

INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,803.76	11.16	0.6
DOW	26,062.12	-92.55	-0.4
S&P 500	2,888.80	-16.18	-0.6
NASDAQ	7,895.79	-114.25	-1.4
FTSE-100	7,302.10	-1.94	0.0
SHANGHAI	2,651.79	-29.85	-1.1
HANG SENG	26,932.85	-353.56	-1.3
STI	3,141.40	-20.02	-0.6
NIKKEI 225	23,094.67	273.35	1.2
JCI	5,824.26	-107.02	-1.8

MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	2,683.70	2,483.5

BURSA'S MARKET SHARE (%)

Retail	22.4%
Institutional	51.9%
Foreign	25.7%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Sep)	1,798.00	11.50	0.6
OIL - BRENT (USD/b)	78.05	-0.04	-0.1
CPO FUTURE (RM/ton)	2,222.00	-21.00	-0.9
RUBBER (RM/kg)	416.00	2.50	0.6
GOLD (USD/Ounce)	1,201.47	7.97	0.7

FOREX

	LAST CLOSE	% CHG
MYR/USD	4.14	-0.1
MYR/SGD	3.01	-0.4
YUAN/MYR	1.66	-0.2
YEN/MYR	27.06	0.1
MYR/EURO	4.82	-0.5
MYR/GBP	5.42	-0.3

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
SAPURA ENERGY BH	0.46	491.43
MY EG SERVICES	1.64	73.36
QES GROUP BHD	0.30	73.19
HIBISCS	0.99	56.39
PWORTH	0.05	50.27

TOP 5 GAINERS	LAST CLOSE	RM (+)
MALAYSIAN PAC IN	12.80	0.50
DUTCH LADY MILK	65.50	0.36
PADINI HLDGS	6.01	0.31
MI EQUIPMENT HOL	2.93	0.20
QL RESOURCES BHD	6.21	0.19

TOP 5 LOSERS	LAST CLOSE	RM (-)
BRIT AMER TOBACC	33.74	-0.46
VITROX CORP BHD	7.76	-0.15
AYER HOLDINGS BH	5.29	-0.11
UMW HLDG BHD	5.32	-0.11
TASEK CORP BHD	6.50	-0.10

Gainers – 589 Losers – 302 Unchanged – 383
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HIGHLIGHTS
Technical: Sinotop Holdings – Possible For Upside (8532, Technical Buy)

SINOTOP recovered from its recent pullback. Improving RSI and MACD indicators currently signal reasonable entry level, in anticipation of continuous improvement in both momentum and trend in near term. Should resistance level of RM0.380 be broken, it may continue to lift price higher to subsequent resistance levels of RM0.420 and RM0.470. However, failure to hold on to support level of RM0.310 may indicate weakness in the share price and hence, a cut-loss signal.

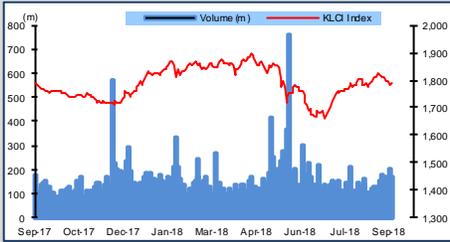
HEADLINES
Economy

§ **US: Trump will slap 10% tariffs on USD200bn in Chinese goods and they will go to 25% at year-end.** President Donald Trump will impose 10% tariffs on USD200bn worth of Chinese imports, and those duties will rise to 25% at the end of the year. The action escalates a trade conflict between the world's two largest economies. China has already threatened to retaliate against new duties. The White House removed about 300 goods from a previously proposed list of affected products, including smart watches, some chemicals, and other products such as bicycle helmets and high chairs. Trump, in a statement, said that the tariffs would rise to 25% on Jan. 1, 2019, adding that "if China takes retaliatory action against our farmers or other industries, we will immediately pursue phase three, which is tariffs on approximately USD267bn of additional imports." (CNBC)

