

Daily Brief

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

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Market View *Interest in Oil & Gas Stocks on High Oil Price*

Profit-taking emerged Thursday to check recent strong gains, with selling interest increasing due to heightened geopolitical tensions in Syria between US and Russia, and sustained US-China trade tensions. Still, the KLCI added 3.73 points to close at the day's high of 1,873.62, off a low of 1,865.14, as losers beat gainers 579 to 343 on reduced turnover of 3.26bn shares worth RM2.34bn.

Key Resistance at 1,880

While stocks should fall into profit-taking consolidation, which is good to neutralize overbought momentum, higher global oil prices amid elevated geopolitical tensions in Syria could sustain trading interest in oil & gas related stocks. Key resistance from the 2 Feb peak of 1,880 should see profit-taking restrict near-term upside, while the record high of 1,896 from July 2014 act as next significant hurdle. Immediate supports stays at the 30 and 50-day moving averages at 1,853 and 1,851 respectively, followed by the lower Bollinger band (1,827) and last Wednesday's low of 1,811.

Bargain Gadang & Mudajaya

Gadang shares should attract buyers on weakness towards the lower Bollinger band (83sen) for rebound upside to the 23.6%FR (93sen), with a confirmed breakout to aim for the 38.2%FR (RM1.02) and 50%FR (RM1.08) ahead. Crucial support is at the 6/4/18 low (80sen). Similarly, Mudajaya is attractive to bargain on dips to the lower Bollinger band (63sen), with crucial support from the 6/4/18 low (62sen), ahead of rebound upside towards the 23.6%FR (86sen), with next resistance seen at the 38.2%FR (RM1.02).

Asian Markets Rattled By Global Uncertainty

Asian stocks came under pressure on Thursday as the threat of imminent U.S. military action in Syria prompted caution among investors while China's Commerce Ministry kept trade tensions simmering. Trump declared that missiles "will be coming" in Syria, taunting Russia for supporting Syrian President Bashar al-Assad after a suspected chemical attack on rebels. Damascus and Moscow have denied any responsibility. His comments raised the prospect of direct conflict over Syria for the first time between the two world powers backing opposing sides in the seven-year-old civil war, which has also escalated a rivalry between Saudi Arabia and Iran. On the trade front, China's Commerce Ministry issued its latest broadside against U.S. trade protectionism, saying the country would "fight back without any hesitation" and isn't currently engaged in talks with Washington.

Japanese stocks pulled back as worries about possible U.S. military action against Syria curbed investor risk appetite, while earnings reports kept the retail sector in the spot light. The Nikkei share average ended down 0.1 percent at 21,660.28. In down under, the S&P/ASX 200 closed lower by 0.23 percent at 5,815.50 as gains in the materials and energy subindexes were offset by the move lower in industrials, among other sectors. Over in South Korea, the Kospi gave up gains late in the session, slipping 0.06 percent to close at 2,442.71. Markets on the mainland, also closed in negative territory. The Shanghai composite slipped 0.87 percent to end at 3,180.20.

Wall Street Bounce Back, Led by Financial Sector

U.S. stocks closed with solid gains on Thursday as investors looked past the latest headlines and tweets coming from the White House and turned their focus to earnings season, which kicks off on Friday. Geopolitical issues appeared to fade after President Donald Trump tweeted that a military strike on Syria may not be imminent. In a tweet, Trump said: "Never said when an attack on Syria would take place. Could be very soon or not so soon at all. In any event, the United States, under my Administration, has done a great job of ridding the region of ISIS. Escalating tensions over the Middle Eastern country were seen as a major contributor to weakness in Wednesday's session. Meanwhile, worries about a potential global trade war are persisting, as a Chinese government spokesman denied Thursday that recently announced policy changes constitute concessions to the Trump administration in the countries' trade skirmish.

Financials were particular outperformers, up 1.8 percent, with the group was in focus ahead of major banks reporting results in the coming sessions. Financial companies are among the first to report earnings each quarter, and investors expect the recent surge in volatility, along with higher interest rates, to boost trading and net interest revenue among banks, asset managers and other firms. Financial stocks in the S&P 500 are expected to see a 20 percent jump in earnings growth from the year-earlier period, according to Fact-Set, while the broader index is projected to expand earnings by 17 percent.

The Dow Jones Industrial Average rose 293.60 points, or 1.21 percent, to 24,483.05, the S&P 500 gained 21.80 points, or 0.82 percent, to 2,663.99, and the Nasdaq Composite added 71.22 points, or 1.01 percent, to 7,140.25.

News In Brief *Corporate*

Astro Malaysia Holdings Bhd's wholly-owned subsidiary, MEASAT Broadcast Network Systems Sdn Bhd (MBNS), has entered into an agreement with MEASAT International (South Asia) Ltd, a wholly-owned subsidiary of MEASAT Global Bhd, for the supply of an additional 6 transponders on the MEASAT-3b (M3b) satellite for a period of 12 years from 8 June 2018 until 11 June 2030 for a fee of USD22.5mn (~RM87.2mn) to be satisfied in cash. The agreement is conditional on the receipt of approval of shareholders and the board of directors of MBNS. (*Bursa Malaysia*)

Comments: We are neutral on the latest development as the addition of transponders is expected with the on-going enhancement of the group's services (i.e. to expand near video on demand services and the number of TV channels) to its subscribers as well as to provide back-up and recovery functions for any of the group's existing 18 transponders on the M3b satellite. We estimate the impact to the group's net gearing level to be negligible with 4QFY18's of 5.7x to increase marginally to 5.8x. Maintain **Buy** on Astro with a TP of RM2.90/share.

