

INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,622.06	-0.01	0.0
DOW	26,511.05	-48.49	-0.2
S&P 500	2,907.97	2.94	0.1
NASDAQ	8,015.27	17.20	0.2
FTSE-100	7,459.88	-11.44	-0.2
SHANGHAI	3,215.04	-55.76	-1.7
HANG SENG	29,963.26	-161.42	-0.5
STI	3,357.70	10.12	0.3
NIKKEI 225	22,217.90	17.34	0.1
JCI	6,414.74	-92.48	-1.4

MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	4,773.75	3,180.38

BURSA'S MARKET SHARE (%)

Retail	34.2%
Institutional	48.6%
Foreign	17.2%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Apr)	1,621.50	-5.50	-0.3
OIL - BRENT (USD/b)	74.04	2.07	2.9
CPO FUTURE (RM/ton)	2,172.00	-18.00	-0.8
RUBBER (RM/kg)	492.00	0.00	0.0
GOLD (USD/Ounce)	1,274.93	-0.46	0.0

FOREX

	LAST CLOSE	% CHG
MYR/USD	4.13	0.0
MYR/SGD	3.05	0.0
YUAN/MYR	1.62	0.2
YEN/MYR	27.07	-0.1
MYR/EURO	4.65	0.1
MYR/GBP	5.37	0.0

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
EKOVEST BHD	0.97	282.03
BUMI ARMADA BHD	0.21	195.09
ECONPILE HOLDING	0.73	149.48
GADANG HLDGS BHD	0.95	133.29
SAPURA ENERGY BHD	0.33	132.96

TOP 5 GAINERS	LAST CLOSE	RM (+)
TASEK CORP BHD	5.81	0.66
GUAN CHONG BHD	4.08	0.38
DWL RESOURCES BHD	1.68	0.37
MALAYSIA AIRPORT	7.11	0.34
LAFARGE MALAYSIA	2.64	0.31

TOP 5 LOSERS	LAST CLOSE	RM (-)
NESTLE (MALAYSIA)	146.00	-0.60
PETRONAS DAGANGAN	24.22	-0.50
HONG LEONG INDUSTRIES	10.38	-0.22
GENTING PLANTATION	10.32	-0.16
AXIATA GROUP	3.88	-0.16

Gainers – 621 Losers – 323 Unchanged – 360
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HIGHLIGHTS
ABMB: Collaborates With Zurich Malaysia (ABMB MK, Outperform, TP: RM4.80)

The Group announced the signing of exclusive 15-year bancassurance and bancakafal agreements with Zurich General Insurance Malaysia Berhad and Zurich General Takaful Malaysia Berhad. This comes about as part of its effort to further strengthen its position in providing financing solutions for both its individual and small and medium enterprise (SME) communities. The deal will reportedly net the Group additional income of RM200m over the 15-year period. We keep our earnings estimates unchanged at this juncture nonetheless, with this enhancement a part of our non-interest income growth assumptions. We continue to like the Group for its earnings prospects, underpinned by above-average net interest margins and relatively healthy asset quality and affirm our **Outperform**. Target price of RM4.80 is also unchanged.

DiGi: Dragged By Lower Prepaid Revenue & MFRS 16 (DIGI MK, Neutral, TP: RM4.72)

DiGi reported an 11.6% decline in 1QFY19 net profit to RM341.5m, mainly due to the adoption of MFRS 16 and lower prepaid revenue. MFRS 16 requires the lessee accounting to apply a "right-of-use" approach in recognizing assets and liabilities for the rights and obligations created by the lease contracts that were previously off-balance sheet items. This has resulted in a drop in operating expenses but an increase in depreciation, amortization and finance costs. Meanwhile, prepaid revenue was down 13.7% YoY due to an 8.6% decline in subscriber base. We cut our FY19-21F earnings by 5% to factor in the impact of MFRS 16 adoption, which results in a net increase in finance cost. As such, our TP is revised down from RM4.80 to RM4.72. We maintain our **Neutral** rating on Digi. A first interim dividend of 4.3sen per share was declared (1QFY18: 4.9sen).

Technical: Malaysian Genomics Resource Centre – Possible For Bullish Reversal (0155, Technical Buy)

MGRC is bottoming out of its consolidation phase. Improving 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 RM0.400 be broken, it may continue to lift price higher to subsequent resistance level of RM0.450. However, failure to hold on to support level of RM0.300 may indicate weakness in the share price and hence, a cut-loss signal.