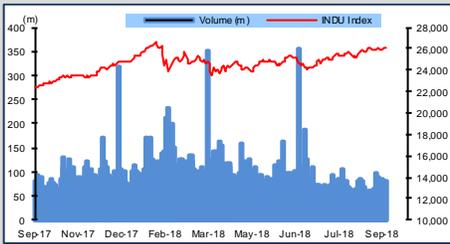
§ **US: Kudlow says White House aware of the rising deficit, but economic growth solves a lot of problems.** Top White House Economic Advisor Larry Kudlow said while the administration needs to be tougher on spending, growth from recent tax cuts should fix the issue. "If you grow rapidly you're going to have lesser deficits. Growth solves a lot of problems," Kudlow said at the Economic Club of New York on Monday. "The gap is principally spending too much." Thanks to an uptick in gross domestic product, or GDP, after tax cuts, Kudlow said the US has just about paid for two thirds of the total tax cuts. The tax overhaul passed in December permanently cut the corporate tax rate to 21% and temporarily reduced taxes on most individuals. The plan sparked concerns in both political parties about growing budget deficits. (CNBC)

§ **US, China: The next crisis could be triggered by the US - China trade war, interest rates.** Economic troubles in emerging markets and the ongoing trade war between the US and China could potentially increase the risk of the next financial crisis. As the global economy continues to grow, the US Federal Reserve and other central banks are looking to tighten their monetary policies, which could lead to a sudden "liquidity squeeze" in some emerging markets. Liquidity squeeze is essentially when economic conditions in a country become too tight, and borrowing becomes more difficult, driving down consumption and investments, and ultimately hitting economic growth. Already, US interest rates are moving higher and central banks around the world are moving away from some of the easy policies that were adopted during and after the financial crisis. (CNBC)

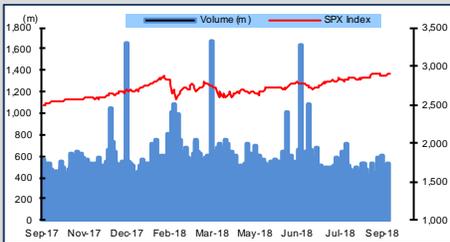
FBM KLCI



DOW JONES



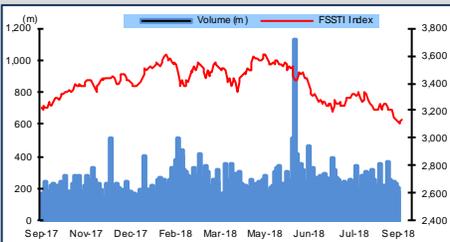
S&P 500



HANG SENG



STRAITS TIMES



Source: Bloomberg, PublicInvest Research

§ **EU: All likely Brexit outcomes will cost the UK economy, IMF warns.** All likely Brexit outcomes will entail a financial hit for the UK economy, the IMF warned on Monday. But, it said, a disorderly no-deal scenario where Britain leaves the European Union without any kind of trading relationship in place would be much worse. "While all likely Brexit outcomes will entail costs for the UK economy by departing from the frictionless single market that now prevails, an agreement that minimizes the introduction of new tariff and non-tariff barriers would best protect growth and incomes in the UK and EU," IMF said. The warning comes as negotiations between the UK and EU remain strained and key issues in the divorce such as the future of the border between Ireland and Northern Ireland and the degree of trading access that will exist post-Brexit remain unresolved. (CNBC)

§ **EU: Italy sends smoke signals to markets that it will play by Europe's budget rules.** Italy's economy minister is expected to prevent Italy's 2016 budget deficit from rising above 1.6% of the country's GDP, an Italian newspaper reported Monday. Economy Minister Giovanni Tria is due to meet Prime Minister Giuseppe Conte and joint Deputy Prime Ministers Luigi Di Maio and Matteo Salvini on Monday to discuss the country's 2019 budget — its spending plans and growth targets. Italy is due to present a draft version of its 2019 budget to the European Commission for approval shortly. It is being closely watched by financial markets, European lawmakers and the Italian public alike to see if the government will stick to plans that include increasing welfare spending, reducing taxes and scrapping pension reforms that had increased the retirement age. (CNBC)

