Daily Brief

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

Chartist: Stephen Soo | Tel: +603-2167 9607 | stsoo@ta.com.my | www.taonline.com.my

Market View — *Consolidation Pending More Political Leads*

The local market sustained gains for most of Tuesday's session on optimism reforms by the new government will improve corporate governance and reduce corruption, but profit-taking checked gains towards the close. The KLCI ended 2.22 points down at the day's low of 1,848.20, off an earlier high of 1,860.59, as losers edged gainers 561 to 499 on lower turnover of 4.31bn shares worth RM4.44bn.

Resistance From 1,880/1,896; Key Supports at 1,838/1,811

Stocks are likely to slip into profit-taking consolidation after the recent portfolio adjustments by investors, and as they keenly await further developments on the local political scene for leads. Main index resistance remains at 1,880, with next hurdle from the 20 April peak of 1,896, where profit-taking and selling should increase, while key chart supports are from the 100-day ma (1,838), followed by the 4/4/18 pivot low of 1,811 and the 200-day ma (1,796).

Bargain Gadang & Hiap Teck

Gadang should be due for oversold rebound to the 10-day ma (81sen), with tougher resistance from the mid Bollinger band (83sen) and 76.4%FR (89sen), while crucial support is from the recent low of 74.5sen (14/5/18). Hiap Teck seems to have formed good support above the 50%FR (35.5sen), pending decisive strength above the 61.8%FR (40sen) to aim for 76.4%FR (45sen) and 21/2/18 peak (53sen) ahead.

Soft China Data Weigh On Asian Markets

Asia stocks pulled back on Tuesday, as investors digested soft Chinese economic data and as trade negotiations between the U.S. and China continue. China reported weaker-than-expected investment and retail sales in April and a drop in home sales, clouding its economic outlook even as policymakers try to navigate debt risks and defuse a heated trade row with the United States. Investors were also monitoring trade negotiations between the U.S. and China. Escalating trade tensions have kept investors on edge in recent months and the U.S. is also locked in negotiations over tariffs with Europe and Japan.

Japanese stocks pulled back from a recent 3-1/2 month high, as gains in banking stocks were offset by declines in the real estate sector, among others. The Nikkei share average ended 0.2 percent lower to 22,818.02. Over in Seoul, the benchmark Kospi declined 0.71 percent to 2,458.54 as technology stocks weighed. In Sydney, the S&P/ASX 200 eased 0.61 percent to 6,097.80, with declines seen in all but the information technology sub-index. Meanwhile, China stocks ended higher on Tuesday, underpinned by a rally in late trade, as optimism towards MSCI inclusion of 234 Chinese large caps helped overcome worries about China economy and Sino-U.S. trade war. The Shanghai Composite Index closed up 0.6 percent at 3,192.12.

Dow Snap Winning Streak as Yields Surge

U.S. stocks fell firmly on Tuesday, with a lengthy winning streak for the Dow coming to an end as a benchmark government bond yield jumped to a multiyear high. The yield on 10-year U.S. Treasury notes jumped to its highest level since July 2011, suggesting an uptick in inflation and sending the dollar index to its highest close in 2018, raising expectations for further interest rate hikes from the Federal Reserve. The yield on the 10-year U.S. Treasury note settled at 3.082 percent. Investors also remain preoccupied by the run-up to high-level talks between China and the United States set to commence this week in Washington. U.S. ambassador to China Terry Branstad said the two countries remain "very far apart" regarding a tariff resolution, after which White House economic adviser Larry Kudlow told Politico he supports efforts to reach an agreement.

The losses were broad-based, with all 11 major S&P sectors except energy closing down. Real estate, healthcare and technology stocks posted the biggest percentage losses. Home Depot Inc shares slipped 1.6 percent after the home improvement retailer missed sales forecasts as the long winter put a damper on demand for spring products.

The Dow Jones Industrial Average fell 193 points, or 0.78 percent, to 24,706.41, the S&P 500 lost 18.68 points, or 0.68 percent, to 2,711.45 and the Nasdaq Composite dropped 59.69 points, or 0.81 percent, to 7,351.63.

News In Brief Corporate

Matrix Concepts Holdings Bhd is teaming up with an Indonesian consortium to jointly develop an Islamic financial district in Pantai Indah Kapuk 2, Jakarta, which will mark its first step to establish its presence in Indonesia**.** It has entered into a Memorandum of Understanding with PT Bangun Kosambi Sukses and PT Nikko Sekuritas Indonesia for the joint development dubbed PIK 2 Sedayu Indo City. It said PIK 2 Sedayu Indo City will encompass 1,000ha of land complete with residential houses, apartments, shopping centres, a light rail transit system, and a stadium. *(Bursa Malaysia / The Edge)*

Halex Holdings Bhd is buying Hextar Chemicals Ltd for RM596.8mn in shares and cash. Hextar Holdings Sdn Bhd has inked a share sale agreement with Halex for the transaction and said the payment will be satisfied through a combination of cash amounting to RM17.9mn and the issuance of 714.7mn new ordinary shares in Halex at 81 sen each. *(Bursa Malaysia / The Edge)*

Ewein Bhd is increasing its stake in Ewein Zenith Sdn Bhd to 89% from 73%, as part of its plan to gain control in the Penang-based property developer, which is currently developing a luxury sea-front residential project worth RM800mn in gross development value. The group said it is buying the 16% stake for RM160k through its wholly-owned unit Ewein Land Sdn Bhd. The seller is Consortium Zenith Construction Sdn Bhd, a private vehicle controlled by Datuk Zarul Ahmad Mohd Zulkifli. It is also the contractor for the Penang Undersea Tunnel project. *(Bursa Malaysia / The Edge)*

