

Daily Brief

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

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Market View *Profit-Taking to Check Gains*

Bursa Malaysia shares bounced back strongly on Monday, copying regional gains after the unexpectedly robust US jobs addition but tame wage growth in February reduced investor concerns on accelerating inflation. The KLCI surged 17.3 points to close near session high at 1,861.22, off an early low of 1,850.62, as gainers led losers 558 to 360 on total turnover of 2.46bn shares worth RM2.4bn.

Resistance at 1,872, Then 1,880; Support at 1,849

While stocks may extend gains as the strong February US jobs but tame wage growth reduce inflation worries, profit-taking and selling is expected to limit upside. Immediate resistance for the index will be the recent high of 1,872, with tough hurdle expected from the 2 Feb peak of 1,880. Immediate support is revised upwards to the 30-day moving average at 1,849, next at 1,835, the 50-day ma, followed by the lower Bollinger band at 1,827, while stronger support is at 1,800.

BUY Genting Berhad & Genting Malaysia

Hook-up momentum indicators on Genting Berhad implies good rebound upside, with breakout above the 61.8%FR (RM8.97) to enhance gain towards the 76.4%FR (RM9.33) and 200-day moving average (RM9.35), prior to profit-taking pause. Key retracement support from the 50%FR (RM8.68) is reinforced by the lower Bollinger band. Likewise, Genting Malaysia should regain strength, with confirmed breakout above the 50%FR (RM5.31) to aim for the 61.8%FR (RM5.54) and 76.4%FR (RM5.82) ahead, while supports are at the 38.2%FR (RM5.09) and lower Bollinger band (RM4.98).

Asian Markets Rally as Inflation Fears Ease

A relief rally swept across Asian share markets on Monday, as trade-war concerns took a backseat to economic optimism following a U.S. jobs report Friday that showed the American economy continued to strengthen without the prior month's rapid wage gains that stoked inflation fears. Inflationary worries faded on Friday after U.S. data showed nonfarm payrolls jumped by 313,000 jobs last month, but annual growth in average hourly earnings slowed to 2.6 percent after a spike in January. The solid job creation numbers and lower-than-expected wage growth eased worries about the Federal Reserve's rate hike trajectory.

Japan's Nikkei share average rose over 1 percent on Monday, with technology stocks posting strong gains after February's U.S. jobs report eased fears of inflation and aggressive interest rate hikes. The Nikkei rose 1.65 percent to 21,824.03. In down under, the S&P/ASX 200 rose 0.55 percent, with gains led by the materials and energy sub-indexes, which rose 1.74 percent and 1.39 percent respectively. China stocks also extended their rally, tracking robust gains on Wall Street. The Shanghai Composite index was up 19.53 points or 0.59 percent at 3,326.70.

Trade War Worries Offset US Jobs Optimism

The Dow Jones average fell on Monday as investors worried a trade war could develop after President Donald Trump implemented tariffs on steel and aluminum imports. Trump implemented a 25 percent tariff on steel imports and a 10 percent charge on aluminum imports. Shares of companies such as Boeing Co, down 2.9 percent, and Caterpillar Inc, down 2.4 percent, have been under pressure as Trump's protectionist stance on steel and aluminum imports could increase costs and hamper sales abroad. Boeing and Caterpillar were the biggest decliners on the Dow. Trump softened his stance on tariffs by exempting Canada and Mexico, and negotiations were ongoing as the European Union and Japan also seek exemptions.

Concerns about possible fallout from the tariffs offset initial optimism based upon the modest wage growth numbers from Friday's employment report that the Federal Reserve would stick to its projected three interest-rate increases in 2018. The Fed is scheduled to meet next week, with most market participants expecting the central bank to raise interest rates. Market expectations for a March rate hike stood at 86 percent on Monday, according to the CME Group's FedWatch tool. The Dow Jones Industrial Average fell 157.13 points, or 0.62 percent, to 25,178.61, the S&P 500 lost 3.55 points, or 0.13 percent, to 2,783.02, but the Nasdaq Composite added 27.52 points, or 0.36 percent, to 7,588.33.

News In Brief *Corporate*

AirAsia Bhd reaffirmed its plan to monetise its travel booking site, Expedia, involving the sale of its 25% stake in AAE Travel. Group CEO Tan Sri Tony Fernandes said the low-cost carrier will deliver the exercise via sale and buy back of an asset to reinforce the airline's digital portfolio. *(New Straits Times)*

Kossan Rubber Industries Bhd has acquired 2 pieces of land in Perak measuring in total 824.1 acres for RM82.4mn cash from Perbadanan Kemajuan Negeri Perak. Both pieces of land will be utilised by the Kossan group for its integrated glove manufacturing expansion. *(Bursa Malaysia/ The Sun)*

Hartalega Holdings Bhd said its growth for FY18 will come organically as it invests RM250mn of capex to build a new plant. The amount is lower than FY17's capex of RM2.2bn, which was spent on the group's 6 manufacturing plants under the Next Generation Integrated Glove Manufacturing Complex expansion project in Sepang. *(The Edge)*

