

INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,856.35	-1.52	-0.1
DOW	24,103.11	254.69	1.1
S&P 500	2,640.87	35.87	1.4
NASDAQ	7,063.45	114.22	1.6
FTSE-100	7,056.61	11.87	0.2
SHANGHAI	3,160.53	38.24	1.2
HANG SENG	30,093.38	70.85	0.2
STI	3,427.97	45.19	1.3
NIKKEI 225	21,159.08	127.77	0.6
JCI	6,188.99	48.15	0.8

MARKET ACTIVITY

VOL(m) VAL(RMm)
1,886.47 2,093.38

BURSA'S MARKET SHARE (%)

Retail	19.6%
Institutional	51.3%
Foreign	29.1%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Mar)	1,858.00	0.50	0.0
OIL - BRENT (USD/b)	70.27	0.74	1.1
CPO FUTURE (RM/ton)	2,404.00	-14.00	-0.6
RUBBER (RM/kg)	432.50	4.00	0.9
GOLD (USD/Ounce)	1,325.53	0.47	0.0

FOREX

	LAST CLOSE	% CHG
MYR/USD	3.87	0.1
MYR/SGD	2.95	-0.1
YUAN/MYR	1.63	-0.2
YEN/MYR	27.57	0.9
MYR/EURO	4.76	-0.6
MYR/GBP	5.43	-0.7

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
SAPURA ENERGY BH	0.51	137.64
DBE GURNEY RESOU	0.04	80.21
EKOVEST BHD	1.01	50.70
CME GROUP BHD	0.05	37.06
UMW OIL & GAS CO	0.31	27.67

TOP 5 GAINERS	LAST CLOSE	RM (+)
NESTLE (MALAY)	151.00	1.30
DUTCH LADY MILK	67.00	1.00
HEINEKEN MALAYSI	21.00	0.80
UNITED PLANTATN	28.48	0.38
TENAGA NASIONAL	16.16	0.36

TOP 5 LOSERS	LAST CLOSE	RM (-)
BRIT AMER TOBACC	26.30	-0.64
APOLLO FOOD HLDG	3.79	-0.24
PRESS METAL ALUM	4.54	-0.23
MALAYSIAN PAC IN	8.63	-0.22
BATU KAWAN BHD	18.18	-0.20

Gainers – 330 Losers – 546 Unchanged – 386

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HIGHLIGHTS
Sapura Energy: Further Inroads Into Mexico (SAPE MK, Trading Buy, TP: RM1.11)

Sapura Energy announced that it has successfully, together with its consortium members, won a bid for the hotly-contested Block 30 in the Gulf of Mexico's Sureste Basin. This is yet another positive development in light of recent travails which has seen its share price tumble since the beginning of the year due in part to impairment-related concerns which had subsequently been confirmed with the recent release of its FY18 financial results. While still too preliminary to assess financial impacts at this juncture, this win is undoubtedly positive and solidifies the Group's longer-term prospects, particularly with crude oil prices looking likely to hold up above the USD60 per barrel levels. Our **Trading Buy** call is retained with an unchanged target price of RM1.11.

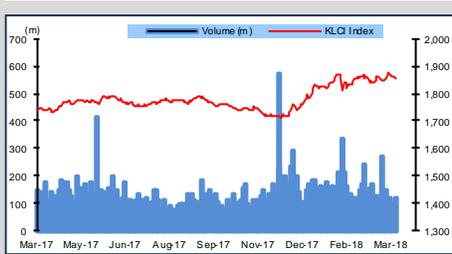
Technical: Ancom – Possible For Some Upside (4758, Technical Buy)

After undergoing correction phase, ANCOM's price could be poised for some upside following an uptick in movement and volume yesterday. Bullish RSI and MACD indicators currently signal reasonable entry level, with anticipation of continuous improvement in both momentum and trend in near term. Should resistance level of RM0.560 be broken, it may continue to lift price higher to subsequent resistance level of RM0.630. However, failure to hold onto support level of RM0.490 may indicate weakness in the share price and hence, a cut-loss signal.

