm in Malaysia. Kuchai is the sixth largest shareholder (3.0mn shares) in Great Eastern Holdings Ltd (GEH), which is listed in Singapore. GEH, in turn, wholly owns Malaysia-based Great Eastern Life Assurance (M) Bhd that is likely to go for listing to comply with Bank Negara’s requirements. The stake is reported to fetch a value of RM4.1bn. (The Star)

Atlan Holdings Bhd announced a 45.9% YoY plunge in its 9MFY18 net profit to RM22.7mn. Duty free revenues declined 6.9% YoY, as the imposition of GST at border outlets and duty free zones effective 1st January 2017 resulted in lower demand. There was also a net forex loss of RM12.9mn vs. gains of RM11.0mn in the previous year. (Bursa)

News In Brief *Economy*

Asia **November's Industrial Output Exceeds Forecast at 5%**

Malaysia's industrial output, as measured by the industrial production index (IPI) increased by 5.0% in November 2017, exceeding economists forecast of a 4.6% rise. According to a statement from the Statistics Department, the increase in November was supported by the growth in all indices - manufacturing (6.7%), mining (0.2%) and electricity (3.9%). On a year-on-year basis, the output of the manufacturing sector in November increased strongly by 6.7% after registered an increase of 4.2% in October 2017. The Statistics Department said the major sub-sectors which recorded an expansion in November 2017 were petroleum, chemical, rubber and plastic products (7.5%), electrical and electronic products (6.9%) and food, beverages and tobacco products (8.2%). The mining sector output grew by 0.2% in November 2017 (October 2017: 0.8%), mainly due to the increase of crude oil index (0.3%). Natural gas index decline 0.01% while the electricity sector output expanded 3.9% in November 2017 on yearly basis. (The Star)

Positive Ringgit Backed by Robust Economic Growth

The ringgit's current upward momentum against major currencies is backed by the country's robust domestic economy and healthy trade performance, underpinned by the recovery in global oil prices. Second Finance Minister Datuk Seri Johari Abdul Ghani said the ringgit was also supported by Malaysia's strong export performance, which increased 20.2% from Jan-Nov 2017, as compared to the same period in 2016. "The global economy is also showing positive growth momentum this year, and is forecast to ramp up between 3.7-3.8% this year (World Bank). This will positively impact Malaysia's economic growth," he told reporters after the launch of the new Register of Property Managers here. He said the ringgit's performance so far is reflected by the positive sentiment in the local and global economies, with Malaysia's gross domestic product (GDP) expected to grow between 5.0% - 5.5% this year. Meanwhile, on the plan to impose a digital tax on the digital platform, Johari said the government is still awaiting feedback from the Organisation for Economic Co-operation and Development (OECD) countries on the right mechanism on the imposition. "We are looking at a suitable mechanism for the tax as almost 20% of business transactions in Malaysian are now being done through the digital platform. The problem is, some of the companies, are not Malaysia-based. "That's why we are engaging the OECD countries to get their feedback and learn more about how they have been managing these digital companies, in terms of imposing tax on them," he added. (The Star)

Japan Leading Index at 46-Month High

Japan's leading index increased notably in November to the strongest level in nearly four years, preliminary figures from the Cabinet Office showed Thursday. The leading index, which measures the future economic activity, climbed to 108.6 in November from 106.5 in October. The figure also matched consensus estimate. Moreover, this was the highest score since January 2014, when it was 112.2. The coincident index that reflects the current economic activity rose to 118.1 in November from 116.4 in the previous month. The reading was expected to improve to 117.9. The lagging index came in at 118.7 in November versus 118.5 in October.

