

# Daily Brief

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

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## Market View *Wavering Buying Momentum to Stall Recovery*

The local benchmark climbed a second day Tuesday as trade war concerns was offset by optimism over strong corporate earnings fueled by the strong US June employment data. The KLCI surged 14.5 points to close at the day's peak of 1,687.13, off an opening low of 1,675.05, as gainers led losers 455 to 341 on total trade of 1.99bn shares worth RM2.23bn.

### **Resistance at 1,708/1,729; Key Supports at 1,664/1,636**

While optimism over US corporate earnings and economic growth may lift sentiment near-term, lingering worries over US-China trade tensions should cap rebound upside as buying momentum waver. Immediate overhead resistance for the index stays at 1,708, next at 1,729, followed by 1,752 and 1,780, the respective 76.4%FR and 61.8%FR levels. Key retracement supports are at the 123.6%FP (1,664) and 138.2%FP (1,636), with the 150%FR (1,614) matching the Nov 2016 pivot low acting as crucial support.

### **Bargain Genting Bhd & Genting Malaysia**

Genting Bhd should extend oversold rebound towards the 50%FR (RM8.68), with next hurdles at the 61.8%FR (RM8.97) and 200-day ma (RM9.00) where profit-taking resistance should be strong, while the 38.2%FR (RM8.38) and lower Bollinger band (RM8.28) cap downside. Likewise, Genting Malaysia should recover towards the 38.2%FR (RM5.09), with stronger profit-taking resistance seen at 50%FR (RM5.32), while key chart supports are from the 23.6%FR (RM4.80) and lower Bollinger band (RM4.71).

### **Most Asian Markets Edge Higher as Trade Fears Ebb**

Most Asian markets gained on Tuesday, on optimism the upcoming earnings season will be robust enough to overshadow a rise in trade tensions. The overall improvement in sentiment came after Wall Street closed sharply higher in the last session, supported partially by the release of expectation-topping June jobs data on Friday and hopes strong corporate earnings results can buffet a run of positive economic data. While trade tensions may have put a lid on investment gains, it has done little to estimates for profits which are still expected to grow at 20 percent in the second quarter. However, even with the improvement in risk appetite seen so far this week, trade jitters are expected to continue to simmer in the longer term. Japan's Nikkei share average rose to a 1-1/2-week high on Tuesday, as Yahoo Japan surged on news that SoftBank Group would buy roughly USD2 billion worth of its shares through a subsidiary. The Nikkei was up 1.1 percent at 22,294.40 after hitting a high of 22,316.27, its strongest since June 29.

Elsewhere, South Korea's Kospi rose 0.37 percent to close at 2,294.16 as steelmakers recovered some losses seen in the last session. In down under, the S&P/ASX 200 turned lower, giving up early gains to close down 0.44 percent at 6,258.10 as the heavily weighted financials subindex dropped 1.01 percent amid declines seen across most sectors. Mainland indexes dipped below the flat line but finished higher, extending the sharp gains seen on Monday. The benchmark Shanghai composite rose 0.44 percent to close at 2,827.44.

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**Wall Street Inch Higher Ahead of Earnings Season**

U.S. stocks rose Tuesday, notching their seventh session of gains in the past eight trading days, as investors looked ahead to what is expected to be another strong corporate earnings season. With fewer trade-war headlines rattling markets since Friday's imposition of U.S. and Chinese tariffs, investors turn their attention to earnings season in the hope that strong results can complement a recent run of positive economic data. Earnings for the first calendar quarter rose 24 percent on a year-over-year basis. Wall Street is expecting similar results for calendar second quarter. Analysts polled by Fact-Set expect S&P 500 second-quarter earnings to have grown by 20 percent.

Two sectors that have underperformed this year, consumer staples and utilities, were among the leaders in the S&P 500, rising 1.3 percent and 1 percent, respectively. Financials, the only sector in the red, fell 0.4 percent. PepsiCo Inc. jumped more than 4 percent after reporting better-than-forecast profit, while banks fell ahead of JPMorgan Chase & Co. and Citigroup Inc. results Friday.

The Dow Jones Industrial Average rose 143.07 points, or 0.58 percent, to 24,919.66, the S&P 500 gained 9.67 points, or 0.35 percent, to 2,793.84 and the Nasdaq Composite added 3.00 points, or 0.04 percent, to 7,759.20.

