

Daily Brief

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

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Market View *Choppy as Investors Switch from Construction to Oil & Gas*

Bursa Malaysia shares reversed an early selloff Monday sparked by the surprise loss of the incumbent BN coalition to the Pakatan Harapan coalition in GE14 last Wednesday, as local institutional buying support overcame selling pressure. The KLCI rose from early low of 1,797.14 to high of 1,876.62 by late afternoon trade before closing up 3.91 points at 1,850.42, as gainers swarmed losers 930 to 405 on extremely robust trade totaling 6.58bn shares, the third highest on record, worth RM7.31bn.

Resistance From 1,880/1,896; Crucial Support at 1,811/1,796

Given the fluid domestic political situation, trading should stay choppy with investors switching their exposure from construction to consumer, oil & gas and exporters. Any near-term rallies towards index resistance at 1,880, with next hurdle from the 20 April peak of 1,896, will encourage profit-taking and selling, while pullbacks should see crucial supports from the 4/4/18 pivot low of 1,811 and the 200-day ma (1,796) cushioning downside.

Bargain Bumi Armada & Dialog

Bumi Armada need convincing breakout above the 123.6%FP (90sen) to target the 138.2%FP (95sen), 150%FP (98sen) and 161.8%FP (RM1.02) ahead, while key chart supports are at 82sen and the 200-day ma (78sen). A confirmed breakout on Dialog shares above the 2/4/18 peak (RM3.20) should fuel upside momentum to aim for the 138.2%FP (RM3.28), 150%FP (RM3.44) and 161.8%FP (RM3.60) going forward. Key uptrend supports are from the rising 50-day (RM2.93) and 100-day (RM2.77) moving averages.

Asian Markets Edge Up as US-China Trade Tensions Ease

Stocks rose in most Asian markets Monday on signs the United States and China were toning down their trade war rhetoric. Investors cheered as U.S. President Donald Trump pledged to help Chinese telecom company ZTE Corp. The U.S. government had imposed a ban on U.S. companies from supplying ZTE with technology after the Chinese company was found to have illegally shipped equipment to Iran. On Malaysia's politic development, veteran Mahathir Mohamad came out of political retirement to lead the opposition Pakatan Harapan (Alliance of Hope) to a stunning victory over a ruling party he had once led, defeating Prime Minister Najib Razak, a former protege he had accused of corruption. Some investors were concerned that populist promises such as repealing an unpopular goods and services tax and restoring a petrol subsidy could undermine the country's economic prospects.

Japan's Nikkei share average rose to a 3-1/2 month high following sharp gains in cosmetics maker Shiseido after better-than-expected earnings offset weak tech shares. The Nikkei ended 0.5 percent higher to 22,865.86. In down under, the S&P/ASX 200 drifted higher by 0.31 percent to close at 6,135.30 as the energy and materials sectors led gains on the index. China stocks also rose on Monday amid signs of easing trade tensions between Beijing and Washington, while investors awaited MSCI's final A-share inclusion list. The Shanghai Composite Index rose 0.3 percent to 3,174.03 points. Elsewhere, the Kospi erased early gains to close down 0.06 percent at 2,476.11, with heavyweight Samsung Electronics declining 2.34 percent and weighing on the index.

Wall Street Ekes Out Gains on Trade Optimism

Wall Street ended a choppy session slightly higher on Monday as investors digested signs of easing trade tensions between the U.S. and China. The countries closed in on a deal that would give China's ZTE a reprieve from potentially crippling U.S. sanctions in exchange for Beijing removing tariffs on billions of dollars of U.S. agricultural products, people briefed on the deal said to The Wall Street Journal. The U.S. and China are locked in high-stakes negotiations over trade, with the countries threatening to slap tariffs on tens of billions of dollars of each other's products.

In Europe, traders were also watching developments in Italy where the antiestablishment 5 Star Movement and hard-right League party have reached an agreement on a governing program. The formation of a new government, between the two groups marks one of the biggest wins yet for the political insurgencies shaking Europe's establishments. Elsewhere, oil traded near USD71 a barrel as the United Arab Emirates said OPEC has enough spare production capacity to mitigate any impact on crude markets if the U.S. re-imposes sanctions on Iran.

The Dow Jones Industrial Average rose 68.24 points, or 0.27 percent, to 24,899.41, the S&P 500 gained 2.41 points, or 0.09 percent, to 2,730.13 and the Nasdaq Composite added 8.43 points, or 0.11 percent, to 7,411.32.