China GDP Expands About 6.9% in 2017, Says Premier Li

Chinese Premier Li Keqiang said the economy expanded around 6.9 percent in 2017, the official Xinhua news agency reported. The economic situation is "better than expected," Li reportedly said in a forum in Cambodia. The government targeted about 6.5 percent growth for 2017. Gross domestic product had climbed 6.7 percent in 2016. The National Bureau of Statistics is scheduled to issue annual GDP data on January 18. (RTT News)

United States U.S. Ran \$23 Billion Budget Deficit in December, Treasury Says

The federal budget deficit for December narrowed from a year ago, amid flat government spending and higher tax receipts, the Treasury Department said. Federal spending still exceeded revenue by \$23 billion last month, compared with a \$27 billion budget gap in December 2016. Through the first three months of the fiscal year, which began Oct. 1, the deficit was about 7% wider than it was the same period a year earlier, the Treasury said. The Congressional Budget Office said this week that anticipation of a sweeping GOP tax bill may have affected corporate and individual tax receipts in the final months of 2017, as some businesses and individuals delayed payments. Federal spending in the first three months of the fiscal year outpaced tax collections, due in part to higher interest costs on the public debt as a result of rising inflation. Overall, the annual deficit as a share of gross domestic product totaled 3.5% at the end of calendar year 2017, the highest level in five years. The GOP tax bill is expected to boost deficits further by reducing tax revenue in the coming years. Rising long-term costs associated with an aging population, including higher Social Security and Medicare spending, also are expected to continue pushing up deficits over the coming decades. (The Wall Street Journal)

US Producer Prices Fall for First Time in Nearly 1½ Years

U.S. producer prices fell for the first time in nearly 1-1/2 years in December amid declining costs for services. The Labor Department said its producer price index for final demand slipped 0.1% last month. That was the first drop in the PPI since August 2016 and followed two straight monthly increases of 0.4%. In the 12 months through December, the PPI rose 2.6% after accelerating 3.1% in November. Economists polled by Reuters had forecast the PPI rising 0.2% last month and increasing 3.0% from a year ago. The PPI increased 2.6% in 2017 after advancing 1.7% in 2016. A key gauge of underlying producer price pressures that excludes food, energy and trade services edged up 0.1% last month. The so-called core PPI increased 0.4% in November. It rose 2.3% in the 12 months through December. The core PPI increased 2.4% in the 12 months through November. It gained 2.3% in 2017 after rising 1.8% in 2016. (CNBC)

U.S. Jobless Claims Rose Last Week

The number of Americans filing applications for new unemployment benefits rose last week, but remains low, signaling a strong labor market that is likely to continue tightening in 2018. Initial jobless claims, a proxy for layoffs across the U.S., rose by 11,000 to a seasonally adjusted 261,000 in the week ended Jan. 6, the Labor Department said. This was the fourth-straight week of claims increases. Economists surveyed by The Wall Street Journal expected 245,000 new claims last week. Weekly jobless claims have held below 300,000, viewed by many economists as a healthy level, for almost three years, the longest streak since the 1970s. Meanwhile, the number of claims workers made for longer than a week dropped to 1,867,000 in the week ended Dec. 30, which is the lowest level of insured unemployment benefits in more than four decades. Insured unemployment is reported along with last week's data because continuing claims are released with a one-week lag. Jobless claims data can be volatile. The four-week moving average, a steadier measure, rose 9,000 to 250,750 last week. (The Wall Street Journal)

Europe and United Kingdom Banks Cut Back Consumer Credit in Fear of Rising Risks

Banks are slashing consumer lending and cutting back access to credit cards as fears grow that the boom in unsecured credit is a risk to the lenders and the wider economy. It follows a series of warnings from the Bank of England that annual growth of 10% in lending could leave banks and their customers vulnerable. The availability of unsecured credit fell during the whole of 2017, the Bank of England's survey of lenders showed, with the proportion of banks reporting a fall in availability outweighing those with greater availability by 12 percentage points. Banks have stopped seeking greater market share in consumer credit, and expect to cut back their positions relative to other lenders in the first three months of 2017. Lenders are also increasingly worried about the riskiness of the loans - a balance of 0.4% said their changing risk appetite pushed them to cut back lending. That is the fifth consecutive

quarter of worries over risks, and a net balance of 14.5% expect this momentum will continue into 2018. Credit scoring criteria have also tightened up over the past year and a net balance of 21.7% of banks said a falling proportion of loan applications were approved in the final three months of 2017. (The Telegraph)