Serba Dinamik Holdings Bhd acquired a 49% stake in Al Sagar for total cash consideration of AED10mn (RM10.5mn). The consideration will be satisfied entirely in cash via IPO funds raised. Al Sagar imports and sells pumps, motors, valves and various safety equipment. (*Bursa Malaysia*)

Comments: We are neutral on the acquisition as we believe it is unsubstantial relative to Serba's size. Al Sagar's net loss of RM2.5mn in FY16 is barely 1% of Serba's current net profit. We deem the purchase consideration at 0.8x P/B to be fair and expect synergies to arise from the acquisition as Al Sagar holds various licenses from reputable pump OEMs. Nevertheless, we maintain our earnings forecasts and TP of RM4.15 based on 15x CY18 PER. Reiterate **BUY**.

Malayan Banking Bhd (Maybank) said it is confident of maintaining its strong financial performance this year and is hopeful of achieving another record for the year ended Dec 31, 2018 (FY18). For FY17, Maybank registered a record net profit of RM7.5bn and rewarded its shareholders with a dividend of 55 sen per share, totalling RM5.9bn. (*The Edge Markets*)

Boustead Holdings Bhd expects normalised profit growth of about 20% for the financial year ending Dec 31, 2018 (FY18), driven by growth across most of its core business segments. The group's pre-tax profit crossed the RM1.0bn mark in FY17 at RM1.1bn, boosted by RM555.0mn in proceeds from the disposal of plantation land. Excluding the extraordinary item, its normalised profit for FY17 stood at RM545.0mn. (*The Edge Markets*)

IHH Healthcare Berhad is proposing a potential offer for Fortis Healthcare that could value the Indian company at as much as US\$1.3bn, which would top the bid from a TPG-backed consortium, according to people with knowledge of the matter. IHH sent a letter to the Fortis board yesterday saying it may be willing to pay as much as 160 rupees per share to take over the Indian hospital operator, the people said, asking not to be identified because the information is private. (*StarBiz*)

HSS Engineering Bhd's associate has secured a RM289.9mn contract from Mass Rapid Transit Corporation Sdn Bhd to be the independent consultant for the Klang Valley Mass Rapid Transit Line 3, Circle Line. The contract came into effect on March 6. Under the exclusive teaming arrangement between HSSI and its unit, HSS Engineering Sdn Bhd, both companies will collaborate exclusively to execute and complete the contract. (*StarBiz / Bursa Malaysia*)

Boustead Plantations Bhd, which is buying oil palm plantation land in Labuk and Sugut in Sabah, will increase the land's fresh fruit bunch yield to 17 tonnes a hectare over the next four years from 11 tonnes a hectare currently, and has allocated RM250mn as capital expenditure for that. *(The Edge Markets / Bursa Malaysia)*

KLCCP Stapled Group (KLCCP), which comprises **KLCC Property Holdings Bhd** and **KLCC Real Estate Investment Trust (REIT)**, said KLCC Holdings Sdn Bhd — its parent company — has formed a joint venture with a third party to develop its first transport-oriented development (TOD), comprising retail as well as office space and hotel, at Bukit Bintang and KLCC. *(The Edge Markets / Bursa Malaysia)*

Petroliam Nasional Bhd's (Petronas) new oil refinery complex in Johor, the Pengerang Integrated Complex (PIC), has been powered up and is expected to be completed and to begin operations by the first quarter of 2019. In a statement, Petronas said power has been successfully supplied to the refinery complex's critical components, including the crude distillation unit, the atmospheric residue desulphurisation unit, the hydrogen collection distribution unit, and the hydrotreating units. *(The Edge Markets)*

Carlsberg Brewery Malaysia Bhd is keeping a close watch on the upcoming general election in case there are legislative changes post-polls that could impinge on its bottomline. The other “big” event this year on its calendar is the FIFA World Cup in mid-June. *(The Edge Markets)*

Rex Industry Bhd said it has decided not to proceed with plans to raise RM20.8mn via rights with bonus issue after taking into consideration the current market conditions. Instead, it will consider funding its working capital and business investment/expansion plan(s) in the interim using internal funds and/or external borrowings. *(The Edge Markets / Bursa Malaysia)*

N2N Connect Bhd is acquiring a 28% stake in Australia's first hybrid marketplace lender for A\$2.8mn (RM8.3mn) cash. The target company uses the latest peer-to-peer lending technology in combination with traditional structured finance methods to fund high-yielding unsecured personal loans. *(The Edge Markets / Bursa Malaysia)*

A unit of **Iskandar Waterfront City Bhd** is being sued by the Inland Revenue Board for RM32.2mn in additional taxes and penalties. Its wholly-owned subsidiary Tebrau Bay Constructions Sdn Bhd was served with a legal claim dated 15 March 2018 for the amount, together with interest and costs. *(The Edge Markets / Bursa Malaysia)*

Perak Transit Bhd announced that Australian banking group Macquarie Bank Ltd will not be subscribing for any more of its placement shares as it has issued a notice to terminate the conditional share subscription agreement it inked with the bank. *(The Edge Markets / Bursa Malaysia)*

Destini Bhd has been awarded a two-year umbrella contract to undertake well abandonment integrated services for Petronas Carigali Sdn Bhd, which will start from March 29 this year till March 28, 2020 with a one-year optional extension. *(The Edge Markets / Bursa Malaysia)*

Malakoff Corp Bhd has bagged an operation and maintenance (O&M) contract with a large scale solar photovoltaic power plant in Kota Tinggi, Johor, with a capacity of 29MWac. The main scope of the O&M agreement, which is for a period of 21 years starting from December 2018, is to perform and provide services in relation to the operation, maintenance and repair of the solar plant. *(The Edge Markets / Bursa Malaysia)*

Tycoon Tan Sri Syed Mokhtar Al-Bukhary appears to be putting in motion his succession plan at **DRB-Hicom Bhd**, with the appointment of his 24-year-old daughter Sharifah Sofia Syed Mokhtar Shah as non-independent and non-executive director of the diversified group effective tomorrow. Sharifah Sofia takes on the same role at **Pos Malaysia Bhd**, whose holding company is DRB-Hicom. Meanwhile, DRB-Hicom appointed Datuk Mohammad Zainal Shaari as non-independent and non-executive chairman of the group, replacing Tan Sri Mohd Khamil Jamil who stepped down from the position on April 1. Mohammad Zainal has also been appointed to the same post at Pos Malaysia effective tomorrow. *(The Edge Markets / Bursa Malaysia)*

