

INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,815.94	-34.84	-1.9
DOW	24,264.30	230.94	1.0
S&P 500	2,644.69	30.24	1.2
NASDAQ	7,042.11	100.83	1.5
FTSE-100	7,034.01	3.55	0.1
SHANGHAI	3,131.11	-5.52	-0.2
HANG SENG	29,518.69	-661.41	-2.2
STI	3,339.70	-72.45	-2.1
NIKKEI 225	21,319.55	27.26	0.1
JCI	6,157.10	-71.92	-1.2

MARKET ACTIVITY

VOL(m)	VAL(RMm)
3,277.00	2,781.94

BURSA'S MARKET SHARE (%)

Retail	23.2%
Institutional	50.5%
Foreign	26.3%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Apr)	1,809.00	-46.50	-2.5
OIL - BRENT (USD/b)	68.02	-0.10	-0.1
CPO FUTURE (RM/ton)	2,454.00	18.00	0.7
RUBBER (RM/kg)	426.00	-3.50	-0.8
GOLD (USD/Ounce)	1,333.32	0.50	0.0

FOREX

	LAST CLOSE	% CHG
MYR/USD	3.87	0.1
MYR/SGD	2.95	-0.2
YUAN/MYR	1.63	0.1
YEN/MYR	27.46	0.0
MYR/EURO	4.75	-0.1
MYR/GBP	5.44	0.1

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
SAPURA ENERGY BH	0.51	108.66
PUC BHD	0.24	91.33
NEXGRAM HOLDINGS	0.05	59.01
UMW OIL & GAS CO	0.29	58.88
HIBISCS	0.71	57.41

TOP 5 GAINERS	LAST CLOSE	RM (+)
QUALITY CONCRETE	0.89	0.15
RIVERVIEW RUBBER	3.60	0.08
UMS-NEIKEN GRP	0.98	0.08
RAPID SYNERGY	5.73	0.07
MISC BHD	7.07	0.07

TOP 5 LOSERS	LAST CLOSE	RM (-)
KESM INDUS BHD	14.48	-3.06
DUTCH LADY MILK	66.20	-1.60
PETRON MALAYSIA	7.01	-1.19
NESTLE (MALAY)	149.00	-1.00
HENGYUAN REFININ	6.15	-1.00

Gainers – 111 Losers – 1105 Unchanged – 228

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HIGHLIGHTS
Plantations: Benefitting From China-US Trade War?

China, the world's largest soybean importer and biggest buyer of the oilseed from the US, plans to impose 25% duties on a slew of US agricultural commodities, namely, soybeans, wheat, corn, cotton, sorghum, tobacco and beef. They are amongst the 106 US products targeted in a significant escalation of trade tensions between the two countries. Palm oil, which is also the closest substitute of palm oil, might see a pick-up in demand from China as wider spread between both vegetable oils will make palm oil more attractive for Chinese buyers following the proposed import duty. We continue to rate **Neutral** call on the plantation sector with a full-year CPO price forecast of RM2,500/mt. At the point of writing, soybean oil price drops 2.2% to USD697/mt while CPO futures strengthened 0.6% RM2,450/mt.

Axiata: Moderate Growth (AXIATA MK, Neutral, TP: RM5.30)

We met with Axiata Group's (Axiata) management recently. We opine that the performance of its regional as well as home operating units would be moderate in 2018. Competition has intensified in markets like Indonesia, India and Singapore while Malaysia and Nepal are expected to remain stable. However, we are trimming our FY18-20F earnings forecasts by 10-12% to factor in start-up costs for Axiata's investments in new digital businesses and higher effective tax rate as some of its overseas operating units are being taxed at revenue level. Consequently, our SOTP-based TP is reduced from RM5.60 to RM5.30. We reiterate our **Neutral** call on Axiata.

Technical: My E.G. Services – Upside May Be Capped (0138, Technical Sell)