New Gear: Eurozone Has Moved Into ‘Expansionary Territory’ Says ECB

The Eurozone’s economy has moved into a full-fledged expansion, the region’s top policymakers have said in a declaration that their sweeping measures to restore growth to the single currency area have had the desired effect. Minutes of the European Central Bank’s December policy vote show that favourable data on the economy had led policymakers to drop some their references to the region’s recovery and instead focus more on what they now viewed as a “continued robust and increasingly self-sustaining economic expansion.” The account of the vote, which took place on December 14, also suggests strength of the expansion could in the months ahead lead policymakers to change their message and focus less on their monthly bond purchases and more on the combination of measures they plan to keep in place to revive growth and inflation. The ECB will buy €30bn of bonds a month between now and September. The bank is expected to keep interest rates at their current record lows until the middle of 2019 — policymakers have promised to hold borrowing costs where they are until way beyond the horizon of their bond buying. The December vote saw president Mario Draghi reveal that the ECB’s staff had upgraded its forecasts for growth to 2.4% in 2017 and 2.3% in 2018 — the most significant in the history of the bank’s quarterly projections for growth and inflation. Households and businesses in the region are expected to keep spending, which investment activity is also forecast to pick up. (Financial Times)

Eurozone November Output Stronger than Expected

Eurozone industrial output was higher than expected in November, underlining the strong economic momentum of the single currency area that is enjoying its fastest growth in a decade. The European Union’s statistics office Eurostat said industrial production in the 19 countries sharing the euro rose 1.0% in November against October and was 3.2% higher than a year earlier. Economists polled by Reuters had expected a 0.8% monthly rise and a 3.0% year-on-year gain. The stronger than expected growth was mainly thanks to a surge in the production of capital goods, demand for which rises when investment goes up, as well as intermediate goods and durable consumer goods. Industrial production is one of the main components of euro zone gross domestic product, alongside services. Eurozone GDP rose 0.6% quarter-on-quarter in the third quarter of 2017 and was 2.6% higher year-on-year and investment and household consumption were the biggest contributors to the quarterly figure. (Reuters)

Germany Maintains Hard-Line Brexit Stance

Germany will demand the UK pay for the privilege of its financial firms having access to European Union markets after Brexit as Chancellor Angela Merkel’s (pic) government maintains a hard-line stance against a bespoke trade deal. The UK cannot hope for a trade deal that includes financial services unless Britain agrees to make substantial contributions to the EU budget and adheres to European law, according to German officials from two key government departments in Berlin. Both asked not to named discussing internal government strategy. Even before the negotiations start on Britain’s future relationship with the EU, Germany’s position risks thwarting the UK’s aim of securing a tailor-made deal. Prime Minister Theresa May’s government regards Germany’s stance as crucial – both Chancellor of the Exchequer Philip Hammond and Brexit Secretary David Davis are due in Germany to meet business groups and make the case for a wide-ranging Brexit deal. In a joint article for German newspaper Frankfurter Allgemeine Zeitung published the same day, Hammond and Davis said they want a trade deal covering financial services to ensure that after the 2008 crash, “we do not put that hard-earned financial stability at risk”. But Germany will reject any attempt to include financial services in a post-Brexit trade deal unless Britain drops its opposition to substantial budget payments, the government officials said. Otherwise, the UK

is simply “cherry-picking” its favoured aspects of EU membership without having to share any responsibility – something Germany has explicitly rejected from the outset. (The Star)

Germany's GDP Growth Fastest in Six Years

The German economy expanded at the fastest pace in six years in 2017, driven by domestic demand, preliminary data from Destatis showed. Gross domestic product grew 2.2% in 2017 after expanding 1.9% in 2016. This was the fastest growth since 2011. The biggest euro area economy has expanded for the eighth year in a row. The growth rate also exceeded the average of the last ten years by almost a percentage point. Nonetheless, growth was below economists' expectations of 2.4%. GDP growth, on calendar adjustment, rose to 2.5% from 1.9% in the previous year. The statistical office has not published its fourth quarter GDP data, which is due on February 14. (RTT News)