Media Chinese International Ltd (MCIL) has issued a profit warning and it is expecting to record a loss for the financial year ended March 31, 2018. The media company had on Tuesday informed shareholders and potential investors that based on information available which is subject to further review, it was expecting a loss for FY18 as compared to a profit for FY17. MCIL said the expected loss was "mainly attributable to a provision for the impairment of goodwill in relation to a business unit of the group". *(Bursa Malaysia / StarBiz)*

Enra Group Bhd has disposed of its 70% stake in property development firm Landmark Zone Sdn Bhd (LZSB) for RM5.6mn. The divestment plan will enable Enra to monetise its investment in LZSB and provide the company with funds to reinvest in other more earnings accretive opportunities and to meet working capital requirements. *(Bursa Malaysia / The Edge)*

Star Media Group Bhd will only look into a voluntary separation scheme as a last option to its cost-cutting measures as the MCA-controlled media group intends to continue its cost reduction efforts seen last year, said its chairman Datuk Fu Ah Kiow. On Star's future revenue growth, Fu said focus will be on the digital space, which is Star Online, and the group will revamp its content and improve it, and grow the revenue of its digital assets. *(The Edge)*

Tenaga Nasional Bhd is expecting the reserve generation margin to stay sustainable at 30%, going forward. "There will be new plants, with additional capacity and demand over time; and also over time, there will be existing older capacity that will be expired, [which is expected to offset the additional capacity]," said TNB's chief financial officer Fazlur Rahman Hence, Fazlur said the reserve margin will be around a sustainable level. *(The Edge)*

Petroliam Nasional Bhd (Petronas) and Saudi Arabian Oil Company have launched a corporate identity of their joint ventures (JVs) at Pengerang Integrated Complex in Johor. Petronas group president and chief executive officer Tan Sri Wan Zulkiflee Wan Ariffin said the JVs are Pengerang Refining Company Sdn Bhd and Pengerang Petrochemical Company Sdn Bhd. *(New Straits Times)*

Cahya Mata Sarawak Bhd's net profit for the first quarter ended March 31, 2018 surged 50.7% to RM39.0mn, from RM25.9mn a year ago. The group said the improvement in earnings was largely due to a turnaround in its 25% associate OM Materials (Sarawak) Sdn Bhd, which operates a ferrosilicon and manganese alloy smelting plant in the Samalaju Industrial Park in Sarawak. *(Bursa Malaysia / The Edge)*

Posting strong earnings for the fourth quarter (Q4) ended March 31, 2018, **Hartalega Holdings Bhd'**s strategic plans continue to bear fruit, enabling it to deliver a strong performance. The results is also on the back of increased sales volume in tandem with continuous expansion in production capacity and robust demand for nitrile gloves. Net profit net increased 30.7% to RM116.8mn from RM89.4mn recorded same period last year while revenue rose 17% to RM616.8mn. For the full financial year, the Group delivered sterling results, with net profit of RM440.1mn, a significant 55.4% hike from RM283.3mn in the previous financial year. *(Bursa Malaysia / New Straits Times)*

Southern Steel Bhd's net profit grew 64.0% to RM52.3mn for the third quarter ended March 31, 2018, from RM31.9mn a year earlier, due to higher sales volume. For its cumulative nine months of FY18, net profit doubled to RM175.6mn from RM87.7mn a year ago, on the back of higher sales volume with improved margins. *(Bursa Malaysia / The Edge)*

KKB Engineering Bhd's unit has accepted a letter of award for a sub-contract for a project in Sarawak, the amount for which was not disclosed. Its subsidiary OceanMight Sdn Bhd signed a LoA from Sapura Fabrication Sdn Bhd for the provision of procurement and construction for wellhead deck, piles and conductors. Meanwhile, KKB Engineering Bhd posted a net profit of RM1.3mn in the first quarter ended March 31, 2018, compared with a loss of RM1.5mn a year ago. Quarterly revenue soared 50.4% to RM64.6mn from RM42.9mn previously, on higher revenue from its steel pipes and LPG cylinders manufacturing divisions and civil construction segment. *(Bursa Malaysia / The Edge)*

Four independent and non-executive directors of **Utusan Melayu (Malaysia) Bhd** have resigned as part of an "overall restructuring plan". The Umno-controlled media group said the directors resigned between May 12 and 15. The four directors who voluntarily resigned were the group's chairman Tan Sri Mohamad Fatmi Che Salleh, Datuk Seri Tengku Sariffuddin Tengku Ahmad (press secretary to former Prime Minister Datuk Seri Najib Razak), Jamalul Kiram Mohd Zakaria and Mohd Yusof Abu Othman. *(Bursa Malaysia / The Edge)*

Media Prima Bhd's group managing editor for news and current affairs for its Media Prima Television Networks, Datuk Seri Ashraf Abdullah, will step down effective May 20. Media Prima said Ashraf's deputy, Datuk Manja Ismail, will assume the duties left vacant by him. *(Bursa Malaysia / The Edge)*