Kerjaya Prospek Group Bhd has secured a contract worth RM357.3mn for main building works at the Bukit Bintang City Centre (BBCC) mixed development. The deal involves the construction of a block of eight-storey car park podium, a six-storey car park, and two towers (one 35 storeys and one 47 storeys), comprising a total of 666 service apartment units. *(The Edge Markets / Bursa Malaysia)*

Advancecon Holdings Bhd's wholly-owned subsidiary, Advancecon Machinery Sdn Bhd, will acquire two parcels of industrial land in Gombak from Perbadanan Kemajuan Negeri Selangor (PKNS) for RM13.8mn. In a filing to Bursa Malaysia, Advancecon said, it planned to build an in-house workshop on the land to carry out repair and maintenance services for its machinery and equipment. *(Bernama / Bursa Malaysia)*

Petra Energy Bhd has signed a Memorandum of Understanding (MoU) with Pekat Teknologi Sdn Bhd to combine resources and expertise to pursue selective opportunities in relation to the solar photovoltaic system in the market. In a filing to Bursa Malaysia, Petra said there were no contract for the MoU as it serves as an intention of the parties to cooperate and collaborate on an exclusive basis to bid and also in terms of design and detailed engineering scope for the potential project. *(Bernama / Bursa Malaysia)*

AirAsia X Berhad Malaysia has received its third biennial IATA Operational Safety Audit (IOSA) registration. AirAsia X, which is the long-haul, low-cost affiliate carrier of the AirAsia Group, said the registration affirmed its commitment to the highest standards of operational safety. IOSA is an internationally recognised and accepted evaluation system designed to assess an airline's operational management and control systems and is regarded by the industry as the global benchmark for safety management. *(StarBiz)*

In conjunction with the upcoming 14th General Election, **AirAsia Berhad** is offering fixed fares as low as RM99 to encourage Malaysians to return home to cast their ballots. "Because of your overwhelming response to vote for #GE14, we're launching fixed fares TONIGHT. All fares available on airasia.com, #forthepeople," said AirAsia in a Facebook post. *(New Straits Times)*

Dolphin International Bhd has secured a RM1.3mn contract to supply, install and commission a clean air emission system, the Electrostatic Precipitator System from Genting SDC Sdn Bhd for Genting Jambongan Oil Mill in Sabah. *(The Edge Markets / Bursa Malaysia)*

MMS Ventures Bhd has obtained the green light from the Securities Commission Malaysia to transfer its listing from the ACE Market to the Main Market of Bursa Malaysia. *(The Edge Markets / Bursa Malaysia)*

News In Brief *Economy*

Asia **Volume Index of Wholesale & Retail Trade Rose 7.1% in February 2018**

Malaysia's volume index of Wholesale & Retail Trade rose 7.1% to 158.0 points in February 2018 as compared to February 2017. The growth was supported by the increase in Retail Trade (8.1%) and Wholesale Trade (7.9%). Seasonally adjusted volume index of Wholesale & Retail Trade increased by 0.8% as compared to the preceding month. Sales value of Wholesale & Retail Trade stood at RM97.3bn, increased 7.5% in February 2018. The sales value consists of Wholesale Trade (RM47.6bn), Retail Trade (RM39.2bn) and Motor Vehicles (RM10.5bn) businesses.

The positive growth was contributed by Retail Trade (9.2%) and Wholesale Trade (7.5%) businesses. Volume index of Wholesale Trade grew 7.9% to 165.9 points in February 2018 as compared to February 2017. On a monthly basis, this volume index (seasonally adjusted) recorded positive growth 0.6% as against the previous month. Volume index of Retail Trade rose 8.1% to 165.9 points in February 2018 as compared to the same month of previous year. Compared to January 2018, seasonally adjusted volume index of Retail Trade increased by 1.0%. (Department of Statistics)

BOJ's Kuroda Offers Upbeat View on Prices, Keeps Pledge on Easy Policy

Bank of Japan Governor Haruhiko Kuroda stressed his resolve to maintain the central bank's massive stimulus program, even as he offered an optimistic view on prospects for meeting his 2% inflation target. Kuroda said Japan's economy will continue expanding moderately as rising household income drives up spending. "With the output gap improving and medium- to long-term inflation expectations seen heightening, we expect inflation to accelerate as a trend and head toward 2%," Kuroda told a quarterly meeting of the BOJ's regional branch managers. The BOJ will maintain its ultra-loose policy "until needed to stably and sustainably achieve" its target, Kuroda said.

The central bank revised up its assessment for two of Japan's nine regions in a report and maintained its rosy view for six areas, saying a tightening job market was supporting consumption. It described the economy as "expanding" or "expanding moderately" for six of the regions in a sign of its confidence over the strengthening recovery. A senior BOJ official also told parliament that there were promising signs in the economy that would help the bank meet its elusive price goal. "Medium- and long-term inflation expectations are recently emerging from weaknesses, while wages and inflation are rising moderately," said BOJ Executive Director Eiji Maeda. But the central bank report cited some companies complaining that labor shortages were hurting their businesses. (Reuters)

Singapore Retail Sales Rise 8.6% in February

Singapore's retail sales in February rose from a year earlier, thanks to a surge in sales of wearing apparel and footwear. Total retail sales rose 8.6% from a year earlier, after falling a revised 7.8% in the previous month, according to data from the Singapore Department of Statistics. Sales of wearing apparel and footwear grew 42.4% in February from a year ago, after contracting 15.3% the month earlier. On a month-on-month and seasonally adjusted basis however, total retail sales fell 1.7% in February after falling a revised 4.9% in the previous month, due to a continued fall of motor vehicles sales.