UMW Oil & Gas Corp Bhd unit has been awarded a contract for the provision of 460K Drilling Hydraulic Workover Unit for Petronas Carigali Sdn Bhd. The contract is of an umbrella framework which provides an over-arching contractual relationship which may comprise a series of individual orders and call-outs. *(Bursa Malaysia/ Bernama)*

T7 Global Bhd has received a Letter of Award from Petronas Carigali Sdn Bhd for an umbrella contract for the provision of a hydraulic workover unit (HWU). The duration of this contract is 3 years with a one year extension option. The scope of the contract is for the provision of a 600k HWU. *(Bursa Malaysia/ Bernama)*

Lafarge Malaysia Bhd has appointed Mario Gross as President and CEO, effective 1 April 2018, succeeding Thierry Legrand. Gross, who began his career in Sika AG, Zurich in 2002, has vast global experience spanning 15 years in the construction material business from roles in Germany, China, Thailand and Switzerland. *(Bursa Malaysia/ Bernama)*

Bermaz Auto Bhd's net profit increased 61.2% RM40.5mn in 3QFY18, in line with the increased sales volume from the new CX-5 model and higher share of profit contribution from its associate company. For 9MFY18, Bermaz's net profit eased 14.4% to RM82.9mn due to compressed gross profit margin and share of loss from Mazda Malaysia in 1HFY18. *(Bursa Malaysia/ New Straits Times)*

Poh Kong Holdings Bhd saw its net profit fall 20.8% to RM4.8mn in 2QFY18 on higher operating expenses. For 1HFY18, Poh Kong reported a 29.7% increase in net profit to RM10.2mn from RM7.8mn in 1HFY17, while revenue grew 19.2% to RM490.9mn from RM411.8mn a year ago. *(Bursa Malaysia/ The Edge)*

Malaysia Airports Holdings Bhd's network of airports, including Istanbul Sabiha Gokcen Airport (SGIA), recorded 10.1mn passengers in February 2018, a 7.1% growth YoY. International traffic recorded rose by 11.5% YoY, equivalent to 4.8mn passengers, while domestic traffic recorded a 3.3% YoY growth, or 5.2mn passengers. *(Bursa Malaysia/ Bernama)*

Ho Hup Construction Company Bhd signed a JV agreement with Koperasi Serbausaha Makmur Bhd to develop a RM180mn mixed commercial project in the prime hotel-commercial section of Kuantan. The project comprises a 7-storey 3 star-rated hotel, 3 commercial office floors and a block of 23-storey services apartments, car parks and retail shops. *(Bursa Malaysia/ New Straits Times)*

Ekovest Bhd has received a letter of acceptance from Kuala Lumpur City Hall for the improvement and beautification works at Package 2 – Taman Titiwangsa, Kuala Lumpur for the River of Life Project Phase 2 worth RM99.9mn. The completion period for the works is for 78 weeks. *(Bursa Malaysia/ New Straits Times)*

Econpile Holdings Bhd has been awarded a contract from Putra Perdana Construction Sdn Bhd for the redevelopment of a hospital building and a 12-storey building in Kota Damansara, Selangor worth RM25.9mn. The overall duration of the contract is 15 months. *(Bursa Malaysia/ New Straits Times)*

KSL Holdings Bhd is acquiring 2 parcels of land in Tebrau, Johor, for RM133.6mn cash. The 2 parcels of land situated in the Ulu Tiram locality are for a lease of 99 years, expiring on Jan 3, 2115. The parcels will be utilised for landed property development. *(Bursa Malaysia/ The Edge)*

Hartalega Holdings Bhd has received approval from shareholders for its bonus issue of up to 1.7bn new shares. The bonus issue is on the basis of 1 bonus share for every 1 existing share held by shareholders. *(Bursa Malaysia/ The Sun)*

Sedania Innovator Bhd has teamed up with Matrix Energy Sdn Bhd to jointly deliver green technology solutions to a major telco in Malaysia, aiming to achieve annual savings of 22% in energy costs. Based on the telco's historical energy consumption of selected buildings, averaging at RM2mn per month, Sedania said the contract will target a total electrical bill saving of RM56mn for the telco over the next 10 years. *(Bursa Malaysia/ The Edge)*

PUC Bhd's unit RedHot Media Sdn Bhd (RHM), is collaborating with an online media company CARI Internet Sdn Bhd to roll out several cross-marketing initiatives to strengthen the companies' foothold in their respective industries. The one-year collaboration will see RHM become the preferred advertising and media agency for CARI's channels covering CARI online forum, website, mobile app and on-ground activations. *(Bursa Malaysia/ The Sun)*

Manageway Systems Bhd will be providing fintech products and services, on a JV basis with MyANGKASA Holdings Sdn Bhd, for the Asean Cooperative Organization (ACO) which totals 60mn individual cooperative members. ACO formally accepted its proposal for an ACO Digital Economy EcoSystem in the development of cashless community for the entire ACO's cooperative communities. *(Bursa Malaysia/ The Sun)*