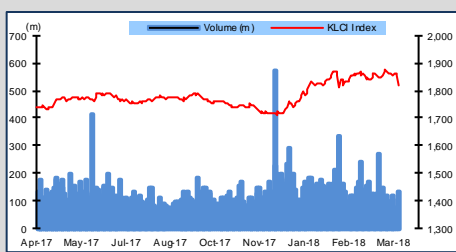
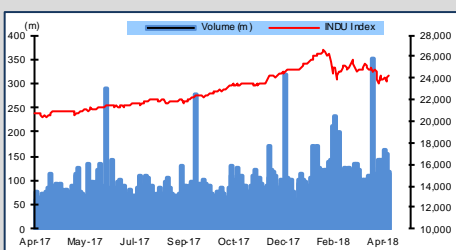
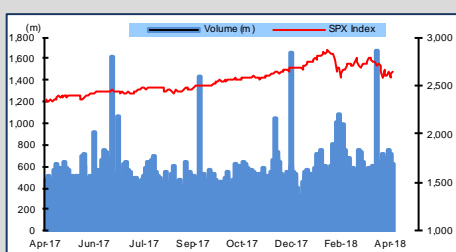
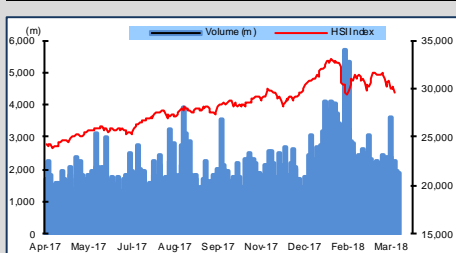
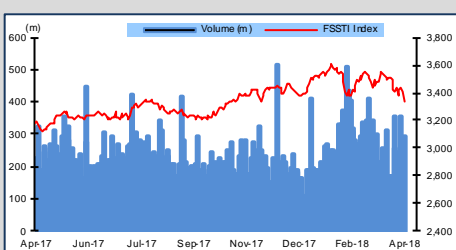
MYEG's price is showing signs of pullback amid intense profit taking activities. A downtick in RSI together with bearish fast-paced MACD indicator currently signal an exit to sell into strength, anticipating performance in momentum and trend to remain weak in near term. Should support level of RM2.67 be broken, it may continue to drive price lower to subsequent support level of RM2.50. However, failure to break the support level of RM2.67 may indicate recovery in the share price and hence a stop is placed above RM3.00.

HEADLINES
Economy
§ US: Trump is said to soften Nafta demand on regional car content.

The Trump administration has softened a key Nafta demand for more North American content in car manufacturing -- a potential olive branch on arguably the biggest sticking point as the US pushes to reach a stopgap deal this month, according to three people familiar with the talks. The US proposal would distinguish between different Nafta car parts by grouping them into five categories, some of which would have a lower requirement for North American content or none at all, said the people. (Bloomberg)

§ US: Growth in service industries cools for a second month.

Growth in US service industries cooled in March for a second month as orders settled back from the fastest pace in more than 12 years, a survey from the ISM showed. Non-manufacturing index fell to 58.8 from Feb's 59.5. New orders measure slid to 59.5 from 64.8, which was highest since

FBM KLCI

DOW JONES

S&P 500

HANG SENG

STRAITS TIMES


Source: Bloomberg, PublicInvest Research

Aug 2005. Even with the main index's decline last month, service industries continued to expand at a hearty pace. (Bloomberg)

§ **US: Companies added 241,000 workers in March, ADP data show.** Companies added more workers than forecast to US payrolls in March, signaling the job market remains robust, according to data from the ADP Research Institute. Private payrolls rose by 241k after upwardly revised 246k gain in Feb. Service providers added 176k jobs to payrolls following 204k in Feb. The four-month average gain of close to 245,000 is the strongest stretch since late 2014. The ADP report shows the job market remains solid, which bodes well for consumer spending. (Bloomberg)

§ **US, China: China retaliates for US tariffs, slaps duties on soybeans, planes, autos.** China hit back on Wednesday at the Trump administration's plan to slap tariffs on USD50bn in Chinese goods, retaliating with a list of similar duties on key US imports including soybeans, planes, cars, whiskey and chemicals. Beijing's list of 25% additional tariffs on US goods covers 106 items with a trade value matching the USD50bn targeted on Washington's list, China's commerce and finance ministries said. The effective date will depend on when the US action takes effect. (Reuters)

§ **US, China: Push time-to-talk message as trade tensions rise.** The US and China indicated they're willing to negotiate on escalating frictions, helping to ease fears among investors that a tit-for-tat trade dispute could derail the strongest global expansion in years. The White House's National Economic Council Director Larry Kudlow spent much of the day Wednesday trying to calm markets after the two countries announced tariffs, and said they still have time work out their differences. China's ambassador to the US, Cui Tiankai, also said his first choice would be to consult the US over trade. (Bloomberg)

§ **EU: Euro zone inflation rises in modest support for ECB hawks.** Euro zone inflation increased in line with expectations in March mainly due to more costly food and services, data showed on Wednesday, providing modest support to ECB policymakers pushing to wind down its stimulus. The European Union's statistics office Eurostat estimated that inflation in the 19 countries sharing the euro was 1.4% YoY in March, up from 1.1% in Feb. The March figure was in line with market expectations. Even if inflation remains short of the ECB's target of near 2%, its policymakers are now debating whether to end the central bank's EUR2.55trn asset purchase scheme. (Reuters)