News In Brief *Economy*

Malaysia

Malaysia is Business Friendly and Welcomes FDI — Dr. Mahathir

Prime Minister Tun Dr. Mahathir Mohamad said Malaysia is business friendly and welcomes foreign direct investments (FDI) from all over the world, including China. However, he had a different definition of FDI compared with the previous government. He did not consider coming into Malaysia and buying up huge chunks of land, developing townships or cities and bringing in foreigners to live in the country as being FDI. "FDI means bringing in capital and technology and setting up plants in Malaysia and (bringing) employees up to the level of executives, with products being either for the Malaysian market or export," he said in a video conference with The Wall Street Journal CEO Council Meeting in Tokyo. To him, China is a friend of Malaysia, but when it comes to FDI, there is a difference in terms of definition. He said this in response to a question posed on concerns over China's deals in Malaysia. "There are pieces of land sold to Chinese companies. They are building huge cities. One city in the South will have about 700,000 people. These cities being built are very expensive, with very luxurious apartments and such," he added. He pointed out that not many Malaysians can afford to buy the units, and would also not be able to avail themselves of this new development. (The Edge Market)

Singapore's Two DPMs Look Forward to Working Closely with new Malaysian Counterpart

Both Singapore Deputy Prime Ministers look forward to working closely with their new Malaysian counterpart, Datuk Seri Dr. Wan Azizah Wan Ismail, to further strengthen bilateral relations. In a statement issued by the Singapore Ministry of Foreign Affairs, Teo Chee Hean and Tharman Shanmugaratnam noted the strong bilateral cooperation between Singapore and Malaysia. Both had called Dr. Wan Azizah to congratulate her on her appointment as Deputy Prime Minister. Pakatan Harapan's thumping win at the just concluded 14th general election saw Malaysia get its very first female Deputy Prime Minister. Dr. Wan Azizah, 66, was appointed by Prime Minister Tun Dr. Mahathir Mohamad on Saturday. Teo and Tharman had also written congratulatory letters to Dr. Wan Azizah. "My warmest congratulations on your appointment as Deputy Prime Minister of Malaysia. I would also like to congratulate Pakatan Harapan on its strong win at the 14th general election, and your victory in your seat of Pandan," said Teo in the letter which was made available to Bernama. Teo, who is also Coordinating Minister for National Security, said Singapore and Malaysia enjoyed strong and longstanding ties, built on mutual trust and respect. (The Edge Market)

Asia

China's Industrial Output Revs Up

China's industrial activity picked up steam last month, though slowing consumption and infrastructure investment continue to cloud the outlook for growth. Value-added industrial production in China rose 7.0% in April from a year earlier, accelerating from a 6.0% year-over-year increase in March, the National Bureau of Statistics said. Economists were expecting industrial output to grow 6.4% in April. The uptick in industrial activity adds another bright spot to other recently reported figures, especially exports that show the world's second-largest economy is humming along. Robust exports and property investment should support growth, offsetting a slowdown in infrastructure investment and other effects from government policies to rein in debt. Adding to signs of improvement, a newly retooled official survey on unemployment showed the urban jobless rate edging down to 4.9% in April from 5.1% in March.

Fixed-asset investment outside rural households, a gauge of construction activity, rose 7.0% in the January-April period from a year earlier, slower than economists' median estimate for a 7.4% gain and below the 7.5% increase recorded in the January-March period. A downturn in infrastructure spending, a trend that began late last year, was a drag on investment. The lower rate of spending is a result of Beijing's efforts to put a check on projects involving public-private partnerships and other activities by local governments that raise their debt levels. Retail sales in China climbed 9.4% in April from a year earlier, slowing from a 10.1% year-over-year increase in March. A government push to curb fast-growing household debt is likely constraining retail-sales increases. Relatively steady economic expansion should give officials room to continue the effort to cut debt. (WSJ)

Japan Tertiary Activity Index Falls More-than-Expected

Japan's tertiary activity index decreased at a faster-than-expected pace in March, data from the Ministry of Economy, Trade and Industry showed. The tertiary activity index dropped 0.3% month-over-month in March, reversing a 0.1% rise in February. Economists had expected a 0.2% fall for the month. Among the individual components of the survey, activity was down for finance and insurance, information and communications, electricity, gas, heat supply and water, living and amusement-related services, real estate, retail trade and medical, health care welfare. Meanwhile, activity was up for business-related services, wholesale trade, transport and postal activities, goods rental and leasing. On a yearly basis, the tertiary activity index climbed 0.8% in March, following a 0.9% rise in the prior month. (RTT)

Australia's Consumer Confidence Improves Further

Australia's consumer confidence improved for the fifth straight time during the week ended May 13, a weekly survey compiled by the ANZ bank and Roy Morgan Research showed. The consumer confidence index rose to a fourteen-week high of 120.8 from 119.6 in the preceding week. The rise in sentiment was broad based, with households particularly optimistic about economic conditions and future financial conditions. This suggests that the Budget and the personal income tax cuts therein have been well received." (RTT)

United States

Climbing Gas Prices Didn't Keep Consumers from Spring Spending

Despite rising gas prices, Americans ramped up their spending at the start of spring, signaling modest wage gains and the recent tax overhaul helped buoy spending. Retail sales—a measure of spending at stores, online-shopping websites and restaurants—rose a seasonally adjusted 0.3% in April from the prior month, the Commerce Department said Tuesday. That growth was largely broad-based, and held up even when excluding gasoline and autos. Food and beverage stores, and clothing and accessories retailers both clocked the largest sales gains since last year. A weak spot was spending at restaurants and bars, declining 0.3% from March. Analysts had worried that rising gas prices would slow consumer spending in the near term. The national average price for a gallon of regular gasoline in April was $2.76, up nearly 17 cents from the prior month and the highest since mid-2015, according to the U.S. Energy Information Administration. Gasoline-station sales rose 0.8% in April from the prior month. But when excluding gasoline and autos, spending still rose 0.3% from March, suggesting modest wage gains and larger paychecks from the Trump administration's late-2017 tax reform helped push consumers to make more purchases. (WSJ)