Scomi Energy Services Bhd has appointed Hilmy Zaini Zainal as its new CEO, effective from April 1. Hilmy, 51, will be replacing the current CEO, Shah Hakim @ Shahzanim Zain, who will be redesignated as the group's non-executive director. *(Bursa Malaysia/ The Edge)*

Marine & General Bhd's subsidiary, Jasa Merin (Malaysia) Sdn Bhd (JMM), has bagged 2 contracts from ExxonMobil Exploration and Production Malaysia Inc. (EMEPMI) for RM7.3mn. The contracts were for the provision of 2 Straight Supply Vessels with accommodation to support EMEPMI's operations. *(Bursa Malaysia/ Bernama)*

Nexgram Holdings Bhd is partnering with China's Jiangsu Tongguang Optical Cable Co Ltd (JTOCC), to carry out all-round operations in the field of wire and cable maintenance and other strategic partnership cooperation in South East Asian countries. It has entered into a strategic cooperation framework agreement with JTOCC for the partnership, which includes products research and development, distributions, projects joint venture, maintenances and supports. *(Bursa Malaysia/ The Sun)*

Jacobs Douwe Egberts Holdings Asia NL BV (JDE) has extended the closing date of its takeover offer for **OldTown Bhd** to March 20. The level of acceptances of the offer stood at 83.8% on March 9. (*Bursa Malaysia/ The Sun*)

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News In Brief *Economy*

Asia **Malaysia's Debt Still Manageable, Says PM**

Prime Minister Datuk Seri Najib Tun Razak stressed that Malaysia's debt is still manageable and does not exceed 55% of the gross domestic product (GDP). Najib, who is also the Finance Minister, said the debt level is currently at 50.8% of GDP. "This means, our debt is still manageable and Malaysia is categorised as a country of medium debt, while compared with a number of developed countries, the government debt to the GDP there is much higher, with some exceeding 200%," he added. He said this in answer to a question from Tan Sri Dr. Muhammad Leo Michael Toyad (Mukah-BN) on the long term moves by the government in managing the country's economy, specifically the credit rating, to maintain a sustainable deficit of a low rate, as well as ensure stable growth. Najib also criticised the perception that Malaysia is a bankrupt nation. The Prime Minister said the government will continue to provide long term economic and financial planning to achieve the target of a high income advanced economy by 2020 and for the size of the economy to reach RM2 trillion in 2025. "I wish to emphasise that the government cannot take just the popular approach only. Rather, we need to be more responsible and implement what is needed to ensure a strong economic as well as financial foundation, for the benefit of the people and the generations to come," he added. (The Star)

Singapore's Retail Sales Drop 8.4% in January on Chinese New Year Effect

Retail sales in the first month of 2018 got off to a poor start, but this was attributed to the Chinese New Year effect. Total sales in January declined 8.4% year-on-year from January 2017, which was when Chinese New Year was celebrated last year, according to the latest data from the Department of Statistics. Excluding motor vehicles, retail sales still fell 8.1%. Retail sales dropped 5.4% in January compared to the previous month, due mainly to the large decline in motor vehicle sales. With motor vehicles stripped out, retail sales declined by a smaller 1.5%. On a year-on-year basis, wearing apparel and footwear sales saw a dive of 17.7% - the biggest drop among the segments. This was due again to the higher sales recorded a year ago when Chinese New Year fell in January 2017. (The Business Times)

China Seen Slowing Spending on Belt and Road Energy Projects

China's thirst for overseas energy investments is slaking, at least by one tally. The nation's financing for so-called Belt and Road Initiative energy projects dropped 28% to \$14.3 billion last year from \$19.9 billion, according to data released by Boston University's Global Development Policy Center. Spending last year included investments in gas pipelines in Malaysia, coal power plants in the Pakistani desert and an oil terminal in Bangladesh. China has invested about \$128 billion in energy projects in Belt and Road countries since 2001, according to Boston University's research, which tracks finance data from the country's two policy banks, the China Development Bank and the Export-Import Bank of China. The slowdown in spending last year came as the government cracked down on capital outflows, scrutinizing companies from HNA Group Co. to Anbang Insurance Group Co. that expanded rapidly overseas. "In late 2016 and early 2017 China suffered a rush of capital outflows due to a mix of premature capital account liberalization and external conditions," Kevin Gallagher, professor of Global Development Policy at Boston University, said by email. "This led to some fairly tight restriction on capital flows that slowed things down a bit across the board." President Xi Jinping announced the Belt and Road Initiative project almost five years ago to rebuild the ancient Silk Road, and to extend China's reach through Europe, Asia and Africa via infrastructure projects. It includes investments in road, railways, ports and energy ventures across more than 60 countries to open new business opportunities for domestic companies. (The Star)