HEADLINES
Economy

§ **US: Incomes rose more than consumer spending in Feb.** Americans' incomes increased more than their outlays for the second straight month in Feb, a sign that higher incomes aren't yet showing up in consumer spending. Personal consumption expenditures, a measure of household spending on everything from dishwashers to books, increased a seasonally adjusted 0.2% in Feb from the prior month, the Commerce Department said. Personal income, reflecting Americans' pre-tax earnings from salaries and investments, rose 0.4% in Feb. Both figures were in line with the expectations of economists surveyed by The Wall Street Journal. (The Wall Street Journal)

§ **US: Jobless claims decline to lowest level since Jan 1973.** US filings for unemployment benefits unexpectedly fell last week to the lowest level since Jan 1973, further evidence that the labor market remains tight, Labor Department figures showed. Claims at the lowest level in 45 years underscore a persistent shortage of qualified workers that has made employers reluctant to fire staff. Applications for jobless benefits below the 300,000 tally are typically considered consistent with a healthy labor market. Other aspects of the job market remain robust, with payrolls continuing to exceed expectations and an unemployment rate near the lowest since late 2000. Steady employment will help to sustain consumer spending, the biggest part of the economy. The report reflects the annual revision to seasonal adjustment factors for initial and continuing claims from 2013 to present. (Bloomberg)

FBM KLCI

DOW JONES

S&P 500

HANG SENG

STRAITS TIMES


Source: Bloomberg, PublicInvest Research

§ **UK: Current account deficit narrows, helped by global recovery.** Britain's current account deficit fell sharply last year, official data showed, potentially easing concerns about its reliance on foreign investors to fund itself as Brexit nears. The Office for National Statistics also said Britain's economy grew at its slowest pace in five years in 2017, leaving it the weakest among Group of Seven countries as the decision to leave the EU pushed up inflation and weighed on consumer spending. However, there were some more promising signs for 2018 as the dominant services sector picked up a bit in Jan and economists said they expected that an inflation hit to consumers would ease this year. The current account deficit stood at GBP18.4bn (USD25.9bn) in 4Q, below all forecasts in a Reuters poll of economists, and the shortfall in 3Q was revised down sharply. (Reuters)

§ **UK: House prices fall With London again the weakest region.** UK house prices fell for a second month in March, according to Nationwide Building Society, which blamed the weakness on a gloomy consumer mood and a squeeze on incomes. Values fell 0.2% after a 0.4% drop the previous month. The annual pace of gains slowed to 2.1% from 2.2%, well below the rate of recent years, which left the average price at GBP211,625 (USD298,200). Nationwide said that London remained the weakest market, with prices down 1% in March from a year earlier. (Bloomberg)

§ **China: Manufacturing growth seen picking up slightly in March.** Growth in China's manufacturing sector likely picked up slightly in March as authorities lifted winter industrial pollution restrictions and steel mills cranked up production as construction activity swings back into high gear. The official manufacturing PMI is expected to have risen to 50.5 in March from Feb's 50.3, according to a median forecast of 29 economists in a Reuters poll. The 50-mark divides expansion from contraction on a monthly basis. (Reuters)

§ **China: Beijing envoy says Kim Jong Un's China visit will help toward denuclearization.** A senior Chinese official visiting South Korea said North Korean leader Kim Jong Un's visit to Beijing this week should help ease tensions and lead to the denuclearization of the Korean peninsula. "We believe (Kim's) visit will help the denuclearization of the Korean peninsula, ensure peace and security of the Korean peninsula and resolve problems regarding the peninsula through political negotiations and discussions," Yang Jiechi said. Yang is expected to meet other security and diplomatic officials and brief them on Kim's visit. The Chinese envoy is also scheduled to meet President Moon Jae-in on Friday. (Reuters)

§ **China: Does not want a trade war with the US, says China commerce ministry.** China does not want a trade war with the US, but it won't accept any negotiations if they are hijacked unilaterally, China's commerce ministry said. China opposes US intimidation on trade, ministry spokesman Gao Feng said, adding that China will conduct trade-related investigations fairly and in accordance with local and WTO rules. Gao said China did not rule out any options in relation to US trade issues and that the solution on trade was not to close the door but open it further. (Reuters)

§ **Japan: Retail sales rebound to modest gain in Feb.** Japan's retail sales rebounded in Feb following a sharp decline a month earlier, with the increase was driven mostly by higher prices, particularly for energy and vegetables. A sustained, robust rise in consumer spending is needed for Japan's export-driven economic recovery to become self-sustaining. While wages and spending have improved, the pay raises needed to drive inflation higher have eluded workers for some time. (Bloomberg)

Markets

§ **Top Glove (Neutral, TP: RM8.75): Proposed acquisition of 85% equity interest in Duramedical SB.** Top Glove, via its wholly-owned subsidiary Top Feel SB, had entered into a share purchase agreement to acquire 85% equity interest in Duramedical SB for RM2.8m. Incorporated in 1999, Duramedical is principally involved in the business of manufacturing, sale and export of rubber dental dams, exercise bands and other latex or rubber related products. (Bursa Malaysia)