## News In Brief *Corporate*

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**Pestech International Bhd** has obtained the green light from the Securities and Exchange Commission of Cambodia (SECC) for the proposed listing of its wholly-owned subsidiary Pestech (Cambodia) PLC (Pestech Cambodia) on the main board of Cambodia Securities Exchange. The group said it had received notification yesterday that the SECC has granted the approval-in-principle to Pestech Cambodia, which is involved in the construction of electrical substations and transmission lines, for its proposed listing in accordance with the laws and regulations in force in Cambodia. *(The Edge Markets / Bursa Malaysia)*

**Multi Sports Holdings Ltd** has clarified that the reprimand it received from the Securities Commission Malaysia (SC) for knowingly furnishing financial statements that were false or misleading to Bursa Malaysia was related to five quarterly earnings. The Practice Note 17 shoe manufacturer said the five quarterly earnings were for the first quarter of 2015 (1Q15), 2Q15, 3Q15, 4Q15 and 1Q16, which were prepared and submitted prior to the appointment of new directors on Oct 4, 2016. Multi Sports said the new directors had also disclosed this litigation in the annual reports that were issued after their appointments. *(The Edge Markets / Bursa Malaysia)*

**Malaysia Airports Holdings Bhd (MAHB)** saw 9.7% YoY more passengers pass through the 39 airports it manages in the country in June this year at 8.4mn. This is the highest growth registered for a month in 2018. International and domestic passenger traffic grew by 8.3% YoY and 11.1% YoY to 4.2mn and 4.2mn respectively in June 2018. "Domestic sector registered the first positive growth since November 2017. The average domestic load factor at 76.2% was also the highest for the year," said MAHB. Overall aircraft movements also increased by 4.1% YoY, with international movements up 5.9% while domestic rose 3.0% over June 2017. Average load factor increased by 1.2%-pts to 75.9% in June 2018 over June 2017. The Kuala Lumpur International Airport in Sepang handled 5.0mn passengers in June 2018, up 9.7% YoY. *(The Edge Markets)*

**Kian Joo Can Factory Bhd** and its 55.0%-owned subsidiary **Box-Pak (Malaysia) Bhd** have both promoted Chee Khay Leong to the position of president and chief executive officer of their respective groups effective today. Chee, 57, had previously been chief operating officer in Kian Joo since July 2012 and an executive director of Box-Pak since July 2013, the two firms said in separate filings to the stock exchange. He has also been an executive director in Kian Joo since June 2012, the packaging group said. *(The Edge Markets / Bursa Malaysia)*

**Top Glove Corp Bhd** and its wholly-owned subsidiary Top Care Sdn Bhd have initiated arbitration proceedings against Adventa Capital Pte Ltd in Singapore today, claiming RM714.9mn in damages and losses suffered. This follows what it claimed were fraudulent misrepresentations made by Adventa Capital to induce Top Glove and Top Care into entering a share purchase agreement in April. "Top Glove and Top Care will elect to affirm the SPA and only claim for damages," Top Glove said. "If Top Glove and Top Care succeed in their arbitration proceedings against Adventa Capital, the tribunal may award interest at such rate and in respect of any period which the tribunal determines to be appropriate," it added. *(The Edge Markets)*

The High Court has ruled that the appointment of two directors to the board of Med-Bumikar Mara Sdn Bhd was invalid following an eight-hour hearing. Judge Wong Chee Lin also ruled in favour of Majlis Amanah Rakyat's (Mara) appointment of Muhamad Zaki Jali and Wong Fay Lee to Med-Bumikar's board, rendering their appointments as valid. The latest change in board composition of Med-Bumikar marks a step closer for **UMW Holdings Bhd** to taking control of Perusahaan Otomobil Kedua Sdn Bhd (Perodua). (*The Edge Markets*)

**PPB Group Bhd** (PPB) is expecting a tough second half of the year ahead as it faces uncertainties following the US-China trade war while managing lower demand for its flour products and produces. Chairman Tan Sri Oh Sien Nam said the uncertainties over the trade policies concerning the United States and China would affect PPB's business. (*New Straits Times*)

## News In Brief *Economy*

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### *Malaysia* **Guan Eng: Prasarana Must “Drastically” Cut LRT 3 Total Cost**

Finance Minister Lim Guan Eng says Prasarana Malaysia Bhd must “drastically” reduce the cost of the Light Rapid Transit line 3 (LRT 3) project to ensure its viability. He said the total cost of project is now estimated at RM31.45bil. “The Ministry of Finance will not support any additional funding required for the project unless the cost of the LRT3 project is significantly rationalised without compromising on the integrity of the rail network as well as the safety and the quality of service provided,” Lim said in a statement today. Prasarana has previously secured a government guarantee for a RM10bil bond facility to fund the project in 2015. The company, had on March 30, requested for an additional RM22bil in government guarantee to ensure funding for the construction and completion of the LRT3 project. “The projected total cost of LRT 3 of RM31.45bil due to poor management by Prasarana Malaysia Bhd requires drastic cost reductions to make the LRT 3 feasible and cost-effective,” Lim said. (The Star)

### **Dr. M: Singapore Not Told of HSR Status, but It Knows What Malaysia Wants**

Tun Dr. Mahathir Mohamad says the Government has not officially informed Singapore over the status of the High Speed Rail (HSR) project. The Prime Minister was asked on his reaction to Singapore's Foreign Minister who on Monday (July 9) said that the republic was waiting for Malaysia's official response to its diplomatic note seeking clarification on the HSR project. Dr. Mahathir said that Malaysia has to be careful when making an announcement as certain parties and the financial market could react negatively. "As far as the Singapore Government is concerned, we have not given them full notice, but they know what we want to do," said Dr. Mahathir. He said this at a media conference on Tuesday at the Malaysian Anti-Corruption Commission (MACC) headquarters here. Dr. Mahathir was at the MACC to lead a delegation of Pakatan Members of Parliament in attending a special briefing on governance, integrity and anti-corruption. The Straits Times quoted Singapore's Foreign Minister Dr. Vivian Balakrishnan as saying that the republic continues to incur costs as it is still meeting its obligations under the agreement, while waiting for Malaysia to clarify its position on the HSR project. (The Star)