News In Brief *Corporate*

Felda Global Ventures Holdings Bhd (FGV)'s 72%-owned indirect unit Felda Palm Industries Sdn Bhd is planning to sell its 30% stake in Taiko Clay Chemical Sdn Bhd for RM145mn. The proposed disposal is expected to be completed in the 2H of 2018. TCC manufactures activated bleaching earth and related products as well as sulphuric acid, oleum and battery acid. It is also involved in the trading and manufacture of aluminium sulphate. (*Bursa Malaysia / The Edge/ New Straits Times*)

Comment: We were not surprised by this news as management has mentioned previously that the group is looking to monetize its non-core assets. According to management, TCC is planning for overseas expansion and will likely require additional capital injection from its shareholders. Thus, we believe that the disposal is imperative for FGV and the group should focus more on the performance of its core businesses. Management guided that no dividend has been paid to FGV in FY17 and TCC's expansion plan may have an immediate impact on the company's ability to pay dividends in the future. The proposed disposal is still subject to the approval of the board of directors and shareholders. We are leaving our earnings forecast unchanged at this juncture pending the completion of the disposal. Maintain BUY on FGV with an unchanged TP of RM2.09/share.

Sunway Construction Group Bhd (SunCon) has bagged an RM180mn contract from Alliance Parade Sdn Bhd to undertake Phase I of the Sunway Medical Centre project. With this project, SunCon said its outstanding order book amounts to RM6.3bn. The project will commence on May 15, with completion by Dec 15, 2020. (*Bursa Malaysia / The Edge*)

Malaysia Airports Holdings Bhd's (MAHB) network of airports, including the Istanbul Sabiha Gokcen Airport recorded 11.1mn passengers in April 2018, up 3.4%, over April 2017. MAHB said international traffic recorded rose 6.3%, year-on-year (YoY) to 5.3mn passengers, while domestic traffic grew 0.9% to 5.8mn passengers compared with the same period a year ago. (*Bursa Malaysia / Bernama*)

Damansara Realty Bhd is disposing its 70% stake in Healthcare Technical Services Sdn Bhd (HTS) to Johor Corporation (JCORP), for RM11.0mn. The sales consideration will be satisfied entirely by way of set-off against the intercompany loan owing by Damansara Realty to JCorp. As at Dec 31, 2017, the amount owing to JCorp was RM15.1mn. The proposed sale in HTS is expected to be completed in the third quarter of 2018. (*Bursa Malaysia / The Edge*)

S P Setia Bhd's net profit for the first quarter ended March 31, 2018 (1QFY18) came in at RM61.5mn, compared with RM112.1mn a year ago. As for its secured sales, the group has so far made RM1.1bn in its first quarter ended March 31, 2018 and is optimistic that it will be able to meet its sales target of RM5bn for the year. The group's total unbilled sales currently stand at RM8.0bn (*Bursa Malaysia / The Edge*)

MISC Bhd reported a weaker set of financial results for the first quarter ended March 31, 2018 due to weaker petroleum tanker market while its heavy engineering business was impacted from the lack of new contracts. It announced on Monday its Q1 earnings fell 54% to RM310.6mn from RM676.20mn a year ago. (*Bursa Malaysia / StarBiz*)

Malaysian Bulk Carriers Bhd's net loss more than halved to RM14.34 million in the first quarter of the financial year 2018 (1QFY18), from RM33.2mn a year ago, thanks to improved charter rates from the dry bulk segment, and reduced losses from its associate, PACC Offshore Services Holdings Ltd. (*Bursa Malaysia / The Edge*)

GD Express Carrier Bhd's net profit dropped 67% YoY to RM2.6mn in its third quarter ended March 31, 2018 (3QFY18) from RM8.0mn, mainly due to higher operating expenses incurred during the quarter. For the group's cumulative nine months (9MFY18), net profit fell 32% y-o-y to RM17.1mn from RM25.3mn. (*Bursa Malaysia / The Edge*)

Daibochi Plastic and Packaging Industry Bhd said its new consumer packaging plant in Yangon, Myanmar, which commenced operation last July, helped lift its latest quarterly net profit by 12.3% to RM6.5mn from RM5.8mn a year ago. (*Bursa Malaysia / The Edge*)

News In Brief *Economy*

Malaysia **Ringgit Improves to Pre-GE 14 Level**

The ringgit recovered from the earlier jitters on Monday to trade near the same level as last Tuesday on the eve of the 14th General Election (GE14). At 1pm, it was at 3.9460 to the US dollar. In the morning session, it fell to low of 3.9875 and rose to a high of 3.9435. In recent times, the ringgit was at its strongest at 3.86 against the US dollar on April 2. After the GE14, the ringgit on Thursday and Friday weakened beyond the 4.00 mark against the US dollar based on the non-deliverable forwards. It was weakest at 4.08 against the greenback on Thursday. The ringgit was strongest in the offshore market at 3.86 against the US dollar on March 30. Note that, the ringgit closed at 3.9480 on Monday. (The Star)