Sales of motor vehicles fell 15.2% in February from the month before after showing an on-month contraction of 20.9% in January. Singapore, one of the world's most expensive places to own a vehicle, announced in October last year that it would not allow any growth in its car population from February, citing the city-state's land scarcity and billions of dollars in planned public transport investments. (Reuters)

Australia Housing Finance Declines in February

The total number of owner occupied housing commitments in Australia declined for the third straight month in February, figures from the Australian Bureau of Statistics showed. Total number of owner occupied dwelling commitments dropped 0.2% month-over-month in February, slower than the 1.0% fall in January. The value of owner occupied housing commitments, excluding alternations and addition, increased 1.0% in February. The total value of investment housing commitments rose 0.5% from January. (RTT)

United States U.S. Weekly Jobless Claims Hold Below 300,000 for Longest Streak on Record

The number of Americans claiming new unemployment benefits has never been so low for so long. Initial jobless claims, a proxy for layoffs across the U.S., decreased by 9,000 to a seasonally adjusted 233,000 in the week ended April 7, the Labor Department said Thursday. This means claims have now held below 300,000 for 162 consecutive weeks, cementing the longest streak for weekly records dating back to 1967. The current streak eclipsed the previous longest stretch that ended in April 1970. Economists surveyed by The Wall Street Journal expected 230,000 new claims last week. The consistently low claims levels point to labor market health because they mean relatively few Americans are losing their jobs and applying for benefits to tide them over until they can find new employment. After several years of consistent job growth, firms are reluctant to let employees go in a tightening labor market in which many available workers are quickly snapped up. (WSJ)

US Import Prices Unchanged on Weak Petroleum

U.S. import prices were unexpectedly flat in March as a drop in the cost of petroleum products was offset by increases in the prices of food and a range of other goods. The Labor Department said last month's unchanged reading followed a slightly downwardly revised 0.3% increase in February. March's reading was the weakest since last July. Economists polled by Reuters had forecast import prices gaining 0.2% in March after a previously reported 0.4% rise in February. In the 12 months through March, import prices increased 3.6%, the biggest gain since April 2017, after advancing 3.4% in February. Last month, prices for imported petroleum decreased 1.3% after falling 0.8% in February. Excluding petroleum, import prices gained 0.1% in March after climbing 0.4% in the prior month. These prices have risen strongly this year, reflecting the dollar's depreciation against the currencies of the United States' main trading partners. (CNBC)

Europe and United Kingdom Britain's RICS House Price Balance Holds at Five-Year Low

A closely-watched gauge of British house prices held at a five-year low last month, reflecting soft consumer demand at a time when the Bank of England looks set to raise interest rates, property valuers said. The Royal Institution of Chartered Surveyors (RICS) said its monthly house price balance remained at zero in March, unchanged from February and the joint-lowest reading since February 2013. Economists polled by Reuters had expected a slight pick-up in the gauge to +2. The balance measures the difference between the percentages of surveyors reporting price rises and price falls over the previous three months. "The latest RICS results provide little encouragement that the drop in housing market activity is likely to be reversed anytime soon," the organisation's chief economist, Simon Rubinsohn, said. Expectations for prices over the next three months were fairly flat, but are stronger over a 12-month horizon, with surveyors predicting the biggest pick-up since May 2017. (Reuters)

UK Consumer Credit Drops 'Significantly'

The availability of consumer credit dropped “significantly” in the first quarter of 2018, according to a survey of credit conditions published on Thursday by the Bank of England. A net 38.7% of lenders reported that the availability of unsecured consumer credit — such as credit card lending and overdrafts — fell during the three months to the end of March, compared with the previous quarter. “The availability of unsecured credit to households was reported to have decreased significantly in Q1,” the BoE wrote in its report. “This was largely driven by a changing appetite to risk, with lenders also reporting that the credit scoring criteria for granting both credit card and other unsecured loan applications tightened significantly in Q1.” Consumer borrowing has helped to keep the UK economy growing following the June 2016 EU referendum, as households have borrowed or dipped into savings in order to maintain their living standards as prices have risen faster than incomes. (Financial Times)

Eurozone Industrial Production Unexpectedly Falls in February

A wide-ranging measure of Eurozone industry unexpectedly fell in February, echoing surveys of businesses that suggest the bloc’s economic growth may have eased in the first quarter. Industrial production fell 0.8% in February from January, marking the third straight monthly decline for the gauge. Economists had forecast a 0.1% uptick, according to a Reuters survey. Falls were the most pronounced in capital and durable goods. The former fell 3.6%, while the latter declined 2.1%. Energy was a bright spot, up 6.8%.

Data from individual countries released previously suggested cold weather may have provided a boon to the energy sector. Industrial production was still up 2.9% from February 2017, but the rate of growth slowed sharply from 3.7% in January and 5.2% in the final month of 2017. Both hard data and surveys have indicated the Eurozone’s economy has fared worse this year than it had during a particularly strong growth spurt last year. Slower growth in global economies is thought to have weighed. (Financial Times)

ECB Frets Over Euro Strength, Trade War Risk: Minutes

European Central Bank policymakers gathering last month expressed concern over the risk of a full-fledged trade war with the United States and fretted over the potentially harmful impact of the euro’s strength, the minutes of meeting showed. With the Eurozone economy growing for five straight years, policymakers are now debating how to wean the bloc off easy money and prepare investors for normalizing policy a decade after the global financial crisis sent central banks into crisis mode.