Japan Business Sentiment Weakens in Q1

Japan's business survey index of large manufacturers weakened notably in the three months ended March, the quarterly survey by the Ministry of Finance and the Cabinet Office showed. The Business Survey Index, or BSI, dropped 2.9 in the three-month period to March from 9.7 in the previous three months. Similarly, the sentiment is expected to decline to -1.5 in the April to June period, while predicts a 6.1 score for the third quarter. The survey was conducted among 12,811 business enterprises on February 15. (RTT)

Europe and United Kingdom

UK Consumer Spending Suffers Weakest Start Since 2012 - Visa

British consumers tightened their belts in February, giving the weakest start to the year since 2012, figures from payments company Visa showed on Monday, raising the prospects that the broader economy will slow in the first quarter of 2018. Visa said inflation-adjusted consumer spending in February was 1.1% lower than a year earlier, after a 1.2% decline in January. Rising living costs, lacklustre wage growth and relatively subdued consumer confidence are all likely playing a part in the ongoing reduction in household spending. British inflation hit its highest in more than five years in November, pushed up by a surge in import costs after the pound tumbled following June 2016's Brexit vote. During the course of last year, Britain moved from being the fastest-growing major advanced economy to the slowest as consumer spending slowed and businesses held back on investment while the terms of Britain's departure from the European Union in March 2019 remain unclear. (Reuters)

Share Buy-Back 12-March 2018

Company	Bought Back	Price (RM)	Hi/ Lo (RM)	Total Treasury Shares
AJIYA	25,000	0.52	0.52	4,539,100
AMPROP	30,000	0.72	0.735/0.72	16,320,600
BAUTO	30,000	2.00	2.06/1.99	2,235,000
E&O	105,000	1.43/1.42	1.43/1.41	26,225,747
FIMACOR	9,400	1.97	1.97/1.96	4,311,900
FITTERS	1,100,000	0.40/0.395	0.40/0.395	34,607,900
GENM	2,000,000	5.30/5.10	5.30/5.09	281,207,400
GRANFLO	80,000	0.225/0.22	0.235/0.215	8,723,000
KOMARK	34,400	0.19/0.185	0.19/0.175	5,909,800
KPJ	264,800	0.94	0.94/0.925	67,898,700
KSL	323,300	1.01	1.02/1.01	14,872,100
MALAKOF	3,000,000	0.90/0.88	0.90/0.87	33,918,500
MASTEEL	517,000	0.985/0.95	1.01/0.945	1,031,000
NYLEX	1,000	0.80/0.795	0.80/0.795	6,293,324
PANTECH	64,100	0.56	0.57/0.555	1,949,224
REXIT	37,300	0.72/0.715	0.72/0.70	10,876,400
SUNWAY	100,000	1.59	1.62/1.59	31,839,262
UNIMECH	58,000	1.02/1.00	1.02/0.995	7,235,410