Share Buy-Back: 11 January 2018

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
E&O	10,000	1.44	1.44/1.42	22,923,747
FIAMMA	250,000	0.52	0.52/0.515	22,240,000
HAI0	29,000	5.23/5.19	5.30/5.16	8,733,288
JCBNEXT	27,000	1.77	1.77/1.76	128,400
MALAKOF	10,000	1.00	1.03/1.00	2,134,400
SCGM	14,000	2.31/2.30	2.34/2.29	738,500
UNIMECH	10,000	1.05/1.04	1.06/1.04	6,451,910

Source: Bursa Malaysia

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Kaladher Govindan – Head of Research

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

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	
	11-Jan-18															
AUTOMOBILE																
BAUTO	2.37	2.50	Buy	2,744	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	2.39	2.32	Hold	934	0.80	23.2	23.9	10.3	10.0	1.9	2.0	2.60	-8.1	2.01	18.9	8.6
PECCA	1.56	1.69	Buy	288	na	11.1	12.5	14.0	12.5	3.5	3.9	1.70	-8.2	1.28	21.9	0.6
SIME	2.74	1.97	Hold	18,634	1.56	12.0	12.7	22.9	21.7	1.1	1.2	2.96	-7.4	1.93	42.1	24.0
UMW	6.49	4.37	Sell	7,582	1.38	20.7	36.9	31.4	17.6	1.5	2.8	6.50	-0.2	4.25	52.7	24.8
BANKS & FINANCIAL SERVICES																
ABMB	4.13	4.20	Buy	6,394	1.36	30.6	35.6	13.5	11.6	3.9	3.9	4.49	-8.0	3.62	14.1	1.2
AFFIN	2.45	2.50	Hold	4,760	0.88	24.2	28.1	10.1	8.7	3.3	3.3	2.98	-17.6	2.22	10.3	6.1
AMBANK	4.61	5.10	Buy	13,895	1.29	48.6	52.0	9.5	8.9	3.9	3.9	5.70	-19.1	4.06	13.5	4.5
CIMB	6.75	7.00	Hold	62,272	1.47	50.8	56.0	13.3	12.1	4.3	4.1	7.08	-4.7	4.71	43.3	3.2
HLBANK	17.46	17.50	Buy	35,716	0.68	114.2	120.9	15.3	14.4	2.6	2.6	17.80	-1.9	13.06	33.7	2.7
MAYBANK	9.84	9.70	Hold	106,135	1.05	70.9	77.7	13.9	12.7	5.1	5.1	9.86	-0.2	8.05	22.2	0.4
PBBANK	20.86	23.60	Buy	80,551	0.63	142.4	149.8	14.6	13.9	2.8	2.9	21.08	-1.0	19.66	6.1	0.4
RHBBANK	5.14	5.20	Hold	20,612	1.62	52.2	53.8	9.9	9.6	2.9	2.9	5.59	-8.1	4.71	9.1	2.8
BURSA	10.60	11.10	Buy	5,698	0.93	39.0	41.5	27.2	25.6	3.2	3.2	10.98	-3.4	8.08	31.2	4.7