***Comments:** This acquisition forms another one of the three acquisitions targeted by the Group after the acquisition of Aspion, which represents an initiative to diversify into medical related products catering to its current customer base. The proposed acquisition will be funded by cash, which should not be an issue given the Group's cash pile of RM185.0m as at 28 Feb 2018. While the earning contributions from this acquisition will not significant considering the relatively small size of the acquisition, we are positive on this strategy as this is line with the Group's plan to diversify into other medical and rubber related products. Maintain **Neutral** with an unchanged DCF-TP of RM8.75.*

§ **Prestariang (Outperform, TP: RM1.85): Bags RM38m contract to supply software licences to IRB.** Prestariang has been awarded an RM38.2m contract by the Inland Revenue Board to provide Microsoft software licences, products and services. The contract is under an extended master licensing agreement (MLA). The MLA refers to a centralised procurement contract that allows all government agencies to purchase Microsoft products and services through Prestariang. The MLA will last for three years, Prestariang said. (The Edge)

§ **Excel Force: To dispose of office for RM15.7m.** Excel Force MSC has proposed to dispose of its office premises in Plaza33 to the owner of the building for RM15.7m. The group had entered into a conditional sale and purchase agreement with Plaza 33 SB today for the 18,988 square foot property, it said. The transaction is expected to result in an estimated gain on disposal of approximately RM1.52m considering, among other factors, a NBV of RM13.7m as at Dec 31, 2016. (The Edge)

§ **Farlim Group: Proposes 1-for-5 bonus issue.** Farlim Group has proposed a 1-for-5 bonus issue involving up to 28.1m shares to reward shareholders while enhancing its marketability and trading liquidity. Farlim said as at March 27, 2018, being the latest practicable date (LPD), it has 140.3m shares in issue, and after the proposed bonus issue, the enlarged number of issued shares would amount to 168.4m shares. (The Edge)

§ **Berjaya Assets: Proposes bonus warrants.** Berjaya Assets (BAssets) has proposed a bonus issue of 1.28bn warrants on the basis of one warrant for every two shares held. The group said the exercise price of the warrants has been fixed at 35 sen apiece. If all the warrants are exercised at the exercise price of 35 sen, the total gross proceeds to be raised would be about RM447.7m, to be used as working capital for the group. (The Edge)

§ **Yinson: Boosts payout on higher net profit.** Yinson Holdings said net profit increased 11.6% to RM57.1m in the 4QFY18 as revenue surged 39% to RM257.4m. The improved results was driven by the chartering commencement of FPSO John Agyekum Kufuor in June 2017 and the stronger USD. Yinson declared a special dividend of four sen a share, amounting to RM43.5m, to be paid on Jun 8. (StarBiz)

MARKET UPDATE

§ The FBM KLCI might end the week with a positive note after Wall Street bounced back as the US tech wobble eased, with the S&P 500 climbing 1.4% and the Nasdaq Composite advancing 1.6%. Meanwhile, the Dow Jones Industrial Average rose 1.2%. In the session's main data release, the US Federal Reserve's preferred measure of inflation, the PCE price index, showed a year-on-year uptick of 1.6% in February from 1.5% in January. In Europe, Frankfurt's Dax closed up 1.3%, London's FTSE 100 finished 0.2% higher and Pan-European Stoxx 600 closed up 0.4%.

Back home, the FBM KLCI index lost 1.52 points or 0.08% to 1,856.35 points. Trading volume decreased to 1.89bn worth RM2.09bn. Market breadth was negative with 330 gainers as compared to 546 losers. In the region, the Topix in Tokyo closed up 0.3%. The Hang Seng finished 0.2% higher while, on the mainland, the CSI 300 index of major Shanghai and Shenzhen stocks jumped 1.3%. The Kospi in Seoul rose 0.7%. But in Sydney, the S&P/ASX 200 fell 0.5% with gains from financials offset by losses from the basic materials and technology segments as well as some consumer stocks. The Asian moves came after Wall Street closed lower on Wednesday with the FAANG stocks under pressure after their worst one-day drop on Tuesday. The tech sell-off, fuelled by increased regulatory scrutiny and a more defensive mindset from investors, had spooked the market.

**ECONOMIC MONITOR** (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
31-Mar-18	China Non-manufacturing PMI	Mar	54.6	54.4
31-Mar-18	China Manufacturing PMI	Mar	50.6	50.3
02-Apr-18	US Markit PMI Manufacturing	Mar	55.7	55.7
02-Apr-18	US ISM Manufacturing	Mar	60.0	60.8
03-Apr-18	Euro-Zone Markit PMI Manufacturing	Mar	56.6	56.6
04-Apr-18	Euro-Zone Unemployment Rate	Feb	8.5%	8.6%
04-Apr-18	Euro-Zone CPI YoY	Mar	1.1%	1.0%
05-Apr-18	Malaysia Imports YoY	Feb	5.2%	11.6%
05-Apr-18	Malaysia Exports YoY	Feb	6.5%	17.9%
05-Apr-18	US Initial Jobless Claims	31-Mar	--	215K
05-Apr-18	Euro-Zone Markit PMI Services	Mar	55.0	55.0
05-Apr-18	Euro-Zone PPI YoY	Feb	1.5%	1.5%
06-Apr-18	Malaysia Foreign Reserves	30-Mar	--	USD103.9bn
06-Apr-18	US Unemployment Rate	Mar	4.0%	4.1%