Source: Bursa Malaysia

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SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price	Target Price	% upside	Recom	Market Cap.	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD
	(RM)	(RM)					FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
AUTOMOBILE																	
BAUTO	2.02	2.33	15.3%	Buy	2,341	0.53	12.1	19.0	16.7	10.6	5.4	5.7	2.47	-18.2	1.84	9.8	-8.2
MBMR	2.43	2.68	10.3%	Buy	950	0.69	24.7	26.9	9.8	9.0	2.5	2.9	2.60	-6.5	2.01	20.9	10.5
PECCA	1.30	1.62	24.6%	Buy	240	0.47	9.7	10.9	13.4	11.9	3.8	3.8	1.70	-23.5	1.26	3.2	-16.1
SIME	2.64	2.55	-3.4%	Sell	17,954	1.62	13.2	16.4	20.0	16.1	1.2	1.6	3.06	-13.7	2.03	30.3	19.5
UMW	6.35	5.52	-13.1%	Sell	7,419	1.41	28.6	40.2	22.2	15.8	2.2	3.1	6.98	-9.0	4.70	35.1	22.1
BANKS & FINANCIAL SERVICES																	
ABMB	4.30	4.60	7.0%	Buy	6,657	1.21	32.6	35.8	13.2	12.0	3.7	3.7	4.49	-4.2	3.62	18.8	5.4
AFFIN	2.53	2.40	-5.1%	Sell	4,916	0.93	22.2	23.9	11.4	10.6	3.2	3.2	2.98	-15.0	2.22	13.9	9.5
AMBANK	4.07	4.70	15.5%	Buy	12,268	1.43	38.1	44.4	10.7	9.2	4.4	4.4	5.70	-28.6	3.92	3.8	-7.7
CIMB	7.27	8.60	18.3%	Buy	67,070	1.65	58.2	59.9	12.5	12.1	4.0	4.1	7.39	-1.6	5.32	36.7	11.2
HLBANK	18.68	19.30	3.3%	Hold	38,212	0.85	116.8	126.8	16.0	14.7	2.6	2.6	20.02	-6.7	13.42	39.2	9.9
MAYBANK	10.44	11.50	10.2%	Buy	113,418	1.00	74.1	78.3	14.1	13.3	5.3	5.3	10.58	-1.3	8.73	19.6	6.5
PBBANK	23.00	27.30	18.7%	Buy	88,814	0.71	153.3	166.5	15.0	13.8	2.5	2.6	23.20	-0.9	19.80	16.2	10.7
RHBBANK	5.31	6.10	14.9%	Buy	21,293	1.52	54.3	59.0	9.8	9.0	2.8	2.8	5.61	-5.3	4.71	12.7	6.2
BURSA	11.20	11.80	5.4%	Buy	6,020	0.90	43.9	45.0	25.5	24.9	3.2	3.2	11.48	-2.4	8.92	25.6	10.7
Note: BURSA proposed bonus issue of shares on the basis of 1 for 2. Ex-Target price RM7.04																	
BUILDING MATERIALS																	
ANNJOO	3.43	4.34	26.5%	Buy	1,777	1.29	43.7	46.6	7.8	7.4	6.3	7.2	3.98	-13.8	2.27	51.1	-11.1
CHINHIN	1.07	1.39	29.9%	Buy	595	1.00	11.4	11.1	9.4	9.6	6.0	5.3	1.49	-28.2	1.00	7.5	-11.6
ENGTEX	1.08	1.38	27.8%	Buy	459	0.85	14.2	16.1	7.6	6.7	3.8	5.1	1.52	-28.9	1.01	6.9	-1.8
CONSTRUCTION																	
GADANG	0.99	1.69	71.6%	Buy	650	1.15	14.2	18.1	6.9	5.4	3.0	3.0	1.37	-28.1	0.97	1.5	-11.3
GAMUDA	5.05	6.00	18.8%	Buy	12,409	0.84	34.5	35.6	14.6	14.2	2.4	2.4	5.52	-8.5	4.58	10.3	1.8
IJM	2.68	2.89	7.8%	Sell	9,723	1.20	13.7	18.2	19.5	14.8	3.5	3.5	3.61	-25.8	2.55	5.1	-12.1
KAB	0.26	0.38	44.2%	Buy	8	na	31.4	37.3	0.8	0.7	3.8	4.6	0.33	-21.2	0.25	6.1	-13.3
PESONA	0.38	0.46	21.1%	Buy	264	1.15	5.0	4.5	7.7	8.4	3.9	3.9	0.74	-48.3	0.36	5.6	-15.6
SENDAI	0.77	0.55	-28.1%	Sell	597	1.25	9.1	8.5	8.4	9.0	1.3	1.3	1.39	-45.0	0.58	33.0	-11.6
SUNCON	2.15	2.65	23.3%	Hold	2,778	0.59	14.7	16.4	14.6	13.1	3.7	4.2	2.64	-18.6	1.71	25.7	-14.3
WCT	1.39	1.50	7.9%	Sell	1,956	0.97	11.3	10.8	12.3	12.8	2.2	2.2	2.48	-43.8	1.35	3.0	-14.2
LITRAK	5.60	6.26	11.8%	Hold	2,956	0.33	45.6	47.1	12.3	11.9	4.5	4.5	6.15	-8.9	5.40	3.7	0.9
CONSUMER																	
<i>Brewery</i>																	