### *Asia* **China Factory Inflation Accelerates as Commodity Prices Edge Up**

China's factory inflation accelerated in June as the price of commodities held up. The producer price index rose 4.7% from a year earlier, compared with a projected 4.5% increase in a Bloomberg survey of economists and a 4.1% gain in May. The consumer price index climbed 1.9% in June, the statistics bureau said, matching the forecast. The rebound in producer prices is unlikely to be sustained, as factory momentum weakens amid uncertain global demand and slower domestic credit expansion. The producer price gauge is forecast to ease to a 3.2% gain this year from the 6.3% increase last year that helped support global deflation. Base effects from last year were the major reason for the rise of both the PPI and CPI, according to a statement by the National Bureau of Statistics on its website. Carry-over effects from last year contributed 1.5 percentage points to the CPI gains in June, and as for PPI, the base factor made up for 4.1 percentage points, the agency said. (Bloomberg)

### **Japan M2 Money Stock Gains 3.2% in June**

The M2 money stock in Japan was up 3.2% on year in June, the Bank of Japan said - coming in at 1,007.2 trillion yen. That was in line with expectations and unchanged from the previous month. The M3 money stock was up an annual 2.7% to 1,336.6 trillion yen - again unchanged and matching forecasts. The L money stock was up 3.1% on year to 1,750.7 trillion yen - slowing from 3.2% in May. For the second quarter of 2018, M2 was up 3.2%, while M3 was up 2.7% and L was up 3.1%. (RTT)

**United States Inflation Expectations Maintain Steady Gains in June, N.Y. Fed Says**

Rising real world inflation pressures aren't being mirrored to the same degree in a key measure of what the public thinks about the outlook for price changes. In a report released Monday, the Federal Reserve Bank of New York said that the public expects inflation to rise by 3% both a year from now and three years from now. Those readings have been in the same place for three months, according to the bank's June Survey of Consumer Expectations. The report arrives as inflation pressures appear to be mounting. After years of failing to achieve their 2% inflation target sustainably, inflation from a year ago hit that level in March and April, and rose to a 2.3% rise in May, from the same month a year ago. Core inflation, which removes food and energy costs to get a better reading on underlying price trends, rose to a 2% reading in May from a year ago. The quickening inflation pressures have driven Fed officials and many outside observers to speculate over whether the central bank will need to raise rates more quickly to keep the economy's performance balanced. Fed officials and many private sector economists believe that where the public expects inflation to go in the future exerts a strong influence on the actual level of inflation. While there are a number of ways inflation expectations are measured, the New York Fed data's stability suggests a large breakout in inflation isn't likely. That said, with trade tensions heating up and centering around tariffs that could lead to broad price increases, most observers acknowledge now is particularly uncertain time for the inflation outlook. (WSJ)

**Europe and United Kingdom UK Economy Perks Up Slightly as Bank of England Nears Rate Decision**

Britain's economy picked up a bit of speed in May after slowing in early 2018, according to official figures that are likely to give the Bank of England more confidence about raising interest rates next month. A new monthly reading of gross domestic product showed the world's fifth-biggest economy grew by 0.3 percent in May from April. That was up from growth of 0.2 percent in April and in line with the forecast in a Reuters poll of economists, marking the strongest growth since November, the Office for National Statistics said on Tuesday. Sterling fell against the dollar after the data, which showed a mixed picture of the economy. Growth came mostly from the dominant services sector while factory output disappointed. BoE Governor Mark Carney and other top officials at the central bank opted not to raise rates in May because of the early 2018 slowdown. Instead, they decided to wait for signs the weakness was temporary and caused by unusually cold winter weather rather than a sign of broader problems before Britain's exit from the European Union next year. Britain's economy grew by 0.2 percent in the three months to May, as expected, after stagnating in the three months to April. In annual terms, the economy was 1.5 percent bigger than in May last year, the ONS said.

The ONS said the warm weather and spending around the royal wedding of Prince Harry and Meghan Markle helped the economy. Britain's services industry grew 0.3 percent month-on-month in May, slowing from an upwardly revised 0.4 percent in April. Over the three months to May, growth in services — which makes up 80 percent of economic output — picked up speed to 0.4 percent from 0.2 percent. But industrial output fell unexpectedly in May by 0.4 percent on the month, hit by the shutdown of the Sullom Voe oil and gas terminal. Manufacturing growth also disappointed, rising only 0.4 percent on the month — less than half the growth rate expected in the Reuters poll. May capped the weakest three months for British factories since December 2012.