§ **Japan: BOJ rate hike is likely within a year, ex-chief economist says.** The Bank of Japan is likely to raise its yield target within a year, according to the central bank's former chief economist, who says inflation is accelerating faster than expected. The BOJ will adjust its target for 10-year government bond yields after gains in consumer prices excluding fresh food and energy reach 1%, said Hideo Hayakawa, who left the BOJ in 2013 after more than three decades. This "core core" inflation gauge is now at 0.5%. (Bloomberg)

§ **Malaysia: Manufacturing FDI totalled RM141bn in last five years, says Minister.** The Malaysian manufacturing sector enjoyed some RM141bn worth of foreign direct investments (FDIs) between 2013 and 2017, the Dewan Rakyat was told. Deputy International Trade and Industry Minister Datuk Chua Tee Yong said that the investments comprised 1,081 projects, which are expected to generate 220,000 jobs when the projects are fully implemented. Last year alone, FDI in the manufacturing sector stood at RM21.6bn, down from RM27.4bn in 2016. The highest annual FDI in the sector was achieved in 2014, with a sum of RM39.6bn. (The Edge)

Markets

- § **Top Glove (Neutral, TP: RM8.75): Completes Aspion acquisition.** Top Glove Corp has completed the acquisition of Aspion SB, making it the world's largest surgical glove manufacturer. Top Glove said the share purchase agreement (SPA) had been completed, with the payment of the cash portion of the purchase consideration duly rendered and 20.5m Top Glove consideration shares allotted to the vendor, Adventa Capital Pte Ltd. The Aspion acquisition will add three manufacturing facilities with 75 lines and a capacity of 4.77bn pieces of gloves p.a., which will see Top Glove now operating a total of 37 factories with 618 production lines and a capacity of 57.24bn pieces of gloves p.a. (The Edge)
- § **Datasonic: Unit gets extension of pioneer status.** Datasonic Group said the pioneer status of its wholly-owned unit, Datasonic Smart Solutions SB, has been extended for another five years. This group said the subsidiary's statutory income from approved activities is thus exempted from tax during the period which took effect on May 18, 2017 and ends on May 17, 2022. Datasonic said the extension will contribute positively to the financial results of the group. (The Edge)
- § **Bertam Alliance: Bid to waive PN17 classification rejected.** Bertam Alliance has been classified as an affected listed issuer under Practice Note 17 (PN17) as Bursa Malaysia has rejected its application for a waiver. The company said the bourse made its decision after taking into consideration the winding-up order against its wholly-owned unit Bertam Development SB (BDSB), which accounts for at least 50% of the company's total assets. Although BDSB had appealed against the winding-up order, it said there is no certainty that the order can be set aside in the near future. (The Edge)
- § **Seacera: Aborts plan to acquire 70% stake in construction firm.** Seacera Group has cancelled its plan to acquire a 70% stake in construction and civil engineering firm Teras Sari Resources SB, shortly after announcing it on Feb 22. "On behalf of the board, KAF Investment Bank wishes to announce that the company and the vendors had, via exchange of letters dated April 3, and April 4, 2018, mutually agreed to terminate the share sale agreement (SSA)," it said. (The Edge)
- § **Seacera: Reprimanded by Bursa Malaysia for breach of listing requirements.** Seacera Group was publicly reprimanded by Bursa Malaysia Securities for failing to account for adjustments in the group's quarterly report for the FYE Dec 31, 2016 (QR Dec 2016) that was announced on Feb 28, 2017, which contravened the exchange's Main Market Listing Requirements (LR). "The adjustments were mainly in respect of the non-allocation of loss of a subsidiary to the non-controlling interest and the company had acknowledged that the adjustments should have been made in the QR Dec 2016," Bursa Malaysia said. (The Edge)
- § **Property (Neutral): No housing glut as Malaysia needs 3.2m more homes, says Rehda.** While there is an oversupply of shopping complexes and office spaces, it is not the case with residential properties as Malaysia is still short of 3.2m homes, said the Real Estate and Housing Developers' Association Malaysia (Rehda). "We are concerned about the unsold units' situation in the country. But if you look at the household figures, we are really short of homes, especially affordable homes," Rehda president Datuk Seri FD Iskandar Mohamed Mansor said. (The Edge)

MARKET UPDATE

§ The FBM KLCI may open flat today as the escalating trade battle between the US and China initially cast a deep shadow over global stock markets although Wall Street staged an impressive turnaround and European equity indices ended well off the day's lows. The dollar eased back moderately against the euro but held its ground against the yen and Swiss franc, while early strength for Treasuries evaporated and gold eased back from a one-week high. But agricultural commodities — notably soya beans and corn — suffered sustained losses after China unveiled retaliatory trade tariffs following the measures announced by the Trump administration hours earlier. On Wall Street, the Dow Jones Industrial Average on Wednesday staged its biggest rebound from an intraday low in about six weeks. The blue-chip gauge had been down intraday by as many as 510 points, or 2.1%, but finished the session up 1%, or about 230 points, at 24,264. Meanwhile, the S&P 500 index finished with a gain of 1.2% at 2,644, while the Nasdaq rallied to close up 1.5% at 7,042, erasing sharp opening losses. In Europe, Germany's DAX 30 fell 0.4% to close at 11,958, France's CAC 40 index dropped 0.2% to 5,142 and the UK's FTSE 100 index edged up less than 0.1% to finish at 7,034.