Growth In New York Manufacturing Activity Unexpectedly Rebounds In May

After reporting a notable slowdown in the pace of growth in regional manufacturing activity in the previous month, the Federal Reserve Bank of New York released a report an unexpected rebound in the pace of growth in May. The New York Fed said its general business conditions index jumped to 20.1 in May from 15.8 in April, with a positive reading indicating growth in regional manufacturing activity. Economists had expected the index to edge down to 15.0. The unexpected increase by the headline index was partly due to a significantly faster rate of growth in new orders, as the new orders index surged up to 16.0 in May from 9.0 in April. (RTT)

U.S. Homebuilder Sentiment Rises for First Time Since December

Sentiment among U.S. homebuilders rose for the first time in five months as job gains and tax cuts helped keep buyer demand healthy amid rising prices and mortgage rates, according to data Tuesday from the National Association of Home Builders/Wells Fargo. Housing Market Index strengthened by two points to 70 (est. 69); prior month's reading revised down to 68, lowest since Oct. Current-sales measure for single-family homes rose to 76 from 74; gauge of prospective buyer traffic unchanged at 51. Index of six-month sales outlook unchanged at 77. Sentiment remains close to an 18-year high, with unemployment below 4 percent for the first time since 2000, and government tax cuts signed into law in December potentially helping motivate some consumers to purchase a home this year. Such factors are mitigating other forces that may restrain optimism among developers: Rising lumber prices are making building more costly, and mortgage borrowers are confronting escalating interest rates. (Bloomberg)

Business Inventories Fall Flat of Expectations

U.S. business inventories saw no improvement in March, falling short of economists' predictions. The Commerce Department's measure of business production remained flat in March at $1,929.6 billion. It was expected to gain 0.1 percent, a survey of Reuters economists forecast. Inventories were up 3.8 percent from the prior year. The key technical indicator, based on data from three trade and manufacturing surveys, rose 0.6 percent in February. The ratio of inventories to sales in March was 1.34, short of the 1.38 ratio from the prior year. The Manufacturing and Trade Inventories and Sales survey adds up the value of trade sales and manufacturers' shipments. The measure helps track and make predictions about near-term business production activity. (CNBC)

US and China 'Still Very Far Apart' on Trade, Says US Ambassador

The US and China are "still very far apart" on disputes over trade, technology, and market access, the US ambassador to China said, managing expectations ahead of a visit to Washington by a senior Chinese envoy. Terry Branstad added that his country wanted to a see a "specific timetable" on market opening, following demands presented by a US delegation that visited Beijing earlier this month, according to a Reuters report on comments by Mr. Branstad at a conference in Tokyo. "The Chinese have said 'we want to see the specifics'. We gave them all the specifics in terms of trade issues. So they can't say they don't know what we're asking for," he said. "We're still very far apart." He said that China had not met pledges to open financial services and cut auto tariffs. "There are many areas where China has promised to do but haven't. We want to see a timetable. We want to see these things happen sooner or later," he said in Tokyo. The US has threatened tariffs affecting up to $150bn on Chinese exports, and China has said it would retaliate with comparable duties of its own. President Donald Trump has asked Beijing to reduce the US bilateral trade deficit with China by $200bn. The deficit for goods and services was $337bn last year. (Financial Times)

Europe and United Kingdom

UK Record Employment Increases Likelihood of Interest Rate Hike

The prospect of an August increase in interest rates from the Bank of England has loomed larger after the latest official figures showed that strong jobs growth had pushed the UK's employment rate to a fresh record in the first three months of 2018. Despite the slowest growth in more than five years, the Office for National Statistics said there were 32.34 million people in work in the first quarter of the year, an increase of 197,000 on the previous quarter and up by 396,000 on the first three months of 2017. The UK's employment rate rose by 0.4 points to 75.6% in the latest quarter, the highest since modern records began in 1971. A majority of jobs created were full-time posts. City economists said the strong labour market increased the chances of growth being revised up from the ONS's initial estimate of just 0.1% in the first quarter of 2018 – its weakest since 2012. But rising employment and almost stagnant output resulted in a fresh setback to productivity after a rise in the second half of 2017. Output per hour worked fell by 0.5% in the first three months of 2018 and has increased by just 0.2% a year since the financial crisis of 2008. The ONS reported a mixed picture for wages. Growth in total pay in the first quarter of 2018 was up by 2.6% on a year earlier, slower than the annual rise of 2.8% recorded in the three months to February. Unemployment on the internationally agreed definition fell by 46,000 to 1.42 million between the fourth quarter of 2017 and the first quarter of 2018. The unemployment rate of 4.2% was the joint lowest since 1975. (The Guardian)

Eurozone Q1 GDP Growth Eases as Estimated

The Eurozone economy expanded at a slower pace as previously estimated in the first quarter, flash estimate from Eurostat showed. Gross domestic product grew 0.4% sequentially in the first quarter, slower than the 0.7% expansion seen a quarter ago. The rate came in line with the estimate released on May 2. On a yearly basis, GDP growth slowed to 2.5%, as estimated, from 2.8% a quarter ago. Eurostat releases GDP and main aggregates on June 7. Another report from Eurostat showed that industrial production recovered in March after falling for three straight months. Industrial output grew 0.5% in March from February, when it dropped 0.9%. Production was forecast to grow 0.7%. On a yearly basis, industrial production growth improved to 3% in March from 2.6% in February. Economists had forecast a 3.7% growth for March. (RTT)