There was better news from construction, which had struggled in the bad weather of early 2018. Output jumped 2.9 percent in May, far exceeding expectations and marking the first growth in the sector since December. Separate data showed Britain's deficit in goods trade during May was broadly unchanged from April at 12.362 billion pounds (\$16.37 billion). (Reuters)

### German Investor Confidence at 6-year Low

Heightened political uncertainty sunk German investor confidence to its lowest level in nearly six years in July, survey data from the Centre for European Economic Research showed Tuesday. The ZEW Indicator of Economic Sentiment for Germany dropped 8.6 points to minus 24.7 points, which was the lowest reading since August 2012, the Mannheim-based think tank said. The score was also well below the long-term average of 23.2 points. Economists had forecast a reading of minus 18.5. The current conditions index of the survey shed 8.2 points to reach 72.4 points in July. Economists had forecast a reading of 78.2. The index fell for a sixth straight month. (RTT)

### Share Buy-Back: 10 July 2018

Company	Bought Back	Price (RM)	Hi/Lo (RM)	Total Treasury Shares
ANALABS	29,000	2.26/2.20	2.28/2.15	4,203,700
CHINHIN	203,400	0.75/0.745	0.76/0.74	3,657,700
CJEN	25,000	0.63	0.635/0.625	125,000
CMSB	130,000	2.41/2.37	2.41/2.37	3,731,500
DAIBOCI	14,000	2.05/2.02	2.06/2.02	474,200
GKENT	200,000	1.09/1.08	1.10/1.05	3,820,900
CHINWEL	16,000	1.52	1.53/1.51	5,517,100
GRANFLO	8,000	0.21	0.205/0.195	10,280,800
KENANGA	300,000	0.735/0.73	0.74/0.725	8,839,600
MALAKOF	700,000	0.88/0.865	0.88/0.85	84,059,000
MKH	76,100	1.39/1.38	1.39/1.37	105,223
SNTORIA	30,000	0.53	0.525/0.505	9,441,900
SUNWAY	100,000	1.50/1.49	1.51/1.49	56,591,662
SYSCORP	380,000	0.37/0.365	0.375/0.36	18,134,600
TROP	150,000	0.89/0.88	0.89/0.87	10,937,742
WONG	65,000	0.88/0.86	0.88/0.85	311,900
WTHORSE	8,500	1.82/1.78	1.82/1.78	11,128,700
YILAI	26,600	0.74	0.74	13,615,908
YTL	6,091,000	1.18/1.16	1.18/1.14	267,465,818
YTLPOWR	4,915,000	1.12/1.10	1.13/1.08	353,012,112

Source: Bursa Malaysia

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**SNAPSHOT OF STOCKS UNDER COVERAGE**