Technical: TMC Life Sciences – Possible For Bottom Fishing (0101, Technical Buy)

TMCLIFE is attempting to recover from its consolidation phase. Improving 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 RM0.770 be genuinely broken, it may continue to lift price higher to subsequent resistance levels of RM0.825 and RM0.880. However, failure to hold on to support level of RM0.730 may indicate weakness in the share price and hence, a cut-loss signal.

HEADLINES

Economy

§ **Global: Asian trade is still slowing even with the China-US truce.** Two of the earliest indicators for Asian trade continued pointing down in April, undercutting hopes for a rebound even as the US and China look to be headed toward an settlement of the dispute which has weighed on sentiment. Korean exports dropped 8.7% YoY in the first 20 days of April. Taiwan's March export orders declined more than forecast and are expected to continue falling this month, according to a separate release. Global finance chiefs ended talks in Washington this month mixing concern toward the current state of the world economy with confidence that it will soon rebound. (Bloomberg)

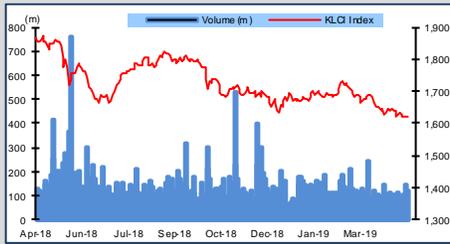
§ **US: Trump to escalate Iran feud by ending waivers.** The Trump administration said it won't renew waivers that let countries buy Iranian oil without facing US sanctions, a move that roiled energy markets and risks upsetting major importers such as China and India. "This decision is intended to bring Iran's oil exports to zero, denying the regime its principal source of revenue," White House Press Secretary Sarah Sanders said. "The US, Saudi Arabia and the United Arab Emirates, three of the world's great energy producers, along with our friends and allies, are committed to ensuring that global oil markets remain adequately supplied," according to the statement. Brent for June settlement climbed as much as 3.5%, reaching its highest level since early November. (Bloomberg)

§ **US, China: Trump-China trade deal seen boosting grain container shipments.** A deal ending the trade spat between the US and China would boost container shipments of grain, wheat and soybeans, according to the head of Japan's largest container-shipping company. While agricultural goods are typically transported in large volumes by bulk ships, there's a rising trend toward using containers as they can move smaller quantities more efficiently and without the need for storage facilities, said Jeremy Nixon, CEO of Ocean Network Express Pte. (The Edge)

§ **China: Manufacturers deploy every weapon they can.** Manufacturers in China facing trade barriers are deploying an array of moves to try to keep foreign customers - giving discounts, tapping tax breaks, trimming workforces and, occasionally, shifting production overseas to skirt tariffs. Tit-for-tat tariffs from the China-US trade war have been costly for many. Adding to the strain on Chinese manufacturers have been EU's duties on Chinese products ranging from electric bikes to solar panels. March brought some encouraging news for manufacturers. Industrial output rose at its fastest rate since mid-2014 and exports rebounded more than expected, while 1Q growth was better than expected. Still, some manufacturers who depend on US sales are struggling. (Star Biz)

§ **Indonesia: Jokowi hints at budget stimulus to push stalled Indonesia growth.** Indonesian President Joko Widodo signaled a renewed push to fire up Southeast Asia's biggest economy, calling for steps in next year's budget to stimulate stalled growth. The state budget must provide stimulus for "quality, equitable economic growth" with a focus on boosting investment and exports, Widodo told a limited cabinet meeting. While the economy has been growing at about 5%, the government is targeting growth of 5.3% to 5.5% next year. Indonesia's budget deficit is on track to be contained below 2% for a second year. (Bloomberg)

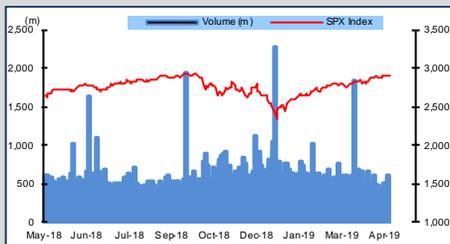
FBM KLCI



DOW JONES



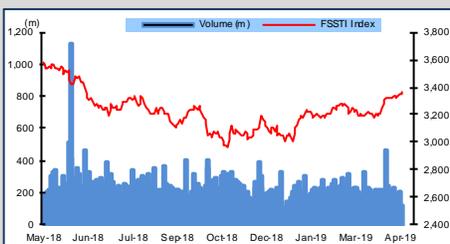
S&P 500



HANG SENG



STRAITS TIMES



Source: Bloomberg, PublicInvest Research

Markets

§ **Axiata: (Underperform, TP: RM3.65) Unit appeals Nepal's RM1.45bn capital gains tax demand.** Axiata Group's 80%-owned unit Ncell Private Ltd is challenging the decision of the Nepali tax authorities to charge the company RM1.45bn as CGT. (The Edge)