Germany's GDP Growth Slows in Q1

Germany's economic growth halved in the first quarter, data from Destatis showed. Gross domestic product grew 0.3% sequentially, slower than the 0.6% expansion seen in the previous quarter. GDP was expected to climb at a slightly faster pace of 0.4%. Nonetheless, Destatis said this was the 15th quarter-on-quarter growth in a row, contributing to the longest upswing phase since 1991. On a yearly basis, calendar-adjusted GDP climbed 2.3% after expanding 2.9% in the fourth quarter. Similarly, price-adjusted growth eased to 1.6% from 2.3% a quarter ago. Another report from Destatis showed that employment in manufacturing units increased 2.7% or 146,000 year-on-year in March. Meanwhile, the number of hours worked in March decreased 5.8%. (RTT)

German ZEW Economic Sentiment at 5-1/2 Year Low

Germany's economic sentiment remained unchanged at a five-and-a-half-year low in May, survey data from the Mannheim-based think tank ZEW showed. The ZEW Indicator of Economic Sentiment held steady at -8.2 in May, the lowest since November 2012. The score also matched economists' expectations. The effects of the relatively positive values for German exports and production in March 2018 have been overshadowed in the most recent survey by uncertainty motivated by recent political events. The US decision to back out of the nuclear treaty with Iran and fears of a further escalation of the international trade conflict with the US, as well as a further rise of crude oil prices, have had an overall negative impact on economic expectations in Germany. (RTT)

Share Buy-Back: 15 May 2018

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
AMPROP	50,000	0.72	0.73/0.72	17,773,400
GBGAQRS	2,922,400	0.95/0.845	0.985/0.81	4,413,702
INCKEN	5,000	0.70	0.70	17,924,900
KENANGA	200,000	0.62/0.605	0.62/0.60	200,000
P&O	5,000	1.07	1.08/1.06	11,796,093
RCECAP	51,700	1.34/1.33	1.42/1.33	15,008,425
SNTORIA	50,000	0.565/0.56	0.60/0.56	8,520,800
TROP	52,300	0.90/0.895	0.90/0.89	6,986,542
YINSON	26,700	4.24	4.32/4.18	6,230,200

Source: Bursa Malaysia

Kaladher Govindan – Head of Research

TA SECURITIES HOLDINGS BERHAD (14948-M)