Company	Share Price	Target Price	% upside	Recom	Market Cap.	BETA	EPS (sen)		PER (X)		Div Yield (%)		52weeks		52weeks		% Chg YTD
	(RM) 10-Jul-18	(RM)					FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg	Low Price	% Chg	
<b>AUTOMOBILE</b>																	
BAUTO	2.24	2.64	17.9%	Buy	2,602	0.54	12.1	17.5	18.6	12.8	4.6	5.5	2.44	-8.2	1.82	23.2	3.1
MBMR	2.39	3.19	33.5%	Buy	934	0.56	31.4	31.9	7.6	7.5	3.3	3.3	2.68	-10.8	2.01	18.9	8.6
PECCA	0.88	1.30	48.6%	Buy	161	1.04	6.4	7.7	13.7	11.3	6.9	6.9	1.70	-48.5	0.78	12.2	-43.5
SIME	2.40	2.97	23.8%	Buy	16,322	1.63	13.2	16.3	18.2	14.7	1.4	1.7	3.06	-21.6	2.03	18.4	8.6
UMW	6.07	5.45	-10.2%	Sell	7,092	0.96	28.4	39.3	21.4	15.4	2.3	3.3	6.98	-13.0	4.70	29.1	16.7
<b>BANKS &amp; FINANCIAL SERVICES</b>																	
ABMB	4.03	4.30	6.7%	Hold	6,239	0.98	31.9	34.9	12.6	11.5	3.8	4.0	4.49	-10.2	3.62	11.3	-1.2
AFFIN	2.54	2.50	-1.6%	Sell	4,935	0.90	25.5	26.8	9.9	9.5	3.1	3.1	2.70	-5.9	2.22	14.3	10.0
AMBANK	3.83	3.80	-0.8%	Sell	11,544	1.30	37.6	41.5	10.2	9.2	3.9	4.7	5.12	-25.2	3.40	12.6	-13.2
CIMB	5.35	6.30	17.8%	Buy	50,107	1.59	52.2	55.5	10.3	9.6	4.9	5.2	7.39	-27.6	5.21	2.7	-18.2
HLBANK	18.28	21.80	19.3%	Buy	37,394	0.90	129.2	146.1	14.1	12.5	2.6	2.6	20.02	-8.7	14.90	22.7	7.5
MAYBANK	9.14	9.60	5.0%	Buy	99,907	1.02	71.4	75.7	12.8	12.1	6.0	6.0	11.08	-17.5	8.68	5.3	-6.7
PBBANK	22.54	25.80	14.5%	Buy	87,503	0.81	152.5	165.6	14.8	13.6	2.8	2.9	25.78	-12.6	19.90	13.3	8.5
RHBBANK	5.33	5.30	-0.6%	Sell	21,374	1.37	54.3	59.0	9.8	9.0	2.8	2.8	5.88	-9.4	4.71	13.2	6.6
BURSA	7.66	8.07	5.4%	Buy	6,176	0.91	29.2	30.0	26.2	25.5	3.1	3.1	8.20	-6.6	6.31	21.3	13.5
<b>BUILDING MATERIALS</b>																	
ANNJO	1.69	3.15	86.4%	Buy	907	1.66	42.1	44.9	4.0	3.8	11.9	13.7	3.98	-57.5	1.63	3.7	-56.2
CHINHIN	0.75	1.15	54.4%	Hold	412	1.38	8.3	9.4	8.9	7.9	6.6	6.5	1.42	-47.5	0.73	2.1	-38.4
CMSB	2.41	3.80	57.7%	Buy	2,581	1.38	21.3	22.7	11.3	10.6	3.5	3.8	4.42	-45.5	1.74	38.5	-38.2
CSCSTEL	1.31	1.41	7.6%	Hold	484	0.87	15.8	17.0	8.3	7.7	6.4	7.0	1.84	-28.8	1.27	3.1	-14.9
ENGTEX	1.02	1.29	26.5%	Buy	444	0.93	12.9	15.3	7.9	6.7	1.9	3.0	1.34	-23.9	0.95	7.4	-7.3
<b>CONSTRUCTION</b>																	
GADANG	0.66	1.10	66.7%	Buy	437	1.45	14.0	16.6	4.7	4.0	4.5	4.5	1.33	-50.4	0.64	3.1	-40.5
GAMUDA	3.32	4.48	34.9%	Buy	8,194	0.98	34.3	35.5	9.7	9.4	3.6	3.6	5.45	-39.1	3.00	10.7	-33.1
IJM	1.76	1.73	-1.7%	Sell	6,390	1.21	9.6	15.7	18.3	11.2	3.4	3.4	3.52	-50.0	1.60	10.0	-42.3
KAB	0.26	0.37	45.1%	Buy	82	na	3.1	3.7	8.3	6.9	3.9	4.7	0.33	-22.7	0.20	25.5	-15.0
PESONA	0.29	0.29	0.0%	Buy	202	1.33	3.0	3.9	9.5	7.5	5.2	5.2	0.68	-57.0	0.26	13.7	-35.6
SENDAI	0.95	0.70	-25.9%	Sell	738	1.46	9.9	8.7	9.6	10.8	1.1	1.1	1.21	-21.9	0.68	39.0	9.2
SUNCON	1.77	1.71	-3.4%	Sell	2,287	0.98	12.7	14.2	13.9	12.4	4.5	5.1	2.64	-33.0	1.72	2.9	-29.5
WCT	0.79	1.02	29.1%	Buy	1,096	0.60	10.5	10.7	7.5	7.4	3.8	3.8	2.08	-62.0	0.70	13.7	-51.2
LITRAK	4.08	5.01	22.8%	Buy	2,154	0.18	43.3	47.1	9.4	8.7	6.1	6.1	6.00	-32.0	3.63	12.4	-26.5
<b>CONSUMER</b>																	
<i>Brewery</i>																	