Malaysia Can Meet Revenue Requirement Without GST — Zeti

Malaysia can meet its revenue requirements even after shelving the Goods and Services Tax (GST) by prioritising its projects, increasing the efficiency of the public sector, avoiding wastage and exploring new sources of revenue, said Tan Sri Zeti Akhtar Aziz. The former Bank Negara governor also expressed her confidence in the country's economy which can be steered towards the right direction and the 100-day time frame is certainly adequate to provide clarity and make necessary adjustments and changes. "I think that is what the markets want too. They want to see the commitment and the clarity in what is going to be done (by the new government)," Zeti told Bernama after attending separate briefing sessions with international credit rating agencies Moody's Investors Service, Standard & Poor's Global Ratings and Fitch Ratings here today. The first woman governor, who helmed the central bank for 16 years, is a member of the Team of Eminent Persons established by Prime Minister Tun Dr Mahathir Mohamad on Saturday. Chaired by previous Finance Minister Tun Daim Zainuddin, other members of the team include ex-Petronas President and Chief Executive Officer Tan Sri Mohd Hassan Marican, economist Prof Jomo Kwame Sundaram and billionaire tycoon Tan Sri Robert Kuok. (The Edge Market)

Malaysia Will Honour Debt Obligations — Zeti

The Team of Eminent Persons has given an assurance that Malaysia will honour its debt obligations under the new government and highlighted that the current political changes in the country are happening at "a very positive time". Tan Sri Zeti Akhtar Aziz, who is part of the five-member team, said the country was experiencing a period of adjustment but it was also bolstered by a favourable economic environment such as higher global oil prices. "Oil is currently trading at above US\$70 per barrel so there is some breathing space. Therefore, we need to take this opportunity to implement certain policies so that we will have an orderly adjustment. "This is also taking into account the capability of institutions such as Bank Negara Malaysia and the Ministry of Finance." (The Edge Market)

Asia **Australia Government Trails Opposition after Voter-Friendly Budget – Polls**

Australia's centre-right government trailed the opposition in two opinion polls released on Monday, suggesting that last week's voter-friendly budget had not delivered a much-needed boost for the ruling coalition, an analyst said. Prime Minister Malcolm Turnbull's Liberal-National government unveiled a package of personal income tax cuts for low and middle-income earners in the annual budget, seen as the unofficial campaign kick-off for next year's federal elections. A Fairfax/Ipsos poll taken after the May 8 budget showed the government lost ground to the opposition Labor Party, with its support at 46% against 54% for Labor in the poll, conducted from Thursday to Saturday. That was a drop from a government backing of 48% in a Fairfax-Ipsos poll taken from April 3 to 5. Voters could be waiting to see if the tax cuts are adopted as the government does not enjoy a majority in the Senate. (The Star)

Japan Producer Prices Gain 0.1% in April

Producer prices in Japan were up 0.1% on month in April, the Bank of Japan said - in line with expectations following the 0.1% decline in March. On a yearly basis, producer prices climbed 2.0% - again matching estimates following the 2.1% gain in the previous month. Export prices were up 0.5% on month and 2.2% on year, the bank said, while import prices added 1.2% on month and 5.0% on year. Individually, prices were up for petroleum, utilities, electrical machinery and metal products. They were down for chemicals and scrap. (RTT)

United States U.S., China Discussing Deal on ZTE, Agricultural Tariffs

The U.S. and China are closing in on a deal that would give China's ZTE Corp. a reprieve from potentially crippling U.S. sanctions in exchange for Beijing removing tariffs on billions of dollars of U.S. agricultural products, said people in both countries briefed on the deal. The negotiations would also ease roadblocks in China faced by a U.S. semiconductor company Qualcomm Inc., whose proposed acquisition of NXP Semiconductors NV of the Netherlands has been held up by Beijing. China's Commerce Ministry has pledged to immediately restart its review of the acquisition, a person close to the agency said. The ministry has held up a number of multibillion-dollar cross-border deals being pursued by U.S. companies over the past few months. ZTE is a Shenzhen-based telecommunication-equipment producer that has been hamstrung by a U.S. ban on component sales to the firm. A deal isn't completed and could fall apart as discussions continue, particularly since the U.S. side is sharply divided over how to deal with China. On Sunday, President Donald Trump said in a tweet that he was working with Chinese President Xi Jinping to get ZTE "a way to get back into business, fast. Too many jobs in China lost." He said the Commerce Department has been instructed to "get it done!" (WSJ)

Europe and United Kingdom UK Employers' Near-Term Employment Expectations at 5-Year High: CIPD