The ECB has so far moved by increments to dial back support. In March, it gave up a largely outdated pledge to raise asset buys if needed, a symbolic move that kept it on course to end its 2.55 trillion asset purchase program by the end of this year. While the euro’s firming in recent months, partly due to fears over U.S. protectionism, has not significantly curtailed demand, policymakers called the exchange rate a “significant source” of uncertainty with some predicting a more negative impact on inflation. (Reuters)

Share Buy-Back 12-April 2018

Company	Bought Back	Price (RM)	Hi/ Lo (RM)	Total Treasury Shares
AMPROP	105,500	0.69/0.675	0.695/0.67	17,411,500
E&O	400,000	1.42	1.43/1.40	28,263,747
FIMACOR	13,800	1.97/1.96	1.97/1.96	4,475,900
GRANFLO	32,800	0.215/0.21	0.215/0.205	9,345,800
INCKEN	2,000	0.685/0.675	0.685/0.675	17,566,300
KFIMA	10,000	1.49	1.49/1.48	436,300
KOMARK	118,700	0.19	0.19/0.18	7,342,300
N2N	1,123,800	0.89/0.84	0.89/0.84	13,313,100
P&O	2,000	1.08	1.08/1.07	11,736,293
RCECAP	147,900	1.41/1.38	1.42/1.37	14,120,625
SIGN	200,000	0.525/0.52	0.53/0.52	12,093,000
SNTORIA	210,000	0.59/0.58	0.59/0.58	7,541,000
SYSCORP	370,000	0.255/0.245	0.26/0.24	4,813,800
TEXCYCL	30,000	0.68	0.68	1,768,050
TNLOGIS	1,000	1.04	1.04/1.03	4,582,795
TOMYPAK	58,100	0.81	0.83/0.81	430,100

Source: Bursa Malaysia

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SNAPSHOT OF STOCKS UNDER COVERAGE