CARLSBG	19.42	20.65	6.3%	Hold	5,974	0.64	89.4	93.3	21.7	20.8	4.6	4.8	20.88	-7.0	14.48	34.2	27.7
HEIM	22.98	23.11	0.6%	Hold	6,942	0.48	95.2	103.5	24.1	22.2	4.0	4.4	24.02	-4.3	17.30	32.8	21.6
<i>Retail</i>																	
AEON	2.25	2.53	12.4%	Buy	3,159	0.49	7.9	9.2	28.6	24.4	2.0	2.2	2.65	-15.1	1.45	55.2	27.8
AMWAY	7.55	8.47	12.2%	Buy	1,241	0.65	35.6	37.5	21.2	20.1	4.6	4.9	8.52	-11.4	6.97	8.3	3.3
F&N	38.00	30.69	-19.2%	Sell	13,929	0.55	96.0	114.0	39.6	33.3	1.8	2.0	39.98	-5.0	23.40	62.4	40.7
HUPSENG	1.05	1.25	19.0%	Buy	840	0.55	5.8	6.2	18.0	17.0	5.7	5.7	1.23	-14.6	1.02	2.9	-3.7
JOHOTIN	0.96	1.02	6.8%	Buy	296	1.14	8.1	8.5	11.7	11.3	6.3	6.8	1.62	-41.0	0.89	7.3	-21.1
NESTLE	148.10	129.90	-12.3%	Sell	34,729	0.58	322.2	360.2	46.0	41.1	2.0	2.2	163.00	-9.1	82.70	79.1	43.5
PADINI	5.87	5.77	-1.7%	Sell	3,862	0.78	25.6	29.1	22.9	20.2	2.1	2.2	6.01	-2.3	3.42	71.6	11.5
POHUAT	1.29	1.83	41.9%	Buy	284	0.53	20.1	23.1	6.4	5.6	4.7	6.2	2.07	-37.6	1.15	12.2	-27.9
QL	6.00	5.42	-9.7%	Sell	9,735	0.77	12.7	14.0	47.2	42.9	0.8	0.8	6.10	-1.6	3.71	61.8	37.9
SIGN	0.55	0.92	68.8%	Buy	123	0.86	6.6	8.7	8.2	6.2	4.6	6.4	0.97	-43.5	0.48	13.5	-22.7
<i>Tobacco</i>																	
BAT	34.36	34.72	1.0%	Sell	9,811	1.29	170.8	168.8	20.1	20.4	4.7	4.7	44.94	-23.5	22.46	53.0	-14.1
<b>GAMING</b>																	
<i>Casino</i>																	
GENTING	8.50	11.65	37.1%	Buy	32,570	0.95	58.9	66.7	14.4	12.7	1.9	1.9	9.90	-14.2	8.30	2.4	-6.9
GENM	4.92	6.77	37.6%	Buy	27,831	1.27	29.7	36.7	16.6	13.4	2.4	2.6	6.09	-19.3	4.59	7.2	-11.2
<i>NFO</i>																	
BJTOTO	2.43	3.34	37.4%	Buy	3,273	0.69	19.6	37.4	12.4	6.5	6.6	10.7	2.62	-7.3	2.06	18.0	8.5
<b>HEALTHCARE</b>																	
<i>Hospitals/ Pharmaceutical</i>																	
CCMDBIO	1.31	1.52	16.0%	Buy	853	0.50	6.9	7.6	18.9	17.3	3.5	3.8	1.49	-12.1	0.84	55.2	20.8
IHH	5.90	6.60	11.9%	Hold	48,643	0.67	11.9	12.3	49.7	48.1	0.5	0.5	6.42	-8.1	5.42	8.9	0.7
KPJ	1.01	1.14	12.9%	Buy	4,257	0.61	4.0	4.4	25.4	23.0	2.2	2.4	1.15	-12.2	0.84	20.2	4.1
<i>Rubber Gloves</i>																	
HARTA	5.77	4.84	-16.1%	Sell	19,136	0.99	12.6	14.5	45.9	39.9	1.4	1.5	6.64	-13.1	3.19	80.9	8.1
KOSSAN	8.08	9.76	20.8%	Buy	5,167	0.51	31.7	36.1	25.5	22.4	1.6	1.8	8.79	-8.1	6.38	26.6	-0.4
SUPERMX	4.22	4.75	12.6%	Buy	2,767	0.63	20.0	22.6	21.1	18.7	1.8	2.1	4.61	-8.5	1.69	149.7	111.0
TOPGLOV	9.90	12.91	30.4%	Buy	12,651	0.48	35.6	41.8	27.8	23.7	1.5	1.8	12.48	-20.7	5.33	85.7	23.9
KAREX	0.83	0.54	-34.5%	Sell	827	0.75	1.3	1.8	61.4	45.9	0.4	0.5	1.69	-51.2	0.50	65.0	-36.5
<b>INDUSTRIAL</b>																	
SCIENTX	7.11	7.00	-1.5%	Sell	3,476	0.70	54.8	57.5	13.0	12.4	2.5	2.7	9.85	-27.8	6.51	9.2	-17.9
SKPRES	1.46	2.20	50.7%	Buy	1,825	0.94	10.2	11.7	14.4	12.4	3.5	4.1	2.35	-37.9	1.27	15.0	-36.0
<b>MEDIA</b>																	
ASTRO	1.73	1.65	-4.6%	Hold	9,020	0.99	12.4	13.8	13.9	12.5	7.2	7.2	2.94	-41.2	1.31	32.1	-34.7
MEDIA PRIMA	0.52	0.38	-26.9%	Sell	577	0.75	-6.0	-4.2	na	na	0.0	0.0	0.94	-44.4	0.25	108.0	-31.6
STAR	1.06	1.20	13.2%	Hold	782	0.92	6.3	5.9	16.9	17.9	8.5	8.5	2.22	-52.2	1.00	6.0	-35.8