CARLSBG	20.64	18.09	-12.4%	Buy	6,349	0.71	87.8	91.8	23.5	22.5	4.2	4.3	20.64	0.0	14.34	43.9	34.9
HEIM	22.22	21.64	-2.6%	Hold	6,713	0.41	93.0	101.6	23.9	21.9	3.4	3.6	22.24	-0.1	16.98	30.9	17.6
<i>Retail</i>																	
AEON	1.84	1.97	7.1%	Buy	2,583	0.21	7.5	8.9	24.4	20.6	2.4	2.7	2.52	-27.0	1.45	26.9	4.5
AMWAY	7.50	8.59	14.5%	Buy	1,233	0.47	48.3	49.9	15.5	15.0	5.3	5.5	8.10	-7.4	6.97	7.6	2.7
F&N	31.70	33.74	6.4%	Buy	11,619	0.25	122.7	145.8	25.8	21.7	2.5	3.0	31.84	-0.4	23.40	35.5	17.4
HUPSENG	1.11	1.25	12.6%	Buy	888	0.41	5.7	5.9	19.5	18.8	5.4	5.4	1.28	-13.3	1.05	5.7	1.8
JOHOTIN	1.02	1.48	45.1%	Buy	317	1.03	11.1	12.0	9.2	8.5	5.9	6.4	1.76	-42.0	1.00	2.0	-15.7
NESTLE	150.50	129.90	-13.7%	Hold	35,292	0.44	322.2	360.2	46.7	41.8	2.0	2.2	150.80	-0.2	76.40	97.0	45.8
PADINI	5.01	4.67	-6.8%	Sell	3,296	0.83	28.0	30.4	17.9	16.5	2.5	2.6	5.50	-8.9	2.86	75.3	-5.1
POHUAT	1.52	2.01	32.2%	Buy	334	0.61	22.9	25.4	6.6	6.0	5.3	5.3	2.07	-26.5	1.43	6.3	-15.1
QL	4.95	5.41	9.3%	Hold	8,031	0.60	12.8	14.7	38.6	33.6	0.9	1.0	4.98	-0.6	3.45	43.6	13.8
SIGN	0.62	0.92	48.4%	Buy	142	0.59	6.9	9.2	8.9	6.8	4.0	5.6	1.07	-42.1	0.57	8.8	-12.1
<i>Tobacco</i>																	
BAT	27.00	34.72	28.6%	Hold	7,709	1.46	170.8	168.8	15.8	16.0	5.9	5.9	49.00	-44.9	26.50	1.9	-32.5
GAMING																	
<i>Casino</i>																	
GENTING	8.99	11.58	28.8%	Buy	34,445	1.43	55.1	61.8	16.3	14.5	1.8	1.8	9.92	-9.4	8.63	4.1	-1.5
GENM	5.30	6.68	26.0%	Buy	29,992	1.43	27.6	32.0	19.2	16.6	2.3	2.5	6.28	-15.6	4.80	10.5	-4.4
<i>NFO</i>																	
BJTOTO	2.14	3.34	56.1%	Buy	2,883	0.61	21.5	26.0	9.9	8.2	7.5	8.4	2.98	-28.2	2.13	0.5	-4.5
HEALTHCARE																	
<i>Hospitals/ Pharmaceutical</i>																	
CCMDBIO	2.86	3.40	18.9%	Buy	798	0.93	16.2	17.4	17.7	16.5	3.7	3.9	3.05	-6.2	1.97	45.2	13.0
IHH	6.09	6.40	5.1%	Sell	50,179	0.76	11.9	15.0	51.3	40.7	0.5	0.6	6.33	-3.8	5.42	12.4	3.9
KPJ	0.94	1.13	20.9%	Buy	3,940	0.56	3.9	4.4	23.9	21.5	2.4	2.6	1.14	-18.0	0.87	7.5	-3.6
<i>Rubber Gloves</i>																	
HARTA	11.80	7.80	-33.9%	Sell	19,535	1.16	25.2	28.8	46.9	40.9	1.3	1.5	12.18	-3.1	4.71	150.5	10.5
KOSSAN	8.15	9.73	19.4%	Buy	5,212	0.62	37.4	42.1	21.8	19.4	2.3	2.6	8.79	-7.3	5.62	45.0	0.5
SUPERMX	2.74	2.70	-1.5%	Buy	1,796	0.65	20.0	22.6	13.7	12.1	1.9	2.2	2.74	0.0	1.69	62.1	37.0
TOPGLOV	9.68	9.35	-3.4%	Sell	12,158	0.73	35.1	42.4	27.5	22.8	1.5	1.8	10.24	-5.5	4.56	112.3	21.2
KAREX	0.85	0.93	9.4%	Sell	852	0.86	1.8	3.0	48.0	28.1	0.5	0.9	2.26	-62.4	0.79	8.3	-34.6
INDUSTRIAL																	
SCIENTX	8.30	10.01	20.6%	Buy	4,058	0.84	67.5	79.4	12.3	10.5	2.5	3.1	9.85	-15.7	7.23	14.8	-4.2
SKPRES	1.58	2.20	39.2%	Buy	1,975	0.93	10.4	14.8	15.2	10.7	3.3	4.7	2.35	-32.8	1.24	27.4	-30.7
MEDIA																	
ASTRO	2.38	3.10	30.3%	Buy	12,409	0.85	14.0	13.7	17.1	17.4	5.5	5.7	2.94	-19.0	2.30	3.5	-10.2
MEDIA PRIMA	0.44	0.45	3.4%	Sell	483	1.28	-3.8	-1.7	na	na	0.0	0.0	1.28	-66.0	0.43	2.4	-42.8
STAR	1.30	1.20	-7.7%	Sell	959	1.05	6.2	5.9	20.9	21.9	6.9	6.9	2.22	-41.4	1.29	0.8	-21.2

SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price (RM)	Target Price (RM)	% upside	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	0.42	0.72	71.4%	Buy	738	1.66	4.2	4.5	10.0	9.3	2.4	2.4	0.69	-39.1	0.38	10.5	-13.4
LCTITAN	6.33	6.10	-3.6%	Buy	14,388	na	56.3	60.9	11.2	10.4	3.9	4.3	6.53	-3.1	4.14	52.9	34.7
MHB	0.72	0.81	12.5%	Sell	1,152	1.45	0.5	1.7	149.9	43.2	0.0	0.0	1.16	-37.9	0.63	15.2	-12.7
MISC	6.99	7.00	0.1%	Sell	31,202	1.13	50.1	53.8	14.0	13.0	4.3	4.3	7.90	-11.5	6.73	3.9	-5.8
PANTECH	0.57	0.69	22.1%	Buy	421	1.28	6.1	6.8	9.3	8.3	4.9	5.4	0.74	-23.6	0.51	10.8	-12.4
PCHEM	8.08	8.84	9.4%	Hold	64,640	0.86	52.5	53.8	15.4	15.0	3.2	3.2	8.29	-2.5	6.80	18.8	4.9
SAPNRG	0.47	1.25	168.8%	Buy	2,786	2.12	-6.5	-5.0	na	na	0.0	0.0	2.10	-77.9	0.45	3.3	-34.5
SERBADK	3.40	4.15	22.1%	Buy	4,993	na	27.7	31.5	12.3	10.8	2.6	2.9	3.68	-7.6	1.63	108.6	4.9
UMWOG	0.31	0.39	27.9%	Buy	2,506	1.86	0.4	1.2	79.9	26.3	0.0	0.0	0.68	-55.0	0.27	13.0	0.0
UZMA	1.43	1.57	9.8%	Hold	458	0.82	12.9	13.9	11.1	10.3	0.0	0.0	1.98	-27.8	1.26	13.5	11.7
PLANTATIONS																	
FGV	1.84	1.98	7.6%	Sell	6,713	1.66	3.5	4.4	53.3	42.2	2.7	2.7	2.18	-15.6	1.51	21.9	8.9
IJMLNT	2.28	2.25	-1.3%	Sell	2,008	0.18	6.7	10.8	33.8	21.1	3.5	3.9	3.24	-29.6	2.21	3.2	-16.8
IOICORP	4.85	5.08	4.7%	Buy	30,477	0.92	20.9	21.6	23.2	22.4	6.1	3.6	4.88	-0.6	4.31	12.5	6.8
KFIMA	1.54	1.89	22.7%	Buy	435	0.68	14.1	14.7	10.9	10.5	5.8	5.8	1.96	-21.4	1.45	6.2	-1.9
KLK	25.40	27.07	6.6%	Hold	27,050	0.65	120.7	125.7	21.0	20.2	2.4	2.4	25.78	-1.5	23.66	7.4	1.6
SIMEPLT	5.56	6.25	12.4%	Buy	37,813	na	21.0	22.1	26.4	25.2	2.5	2.7	6.00	-7.3	4.58	21.4	-7.3
TSH	1.59	1.97	23.9%	Buy	2,195	0.49	9.3	9.6	17.1	16.6	1.5	1.5	1.90	-16.3	1.53	3.9	-3.6
UMCCA	6.22	6.73	8.2%	Sell	1,304	0.40	22.7	34.8	27.4	17.9	2.7	2.9	7.08	-12.1	5.77	7.8	-4.5
PROPERTY																	
GLOMAC	0.51	0.46	-9.8%	Sell	405	0.76	3.0	4.4	17.2	11.5	3.9	3.9	0.67	-24.2	0.50	3.0	-8.0
HUAYANG	0.55	0.58	5.5%	Sell	194	0.87	0.7	3.4	82.9	16.2	0.9	0.9	1.16	-52.6	0.54	1.9	-9.8
IBRACO	0.66	0.80	22.1%	Buy	325	na	7.2	10.7	9.0	6.1	4.6	6.1	0.98	-32.8	0.50	31.0	-19.6
IOIPG	1.82	2.00	9.9%	Sell	10,021	0.83	16.3	15.7	11.1	11.6	3.3	3.3	2.22	-18.0	1.79	1.7	-1.6
MAHSING	1.13	1.59	40.7%	Buy	2,743	0.92	11.8	11.3	9.6	10.0	5.8	5.8	1.64	-31.1	1.10	2.7	-22.1
SIMEPROP	1.37	1.51	10.2%	Hold	9,317	na	7.5	7.5	18.2	18.3	2.9	2.2	1.78	-23.0	1.04	31.7	-23.0
SNTORIA	0.66	0.76	15.2%	Buy	371	0.14	8.3	8.6	8.0	7.7	1.5	1.5	0.91	-27.4	0.56	17.9	-5.0
SPB	4.52	5.10	12.8%	Hold	1,553	0.60	18.7	24.0	24.1	18.8	2.7	2.7	5.50	-17.8	4.39	3.0	-7.8
SPSETIA	3.20	3.73	16.6%	Buy	12,010	0.92	19.8	19.4	16.2	16.5	3.8	3.8	4.38	-27.0	3.07	4.2	-20.0
SUNWAY REIT	1.62	1.75	8.0%	Hold	7,917	0.91	11.8	12.4	13.7	13.0	3.7	3.7	1.96	-17.3	1.33	21.6	-0.6
SUNREIT	1.67	1.87	12.0%	Hold	4,918	0.87	10.0	10.7	16.7	15.6	6.0	6.4	1.90	-12.1	1.63	2.5	-12.1
CMMT	1.05	1.48	41.0%	Buy	2,140	0.75	7.8	8.3	13.4	12.7	7.7	8.2	1.83	-42.6	0.98	7.1	-42.6