A Participating Organisation of Bursa Malaysia Securities Berhad

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

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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
	(RM)	(RM)			(RMm)		FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	YTD
	15-May-18																
AUTOMOBILE																	
BAUTO	2.17	2.33	7.4%	Under Review	2,516	0.57	12.1	19.0	17.9	11.4	5.0	5.3	2.47	-12.1	1.84	17.9	-1.4
MBMR	2.48	2.68	8.1%	Under Review	969	0.79	24.7	26.9	10.0	9.2	2.4	2.8	2.54	-2.4	2.01	23.4	12.7
PECCA	1.14	1.62	42.1%	Buy	210	0.71	9.7	10.9	11.8	10.4	4.4	4.4	1.70	-32.9	1.06	7.5	-26.5
SIME	2.80	2.55	-8.9%	Sell	19,042	1.63	13.2	16.4	21.2	17.1	1.2	1.5	3.06	-8.5	2.03	38.2	26.7
UMW	6.12	5.52	-9.8%	Sell	7,150	1.32	28.6	40.2	21.4	15.2	2.3	3.3	6.98	-12.3	4.70	30.2	17.7
BANKS & FINANCIAL SERVICES																	
ABMB	4.35	4.20	-3.4%	Sell	6,734	1.20	32.6	35.8	13.3	12.1	3.7	3.7	4.48	-2.9	3.62	20.2	6.6
AFFIN	2.58	2.30	-10.9%	Sell	5,013	0.93	22.2	23.9	11.6	10.8	3.1	3.1	2.98	-15.0	2.22	13.9	9.5
AMBANK	3.51	4.20	19.7%	Buy	10,580	1.59	38.1	44.4	9.2	7.9	5.1	5.1	5.54	-36.6	3.40	3.2	-20.4
CIMB	6.75	7.80	15.6%	Buy	63,219	1.59	58.2	59.9	11.6	11.3	4.3	4.4	7.39	-8.7	5.88	14.8	3.2
HLBANK	18.86	20.10	6.6%	Hold	38,580	0.92	116.8	126.8	16.1	14.9	2.5	2.5	20.02	-5.8	13.78	36.9	10.9
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	24.00	27.60	15.0%	Buy	92,676	0.72	153.3	166.5	15.7	14.4	2.6	2.7	25.78	-6.9	19.90	20.6	15.5
RHBBANK	5.48	5.60	2.2%	Hold	21,975	1.58	54.3	59.0	10.1	9.3	2.7	2.7	5.61	-2.3	4.71	16.3	9.6
BURSA	8.07	8.07	0.0%	Buy	6,506	0.98	29.2	30.0	27.6	26.9	3.0	3.0	8.20	-1.6	6.31	27.8	19.6
BUILDING MATERIALS																	
ANNJOO	2.64	3.25	23.1%	Buy	1,413	1.12	42.2	45.0	6.3	5.9	8.2	9.4	3.98	-33.7	2.39	10.5	-31.6
CHINHIN	1.08	1.15	6.5%	Hold	601	0.97	10.7	10.5	10.1	10.3	5.7	5.0	1.44	-25.0	1.00	8.5	-10.7
CSCSTEL	1.37	1.44	5.1%	Buy	506	0.90	17.4	17.9	7.9	7.6	6.8	7.0	2.05	-33.0	1.27	7.9	-11.0
ENGTEX	1.07	1.17	9.3%	Buy	466	0.97	13.8	15.7	7.7	6.8	3.9	5.1	1.52	-29.6	0.95	12.6	-2.7
CONSTRUCTION																	
GADANG	0.79	1.22	55.4%	Buy	519	1.43	14.0	16.6	5.6	4.7	3.8	3.8	1.37	-42.7	0.75	5.4	-29.3
GAMUDA	4.50	5.35	18.9%	Hold	11,082	0.84	34.4	36.4	13.1	12.4	2.7	2.7	5.52	-18.5	4.11	9.5	-9.3
IJM	2.29	2.65	15.7%	Sell	8,307	1.47	13.7	18.2	16.7	12.6	4.1	4.1	3.60	-36.4	2.19	4.6	-24.9
KAB	0.24	0.31	31.9%	Buy	8	na	31.4	37.3	0.7	0.6	4.3	5.1	0.33	-28.8	0.20	17.5	-21.7
PESONA	0.30	0.37	23.3%	Buy	208	1.61	4.1	4.3	7.3	6.9	5.0	5.0	0.69	-56.2	0.29	5.3	-33.3
SENDAI	0.97	0.79	-18.1%	Sell	754	1.59	9.9	8.7	9.8	11.0	1.0	1.0	1.39	-30.6	0.68	41.9	11.6
SUNCON	2.24	2.29	2.2%	Hold	2,895	0.76	14.3	16.3	15.6	13.8	3.6	4.0	2.64	-15.2	1.92	16.7	-10.8
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	0.88	2.3	-44.4
LITRAK	5.14	5.63	9.5%	Sell	2,714	0.38	45.6	47.1	11.3	10.9	4.9	4.9	6.15	-16.4	4.90	4.9	-7.4
CONSUMER																	