**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	
<b>OIL &amp; GAS</b>																	
DNEX	0.41	0.64	58.0%	Buy	712	1.84	4.6	4.8	8.8	8.4	2.5	2.5	0.61	-33.6	0.31	32.8	-16.5
LCTITAN	4.96	7.47	50.6%	Buy	11,274	na	47.6	50.5	10.4	9.8	4.2	4.6	6.53	-24.0	4.14	19.8	5.5
MHB	0.67	0.81	21.8%	Buy	1,064	1.47	-0.1	1.1	na	62.2	0.0	0.0	0.98	-32.1	0.63	6.4	-19.4
MISC	6.06	5.73	-5.4%	Sell	27,051	0.88	33.1	40.9	18.3	14.8	5.0	5.0	7.90	-23.3	5.03	20.5	-18.3
PANTECH	0.61	0.77	27.3%	Buy	450	1.11	6.3	6.9	9.6	8.8	4.1	4.5	0.74	-18.2	0.51	18.6	-6.2
PCHEM	8.54	9.05	6.0%	Hold	68,320	0.75	54.3	54.3	15.7	15.7	3.2	3.3	8.88	-3.8	6.80	25.6	10.9
SAPNRG	0.61	0.85	40.5%	Buy	3,625	2.57	-5.0	-1.6	na	na	0.0	0.0	1.75	-65.4	0.40	53.2	-14.8
SERBADK	3.41	4.72	38.4%	Buy	5,008	na	27.5	31.4	12.4	10.8	2.6	2.9	3.68	-7.3	1.86	83.3	5.2
VELESTO	0.29	0.35	22.8%	Buy	2,341	2.17	0.3	1.0	87.6	28.9	0.0	0.0	0.48	-40.6	0.22	32.6	-6.6
UZMA	1.08	1.47	36.1%	Buy	346	1.40	19.8	12.9	5.5	8.4	0.0	0.0	1.67	-35.3	0.93	16.8	-15.6
<b>PLANTATIONS</b>																	
FGV	1.52	1.76	15.8%	Buy	5,545	1.73	1.8	1.5	86.2	101.3	3.3	3.3	2.18	-30.3	1.45	4.8	-10.1
IJMLNT	2.10	1.84	-12.4%	Sell	1,849	0.33	7.9	7.1	26.7	29.4	2.4	2.4	3.12	-32.7	2.08	1.0	-23.4
IOICORP	4.55	5.06	11.2%	Buy	27,784	0.83	19.0	19.6	23.9	23.2	5.8	3.4	4.81	-5.4	4.21	8.2	2.7
KFIMA	1.58	1.65	4.4%	Hold	445	0.63	14.5	12.9	10.9	12.3	5.7	5.7	1.90	-16.8	1.44	9.7	0.6
KLK	24.18	23.75	-1.8%	Sell	25,751	0.61	93.1	100.9	26.0	24.0	2.1	2.0	25.98	-6.9	23.26	4.0	-3.3
SIMEPLT	5.35	5.84	9.2%	Buy	36,384	na	19.6	18.5	27.3	28.9	2.6	2.8	6.00	-10.8	4.58	16.8	-10.8
TSH	1.18	1.09	-7.6%	Sell	1,629	0.38	9.3	9.6	12.7	12.3	2.0	2.1	1.75	-32.6	1.12	5.4	-28.5
UMCCA	6.11	5.59	-8.5%	Sell	1,281	0.42	17.0	19.8	36.0	30.8	2.6	2.9	7.08	-13.7	5.85	4.4	-6.1
<b>PROPERTY</b>																	
GLOMAC	0.46	0.50	9.9%	Hold	361	0.58	1.5	2.5	31.4	18.1	3.3	3.3	0.63	-27.5	0.43	5.8	-18.0
HUAYANG	0.47	0.49	5.4%	Hold	164	0.64	1.3	3.2	37.2	14.6	0.0	0.0	1.03	-54.9	0.44	5.7	-23.8
IBRACO	0.56	0.58	3.6%	Hold	278	na	4.6	7.7	12.3	7.3	3.6	3.6	0.92	-39.1	0.26	115.4	-31.3
IOIPG	1.65	1.87	13.3%	Buy	9,085	0.81	14.9	14.7	11.1	11.3	3.6	3.6	2.20	-25.0	1.47	12.2	-10.8
MAHSING	1.07	1.22	14.0%	Buy	2,598	0.94	9.4	9.6	11.3	11.2	4.7	4.7	1.61	-33.5	0.98	9.2	-26.2
SIMEPROP	1.19	1.28	7.6%	Hold	8,093	na	6.1	5.3	19.4	22.4	3.4	2.5	1.78	-33.1	1.04	14.4	-33.1
SNTORIA	0.53	0.73	39.0%	Buy	293	0.72	8.3	8.7	6.3	6.0	1.9	1.9	0.78	-32.8	0.50	5.0	-24.5
SPB	4.10	4.11	0.2%	Sell	1,409	0.64	18.7	23.4	21.9	17.6	2.9	2.9	5.50	-25.5	4.05	1.2	-16.3
SPSETIA	3.07	3.23	5.2%	Hold	11,976	1.18	16.1	18.1	19.0	16.9	3.9	3.9	4.00	-23.3	2.77	10.8	-23.3
SUNWAY REIT	1.50	1.65	10.0%	Hold	7,295	0.86	11.8	12.5	12.7	12.0	4.0	4.0	1.96	-23.4	1.44	4.2	-8.0
SUNREIT	1.71	1.87	9.4%	Hold	5,036	0.86	10.0	10.7	17.0	16.0	5.9	6.2	1.90	-10.0	1.48	15.5	-10.0
CMMT	1.20	1.48	23.3%	Buy	2,449	0.58	7.9	8.4	15.2	14.3	6.8	7.2	1.83	-34.4	0.98	22.4	-34.4
<b>POWER &amp; UTILITIES</b>																	
MALAKOF	0.88	0.85	-3.4%	Sell	4,327	0.95	5.8	6.7	15.1	13.1	8.0	8.0	1.17	-24.8	0.83	6.7	-10.2
PETDAG	24.94	24.13	-3.2%	Sell	24,777	0.73	114.1	114.9	21.9	21.7	3.4	3.4	28.18	-11.5	20.81	19.8	3.7
PETGAS	17.66	20.23	14.6%	Buy	34,944	0.78	99.3	100.0	17.8	17.7	3.9	4.0	19.50	-9.4	15.82	11.6	1.0
TENAGA	14.42	18.34	27.2%	Buy	81,879	0.80	139.7	134.6	10.3	10.7	4.9	4.7	16.34	-11.8	13.54	6.5	-5.5
YTLPOWR	1.12	0.78	-30.4%	Hold	8,747	0.61	7.5	7.8	14.9	14.3	4.5	4.5	1.41	-20.7	0.73	53.4	-13.2
<b>TELECOMMUNICATIONS</b>																	
AXIATA	4.17	6.05	45.1%	Buy	37,737	1.77	11.9	15.7	34.9	26.6	2.4	3.2	5.82	-28.4	3.76	10.9	-24.0
DIGI	4.23	5.15	21.7%	Buy	32,888	0.93	19.6	20.2	21.6	20.9	4.6	4.8	5.10	-17.1	3.93	7.6	-17.1
MAXIS	5.40	5.95	10.2%	Hold	42,210	0.97	24.9	24.7	21.7	21.8	3.7	3.7	6.14	-12.1	5.21	3.6	-10.1
TM	3.45	3.30	-4.3%	Sell	12,965	1.37	16.8	14.8	20.5	23.4	5.5	5.5	6.55	-47.3	3.00	15.0	-45.2
<b>TECHNOLOGY</b>																	
<i>Semiconductor &amp; Electronics</i>																	
ELSOFT	2.70	3.30	22.2%	Buy	746	0.71	13.1	14.9	20.7	18.1	3.4	3.9	2.95	-8.5	2.22	21.6	0.0
INARI	2.35	2.45	4.3%	Buy	7,381	0.30	8.2	10.4	28.5	22.7	2.5	3.1	2.55	-7.7	1.44	62.8	3.7
MPI	10.00	11.50	15.0%	Buy	1,989	0.49	69.5	79.8	14.4	12.5	3.2	3.2	14.52	-31.1	7.57	32.1	-20.8
UNISEM	2.55	2.75	7.8%	Buy	1,854	0.86	13.2	18.7	19.3	13.6	4.3	4.3	4.25	-40.0	1.60	59.4	-30.1
<b>TRANSPORTATION</b>																	
<i>Airlines</i>																	
AIRASIA	3.05	3.15	3.3%	Buy	10,193	0.83	28.3	28.6	10.8	10.6	26.2	2.6	4.75	-35.8	2.92	4.5	-9.0
AIRPORT	8.78	8.79	0.1%	Sell	14,568	0.96	33.8	35.7	26.0	24.6	1.7	1.1	9.45	-7.1	7.98	10.0	-0.1
<i>Freight &amp; Tankers</i>																	
PTRANS	0.26	0.44	72.5%	Buy	340	na	2.3	3.7	11.1	6.9	2.7	4.4	0.38	-33.2	0.23	13.3	-8.9
TNLOGIS	1.05	1.10	4.8%	Hold	479	0.86	10.0	9.7	10.5	10.8	0.0	3.8	1.79	-41.5	0.93	12.9	-21.6
WPRTS	3.41	3.78	10.9%	Hold	11,628	0.50	15.6	20.0	21.9	17.0	3.4	4.4	3.90	-12.6	3.10	10.0	-7.8