§ **China: Has USD1.3trn headache with money funds.** China's ever-growing money market funds pose an increasing problem for the nation's central bank as policy makers attempt to boost the flow of credit to cushion an economic slowdown. While the funds have offered savers a handy alternative to risky stocks and once high-flying wealth management products, they're effectively raising borrowing costs. That's because, with some Y8.6trn (USD1.3trn) according to the Asset Management Association of China, they're sapping the flow of savings to banks, which in turn have to pay the funds higher rates when taking their cash as deposits. Those higher costs are being passed along to borrowers, countering the efforts of the People's Bank of China to reduce lending rates for small- and medium-sized companies in particular. (Bloomberg)

§ **China: Central Bank injects liquidity ahead of upcoming holiday.** China's central bank injected Y265bn (USD38.6bn) into the financial system Monday via its medium-term lending facility, an instrument it is increasingly relying on to foster easy monetary conditions. Local governments expediting sales of special bonds and rising demand for cash ahead of the mid-autumn holiday and Golden Week are expected to drain funds from the banking system. The mid-autumn holiday falls on September 24 this year and the Golden Week holiday will begin on October 1. Money-market rates were little changed following the operation. The People's Bank of China is likely to follow the Federal Reserve later this month by raising the borrowing cost of reverse repurchase agreements in the open market, and it will further reduce reserve-requirement ratios. (Bloomberg)

Markets

- § **Axiata (Neutral, TP: RM5.00): edotco scraps RM4bn plan to acquire Pakistan towers.** edotco Group SB's plans to acquire 13,000 towers from Pakistan Mobile Communications Ltd have been scuppered as certain regulatory approvals were not received. edotco, the infrastructure business unit of Axiata Group said it had failed to obtain regulatory approval for the change of control of the towers. (StarBiz)
- § **Gamuda (Neutral, TP: RM3.80): Gamuda-Evia JV top bidder for Anchorvale Crescent executive condo site.** Gamuda's wholly-owned unit Gamuda (Singapore) Pte Ltd and Singapore-based Evia Real Estate (8) Pte Ltd have joined hands to become the highest bidder for a new executive condominium (EC) site at Anchorvale Crescent in Sengkang, Singapore at SGD318.9m or SGD576.2 per sq ft per plot ratio (psf ppr), according to The Business Times report. The Gamuda-Evia Real Estate JV reportedly beat the second highest bidder, Qingjian Realty, by just SGD899. (The Edge)
- § **Genting Malaysia (Neutral, TP: RM4.50): Still in talks with US tribe to recover RM1.8bn notes.** Genting Malaysia (GENM), which had subscribed to promissory notes issued by the Mashpee Wampanoag Tribe in the US in 2016 for an integrated gaming resort development in the US, said it is still deliberating the appropriate course of action for its investment in the promissory notes, as well as its recoverability. "This includes a legislation being introduced in the US Congress which, if passed, will entail the US US Department of Interior (Dol) to reaffirm the land in trust for the benefit of the tribe," GENM said. The group's total investment (including accrued interest) in the promissory notes amounted to USD426.3m (RM1.77bn) as at June 30, 2018. (The Edge)
- § **Tropicana: Tycoon Danny Tan to inject project worth RM4.3bn.** Tycoon Tan Sri Danny Tan Chee Sing, founder and major shareholder of Tropicana Corp, is injecting into the group, two plots of land in Johor Baru which will be evolved into a mixed development with a GDV of RM4.3bn. Tropicana said it will fund the purchase consideration via internal funds and bank borrowings. "The proposed acquisition is expected to be completed by October and would not have material effect on the net assets of the group for the financial year ending Dec 31, 2018 (FY18)," it added. (The Edge)
- § **Vertice: Loses RM339.8m job for SUKE project.** Vertice has lost a RM339.86m sub-contract to construct the mainline and other associated works of the proposed Sungai Besi-Ulu Kelang Elevated Highway (SUKE) project as the main contractor for the project was terminated. "In view that the group has several projects currently under bid, other concurrent on-going projects and is confident of securing additional new projects in the foreseeable future, this withdrawal is not expected to materially affect the earnings and net assets of the group," Vertice said. (The Edge)
- § **Latitude Tree: Leases land in Vietnam for expansion.** Latitude Tree Holdings is leasing a parcel of land measuring about 44,193 square metres in Binh Duong province, Vietnam, as preparation for expansion. It said its wholly-owned subsidiary L-Tree Resources SB (LTRSB) has entered into an In-Principle Agreement with Investment and Industrial Development Joint Stock Corporation (IIDJSC) for leasing the land in Vietnam. The tenure term starts from Sept 14 until June 30 2057 and the total rental is RM12m. The transaction will be financed by internally-generated funds and bank borrowings and expected to be completed by May 31, 2019. (The Edge)