Brewery																	
CARLSBG	19.46	18.09	-7.0%	Under Review	5,986	0.71	87.8	91.8	22.2	21.2	4.4	4.5	20.88	-6.8	14.34	35.7	27.9
HEIM	22.48	21.69	-3.5%	Hold	6,791	0.46	95.2	103.5	23.6	21.7	4.1	4.5	23.18	-3.0	17.30	29.9	18.9
Retail																	
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	8.34	8.59	3.0%	Buy	1,371	0.51	48.3	49.9	17.3	16.7	4.8	4.9	8.40	-0.7	6.97	19.7	14.1
F&N	36.20	30.69	-15.2%	Sell	13,269	0.58	96.0	114.0	37.7	31.8	1.9	2.1	36.76	-1.5	23.40	54.7	34.1
HUPSENG	1.16	1.25	7.8%	Hold	928	0.47	5.8	6.2	19.9	18.8	5.2	5.2	1.28	-9.4	1.02	13.7	6.4
JOHOTIN	0.96	1.48	54.2%	Buy	298	1.32	11.1	11.7	8.6	8.2	6.3	6.8	1.74	-44.8	0.89	7.9	-20.7
NESTLE	139.70	129.90	-7.0%	Sell	32,760	0.68	322.2	360.2	43.4	38.8	2.1	2.3	163.00	-14.3	81.00	72.5	35.4
PADINI	4.90	4.67	-4.7%	Sell	3,224	0.93	28.0	30.4	17.5	16.1	2.6	2.7	5.50	-10.9	3.26	50.5	-7.2
POHUAT	1.27	2.01	58.3%	Buy	279	0.50	20.1	23.1	6.3	5.5	4.7	6.3	2.07	-38.6	1.15	10.4	-29.1
QL	5.33	5.41	1.5%	Under Review	8,648	0.65	13.3	15.5	40.0	34.3	0.8	0.9	5.35	-0.4	3.65	45.9	22.5
SIGN	0.56	0.92	65.8%	Buy	126	0.89	6.6	8.7	8.4	6.3	4.5	6.3	1.04	-46.6	0.48	15.6	-21.3
Tobacco																	
BAT	28.50	34.72	21.8%	Buy	8,138	1.50	170.8	168.8	16.7	16.9	5.6	5.6	45.96	-38.0	22.46	26.9	-28.8
GAMING																	
Casino																	
GENTING	8.76	11.60	32.4%	Buy	33,565	1.37	57.2	63.1	15.3	13.9	1.8	1.8	9.92	-11.7	8.47	3.4	-4.0
GENM	5.04	6.68	32.5%	Buy	28,519	1.50	27.6	32.0	18.3	15.8	2.4	2.6	6.28	-19.8	4.59	9.8	-9.1
NFO																	
BJTOTO	2.35	3.22	37.0%	Buy	3,165	0.57	19.9	26.0	11.8	9.0	6.8	7.7	2.81	-16.4	2.06	14.1	4.9
HEALTHCARE																	
Hospitals/ Pharmaceutical																	
CCMDBIO	3.12	3.40	9.0%	Buy	870	0.79	16.2	17.7	19.2	17.6	1.5	1.6	3.12	0.0	1.97	58.4	23.3
IHH	6.00	6.40	6.7%	Sell	49,456	0.73	11.9	15.0	50.5	40.1	0.5	0.6	6.33	-5.2	5.42	10.7	2.4
KPJ	0.96	1.13	18.3%	Buy	4,024	0.60	3.9	4.3	24.4	22.0	2.3	2.5	1.14	-16.2	0.84	13.7	-1.5
Rubber Gloves																	
HARTA	6.00	4.52	-24.7%	Sell	19,874	0.95	11.9	14.5	50.6	41.5	1.3	1.5	6.64	-9.6	2.76	117.8	12.4
KOSSAN	7.05	9.73	38.0%	Buy	4,508	0.65	37.4	42.1	18.8	16.8	2.7	3.0	8.79	-19.8	6.05	16.5	-13.1
SUPERMX	3.13	2.70	-13.7%	Buy	2,052	0.57	20.0	22.6	15.7	13.9	1.7	2.0	3.25	-3.7	1.69	85.2	56.5
TOPGLOV	10.12	12.20	20.6%	Buy	12,926	0.56	35.3	42.7	28.7	23.7	1.4	1.7	10.78	-6.1	5.15	96.5	26.7
KAREX	0.80	0.70	-12.5%	Sell	802	0.73	1.3	2.3	59.4	35.5	0.4	0.8	2.26	-64.6	0.75	6.7	-38.5
INDUSTRIAL																	
SCIENTX	7.84	10.01	27.7%	Buy	3,833	0.93	67.5	79.4	11.6	9.9	2.7	3.3	9.85	-20.4	7.39	6.1	-9.5
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	1.71	1.20	-29.8%	Sell	8,916	1.07	12.4	13.8	13.7	12.4	7.3	7.3	2.94	-41.8	1.71	0.0	-35.5
MEDIA PRIMA	0.28	0.45	60.7%	Under Review	311	1.36	-3.8	-1.8	na	na	0.0	0.0	1.14	-75.4	0.25	12.0	-63.2
STAR	1.01	1.20	18.8%	Under Review	745	1.15	6.2	5.9	16.3	17.0	8.9	8.9	2.22	-54.5	1.00	1.0	-38.8