<i>Note: BURSA proposed bonus issue of shares on the basis of 1 for 2. Ex-Target price RM7.04</i>																
CONSTRUCTION																
GADANG	1.10	1.73	Buy	725	0.98	14.3	18.2	7.7	6.1	2.7	2.7	1.37	-19.7	1.01	8.9	-0.9
GAMUDA	5.12	6.00	Buy	12,574	0.85	34.5	35.7	14.8	14.4	2.3	2.3	5.52	-7.2	4.58	11.8	3.2
IJM	3.00	2.89	Sell	10,885	0.87	13.7	18.2	21.9	16.5	3.2	3.2	3.61	-16.9	2.71	10.7	-1.6
PESONA	0.49	0.55	Buy	337	0.86	5.8	4.8	8.4	10.2	3.1	3.1	0.74	-34.0	0.44	11.5	7.8
SENDAI	0.86	0.58	Sell	672	1.23	9.6	9.0	9.0	9.6	1.2	1.2	1.39	-38.1	0.51	70.3	-0.6
SUNCON	2.62	2.65	Buy	3,386	0.51	14.7	16.4	17.8	15.9	2.1	2.3	2.64	-0.8	1.67	56.9	4.4
WCT	1.72	1.64	Hold	2,420	1.06	12.6	11.2	13.6	15.4	1.7	1.7	2.48	-30.5	1.46	17.8	6.2
LITRAK	5.68	6.26	Hold	2,997	0.32	45.6	47.1	12.4	12.1	4.4	4.4	6.15	-7.6	5.40	5.2	2.3
<i>Building Materials</i>																
ANNJO	3.75	4.40	Buy	1,933	1.29	45.3	49.2	8.3	7.6	5.9	6.9	3.98	-5.8	2.27	65.2	-2.8
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	0.87	38.7	-0.8
ENGTEX	1.11	1.38	Buy	472	0.70	14.2	16.1	7.8	6.9	3.7	4.9	1.52	-27.0	1.07	3.7	0.9
CONSUMER																
<i>Brewery</i>																
CARLSBG	15.88	18.06	Buy	4,885	0.74	86.2	88.7	18.4	17.9	5.4	5.6	16.00	-0.7	13.92	14.1	3.8
HEIM	19.20	19.14	Buy	5,800	0.43	84.0	88.3	22.9	21.7	3.9	4.1	19.58	-1.9	15.78	21.7	1.6
<i>Retail</i>																
AEON	1.68	1.97	Sell	2,359	0.39	6.7	7.7	25.1	21.8	2.4	2.7	2.70	-37.8	1.64	2.4	-4.5
AMWAY	7.65	8.18	Buy	1,258	0.39	43.9	45.2	17.4	16.9	5.0	5.2	8.18	-6.5	7.04	8.7	3.7
F&N	28.20	28.55	Hold	10,336	0.21	155.7	182.7	18.1	15.4	2.1	2.3	28.80	-2.1	22.64	24.6	4.4
HUPSENG	1.12	1.25	Hold	896	0.43	5.4	5.6	20.6	20.2	4.0	4.5	1.28	-12.5	1.08	3.7	2.8
JOHOTIN	1.23	1.70	Buy	382	0.72	12.5	12.6	9.9	9.8	4.1	4.4	1.76	-30.1	1.16	6.0	1.7
NESTLE	103.30	120.50	Buy	24,224	0.40	330.1	373.8	31.3	27.6	2.9	3.2	105.00	-1.6	74.12	39.4	0.1
PADINI	5.32	4.67	Sell	3,500	0.86	27.0	30.0	19.7	17.7	2.3	2.4	5.50	-3.3	2.26	135.3	0.8