MARKET UPDATE

§ The FBM KLCI might open lower today after the threat of an escalation to the US-China trade dispute made for a cautious session across global markets, with renewed weakness for emerging market assets adding to the unsettled mood. Yet the dollar failed to benefit from the latest round of trade concerns, while the 10-year Treasury yield, which moves inversely to its price, touched a five-month high above 3 percent before retreating. Gold regained the \$1,200 an ounce level, although industrial metal prices fell. Technology stocks dropped on both sides of the Atlantic as worries mounted that the sector could be particularly hard-hit by Donald Trump's protectionist policies. Reports have suggested that Washington is poised to announce new tariffs on \$200bn of Chinese goods, despite efforts by US Treasury Secretary Steven Mnuchin to restart trade talks with Beijing. On Wall Street, the S&P 500 ended 0.6% lower at 2,888 — its worst day in a month — leaving it about 0.9% short of the record closing high set at the end of August. The Dow Jones Industrial Average fell 0.4% while the tech-focused Nasdaq Composite shed 1.4%. Across the Atlantic, the exporter-heavy Xetra Dax in Frankfurt fell 1.2% while London's FTSE 100 ended flat, leaving the Europe-wide Stoxx 600 edged 0.1% higher.

Back home last Friday, the FBM KLCI index gained 11.16 points or 0.62% to 1,803.76 points on Friday. Trading volume increased to 2.68bn worth RM2.48bn. Market breadth was positive with 589 gainers as compared to 302 losers. The regional markets also finished mostly lower. Hong Kong's benchmark Hang Seng index dropped 1.3%, led down by Macau-based casinos after Typhoon Mangkhut reached landfall in China late on Sunday morning. Mainland Chinese markets fell as well, with the CSI 300 index of stocks in Shanghai and Shenzhen down 1.1%. Tokyo was shut for a market holiday.

TECHNICAL OUTLOOK

FBM KLCI: 1803.76 (+11.16; +0.6%)

Resistance: 1810, 1815, 1822

Support: 1793, 1783, 1762

FBM KLCI Weekly Chart



The local bourse rebounded further last Friday. At the close, the FBM KLCI gained 11.16 points to end at 1803.76. Market breadth remained positive as gainers outpaced losers 588 to 302. The index's fast paced weekly MACD remains bullish, but with weakened upward momentum due to wild swings last week. However, it is anticipated that FBM KLCI will at least be trending sideways this week, hovering above 1785 mark with slight bullish bias. Support levels for the index are at 1793, 1783 and 1762, while the resistance levels are at 1810, 1815 and 1822.

ECONOMIC MONITOR (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
19-Sep-18	US Housing Starts	Aug	1225K	1168K
19-Sep-18	Malaysia CPI YoY	Aug	0.4%	0.9%
20-Sep-18	US Initial Jobless Claims	15-Sep	--	204K
20-Sep-18	Euro-Zone Consumer Confidence	Sep	-2.0	-1.9
20-Sep-18	US Existing Home Sales	Aug	5.38m	5.34m
21-Sep-18	US Markit PMI Manufacturing	Sep	55.0	54.7
21-Sep-18	Euro-Zone Markit PMI Manufacturing	Sep	54.5	54.6
21-Sep-18	Euro-Zone Markit PMI Services	Sep	54.4	54.4
21-Sep-18	Malaysia Foreign Reserves	14-Sep	--	USD104.4bn

CORPORATE MONITOR

COMPANY VISITS / BRIEFING

<u>Company</u>	<u>Date</u>	<u>Time</u>
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RESULTS

<u>Company</u>	<u>Financial Quarter</u>	<u>Date</u>
SCGM	1QFY19	20-Sep-18

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>	
MYKRIS International	LEAP Market	0.20	-	-	-	-	4-Oct-18

OFF-MARKET TRANSACTIONS (>1,000,000)