TA SECURITIES
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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
	(RM)	(RM)			(RMm)		FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	YTD
OIL & GAS																	
DNEX	0.40	0.69	74.7%	Buy	694	1.95	4.0	4.3	9.9	9.2	2.5	2.5	0.64	-38.3	0.31	29.5	-18.6
LCTITAN	5.55	6.10	9.9%	Buy	12,615	na	47.8	50.7	11.6	11.0	3.8	4.1	6.53	-15.0	4.14	34.1	18.1
MHB	0.78	0.81	3.8%	Sell	1,248	1.48	-0.1	1.1	na	73.0	0.0	0.0	0.98	-20.4	0.63	24.8	-5.5
MISC	7.03	5.80	-17.5%	Sell	31,380	0.92	33.8	41.4	20.8	17.0	4.3	4.3	7.90	-11.0	6.73	4.5	-5.3
PANTECH	0.57	0.78	36.8%	Buy	424	1.40	6.4	7.0	9.0	8.2	4.4	4.7	0.74	-23.0	0.51	11.8	-11.6
PCHEM	8.60	9.00	4.7%	Hold	68,800	0.80	52.5	53.8	16.4	16.0	3.0	3.0	8.88	-3.2	6.80	26.5	11.7
SAPNRG	0.82	0.84	3.1%	Buy	4,884	2.98	-5.0	-1.7	na	na	0.0	0.0	1.97	-58.6	0.40	106.3	14.8
SERBADK	3.28	4.15	26.5%	Buy	4,817	na	27.7	31.5	11.9	10.4	2.7	3.0	3.68	-10.9	1.80	82.2	1.2
UMWOG	0.30	0.39	32.2%	Buy	2,424	2.61	0.4	1.2	77.3	25.5	0.0	0.0	0.62	-52.4	0.22	37.2	-3.3
UZMA	1.35	1.57	16.3%	Hold	432	1.21	12.9	13.9	10.5	9.7	0.0	0.0	1.80	-25.0	1.18	14.4	5.5
PLANTATIONS																	
FGV	1.87	2.09	11.8%	Buy	6,822	1.68	2.0	3.4	92.5	54.9	2.7	2.7	2.18	-14.2	1.51	23.8	10.7
IJMPLNT	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	4.75	5.43	14.3%	Buy	29,005	0.88	19.0	21.3	25.0	22.4	5.6	3.5	4.81	-1.2	4.21	12.9	7.2
KFIMA	1.52	1.89	24.3%	Buy	428	0.71	13.7	13.8	11.1	11.0	5.9	5.9	1.96	-22.4	1.44	5.6	-3.2
KLK	25.50	27.76	8.9%	Hold	27,157	0.59	107.6	116.0	23.7	22.0	2.1	2.2	25.98	-1.8	23.80	7.1	2.0
SIMEPLT	5.51	6.27	13.8%	Buy	37,473	na	19.6	20.0	28.1	27.6	2.5	2.9	6.00	-8.2	4.58	20.3	-8.2
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	6.08	6.21	2.1%	Sell	1,275	0.39	17.0	22.4	35.9	27.2	2.6	3.0	7.08	-14.1	5.97	1.8	-6.6
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	0.48	0.58	20.8%	Sell	169	0.97	0.7	3.4	72.4	14.1	1.0	1.0	1.09	-56.0	0.44	9.1	-21.3
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	1.56	1.92	23.1%	Buy	8,590	0.95	14.9	14.7	10.5	10.6	3.8	3.8	2.22	-29.7	1.47	6.1	-15.7
MAHSING	1.05	1.59	51.4%	Buy	2,549	0.91	11.8	11.3	8.9	9.3	6.2	6.2	1.64	-36.0	0.98	7.1	-27.6
SIMEPROP	1.46	1.51	3.4%	Hold	9,929	na	7.5	7.5	19.4	19.5	2.7	2.1	1.78	-18.0	1.04	40.4	-18.0
SNTORIA	0.56	0.76	35.7%	Buy	313	0.43	8.3	8.6	6.8	6.5	1.8	1.8	0.82	-31.6	0.53	5.7	-19.4
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	3.00	3.37	12.3%	Buy	11,670	1.10	16.1	18.1	18.6	16.5	4.0	4.0	4.38	-31.6	2.77	8.3	-25.0
SUNWAY	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
REIT																	
SUNREIT	1.70	1.87	10.0%	Hold	5,007	1.02	10.0	10.7	16.9	15.9	5.9	6.3	1.90	-10.5	1.48	14.9	-10.5
CMMT	1.13	1.48	31.0%	Buy	2,306	0.92	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	4,444	1.05	6.7	7.3	13.5	12.4	7.8	7.8	1.23	-26.8	0.85	5.9	-8.2
PETDAG	26.34	24.08	-8.6%	Sell	26,168	0.58	114.7	116.3	23.0	22.6	3.3	3.3	28.18	-6.5	20.81	26.6	9.6
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	15.92	18.22	14.4%	Buy	90,397	0.58	131.3	127.5	12.1	12.5	4.1	4.0	16.34	-2.6	13.72	16.0	4.3
YTLPOWR	0.87	1.16	34.1%	Sell	6,859	0.94	8.5	8.7	10.2	9.9	5.8	5.8	1.50	-42.3	0.82	6.1	-32.9
TELECOMMUNICATIONS																	
AXIATA	5.16	6.50	26.0%	Buy	46,697	1.66	15.9	19.4	32.4	26.5	1.6	3.0	5.82	-11.3	4.54	13.7	-6.0
DIGI	4.67	5.15	10.3%	Buy	36,309	0.94	19.6	20.2	23.8	23.1	4.2	4.3	5.12	-8.8	4.36	7.1	-8.4
MAXIS	5.63	5.95	5.7%	Sell	44,008	1.06	24.9	24.8	22.6	22.7	3.6	3.6	6.58	-14.4	5.30	6.2	-6.3
TM	4.97	7.20	44.9%	Buy	18,677	0.71	22.8	24.9	21.8	20.0	4.1	4.5	6.69	-25.7	4.71	5.5	-21.1
TECHNOLOGY																	
Semiconductor & Electronics																	
ELSOFT	2.51	3.30	31.5%	Buy	692	0.95	13.1	14.9	19.2	16.8	3.7	4.2	2.95	-14.9	2.22	13.1	-7.0
IRIS	0.16	0.23	48.4%	Buy	383	2.63	0.0	0.6	563.4	27.8	0.0	0.0	0.25	-36.7	0.12	34.8	-16.2
INARI	2.08	2.40	15.4%	Buy	6,480	0.55	9.1	10.2	22.8	20.5	3.1	3.4	2.55	-18.3	1.32	57.9	-8.2
MPI	8.63	10.70	24.0%	Buy	1,716	1.11	73.9	86.9	11.7	9.9	3.7	3.7	14.52	-40.6	7.57	14.0	-31.6
UNISEM	2.00	2.55	27.5%	Buy	1,468	1.51	13.1	18.6	15.2	10.8	5.5	5.5	4.25	-52.9	1.60	25.0	-45.2
TRANSPORTATION																	
Airlines																	
AIRASIA	3.41	4.93	44.6%	Hold	11,396	1.04	41.0	41.0	8.3	8.3	2.3	2.3	4.75	-28.2	2.89	18.0	1.8
AIRPORT	8.60	8.61	0.1%	Sell	14,269	1.04	18.0	18.8	47.9	45.8	1.5	1.2	9.45	-9.0	7.86	9.4	-2.2
Freight & Tankers																	
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	1.07	1.45	35.5%	Buy	488	1.01	12.0	12.3	8.9	8.7	4.7	4.7	1.79	-40.4	0.99	8.1	-20.1
WPRTS	3.40	4.06	19.4%	Buy	11,594	0.48	15.6	20.0	21.8	17.0	3.4	4.4	4.06	-16.3	3.10	9.7	-8.1

SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE

Company	Share Price	Target Price	% upside	Recom	Market Cap.	Beta	EPS (cent)		PER (X)		Div Yield (%)		52week		52week		% Chg
	(S$)	(S$)			(S$m)		FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	YTD
BANKS & FINANCIAL SERVICES																	
DBS	28.88	36.10	25.0%	Buy	74,045	1.16	212.3	246.0	13.6	11.7	2.3	2.4	30.8	-6.1	19.68	46.8	18.2
OCBC	13.06	16.60	27.1%	Buy	54,618	1.17	109.6	123.3	11.9	10.6	6.7	7.7	14.0	-7.0	10.22	27.8	5.4
UOB	29.46	31.70	7.6%	Hold	48,971	1.18	216.8	244.2	13.6	13.6	2.7	2.7	30.4	-3.0	22.50	31.0	12.1
PLANTATIONS																	
WILMAR	3.18	3.38	6.3%	Hold	20,347	0.84	22.5	25.8	14.2	12.3	2.8	3.1	3.8	-15.9	2.97	7.1	2.9
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	1.7	-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.*