POWER & UTILITIES																	
MALAKOF	0.90	0.82	-8.9%	Sell	4,467	0.97	6.6	7.2	13.6	12.5	7.8	7.8	1.30	-30.8	0.86	5.3	-8.2
PETDAG	24.86	24.08	-3.1%	Sell	24,697	0.48	114.7	116.3	21.7	21.4	3.5	3.5	25.97	-4.3	20.81	19.4	3.4
PETGAS	17.80	19.46	9.3%	Buy	35,221	0.87	99.3	100.0	17.9	17.8	3.9	3.9	20.08	-11.4	15.82	12.5	1.8
TENAGA	15.62	18.22	16.6%	Buy	88,503	0.56	131.3	127.5	11.9	12.3	4.2	4.0	16.12	-3.1	13.44	16.2	2.4
YTLPOWR	1.06	1.16	9.4%	Sell	8,405	0.93	8.6	8.9	12.3	11.9	4.7	4.7	1.50	-29.3	1.05	1.0	-17.8
TELECOMMUNICATIONS																	
AXIATA	5.45	6.50	19.3%	Buy	49,317	1.55	15.9	19.4	34.2	28.0	1.5	2.9	5.82	-6.4	4.54	20.0	-0.7
DIGI	4.75	5.15	8.4%	Hold	36,931	0.97	19.7	20.4	24.1	23.3	4.1	4.3	5.19	-8.5	4.36	8.9	-6.9
MAXIS	5.98	6.05	1.2%	Sell	46,707	1.09	25.2	25.0	23.7	23.9	3.3	3.3	6.60	-9.4	5.48	9.1	-0.5
TM	5.73	7.20	25.7%	Buy	21,533	0.67	22.8	24.9	25.1	23.1	3.6	3.9	6.69	-14.3	5.49	4.4	-9.0
TECHNOLOGY																	
<i>Semiconductor & Electronics</i>																	
ELSOFT	2.60	3.30	26.9%	Buy	715	0.90	13.1	15.0	19.8	17.4	3.5	4.0	2.95	-11.9	1.68	54.7	-3.7
IRIS	0.19	0.22	15.8%	Buy	470	2.50	0.0	0.3	690.7	60.0	0.0	0.0	0.25	-22.4	0.12	58.3	2.7
INARI	3.22	3.65	13.4%	Buy	6,656	0.77	13.7	15.3	23.4	21.0	3.1	3.4	3.82	-15.7	1.88	71.6	-5.3
<i>Note: INARI proposed bonus issue shares on the basis of 1 for 2. For more detail please refer to 30.01.18 report.</i>																	
MPI	9.00	10.70	18.9%	Buy	1,790	0.90	73.9	86.9	12.2	10.4	3.6	3.6	14.52	-38.0	8.42	6.9	-28.7
UNISEM	2.76	2.70	-2.2%	Sell	2,025	1.14	19.0	20.3	14.5	13.6	4.3	4.3	4.25	-35.1	2.49	10.8	-24.4
TRANSPORTATION																	
<i>Airlines</i>																	
AIRASIA	4.08	4.93	20.8%	Hold	13,635	1.11	49.3	49.3	8.3	8.3	2.0	2.0	4.75	-14.1	2.77	47.3	21.8
AIRPORT	8.78	8.61	-1.9%	Sell	14,568	1.20	18.0	18.8	48.9	46.7	1.5	1.1	9.45	-7.1	6.87	27.8	-0.1
<i>Freight & Tankers</i>																	
PTRANS	0.28	0.46	67.3%	Buy	346	na	2.3	3.8	11.8	7.3	2.5	4.0	0.38	-28.0	0.18	55.1	-1.8
TNLOGIS	1.11	1.45	30.6%	Buy	507	1.03	10.3	10.5	10.8	10.5	4.5	4.5	1.83	-39.5	1.08	2.8	-17.2
WPRTS	3.56	4.06	14.0%	Buy	12,140	0.45	15.6	20.0	22.8	17.8	1.1	1.4	4.19	-15.0	3.12	14.1	-3.8

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

Company	Share Price (S\$)	Target Price (S\$)	% upside	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	28.74	30.50	6.1%	Buy	73,686	1.13	212.3	246.0	13.5	11.7	2.3	2.4	29.7	-3.3	18.47	55.6	15.7
OCBC	13.44	14.30	6.4%	Buy	56,244	1.21	109.5	123.2	12.3	10.9	6.7	7.7	13.6	-1.2	9.45	42.2	8.5
UOB	28.77	27.80	-3.4%	Hold	47,815	1.18	216.6	244.0	13.3	13.3	2.8	2.8	28.8	-0.2	21.36	34.7	8.8
PLANTATIONS																	
WILMAR	3.22	3.31	2.8%	Hold	20,603	0.80	27.4	29.3	11.7	11.0	3.1	3.4	3.9	-16.8	2.97	8.4	4.2
IFAR	0.33	0.36	10.8%	Hold	466	0.97	3.8	4.1	8.6	7.9	1.6	1.7	0.5	-40.4	0.32	1.6	-16.7

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.