14-Sep-2018

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Genting	4,703,779	37,670,000	8.01
Acme Holdings	7,000,000	2,100,000	0.30
Sime Darby	3,000,000	7,740,000	2.58
Brite-Tech	20,743,547	4,360,000	0.21
EA Holdings	471,610,200	9,430,000	0.02
D&O Green Technologies	5,000,000	3,650,000	0.73
Hil Industries	3,000,000	2,100,000	0.70
Globetronics Technology	1,000,000	2,850,000	2.85
QES Group	34,980,700	8,920,000	0.25
JHM Consolidation	2,000,000	2,280,000	1.14
N2N Connect	1,600,000	1,950,000	1.22

CORPORATE MONITOR

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>
RGB International	Bonus Issue 1:7		30-Aug	18-Sep	20-Sep	21-Sep
Inari Amertron	Fourth Interim Single tier Dividend 1.6 Sen	0.016	28-Aug	18-Sep	20-Sep	5-Oct
Inari Amertron	Special Single tier Dividend 0.4 Sen	0.004	28-Aug	18-Sep	20-Sep	5-Oct
RHB Bank	Single-Tier Interim Dividend 7.5 Sen	0.075	30-Aug	18-Sep	20-Sep	3-Oct
Carlsberg Brewery Malaysia	Second Single Tier Interim Dividend of 15.7 sen	0.157	16-Aug	18-Sep	20-Sep	17-Oct
APM Automotive Holdings	Interim Single-Tier Dividend of 5 sen	0.050	29-Aug	18-Sep	20-Sep	8-Oct
Hup Seng Industries	Interim Single tier Dividend 2 Sen	0.020	30-Aug	18-Sep	20-Sep	9-Oct
AL-Aqar Healthcare REIT	Second Interim Income distribution of 1.95 sen	0.020	29-Aug	18-Sep	20-Sep	19-Oct
Ivory Properties Group	First Interim Single Tier Dividend of 2.5 sen	0.025	29-Aug	18-Sep	20-Sep	17-Oct
AL-Salam REIT	Second Interim Income distribution of 1.00 sen	0.010	29-Aug	18-Sep	20-Sep	19-Oct
Dancomech Holdings	Interim dividend of 0.75 sen per share under the single-tier system	0.008	16-Aug	18-Sep	20-Sep	28-Sep
Sime Darby Plantation	Special interim single tier dividend of 3.0 sen	0.030	30-Aug	18-Sep	20-Sep	5-Oct
Kumpulan Fima	A single-tier final dividend of 9.0 sen	0.090	30-Jul	18-Sep	20-Sep	5-Oct
Lingkar Trans Kota Holdings	Single tier interim dividend of 10 sen	0.100	29-Aug	18-Sep	20-Sep	28-Sep
Teo Seng Capital	Single-Tier Interim Dividend RM0.005	0.005	3-Sep	18-Sep	20-Sep	28-Sep
Boustead Holdings	Second Interim Dividend of 1.00 sen	0.010	29-Aug	19-Sep	21-Sep	5-Oct
Bintulu Port Holdings	Second Interim Single Tier Dividend of 2.00 sen	0.020	28-Aug	19-Sep	21-Sep	12-Oct
Matrix Concepts Holdings	Single tier first interim dividend of 3.25 sen	0.033	27-Aug	19-Sep	21-Sep	10-Oct
MBM Resources	First interim dividend of 3.0 sen tax exempted single-tier system	0.030	4-Sep	19-Sep	21-Sep	5-Oct
Oriental Food Industries	First Single Tier Dividend of RM0.005	0.005	29-Aug	19-Sep	21-Sep	12-Oct
PWF Consolidated	First single-tier interim dividend 1.50 sen	0.015	30-Aug	19-Sep	21-Sep	9-Oct
Gabungan AQRS	Bonus Issue of 1 Warrant B for every 4 existing ordinary shares		5-Sep	21-Sep	25-Sep	
Toyo Ink Group	Interim Single Tier Dividend of 1.0 sen	0.010	4-Sep	21-Sep	25-Sep	10-Oct
Gromutual	First single tier interim dividend 0.50 sen	0.005	30-Aug	21-Sep	25-Sep	18-Oct

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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