POHUAT	1.65	2.37	Buy	362	0.56	25.3	25.5	6.5	6.5	4.8	4.8	2.07	-20.2	1.62	1.9	-7.8
QL	4.84	3.26	Sell	7,853	0.42	12.8	14.7	37.7	32.9	0.9	1.0	4.84	0.0	3.26	48.7	11.3
SIGN	0.72	0.92	Buy	164	0.94	6.9	9.2	10.3	7.8	3.5	4.9	1.07	-33.2	0.69	3.6	1.4
<i>Tobacco</i>																
BAT	34.06	52.08	Buy	9,725	1.41	187.4	175.4	18.2	19.4	5.9	5.9	51.04	-33.3	33.80	0.8	-14.9
GAMING																
<i>Casino</i>																
GENTING	9.18	11.53	Buy	35,118	1.57	54.4	59.8	16.9	15.4	1.7	1.7	10.00	-8.2	8.13	12.9	-0.2
GENM	5.46	6.51	Buy	30,950	1.58	27.0	30.6	20.2	17.8	1.6	1.8	6.38	-14.4	4.64	17.8	-3.0
<i>NFO</i>																
BJTOTO	2.32	3.34	Buy	3,125	0.81	21.5	26.0	10.8	8.9	6.9	7.8	3.00	-22.7	2.23	4.0	3.6
HEALTHCARE																
<i>Hospitals/ Pharmaceutical</i>																
CCMDBIO	2.83	2.70	Buy	789	0.86	15.0	16.1	18.8	17.6	3.5	3.7	2.84	-0.4	1.90	48.9	11.9
IHH	5.86	6.40	Buy	48,284	0.74	11.9	15.0	49.3	39.2	0.5	0.6	6.44	-9.0	5.42	8.1	0.0
KPJ	0.97	1.12	Buy	4,136	0.48	3.8	4.2	25.6	23.0	2.2	2.4	1.14	-14.9	0.90	7.8	0.0
<i>Rubber Gloves</i>																
HARTA	10.92	7.30	Sell	18,050	0.87	25.8	30.5	42.3	35.8	1.1	1.3	11.40	-4.2	4.53	141.1	2.2
KOSSAN	8.50	8.80	Buy	5,435	0.09	38.3	43.0	22.2	19.8	2.3	2.5	8.70	-2.3	5.62	51.2	4.8
SUPERMX	2.24	1.80	Sell	1,469	0.46	15.3	17.9	14.6	12.5	2.3	2.7	2.39	-6.3	1.69	32.5	12.0
TOPGLOV	8.70	7.00	Sell	10,920	0.09	33.7	36.4	25.8	23.9	1.9	2.1	9.25	-5.9	4.56	90.8	8.9
KAREX	1.30	1.00	Sell	1,303	0.66	2.8	5.2	47.0	25.0	0.5	1.0	2.52	-48.4	1.20	8.3	0.0
INDUSTRIAL																
SCIENTX	8.91	9.84	Buy	4,310	0.56	68.2	74.9	13.1	11.9	2.4	2.9	9.85	-9.5	6.70	33.0	2.9
SKPRES	2.09	2.20	Hold	2,613	0.67	10.4	14.8	20.1	14.1	2.5	3.5	2.35	-11.1	1.24	68.5	-8.3
MEDIA																
ASTRO	2.66	3.10	Buy	13,869	1.07	14.0	13.7	19.1	19.4	4.9	5.1	2.94	-9.5	2.45	8.6	0.4
MEDIA PRIMA	0.73	0.45	Sell	810	1.14	-3.8	-1.7	na	na	0.0	0.0	1.28	-43.0	0.58	25.9	-3.9
STAR	1.46	1.25	Sell	1,077	1.10	6.7	6.7	21.7	21.7	8.2	8.2	2.22	-34.2	1.31	11.5	-11.5