Comment: This was pursuant to the recent ruling by Nepali Supreme Court demanding 39.06bn Nepalese rupees (RM1.45bn) of capital gain tax from Axiata's 80%-owned subsidiary, Ncell Private Ltd (Ncell). While we agree that the decision in transferring TeliaSonera's (Ncell's previous shareholder) tax assessment unto Ncell is unfair, we believe it would be a challenge for Axiata to appeal against it when it had willingly made advances on behalf of TeliaSoneraJust earlier in order to resolve the tax dispute and to pave the way for a successful acquisition of Ncell. Perhaps, there is possibility of a lower tax amount. Nevertheless, this substantiates our concern of high regulatory and investment risks for Axiata's operations in the emerging markets and we reiterate our Underperform rating with an unchanged TP of RM3.65.

§ **Bina Puri: Wins arbitration case in Pakistan over termination of highway concession deal.** Bina Puri Holdings has won an arbitration case against the Pakistan National Highway Authority (NHA) in a dispute relating to the termination of an RM864m highway concession agreement. Bina Puri had commenced the arbitral proceedings against NHA in April 2013. (The Edge)

§ **Seacera: To partner OCR for RM10bn Semenyih development.** Seacera Group has entered into a joint venture agreement with Amazing Symphony SB, a subsidiary of OCR Group, for a mixed development in Semenyih which has a potential gross development value (GDV) of RM10bn. The plan will entail the development of landed residential homes, landed commercial shop units, high-rise strata developments, hospitals, schools, hotels and malls, among other components. (The Edge)

§ **Gadang: Has yet to submit any official bid for ECRL jobs.** Gadang Holdings clarified that it has not submitted any official tender for the East Coast Rail Link (ECRL) project at this juncture. The group reiterated that it had entered into a pre-bid consortium agreement with DWL Resources to jointly bid for infrastructure projects. (The Edge)

§ **IWCity, Ekovest: Not involved in Bandar Malaysia reinstatement.** Iskandar Waterfront City (IWCity) and Ekovest, who both saw their shares surge on optimism that they would benefit from the revival of Bandar Malaysia, have denied that they are involved in the reinstatement of the project. (The Edge)

§ **Chemical Company of Malaysia: Wins RM352mil Petronas Refinery contract.** CCM has won a RM351.9m contract to supply caustic soda to Petronas Refinery and Petrochemicals Corp SB (PRPC). CCM Chemicals had accepted a letter of award from Petroliaam Nasional for the deal. (The Star)

§ **Velesto: Bags four contracts worth USD104.68m from Petronas Carigali.** Velesto Energy has bagged four contracts from Petronas Carigali SB with an estimated combined value of about RM433.07m. The group four Letters of Award for the provision of jack-up drilling rig services for its jack-up rigs. (The Edge)

MARKET UPDATE

§ The FBM KLCI might open higher today after the biggest one-day rise for the energy sector since January pushed Wall Street higher on an otherwise muted Monday as oil prices climbed after Washington said it will stop giving sanctions waivers to countries that import Iranian crude or condensate. The US said nations including India and China would face penalties if they continue to import Iranian oil, in the latest effort by Donald Trump's administration to ratchet up pressure on Iran. Japan, South Korea and Turkey could face sanctions if they did not comply after the waivers are withdrawn next month. The move sparked a rally in oil prices. Global benchmark Brent crude was up 3% to USD74.10 a barrel and hit its highest since November. West Texas Intermediate, the US price, rose 2.6% to USD65.70, also near a six-month high. The S&P 500 spent much of the morning flicking in and out of negative territory but closed 0.1% higher. The Dow Jones Industrial Average finished down 48 points, or 0.2%, at 26,511, with Boeing's stock serving as the biggest drag on the blue-chip gauge, following a report over the weekend from the New York Times that charged the aeronautics and defense company with shoddy production of its Dreamliner jets. Meanwhile, the Nasdaq Composite Index advanced 0.2% at 8,015, putting the index about 1.2% short of its Aug 29 all-time closing high.