CORPORATE MONITOR**COMPANY VISITS / BRIEFING**

<u>Company</u>	<u>Date</u>	<u>Time</u>
Yinson Holdings	30-Mar-18	11.00 am

RESULTS

<u>Company</u>	<u>Financial Quarter</u>	<u>Date</u>
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IPO LISTING

<u>Company</u>	<u>Listing Sought</u>	<u>Issue Price (RM/Share)</u>	<u>No. Of Shares</u>		<u>Closing Application Date</u>		<u>Listing Date</u>
			<u>Public Issue</u>	<u>Offer For Sale</u>	<u>Retail</u>	<u>Institutional</u>	

**CORPORATE MONITOR****OFF-MARKET TRANSACTIONS (>1,000,000)**

29-Mar-2018

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Success Transformer Corp	2,300,000	1,840,000	0.80

ENTITLEMENTS

<u>Company</u>	<u>Particulars</u>	<u>Gross DPS (RM)</u>	<u>Announcement Date</u>	<u>Ex-Date</u>	<u>Lodgement Date</u>	<u>Payment Date</u>
Kumpulan H&L High-Tech	Final single-tier dividend of 2.0 sen	0.020	13-Mar	26-Mar	28-Mar	13-Apr
Pecca Group	Interim single-tier dividend of 2.0 sen	0.020	14-Mar	27-Mar	29-Mar	9-Apr
Pacific & Orient	Bonus issue 1 : 6		14-Mar	27-Mar	29-Mar	30-Mar
OpenSys M	First interim T.E. dividend of 0.5 sen	0.005	26-Feb	28-Mar	30-Mar	18-Apr
Pantech Group Holdings	Third interim single-tier dividend 0.5 sen	0.005	26-Jan	28-Mar	30-Mar	20-Apr
KPJ Healthcare	Single-tier interim dividend 0.5 sen	0.005	26-Feb	28-Mar	30-Mar	20-Apr
Star Media Group	Second interim single-tier dividend of 6.0 sen	0.060	27-Feb	28-Mar	30-Mar	18-Apr
SCGM	Third interim single-tier dividend of 1.5 sen	0.015	13-Mar	28-Mar	30-Mar	13-Apr
UEM Edgenta	Single-tier special dividend 18.0 sen	0.180	20-Feb	28-Mar	2-Apr	18-Apr
Sunway	Second interim single-tier dividend 3.0 sen	0.030	28-Feb	30-Mar	3-Apr	26-Apr
Chin Hin Group	Second interim single-tier dividend 2.6% or 1.5 sen	0.015	27-Feb	30-Mar	3-Apr	16-Apr
Oriental Holdings	Single Tier Second Interim Dividend of 6 sen	0.060	13-Mar	26-Mar	28-Mar	6-Apr
Amcorp Properties	Rights Issue of 1 RCPS B for every 1 existing ordinary share in AMPROP held		15-Mar	27-Mar	29-Mar	26-Mar
CIMB Group Holdings	Single Tier Second Interim Dividend of 12.00 sen	0.120	16-Mar	28-Mar	30-Mar	30-Apr
Lee Swee Kiat Group	Interim Dividend 1.5 Sen T.E. Single Tier system	0.015	15-Mar	28-Mar	30-Mar	16-Apr
Magni-Tech Industries	3rd Single Tier Interim Dividend 3 Sen	0.030	15-Mar	28-Mar	30-Mar	12-Apr
Magni-Tech Industries	Single Tier Special Dividend 4 Sen	0.040	15-Mar	28-Mar	30-Mar	12-Apr
Brem Holding	Interim Single Tier Dividend of 1.5 sen	0.015	27-Feb	30-Mar	3-Apr	10-Apr

TE- Tax Exempt

RATING CLASSIFICATION

STOCKS

OUTPERFORM	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
NEUTRAL	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
UNDERPERFORM	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
TRADING BUY	The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.
TRADING SELL	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
NOT RATED	The stock is not within regular research coverage.

SECTOR

OVERWEIGHT	The sector is expected to outperform a relevant benchmark over the next 12 months.
NEUTRAL	The sector is expected to perform in line with a relevant benchmark over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform a relevant benchmark over the next 12 months.

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