UK employers' near-term employment expectations rose to a five-year high, according to the labor market outlook from the Chartered Institute of Personnel and Development and the Adecco Group. Employers reported an increase in demand for labor, making it harder for them to find the skill and labor they need. The tightening labor market also raised wage pressures. Median basic pay award expectations for the next 12 months remained unchanged at 2%, but average basic pay expectations climbed to 2.1% over the last quarter from 1.8%. The survey showed that there will be strong growth in the demand for labor in the second quarter. In the last three months, the net employment balance - a measure of the difference between the proportion of employers who expect to increase staff levels and those who expect to decrease staff levels in second quarter of 2018 - increased to +26 from +16. (RTT)

Share Buy-Back 14-May 2018

Company	Bought Back	Price (RM)	Hi/ Lo (RM)	Total Treasury Shares
CHINWEL	11,400	1.54	1.64/1.54	5,224,300
FIMACOR	8,000	2.00	2.00	4,605,200
GBGAQRS	80,000	1.12	1.12	1,491,302
IJM	400,000	2.30/2.19	2.49/2.19	1,397,700
INCKEN	4,100	0.70/0.675	0.68	17,919,900
KOMARK	50,000	0.235/0.19	0.235/0.175	8,446,200
TROP	23,300	0.90/0.89	0.90/0.885	6,934,242
UNIMECH	2,800	0.99	0.99/0.955	7,638,810
YINSON	355,700	4.17/4.14	4.18/4.14	6,203,500