Back home, the FBM KLCI index lost ended almost at 1,622.06 points on Monday. Trading volume increased to 4.77bn worth RM3.11bn. Market breadth was positive with 621 gainers as compared to 323 losers. Other equities markets mostly posted small moves with much of Asia-Pacific and Europe offline for Easter. However, Chinese stocks fell from near their highest in 2019, with the CSI 300 of major stocks in Shanghai and Shenzhen down 2.3%.

TECHNICAL OUTLOOK

FBM KLCI: 1622.06 (-0.01; -0.00%)

Resistance: 1652, 1664, 1680

Support: 1622, 1600, 1590

FBM KLCI Daily Chart



Erasing its gain for the day, the local bourse was little changed yesterday. At the close, the FBM KLCI was down 0.01 points to end at 1622.06. Market breadth remained positive as gainers outpaced losers 621 to 323. Entering consolidation phase, the FBM KLCI is anticipated to trend sideways in the near term should there be re-emergence of buying interest on bargain hunting activities whenever the index slips below the 1622 horizon and towards its 1600 psychological level. Support levels for the index are at 1590, 1600 and 1622, while the resistance levels are at 1652, 1664 and 1680.

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

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
23-Apr-19	US New Home Sales	Mar	649K	667K
23-Apr-19	Euro-Zone Consumer Confidence	Apr	-7.0	-7.2
24-Apr-19	Malaysia CPI YoY	Mar	0.3%	-0.4%
25-Apr-19	US Initial Jobless Claims	20-Apr	200K	192K
30-Apr-19	China Non-manufacturing PMI	Apr	--	54.8
30-Apr-19	China Manufacturing PMI	Apr	--	50.5

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>
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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>	
TT Vision Holdings	LEAP Market	RM0.18	-	-	-	-	25-Apr-19
Smile-Link Healthcare Global	LEAP Market	RM0.11	-	-	-	-	23-Apr-19

CORPORATE MONITOR

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

22-Apr-2019

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Berjaya Sports Toto	4,000,000	10,000,000	2.50
TIME dotCom	1,000,000	9,050,000	9.05
Genting	152,651,250	1,040,000,000	6.81
Ideal United Bintang International	24,800,000	28,050,000	1.13
Xian Leng Holdings	9,419,000	5,470,000	0.58
Johore Tin	8,000,000	12,480,000	1.56
Cahaya Mata Sarawak	1,300,000	4,390,000	3.38
G3 Global	6,300,000	4,730,000	0.75
Brem Holding	1,997,900	1,680,000	0.84
Kelington Group	1,000,000	1,300,000	1.30

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>
Lambo Group	Bonus issue of warrants		10-Apr	22-Apr	24-Apr	
Sime Darby	First Interim Dividend 2 Sen	0.020	21-Feb	22-Apr	24-Apr	8-May
Luxchem Corp	Single Tier Interim Dividend of 1.25 sen	0.013	25-Feb	23-Apr	25-Apr	15-May
MB World Group	Second single tier interim dividend of 3.1 sen	0.031	26-Feb	23-Apr	25-Apr	24-May
Chin Well Holdings	Single Tier Interim Dividend of 4.5 sen	0.045	26-Feb	24-Apr	26-Apr	21-May
IBRACO	Interim Single tier Dividend 1.50 Sen	0.015	29-Mar	24-Apr	26-Apr	10-May
Inch Kenneth Kajang Rubber	interim single tier dividend of GBP0.002 (RM0.0107)	0.200	8-Apr	24-Apr	26-Apr	15-May
Pecca Group	Interim Single Tier Dividend of 2.5 sen	0.025	12-Apr	24-Apr	26-Apr	10-May
Ranhill Holdings	Final Dividend 1 Sen	0.010	18-Mar	24-Apr	26-Apr	14-May
Taliworks Corp	Fourth Interim Single-tier Dividend 1.2 Sen	0.012	28-Feb	25-Apr	29-Apr	27-May
United Plantations	Final Single Tier Dividend of 20 sen	0.200	25-Feb	25-Apr	29-Apr	15-May
United Plantations	Special Single Tier Dividend of 90 sen	0.900	25-Feb	25-Apr	29-Apr	15-May
DutaLand	Special Single Tier Dividend of 5 sen	0.050	15-Apr	26-Apr	30-Apr	15-May
Hume Industries	Rights Issue		16-Apr	26-Apr	30-Apr	3-Jun
Ranhill Holdings	Bonus Issue of 1 Bonus Share for every 5 existing Ranhill Shares held		16-Apr	26-Apr	30-Apr	
UMW Holdings	Final single-tier dividend of 2.5 sen	0.025	15-Apr	26-Apr	30-Apr	16-May

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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