**SNAPSHOT OF FOREIGN STOCKS UNDER COVERAGE**

Company	Share Price (S\$)	Target Price (S\$)	% upside	Recom	Market Cap. (S\$m)	Beta	EPS (cent)		PER (X)		Div Yield (%)		52week		% Chg YTD		
							FY18	FY19	FY18	FY19	FY18	FY19	High Price	% Chg		Low Price	% Chg
<b>BANKS &amp; FINANCIAL SERVICES</b>																	
DBS	26.30	36.10	37.3%	Buy	67,407	1.26	212.3	246.0	12.4	10.7	2.5	2.7	30.8	-14.5	19.68	33.7	7.6
OCBC	11.56	16.60	43.6%	Buy	48,390	1.22	109.5	123.2	10.6	9.4	6.7	7.7	14.0	-17.7	10.68	8.2	-6.7
UOB	26.99	31.70	17.5%	Hold	45,053	1.20	215.7	242.9	12.5	12.5	3.0	3.0	30.4	-11.1	22.79	18.4	2.7
<b>PLANTATIONS</b>																	
WILMAR	3.07	3.27	6.5%	Hold	19,643	0.81	22.5	25.1	13.7	12.2	2.9	3.3	3.5	-11.0	2.97	3.4	-0.6
IFAR	0.24	0.20	-14.9%	Sell	337	1.09	3.0	3.0	7.7	7.8	1.8	1.8	0.5	-53.5	0.22	9.3	-39.7

**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.