Source: Bursa Malaysia

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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	
AUTOMOBILE																	
BAUTO	2.10	2.33	11.0%	Under Review	2,434	0.57	12.1	19.0	17.3	11.0	5.2	5.5	2.47	-15.0	1.84	14.1	-4.5
MBMR	2.53	2.68	5.9%	Under Review	989	0.79	24.7	26.9	10.2	9.4	2.4	2.8	2.54	-0.4	2.01	25.9	15.0
PECCA	1.12	1.62	44.6%	Buy	206	0.71	9.7	10.9	11.5	10.2	4.5	4.5	1.70	-34.1	1.06	5.7	-27.7
SIME	2.70	2.55	-5.6%	Sell	18,362	1.63	13.2	16.4	20.5	16.5	1.2	1.5	3.06	-11.8	2.03	33.2	22.2
UMW	6.20	5.52	-11.0%	Sell	7,243	1.32	28.6	40.2	21.7	15.4	2.3	3.2	6.98	-11.2	4.70	31.9	19.2
BANKS & FINANCIAL SERVICES																	
ABMB	4.40	4.20	-4.5%	Sell	6,812	1.20	32.6	35.8	13.5	12.3	3.6	3.6	4.49	-2.0	3.62	21.5	7.8
AFFIN	2.56	2.30	-10.2%	Sell	4,974	0.93	22.2	23.9	11.5	10.7	3.1	3.1	2.98	-15.0	2.22	13.9	9.5
AMBANK	3.45	4.20	21.7%	Buy	10,399	1.59	38.1	44.4	9.1	7.8	5.2	5.2	5.54	-37.7	3.40	1.5	-21.8
CIMB	6.55	7.80	19.1%	Buy	61,346	1.59	58.2	59.9	11.3	10.9	4.4	4.6	7.39	-11.4	5.88	11.4	0.2
HLBANK	18.50	20.10	8.6%	Hold	37,844	0.92	116.8	126.8	15.8	14.6	2.6	2.6	20.02	-7.6	13.78	34.3	8.8
MAYBANK	10.80	11.00	1.9%	Hold	118,005	0.96	73.6	77.7	14.7	13.9	5.1	5.1	11.08	-2.5	9.10	18.7	10.2
PBBANK	24.80	27.60	11.3%	Buy	95,765	0.72	153.3	166.5	16.2	14.9	2.5	2.6	25.78	-3.8	19.90	24.6	19.3
RHBBANK	5.30	5.60	5.7%	Hold	21,253	1.58	54.3	59.0	9.8	9.0	2.8	2.8	5.61	-5.5	4.71	12.5	6.0
BURSA	8.19	8.07	-1.5%	Buy	6,603	0.98	29.2	30.0	28.0	27.3	2.9	2.9	8.19	0.0	6.31	29.7	21.4
BUILDING MATERIALS																	
ANNJO	2.68	3.25	21.3%	Buy	1,435	1.12	42.2	45.0	6.3	6.0	8.1	9.2	3.98	-32.7	2.39	12.1	-30.6
CHINHIN	1.09	1.15	5.5%	Hold	606	0.97	10.7	10.5	10.2	10.4	5.6	5.0	1.44	-24.3	1.00	9.5	-9.9
CSCSTEL	1.38	1.44	4.3%	Buy	510	0.90	17.4	17.9	7.9	7.7	6.8	6.9	2.05	-32.5	1.27	8.7	-10.4
ENGTEX	1.09	1.17	7.3%	Buy	475	0.97	13.8	15.7	7.9	6.9	3.8	5.0	1.52	-28.3	0.95	14.7	-0.9
CONSTRUCTION																	
GADANG	0.77	1.22	59.5%	Buy	506	1.43	14.0	16.6	5.4	4.6	3.9	3.9	1.37	-44.2	0.75	2.7	-31.1
GAMUDA	4.21	5.35	27.1%	Hold	10,368	0.84	34.4	36.4	12.2	11.6	2.9	2.9	5.52	-23.7	4.11	2.4	-15.1
IJM	2.27	2.65	16.7%	Sell	8,235	1.47	13.7	18.2	16.5	12.5	4.2	4.2	3.60	-36.9	2.19	3.7	-25.6
KAB	0.24	0.31	29.2%	Buy	8	na	31.4	37.3	0.8	0.6	4.2	5.0	0.33	-27.3	0.20	2.0	-20.0
PESONA	0.31	0.37	21.3%	Buy	212	1.61	4.1	4.3	7.4	7.0	4.9	4.9	0.69	-55.8	0.29	7.0	-32.2
SENDAI	0.97	0.79	-18.6%	Sell	758	1.59	9.9	8.7	9.8	11.1	1.0	1.0	1.39	-30.2	0.68	42.6	12.1
SUNCON	2.16	2.29	6.0%	Hold	2,791	0.76	14.3	16.3	15.1	13.3	3.7	4.2	2.64	-18.2	1.92	12.5	-13.9
WCT	0.90	1.36	51.1%	Hold	1,266	1.16	11.3	10.8	8.0	8.3	3.3	3.3	2.36	-61.8	0.90	0.0	-44.4
LITRAK	5.10	5.63	10.4%	Sell	2,692	0.38	45.6	47.1	11.2	10.8	4.9	4.9	6.15	-17.1	4.90	4.1	-8.1
CONSUMER																	
<i>Brewery</i>																	
CARLSBG	19.48	18.09	-7.1%	Under Review	5,992	0.71	87.8	91.8	22.2	21.2	4.4	4.5	20.88	-6.7	14.34	35.9	28.1