Company	Share Price (RM) 12-Apr-18	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	
AUTOMOBILE																	
BAUTO	2.24	2.33	4.0%	Buy	2,596	0.50	12.1	19.0	18.5	11.8	4.9	5.1	2.47	-9.3	1.84	21.7	1.8
MBMR	2.44	2.68	9.8%	Hold	954	0.68	24.7	26.9	9.9	9.1	2.5	2.9	2.60	-6.2	2.01	21.4	10.9
PECCA	1.18	1.62	37.3%	Buy	217	0.57	9.7	10.9	12.2	10.8	4.2	4.2	1.70	-30.6	1.13	4.4	-23.9
SIME	2.80	2.55	-8.9%	Sell	19,042	1.56	13.2	16.4	21.2	17.1	1.2	1.5	3.06	-8.5	2.03	38.2	26.7
UMW	6.11	5.52	-9.7%	Sell	7,138	1.45	28.6	40.2	21.3	15.2	2.3	3.3	6.98	-12.5	4.70	30.0	17.5
BANKS & FINANCIAL SERVICES																	
ABMB	4.40	4.60	4.5%	Buy	6,812	1.13	32.6	35.8	13.5	12.3	3.6	3.6	4.49	-2.0	3.62	21.5	7.8
AFFIN	2.44	2.40	-1.6%	Sell	4,741	0.93	22.2	23.9	11.0	10.2	3.3	3.3	2.98	-15.0	2.22	13.9	9.5
AMBANK	4.00	4.70	17.5%	Buy	12,057	1.43	38.1	44.4	10.5	9.0	4.5	4.5	5.70	-29.8	3.61	10.8	-9.3
CIMB	7.20	8.60	19.4%	Buy	66,424	1.60	58.2	59.9	12.4	12.0	4.0	4.2	7.39	-2.6	5.32	35.3	10.1
HLBANK	18.90	21.30	12.7%	Buy	38,662	0.85	116.8	126.8	16.2	14.9	2.5	2.5	20.02	-5.6	13.56	39.4	11.2
MAYBANK	10.54	11.50	9.1%	Buy	114,916	0.99	73.8	77.9	14.3	13.5	5.2	5.2	10.60	-0.6	8.92	18.2	7.6
PBBANK	24.04	27.30	13.6%	Buy	92,830	0.71	153.3	166.5	15.7	14.4	2.4	2.5	24.12	-0.3	19.86	21.0	15.7
RHBBANK	5.33	6.10	14.4%	Buy	21,374	1.46	54.3	59.0	9.8	9.0	2.8	2.8	5.61	-5.0	4.71	13.2	6.6
BURSA	7.27	7.04	-3.2%	Buy	5,861	0.90	29.2	30.0	24.9	24.2	5.0	5.0	7.65	-5.0	6.20	17.2	7.8
Note: BURSA bonus issue of shares on the basis of 1 for 2. Ex-Target price RM7.04																	
BUILDING MATERIALS																	
ANNJO	3.05	4.34	42.3%	Buy	1,597	1.23	43.5	46.3	7.0	6.6	7.1	8.1	3.98	-23.4	2.61	16.9	-21.0
CHINHIN	1.11	1.39	25.2%	Buy	618	1.00	11.4	11.1	9.7	10.0	5.7	5.1	1.49	-25.5	1.00	11.6	-8.3
CSCSTEL	1.36	1.70	25.0%	Buy	502	0.78	17.4	17.9	7.8	7.6	6.9	7.0	2.05	-33.5	1.27	7.1	-11.7
ENGTEX	1.03	1.38	34.0%	Buy	449	0.83	13.8	15.7	7.5	6.6	4.0	5.3	1.52	-32.2	0.96	7.3	-6.4
CONSTRUCTION																	
GADANG	0.88	1.69	93.1%	Buy	579	1.22	14.2	18.1	6.2	4.8	3.4	3.4	1.37	-36.1	0.80	9.4	-21.2
GAMUDA	5.17	5.84	13.0%	Buy	12,719	0.87	34.4	36.4	15.0	14.2	2.3	2.3	5.52	-6.3	4.58	12.9	4.2
IJM	2.76	2.96	7.2%	Hold	10,012	1.26	13.7	18.6	20.1	14.8	3.4	3.4	3.60	-23.3	2.53	9.1	-9.5
KAB	0.24	0.38	56.3%	Buy	8	na	31.4	37.3	0.8	0.6	4.2	5.0	0.33	-27.3	0.20	20.0	-20.0
PESONA	0.33	0.45	36.4%	Buy	229	1.37	4.8	4.6	6.8	7.1	4.5	4.5	0.73	-54.8	0.30	10.0	-26.7
SENDAI	0.99	0.79	-19.8%	Sell	769	1.46	9.9	8.7	10.0	11.3	1.0	1.0	1.39	-29.1	0.68	44.9	13.9
SUNCON	2.22	2.65	19.4%	Hold	2,869	0.68	14.7	16.4	15.1	13.5	3.6	4.1	2.64	-15.9	1.82	22.0	-11.6
WCT	1.21	1.50	24.0%	Sell	1,702	1.09	11.3	10.8	10.7	11.2	2.5	2.5	2.48	-51.1	1.13	7.1	-25.3
LITRAK	5.61	6.26	11.6%	Hold	2,962	0.35	45.6	47.1	12.3	11.9	4.5	4.5	6.15	-8.8	5.40	3.9	1.1
CONSUMER																	
<i>Brewery</i>																	
CARLSBG	19.20	18.09	-5.8%	Buy	5,906	0.71	87.8	91.8	21.9	20.9	4.5	4.6	21.00	-8.6	14.36	33.7	25.5