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																
DNEX	0.52	0.72	Buy	904	1.37	4.2	4.5	12.3	11.4	1.9	1.9	0.69	-25.4	0.27	90.7	6.2
LCTITAN	4.98	6.66	Buy	11,319	na	63.4	68.2	7.9	7.3	5.0	5.4	6.53	-23.7	4.14	20.3	6.0
MHB	0.89	0.78	Sell	1,424	1.82	-0.5	0.3	na	262.2	0.0	0.0	1.16	-23.3	0.63	42.4	7.9
MISC	7.50	6.56	Sell	33,478	1.09	46.8	52.3	16.0	14.3	4.0	4.0	7.90	-5.1	6.89	8.9	1.1
PANTECH	0.68	0.69	Sell	506	1.13	6.1	6.8	11.1	9.9	4.0	4.5	0.74	-8.1	0.45	51.1	5.4
PCHEM	8.07	8.05	Hold	64,560	1.03	49.8	52.6	16.2	15.4	2.7	2.9	8.27	-2.4	6.80	18.7	4.8
SAPNRG	0.87	1.25	Buy	5,213	2.44	-6.5	-4.9	na	na	0.0	0.0	2.10	-58.6	0.67	30.8	22.5
SERBADK	3.32	3.40	Sell	4,432	na	25.7	27.8	12.9	11.9	2.3	2.5	3.60	-7.8	1.51	119.9	2.5
UMWOG	0.41	0.51	Buy	3,327	1.90	0.4	1.2	100.2	32.7	0.0	0.0	0.90	-54.9	0.27	50.0	32.8
UZMA	1.50	1.56	Sell	480	0.99	13.1	14.2	11.5	10.6	0.0	0.0	1.98	-24.2	1.26	19.0	17.2
PLANTATIONS																
FGV	2.04	2.01	Sell	7,442	1.75	3.7	4.5	55.1	44.9	2.5	2.5	2.18	-6.4	1.51	35.1	20.7
IJMLNT	2.60	2.69	Sell	2,290	0.19	9.1	12.5	28.5	20.7	3.1	3.5	3.60	-27.8	2.60	0.0	-5.1
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	1.64	1.89	Buy	463	0.56	13.3	14.5	12.3	11.3	5.5	5.5	1.96	-16.3	1.56	5.1	4.5
KLK	25.12	26.18	Hold	26,752	0.81	120.7	126.3	20.8	19.9	2.4	2.5	25.50	-1.5	23.00	9.2	0.5
SIMEPLT	5.52	6.25	Buy	37,541	na	21.0	22.1	26.2	25.0	2.5	2.7	6.00	-8.0	4.58	20.5	-8.0
TMH	1.65	2.10	Buy	2,278	0.71	9.3	9.6	17.7	17.2	1.4	1.5	1.94	-14.9	1.56	5.8	0.0
UMCCA	6.62	6.73	Sell	1,388	0.40	22.8	34.8	29.1	19.0	2.6	2.7	7.08	-6.5	5.76	14.9	1.7
PROPERTY																
GLOMAC	0.60	0.50	Sell	434	0.66	3.0	4.4	20.3	13.6	3.3	3.3	0.75	-19.5	0.58	3.4	-1.6
HUAYANG	0.63	0.59	Sell	222	0.90	1.8	3.4	34.4	18.5	0.8	0.8	1.21	-47.9	0.60	5.9	3.3
IBRACO	0.89	0.92	Hold	442	na	9.1	12.4	9.8	7.2	4.5	5.6	0.99	-10.1	0.76	17.9	9.2
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	1.49	1.69	Buy	3,615	0.89	13.0	12.6	11.4	11.9	4.4	4.4	1.64	-9.1	1.38	8.0	2.8
SIMEPROP	1.57	1.61	Sell	10,677	na	9.2	9.1	17.1	17.2	1.3	1.3	1.78	-11.8	1.04	51.0	-11.8
SNTORIA	0.65	0.76	Buy	365	0.19	8.3	8.6	7.8	7.5	1.6	1.6	0.91	-29.1	0.60	7.5	-7.2
<i>Note: SNTORIA proposed bonus issue of warrants & right issue of shares. For more details please refer to</i>																
SPB	4.95	5.28	Hold	1,701	0.65	21.2	26.1	23.4	18.9	2.4	2.4	5.50	-10.0	4.32	14.5	1.0
SPSETIA	3.30	3.77	Buy	11,312	0.94	21.3	21.9	15.5	15.1	3.6	3.6	4.38	-24.7	3.06	7.9	-17.5
SUNWAY	1.76	1.74	Hold	8,618	0.80	11.9	12.6	14.8	14.0	2.8	3.4	1.96	-10.1	1.27	38.3	8.0
REIT																