HEIM	22.50	21.69	-3.6%	Hold	6,797	0.46	95.2	103.5	23.6	21.7	4.1	4.5	23.04	-2.3	17.30	30.1	19.0
<i>Retail</i>																	
AEON	2.45	1.97	-19.6%	Under Review	3,440	0.32	7.5	8.9	32.5	27.4	1.8	2.0	2.65	-7.5	1.45	69.0	39.2
AMWAY	8.00	8.59	7.4%	Buy	1,315	0.51	48.3	49.9	16.5	16.0	5.0	5.1	8.10	-1.2	6.97	14.8	9.5
F&N	35.70	30.69	-14.0%	Sell	13,086	0.58	96.0	114.0	37.2	31.3	2.0	2.1	36.76	-2.9	23.40	52.6	32.2
HUPSENG	1.18	1.25	5.9%	Buy	944	0.47	5.8	6.2	20.3	19.1	5.1	5.1	1.28	-7.8	1.02	15.7	8.3
JOHOTIN	0.98	1.48	51.0%	Buy	304	1.32	11.1	11.7	8.8	8.3	6.1	6.6	1.74	-43.7	0.89	10.1	-19.0
NESTLE	141.30	129.90	-8.1%	Sell	33,135	0.68	322.2	360.2	43.9	39.2	2.1	2.3	163.00	-13.3	81.00	74.4	36.9
PADINI	4.96	4.67	-5.8%	Sell	3,263	0.93	28.0	30.4	17.7	16.3	2.5	2.6	5.50	-9.8	3.26	52.3	-6.1
POHUAT	1.29	2.01	55.8%	Buy	284	0.50	20.1	23.1	6.4	5.6	4.7	6.2	2.07	-37.6	1.15	12.2	-27.9
QL	5.30	5.41	2.1%	Under Review	8,599	0.65	13.3	15.5	39.7	34.2	0.8	0.9	5.31	-0.2	3.65	45.1	21.8
SIGN	0.59	0.92	55.9%	Buy	133	0.89	6.6	8.7	8.9	6.7	4.2	5.9	1.04	-43.3	0.48	22.9	-16.3
<i>Tobacco</i>																	
BAT	28.38	34.72	22.3%	Buy	8,103	1.50	170.8	168.8	16.6	16.8	5.6	5.6	46.00	-38.3	22.46	26.4	-29.1
GAMING																	
<i>Casino</i>																	
GENTING	8.96	11.60	29.5%	Buy	34,331	1.37	57.2	63.1	15.7	14.2	1.8	1.8	9.92	-9.7	8.47	5.8	-1.8
GENM	4.90	6.68	36.3%	Buy	27,727	1.50	27.6	32.0	17.8	15.3	2.4	2.7	6.28	-22.0	4.59	6.8	-11.6
NFO																	
BJTOTO	2.41	3.22	33.6%	Buy	3,246	0.57	19.9	26.0	12.1	9.3	6.6	7.5	2.81	-14.2	2.06	17.0	7.6
HEALTHCARE																	
<i>Hospitals/ Pharmaceutical</i>																	
CCMDBIO	3.01	3.40	13.0%	Buy	840	0.79	16.2	17.7	18.6	17.0	1.5	1.6	3.05	-1.3	1.97	52.8	19.0
IHH	6.07	6.40	5.4%	Sell	50,014	0.73	11.9	15.0	51.1	40.6	0.5	0.6	6.33	-4.1	5.42	12.0	3.6
KPJ	0.96	1.13	17.7%	Buy	4,045	0.60	3.9	4.3	24.6	22.1	2.3	2.5	1.14	-15.8	0.84	14.3	-1.0
<i>Rubber Gloves</i>																	
HARTA	6.00	3.90	-35.0%	Sell	19,874	0.95	12.6	14.4	47.7	41.6	1.3	1.4	6.64	-9.6	2.74	119.0	12.4
KOSSAN	7.09	9.73	37.2%	Buy	4,534	0.65	37.4	42.1	18.9	16.9	2.6	3.0	8.79	-19.3	6.05	17.2	-12.6
SUPERMX	3.15	2.70	-14.3%	Buy	2,065	0.57	20.0	22.6	15.8	13.9	1.7	1.9	3.18	-0.9	1.69	86.4	57.5
TOPGLOV	10.14	12.20	20.3%	Buy	12,952	0.56	35.3	42.7	28.7	23.7	1.4	1.7	10.44	-2.9	5.10	98.8	26.9
KAREX	0.83	0.70	-15.2%	Sell	827	0.73	1.3	2.3	61.3	36.6	0.4	0.7	2.26	-63.5	0.75	10.0	-36.5
INDUSTRIAL																	
SCIENIX	7.72	10.01	29.7%	Buy	3,775	0.93	67.5	79.4	11.4	9.7	2.7	3.4	9.85	-21.6	7.39	4.5	-10.9
SKPRES	1.50	2.00	33.3%	Buy	1,875	0.89	10.4	14.8	14.5	10.1	3.5	4.9	2.35	-36.2	1.27	18.1	-34.2
MEDIA																	
ASTRO	1.82	1.20	-34.1%	Sell	9,489	1.07	12.4	13.8	14.6	13.1	6.9	6.9	2.94	-38.1	1.71	6.4	-31.3
MEDIA PRIMA	0.29	0.45	55.2%	Under Review	322	1.36	-3.8	-1.8	na	na	0.0	0.0	1.14	-74.6	0.25	16.0	-61.8
STAR	1.03	1.20	16.5%	Under Review	760	1.15	6.2	5.9	16.6	17.4	8.7	8.7	2.22	-53.5	1.01	2.0	-37.6