Back home, the FBM KLCI index lost 34.84 points or 1.88% to 1,815.94 points. Trading volume increased to 3.28bn worth RM2.78bn. Market breadth was negative with 111 gainers as compared to 1105 losers. Hong Kong's Hang Seng fell 2.2% and Seoul's Kospi lost 1.4%, downward moves that gathered momentum in late trading that came in anticipation of China's announcement. On the mainland, the CSI 300 rose 0.9%. Tokyo's Topix ended 0.1%.

ECONOMIC MONITOR (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
05-Apr-18	Malaysia Imports YoY	Feb	7.1%	11.6%
05-Apr-18	Malaysia Exports YoY	Feb	8.0%	17.9%
05-Apr-18	US Initial Jobless Claims	31-Mar	225K	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%
07-Apr-18	China Foreign Reserves	Mar	USD3150.00bn	USD3134.48bn
8-18 Apr	China FDI YoY	Mar	--	--
07-Apr-18	US Consumer Credit	Feb	USD15.500bn	USD13.906bn
10 -15 Apr	China Money Supply - M2 YoY	Mar	8.9%	8.8%
10 -15 Apr	China New Yuan Loans	Mar	CNY1175.5bn	CNY839.3bn
11-Apr-18	China PPI YoY	Mar	3.2%	3.7%
11-Apr-18	China CPI YoY	Mar	2.6%	2.9%
11-Apr-18	US CPI YoY	Mar	2.3%	2.2%
12-Apr-18	US Initial Jobless Claims	7-Apr	--	--

CORPORATE MONITOR

COMPANY VISITS / BRIEFING

<u>Company</u>	<u>Date</u>	<u>Time</u>
Perak Transit	11-Apr-18	10.00am
Pos Malaysia	25-Apr-18	10.00am

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)

4-Apr-2018

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Petronas Chemicals Group	4,000,000	32,800,000	8.20
Sarawak Consolidated Industries	2,669,400	2,000,000	0.75
Tropicana Corp	2,200,000	1,980,000	0.90
Sunsuria	5,000,000	6,000,000	1.20

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>
Kim Loong Resources	Bonus issue of warrants 1 : 20		21-Mar	2-Apr	4-Apr	
Kim Loong Resources	Subdivision 1 : 3		21-Mar	2-Apr	4-Apr	
Comintel Corp	Special single-tier dividend RM0.45	0.450	20-Mar	2-Apr	4-Apr	19-Apr
George Kent Malaysia	Third interim single-tier dividend 5.0 sen	0.050	19-Mar	3-Apr	5-Apr	25-Apr
Formosa Prosonic Industries	First interim single-tier T.E. dividend 8.0 sen	0.080	28-Feb	3-Apr	5-Apr	18-Apr
Inch Kenneth Kajang Rubber PLC	Interim single-tier dividend of RM0.0109	0.200	19-Mar	4-Apr	6-Apr	26-Apr
K-Star Sports Ltd	Free warrants issue 2 : 5		23-Mar	4-Apr	6-Apr	
Tenaga Nasional	Final single-tier dividend of 21.41 sen	0.2141	19-Mar	4-Apr	6-Apr	19-Apr
Pelangi Publishing Group	Final single-tier dividend of 2.0 sen	0.020	25-Jan	4-Mar	6-Apr	26-Apr
Superlon Holdings	Third interim single-tier dividend 1.0 sen T.E.	0.010	20-Mar	4-Apr	6-Apr	27-Apr
Jerasia Capital	Single-tier interim dividend 0.5 sen	0.005	27-Feb	4-Apr	6-Apr	27-Apr
NTPM Holdings	Second interim single-tier dividend of 0.8 sen	0.008	23-Mar	5-Apr	9-Apr	23-Apr
Bermaz Auto	Third interim single-tier dividend 2.3 sen	0.023	12-Mar	6-Mar	10-Apr	26-Apr
Oka Corp	Single-tier interim dividend 2.0 sen	0.020	28-Feb	6-Mar	10-Apr	20-Apr
CAB Cakaran Corp	Final single-tier dividend 0.5 sen	0.005	24-Jan	6-Mar	10-Apr	19-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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