HEIM	20.92	21.64	3.4%	Hold	6,320	0.40	93.0	101.6	22.5	20.6	3.6	3.8	23.04	-9.2	16.98	23.2	10.7
<i>Retail</i>																	
AEON	2.06	1.97	-4.4%	Buy	2,892	0.15	7.5	8.9	27.4	23.1	2.2	2.4	2.52	-18.3	1.45	42.1	17.0
AMWAY	7.60	8.59	13.0%	Buy	1,249	0.50	48.3	49.9	15.7	15.2	5.3	5.4	8.10	-6.2	6.97	9.0	4.0
F&N	33.00	33.74	2.2%	Buy	12,096	0.32	122.7	145.8	26.9	22.6	2.4	2.9	34.50	-4.3	23.40	41.0	22.2
HUPSENG	1.05	1.25	19.0%	Buy	840	0.38	5.7	5.9	18.4	17.8	5.7	5.7	1.28	-18.0	1.02	2.9	-3.7
JOHOTIN	0.97	1.48	52.6%	Buy	301	1.12	11.1	11.7	8.7	8.3	6.2	6.7	1.76	-44.9	0.90	7.8	-19.8
NESTLE	149.40	129.90	-13.1%	Sell	35,034	0.60	322.2	360.2	46.4	41.5	2.0	2.2	163.00	-8.3	80.12	86.5	44.8
PADINI	4.75	4.67	-1.7%	Sell	3,125	0.76	28.0	30.4	17.0	15.6	2.6	2.7	5.50	-13.6	2.91	63.4	-10.0
POHUAT	1.20	1.78	48.3%	Buy	264	0.55	20.1	23.1	6.0	5.2	5.0	6.7	2.07	-42.0	1.15	4.3	-33.0
QL	5.17	5.41	4.6%	Hold	8,388	0.64	13.3	15.5	38.8	33.3	0.9	0.9	5.24	-1.3	3.54	46.1	18.9
SIGN	0.53	0.92	75.2%	Buy	120	0.74	6.6	8.7	7.9	6.0	4.8	6.7	1.07	-50.9	0.48	9.4	-25.5
<i>Tobacco</i>																	
BAT	23.48	34.72	47.9%	Hold	6,704	1.57	170.8	168.8	13.7	13.9	6.8	6.8	47.48	-50.5	23.10	1.6	-41.3
GAMING																	
<i>Casino</i>																	
GENTING	9.05	11.58	28.0%	Buy	34,675	1.41	55.1	61.8	16.4	14.6	1.8	1.8	9.92	-8.8	8.47	6.8	-0.9
GENM	5.00	6.68	33.6%	Buy	28,293	1.39	27.6	32.0	18.1	15.6	2.4	2.6	6.28	-20.4	4.59	8.9	-9.8
<i>NFO</i>																	
BJTOTO	2.09	3.22	54.1%	Buy	2,815	0.61	19.9	26.0	10.5	8.0	7.7	8.6	2.86	-26.9	2.06	1.5	-6.7
HEALTHCARE																	
<i>Hospitals/ Pharmaceutical</i>																	
CCMDBIO	2.85	3.40	19.3%	Buy	795	0.90	16.2	17.7	17.6	16.1	1.6	1.7	3.05	-6.6	1.97	44.7	12.6
IHH	6.09	6.40	5.1%	Sell	50,179	0.71	11.9	15.0	51.3	40.7	0.5	0.6	6.33	-3.8	5.42	12.4	3.9
KPJ	0.92	1.13	23.5%	Buy	3,855	0.58	3.9	4.3	23.4	21.0	2.4	2.6	1.14	-19.7	0.84	8.9	-5.7
<i>Rubber Gloves</i>																	
HARTA	6.64	3.90	-41.3%	Sell	21,991	1.09	12.6	14.4	52.8	46.1	1.1	1.3	6.64	0.0	2.44	172.7	24.3
KOSSAN	7.70	9.73	26.4%	Buy	4,924	0.61	37.4	42.1	20.6	18.3	2.4	2.7	8.79	-12.4	5.62	37.0	-5.1
SUPERMX	2.58	2.70	4.7%	Buy	1,692	0.55	20.0	22.6	12.9	11.4	2.0	2.4	2.92	-11.6	1.69	52.7	29.0
TOPGLOV	10.10	12.20	20.8%	Buy	12,896	0.62	35.3	42.7	28.6	23.7	1.4	1.7	10.44	-3.3	4.56	121.5	26.4
KAREX	0.78	0.93	19.2%	Sell	782	0.76	1.8	3.0	44.1	25.7	0.6	1.0	2.26	-65.5	0.75	4.0	-40.0
INDUSTRIAL																	
SCIENTX	7.84	10.01	27.7%	Buy	3,833	0.97	67.5	79.4	11.6	9.9	2.7	3.3	9.85	-20.4	7.45	5.2	-9.5
SKPRES	1.58	2.00	26.6%	Buy	1,975	0.90	10.4	13.1	15.2	12.1	3.3	4.1	2.35	-32.8	1.25	26.4	-30.7
MEDIA																	
ASTRO	2.09	2.90	38.8%	Buy	10,897	0.91	12.4	13.8	16.8	15.1	6.0	6.0	2.94	-28.9	1.75	19.4	-21.1
MEDIA PRIMA	0.35	0.45	30.4%	Sell	383	1.37	-3.8	-1.7	na	na	0.0	0.0	1.23	-72.0	0.33	6.2	-54.6
STAR	1.11	1.20	8.1%	Sell	819	1.09	6.2	5.9	17.9	18.7	8.1	8.1	2.22	-49.9	1.06	4.7	-32.7