SUNREIT	1.72	1.87	Hold	5,066	0.84	10.0	10.7	17.1	16.1	5.8	6.2	1.90	-9.5	1.64	4.9	-9.5
CMMT	1.43	1.72	Buy	2,914	0.71	8.6	8.9	16.6	16.0	6.3	6.4	1.83	-21.9	1.39	2.9	-21.9
POWER & UTILITIES																
MALAKOF	1.00	1.16	Buy	4,998	0.81	6.0	6.8	16.7	14.7	7.0	7.0	1.39	-28.1	0.86	16.3	2.0
PETDAG	24.98	22.08	Sell	24,816	0.45	105.1	105.7	23.8	23.6	3.1	3.2	25.70	-2.8	21.00	19.0	3.0
PETGAS	18.50	19.10	Buy	36,607	0.97	98.8	99.5	18.7	18.6	3.7	3.8	21.08	-12.2	15.82	16.9	5.8
TENAGA	15.82	17.38	Buy	89,636	0.70	129.9	127.9	12.2	12.4	2.9	2.9	15.94	-0.8	13.00	21.7	3.7
YTLPOWR	1.26	1.17	Sell	9,988	0.88	9.6	10.1	13.1	12.5	4.0	4.0	1.50	-16.0	1.11	13.5	-2.3
TELECOMMUNICATIONS																
AXIATA	5.57	5.75	Hold	50,397	1.36	16.0	19.5	34.8	28.5	1.4	2.8	5.82	-4.3	4.24	31.4	1.5
DIGI	4.70	5.20	Buy	36,543	0.79	20.0	20.6	23.5	22.8	4.3	4.4	5.19	-9.4	4.36	7.8	-7.8
MAXIS	6.01	6.10	Hold	46,941	0.72	26.2	25.7	22.9	23.4	3.3	3.3	6.60	-8.9	5.48	9.7	0.0
TM	6.00	7.20	Buy	22,548	0.49	23.2	24.9	25.9	24.1	3.5	3.7	6.69	-10.3	5.85	2.6	-4.8
TECHNOLOGY																
<i>Semiconductor & Electronics</i>																
ELSOFT	2.69	2.70	Hold	740	0.66	15.0	15.7	18.0	17.1	3.9	4.1	2.95	-8.8	1.36	97.2	-0.4
IRIS	0.22	0.25	Buy	544	2.05	0.6	0.7	39.8	33.0	0.0	0.0	0.25	-10.2	0.12	91.3	18.9
INARI	3.31	3.35	Hold	6,806	0.87	14.2	15.9	23.3	20.8	3.0	3.4	3.82	-13.4	1.74	90.6	-2.6
MPI	12.20	12.95	Hold	2,427	0.60	105.5	121.2	11.6	10.1	2.6	2.6	14.52	-16.0	7.63	59.9	-3.3
UNISEM	3.13	3.25	Sell	2,297	1.02	27.1	28.7	11.5	10.9	3.8	3.8	4.25	-26.4	2.37	32.1	-14.2
TRANSPORTATION																
<i>Airlines</i>																
AIRASIA	3.77	3.83	Buy	12,599	1.26	38.3	39.8	9.9	9.5	1.3	1.6	3.80	-0.8	2.35	60.4	12.5
AIRPORT	8.99	8.47	Sell	14,916	1.39	19.7	20.1	45.5	44.6	1.1	1.3	9.45	-4.9	6.10	47.4	2.3
<i>Freight & Tankers</i>																
PTRANS	0.30	0.44	Buy	377	na	2.3	3.6	13.2	8.4	2.3	3.6	0.38	-21.4	0.15	106.3	7.1
TNLOGIS	1.29	1.80	Buy	589	1.14	13.6	14.0	9.5	9.2	3.9	3.9	1.83	-29.6	1.29	0.0	-3.7
WPRTS	3.41	4.02	Hold	11,628	0.72	15.5	20.0	22.0	17.1	3.4	4.4	4.30	-20.7	3.34	2.1	-7.8

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	26.46	23.30	Sell	67,675	1.25	189.1	214.6	14.0	12.3	2.3	2.3	26.6	-0.5	18.05	46.6	6.5
OCBC	12.90	13.50	Buy	53,994	1.22	104.1	110.6	12.4	11.7	6.7	7.7	13.0	-0.8	9.21	40.1	4.1
UOB	27.70	26.90	Hold	46,066	1.06	215.4	229.3	12.9	12.9	2.5	2.5	27.8	-0.4	20.38	35.9	4.7
PLANTATIONS																
WILMAR	3.19	3.63	Hold	20,411	0.83	29.9	31.8	10.7	10.0	2.5	2.8	4.0	-20.3	3.06	4.2	3.2
IFAR	0.41	0.53	Hold	588	1.02	5.2	5.7	7.9	7.2	3.1	3.4	0.6	-29.3	0.37	12.3	5.1

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.