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	0.37	0.69	89.0%	Buy	642	1.95	4.0	4.3	9.2	8.5	2.7	2.7	0.64	-43.0	0.31	19.7	-24.7
LCTITAN	5.81	6.10	5.0%	Buy	13,206	na	47.8	50.7	12.1	11.5	3.6	4.0	6.53	-11.0	4.14	40.3	23.6
MHB	0.79	0.81	3.2%	Sell	1,256	1.48	-0.1	1.1	na	73.5	0.0	0.0	0.98	-19.9	0.63	25.6	-4.8
MISC	7.00	5.80	-17.1%	Sell	31,247	0.92	33.8	41.4	20.7	16.9	4.3	4.3	7.90	-11.4	6.73	4.0	-5.7
PANTECH	0.56	0.78	39.3%	Buy	416	1.40	6.4	7.0	8.8	8.1	4.5	4.8	0.74	-24.3	0.51	9.8	-13.2
PICHEM	8.70	9.00	3.4%	Hold	69,600	0.80	52.5	53.8	16.6	16.2	3.0	3.0	8.88	-2.0	6.80	27.9	13.0
SAPNRG	0.85	0.84	-0.6%	Buy	5,063	2.98	-5.0	-1.7	na	na	0.0	0.0	1.97	-57.1	0.40	113.9	19.0
SERBADK	3.12	4.15	33.0%	Buy	4,582	na	27.7	31.5	11.3	9.9	2.9	3.2	3.68	-15.2	1.80	73.3	-3.7
UMWOG	0.31	0.39	27.9%	Buy	2,506	2.61	0.4	1.2	79.9	26.3	0.0	0.0	0.62	-50.8	0.22	41.9	0.0
UZMA	1.34	1.57	17.2%	Hold	429	1.21	12.9	13.9	10.4	9.7	0.0	0.0	1.81	-26.0	1.18	13.6	4.7
PLANTATIONS																	
FGV	1.80	2.09	16.1%	Buy	6,567	1.68	2.0	3.4	89.1	52.8	2.8	2.8	2.18	-17.4	1.51	19.2	6.5
IJMPINT	2.30	2.23	-3.0%	Sell	2,025	0.27	6.5	8.2	35.1	28.0	3.5	3.9	3.22	-28.6	2.19	5.0	-16.1
IOICORP	4.67	5.43	16.3%	Buy	28,517	0.88	19.0	21.3	24.6	22.0	5.6	3.6	4.81	-2.9	4.21	11.0	5.4
KFIMA	1.51	1.89	25.2%	Buy	425	0.71	13.7	13.8	11.1	10.9	6.0	6.0	1.96	-23.0	1.44	4.9	-3.8
KLK	25.38	27.76	9.4%	Hold	27,029	0.59	107.6	116.0	23.6	21.9	2.1	2.2	25.98	-2.3	23.80	6.6	1.5
SIMEPLT	5.45	6.27	15.0%	Buy	37,065	na	19.6	20.0	27.8	27.3	2.6	2.9	6.00	-9.2	4.58	19.0	-9.2
TSH	1.27	1.81	42.5%	Buy	1,754	0.50	9.3	9.6	13.6	13.2	1.9	1.9	1.82	-30.2	1.23	3.3	-23.0
UMCCA	6.05	6.21	2.6%	Sell	1,269	0.39	17.0	22.4	35.7	27.0	2.6	3.0	7.08	-14.5	5.97	1.3	-7.1
PROPERTY																	
GLOMAC	0.50	0.40	-20.0%	Sell	397	0.66	1.5	2.5	33.1	20.2	2.0	2.0	0.65	-22.5	0.45	11.1	-9.8
HUAYANG	0.49	0.58	19.6%	Sell	171	0.97	0.7	3.4	73.1	14.3	1.0	1.0	1.09	-55.5	0.44	10.2	-20.5
IBRACO	0.50	0.80	60.0%	Buy	248	na	7.2	10.7	6.9	4.7	6.0	8.0	0.92	-45.7	0.45	11.1	-38.7
IOIPG	1.54	1.92	24.7%	Buy	8,479	0.95	14.9	14.7	10.4	10.5	3.9	3.9	2.22	-30.6	1.47	4.8	-16.8
MAHSING	1.06	1.59	50.0%	Buy	2,573	0.91	11.8	11.3	9.0	9.4	6.1	6.1	1.64	-35.4	0.98	8.2	-26.9
SIMEPROP	1.43	1.51	5.6%	Hold	9,725	na	7.5	7.5	19.0	19.1	2.8	2.1	1.78	-19.7	1.04	37.5	-19.7
SNTORIA	0.58	0.76	32.2%	Buy	321	0.43	8.3	8.6	7.0	6.7	1.7	1.7	0.82	-29.7	0.53	8.5	-17.3
SPB	4.21	5.10	21.1%	Hold	1,447	0.68	18.7	24.0	22.5	17.5	2.9	2.9	5.50	-23.5	4.14	1.7	-14.1
SPSETIA	2.93	3.37	15.0%	Buy	11,397	1.10	16.1	18.1	18.1	16.2	4.1	4.1	4.38	-33.2	2.77	5.8	-26.8
SUNWAY REIT	1.52	1.75	15.1%	Hold	7,406	0.99	11.8	12.4	12.9	12.2	3.9	3.9	1.96	-22.4	1.46	4.1	-6.7
SUNREIT	1.69	1.87	10.7%	Hold	4,977	1.02	10.0	10.7	16.8	15.8	5.9	6.3	1.90	-11.1	1.48	14.2	-11.1
CMMT	1.15	1.48	28.7%	Buy	2,347	0.92	7.9	8.4	14.5	13.8	7.1	7.5	1.83	-37.2	0.98	17.3	-37.2