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	0.39	0.69	76.9%	Buy	685	1.73	4.0	4.3	9.8	9.1	2.6	2.6	0.69	-43.5	0.34	16.4	-19.6
LCTITAN	6.28	7.60	21.0%	Buy	14,274	na	56.3	60.9	11.1	10.3	4.0	4.3	6.53	-3.8	4.14	51.7	33.6
MHB	0.81	0.81	0.0%	Sell	1,296	1.44	0.5	1.7	168.6	48.6	0.0	0.0	1.16	-30.2	0.63	29.6	-1.8
MISC	7.16	7.00	-2.2%	Sell	31,961	1.10	50.1	53.8	14.3	13.3	4.2	4.2	7.90	-9.4	6.73	6.4	-3.5
PANTECH	0.55	0.69	26.6%	Buy	405	1.31	6.1	6.8	9.0	8.0	5.0	5.6	0.74	-26.4	0.51	6.9	-15.5
PICHEM	8.48	9.00	6.1%	Hold	67,840	0.84	52.5	54.0	16.2	15.7	3.1	3.3	8.60	-1.4	6.80	24.7	10.1
SAPNRG	0.69	0.84	22.6%	Buy	4,105	2.21	-5.0	-1.7	na	na	0.0	0.0	2.07	-66.9	0.40	73.4	-3.5
SERBADK	3.30	4.15	25.8%	Buy	4,846	na	27.7	31.6	11.9	10.5	2.7	3.0	3.68	-10.3	1.79	84.4	1.9
UMWOG	0.30	0.39	32.2%	Buy	2,424	2.09	0.4	1.2	77.3	25.5	0.0	0.0	0.68	-56.5	0.22	37.2	-3.3
UZMA	1.36	1.57	15.4%	Hold	435	0.99	12.9	13.9	10.6	9.8	0.0	0.0	1.98	-31.3	1.18	15.3	6.3
PLANTATIONS																	
FGV	1.84	2.09	13.6%	Buy	6,713	1.58	2.0	3.4	91.1	54.0	2.7	2.7	2.18	-15.6	1.51	21.9	8.9
IJPLNT	2.23	2.23	0.0%	Sell	1,964	0.18	6.5	8.2	34.1	27.2	3.6	4.0	3.22	-30.7	2.19	1.8	-18.6
IOICORP	4.77	5.43	13.8%	Buy	29,127	0.92	19.0	21.3	25.1	22.4	5.5	3.5	4.81	-0.8	4.21	13.4	7.7
KFIMA	1.48	1.89	27.7%	Buy	417	0.68	13.7	13.8	10.8	10.7	6.1	6.1	1.96	-24.5	1.44	2.8	-5.7
KLK	25.98	27.76	6.9%	Hold	27,668	0.64	107.6	116.0	24.1	22.4	2.0	2.2	25.98	0.0	23.66	9.8	3.9
SIMEPLT	5.59	6.27	12.2%	Hold	38,017	na	19.6	20.0	28.5	28.0	2.5	2.9	6.00	-6.8	4.58	22.1	-6.8
TSH	1.37	1.81	32.1%	Buy	1,892	0.52	9.3	9.6	14.7	14.3	1.7	1.8	1.82	-24.7	1.37	0.0	-17.0
UMCCA	6.05	6.21	2.6%	Sell	1,269	0.41	17.0	22.4	35.7	27.0	2.6	3.0	7.08	-14.5	5.97	1.3	-7.1
PROPERTY																	
GLOMAC	0.51	0.40	-20.8%	Sell	401	0.64	1.5	2.5	33.4	20.4	2.0	2.0	0.66	-22.8	0.45	12.2	-8.9
HUAYANG	0.47	0.58	24.7%	Sell	164	0.87	0.7	3.4	70.1	13.7	1.1	1.1	1.14	-59.2	0.44	5.7	-23.8
IBRACO	0.62	0.80	30.1%	Buy	305	na	7.2	10.7	8.5	5.8	4.9	6.5	0.97	-36.6	0.50	23.0	-24.5
IOIPG	1.54	2.00	29.9%	Sell	8,479	0.86	16.3	15.7	9.4	9.8	3.9	3.9	2.22	-30.6	1.50	2.7	-16.8
MAHSING	1.09	1.59	45.9%	Buy	2,646	0.87	11.8	11.3	9.2	9.7	6.0	6.0	1.64	-33.5	0.98	11.2	-24.8
SIMEPROP	1.41	1.51	7.1%	Hold	9,589	na	7.5	7.5	18.8	18.8	2.8	2.1	1.78	-20.8	1.04	35.6	-20.8
SNTORIA	0.58	0.76	31.0%	Buy	325	0.25	8.3	8.6	7.0	6.8	1.7	1.7	0.82	-29.1	0.56	3.6	-16.5
SPB	4.38	5.10	16.4%	Hold	1,505	0.64	18.7	24.0	23.4	18.2	2.7	2.7	5.50	-20.4	4.14	5.8	-10.6
SPSETIA	3.00	3.73	24.3%	Buy	11,266	0.95	19.8	19.4	15.1	15.5	4.0	4.0	4.38	-31.6	2.77	8.3	-25.0
SUNWAY REIT	1.62	1.75	8.0%	Hold	7,897	0.88	11.8	12.4	13.7	13.0	3.7	3.7	1.96	-17.3	1.38	17.0	-0.6
SUNREIT	1.63	1.87	14.7%	Hold	4,800	0.88	10.0	10.7	16.3	15.3	6.2	6.6	1.90	-14.2	1.48	10.1	-14.2
CMMT	1.13	1.48	31.0%	Buy	2,306	0.75	7.9	8.4	14.3	13.5	7.2	7.6	1.83	-38.3	0.98	15.3	-38.3
POWER & UTILITIES																	
MALAKOF	0.90	0.82	-8.9%	Sell	4,446	0.99	6.7	7.2	13.5	12.4	7.8	7.8	1.27	-29.1	0.85	5.9	-8.2
PETDAG	25.36	24.08	-5.0%	Sell	25,194	0.49	114.7	116.3	22.1	21.8	3.4	3.4	25.97	-2.3	20.81	21.9	5.5
PETGAS	18.20	19.46	6.9%	Buy	36,013	0.82	99.3	100.0	18.3	18.2	3.8	3.8	19.80	-8.1	15.82	15.0	4.1
TENAGA	15.90	18.22	14.6%	Buy	90,089	0.61	131.3	127.5	12.1	12.5	4.1	4.0	16.34	-2.7	13.62	16.7	4.2
YTLPOWR	0.99	1.16	17.2%	Sell	7,850	0.96	8.5	8.7	11.7	11.3	5.1	5.1	1.50	-34.0	0.95	4.2	-23.3
TELECOMMUNICATIONS																	
AXIATA	5.40	6.50	20.4%	Buy	48,865	1.58	15.9	19.4	33.9	27.8	1.5	2.9	5.82	-7.2	4.54	18.9	-1.6
DIGI	4.50	5.15	14.4%	Hold	34,988	1.04	19.7	20.4	22.9	22.1	4.4	4.5	5.19	-13.3	4.36	3.2	-11.8
MAXIS	5.87	6.05	3.1%	Sell	45,848	1.11	25.2	25.0	23.3	23.4	3.4	3.4	6.60	-11.1	5.30	10.8	-2.3
TM	5.55	7.20	29.7%	Buy	20,857	0.61	22.8	24.9	24.3	22.3	3.7	4.0	6.69	-17.0	4.90	13.3	-11.9
TECHNOLOGY																	
<i>Semiconductor & Electronics</i>																	
ELSOFT	2.50	3.30	32.0%	Buy	688	0.98	13.1	15.0	19.1	16.7	3.7	4.2	2.95	-15.3	1.94	28.9	-7.4
IRIS	0.18	0.22	25.7%	Buy	433	2.51	0.0	0.3	636.1	55.3	0.0	0.0	0.25	-28.6	0.14	29.6	-5.4
INARI	1.99	3.65	83.4%	Buy	6,197	0.71	13.7	15.3	14.5	13.0	5.0	5.5	2.55	-21.9	1.26	58.3	-12.2
<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	8.45	10.70	26.6%	Buy	1,681	0.92	73.9	86.9	11.4	9.7	3.8	3.8	14.52	-41.8	8.08	4.6	-33.0
UNISEM	2.50	2.55	2.0%	Hold	1,835	1.12	19.0	20.3	13.2	12.3	4.8	4.8	4.25	-41.2	2.25	11.1	-31.5
TRANSPORTATION																	
<i>Airlines</i>																	
AIRASIA	3.93	4.93	25.4%	Hold	13,134	1.04	5.5	5.5	72.0	72.0	2.0	2.0	4.75	-17.3	2.89	36.0	17.3
AIRPORT	9.12	8.61	-5.6%	Sell	15,132	1.09	18.0	18.8	50.8	48.5	1.4	1.1	9.45	-3.5	7.09	28.6	3.8
<i>Freight & Tankers</i>																	
PTRANS	0.25	0.46	87.8%	Buy	311	na	2.3	3.7	10.6	6.6	2.8	4.5	0.38	-35.8	0.21	17.2	-12.5
TNLOGIS	1.04	1.45	39.4%	Buy	465	0.96	10.3	10.5	10.1	9.9	4.8	4.8	1.79	-42.0	0.99	5.1	-22.4
WPRTS	3.36	4.06	20.8%	Buy	11,458	0.49	15.6	20.0	21.5	16.8	1.1	1.5	4.14	-18.8	3.12	7.7	-9.2

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

Company	Share Price (\$S)	Target Price (\$S)	% upside	Recom	Market Cap. (\$Smm)	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	28.08	30.50	8.6%	Buy	71,993	1.12	212.3	246.0	13.2	11.4	2.3	2.5	29.7	-5.5	18.65	50.6	13.0
OCBC	12.84	14.30	11.4%	Buy	53,702	1.20	109.5	123.3	11.7	10.4	6.7	7.7	13.6	-5.7	9.49	35.3	3.6
UOB	27.93	27.80	-0.5%	Hold	46,392	1.16	216.8	244.1	12.9	12.9	2.9	2.9	29.0	-3.7	21.38	30.6	5.6
PLANTATIONS																	
WILMAR	3.16	3.50	10.8%	Buy	20,219	0.81	25.4	27.7	12.4	11.4	3.2	3.5	3.9	-18.3	2.97	6.4	2.3
IFAR	0.33	0.37	13.8%	Buy	466	1.11	3.1	3.9	10.6	8.4	1.3	1.6	0.5	-36.9	0.32	3.2	-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.