POWER & UTILITIES																	
MALAKOF	0.92	0.82	-10.4%	Sell	4,518	1.05	6.7	7.3	13.7	12.6	7.7	7.7	1.23	-25.6	0.85	7.6	-6.6
PETDAG	26.42	24.08	-8.9%	Sell	26,247	0.58	114.7	116.3	23.0	22.7	3.3	3.3	28.18	-6.2	20.81	26.9	9.9
PETGAS	17.54	19.46	10.9%	Buy	34,707	0.90	99.3	100.0	17.7	17.5	4.0	4.0	19.80	-11.4	15.82	10.9	0.3
TENAGA	16.00	18.22	13.9%	Buy	90,851	0.58	131.3	127.5	12.2	12.6	4.1	4.0	16.34	-2.1	13.72	16.6	4.8
YTLPOWR	0.92	1.16	26.8%	Sell	7,255	0.94	8.5	8.7	10.8	10.5	5.5	5.5	1.50	-39.0	0.90	1.7	-29.1
TELECOMMUNICATIONS																	
AXIATA	5.20	6.50	25.0%	Buy	47,059	1.66	15.9	19.4	32.6	26.7	1.5	3.0	5.82	-10.7	4.54	14.5	-5.3
DIGI	4.60	5.15	12.0%	Buy	35,765	0.94	19.6	20.2	23.5	22.7	4.3	4.4	5.12	-10.2	4.36	5.5	-9.8
MAXIS	5.40	5.95	10.2%	Sell	42,210	1.06	24.9	24.8	21.7	21.8	3.7	3.7	6.58	-17.9	5.30	1.9	-10.1
TM	5.00	7.20	44.0%	Buy	18,790	0.71	22.8	24.9	21.9	20.1	4.1	4.5	6.69	-25.3	4.71	6.2	-20.6
TECHNOLOGY																	
<i>Semiconductor & Electronics</i>																	
ELSOFT	2.47	3.30	33.6%	Buy	681	0.95	13.1	14.9	18.9	16.5	3.7	4.3	2.95	-16.3	2.22	11.3	-8.5
IRIS	0.15	0.23	58.6%	Buy	358	2.63	0.0	0.6	527.1	26.0	0.0	0.0	0.25	-40.8	0.12	26.1	-21.6
INARI	1.98	2.40	21.2%	Buy	6,169	0.55	9.1	10.2	21.7	19.5	3.2	3.6	2.55	-22.3	1.32	50.3	-12.6
MPI	8.58	10.70	24.7%	Buy	1,707	1.11	73.9	86.9	11.6	9.9	3.7	3.7	14.52	-40.9	7.57	13.3	-32.0
UNISEM	1.98	2.55	28.8%	Buy	1,453	1.51	13.1	18.6	15.1	10.7	5.6	5.6	4.25	-53.4	1.60	23.8	-45.8
TRANSPORTATION																	
<i>Airlines</i>																	
AIRASIA	3.50	4.93	40.9%	Hold	11,697	1.04	41.0	41.0	8.5	8.5	2.3	2.3	4.75	-26.3	2.89	21.1	4.5
AIRPORT	8.50	8.61	1.3%	Sell	14,103	1.04	18.0	18.8	47.3	45.2	1.5	1.2	9.45	-10.1	7.86	8.1	-3.3
<i>Freight & Tankers</i>																	
PTRANS	0.26	0.46	80.4%	Buy	323	na	2.3	3.7	11.1	6.9	2.7	4.4	0.38	-33.2	0.23	13.3	-8.9
TNLOGIS	1.08	1.45	34.3%	Buy	492	1.01	12.0	12.3	9.0	8.8	4.6	4.6	1.79	-39.8	0.99	9.1	-19.4
WPRTS	3.25	4.06	24.9%	Buy	11,083	0.48	15.6	20.0	20.8	16.2	3.6	4.6	4.06	-20.0	3.10	4.8	-12.2

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

Company	Share Price (\$)	Target Price (\$)	% upside	Recom	Market Cap. (\$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	29.22	36.10	23.5%	Buy	74,916	1.16	212.3	246.0	13.8	11.9	2.2	2.4	30.8	-5.0	19.68	48.5	19.6
OCBC	13.16	16.60	26.1%	Buy	55,039	1.17	109.6	123.3	12.0	10.7	6.7	7.7	14.0	-6.3	10.22	28.8	6.2
UOB	29.52	31.70	7.4%	Hold	49,071	1.18	216.8	244.2	13.6	13.6	2.7	2.7	30.4	-2.8	22.50	31.2	12.4
PLANTATIONS																	
WILMAR	3.17	3.38	6.6%	Hold	20,283	0.84	22.5	25.8	14.1	12.3	2.8	3.2	3.9	-17.9	2.97	6.7	2.6
IFAR	0.30	0.37	23.3%	Buy	430	1.04	3.1	3.9	9.8	7.7	1.4	1.8	0.5	-41.7	0.30	0.0	-23.1

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.