

INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,638.01	10.57	0.6
DOW	26,597.05	-59.34	-0.2
S&P 500	2,927.25	-6.43	-0.2
NASDAQ	8,102.02	-18.81	-0.2
FTSE-100	7,471.75	-51.32	-0.7
SHANGHAI	3,201.61	3.02	0.1
HANG SENG	29,805.83	-157.41	-0.5
STI	3,362.43	8.96	0.3
NIKKEI 225	22,200.00	-59.74	-0.3
JCI	6,447.89	-14.94	-0.2

MARKET ACTIVITY

VOL(m)	VAL(RMm)
4,387.43	2,846.02

BURSA'S MARKET SHARE (%)

Retail	27.8%
Institutional	47.2%
Foreign	25.0%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (Apr)	1,635.50	9.50	0.6
OIL - BRENT (USD/b)	74.57	0.06	0.1
CPO FUTURE (RM/ton)	2,170.00	0.00	0.0
RUBBER (RM/kg)	488.00	-1.50	-0.3
GOLD (USD/Ounce)	1,275.75	3.31	0.3

FOREX

	LAST CLOSE	% CHG
MYR/USD	4.13	0.0
MYR/SGD	3.04	-0.1
YUAN/MYR	1.63	-0.1
YEN/MYR	27.08	-0.1
MYR/EURO	4.63	-0.3
MYR/GBP	5.34	-0.4

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
BUMI ARMADA BHD	0.27	774.51
EKOVEST BHD	0.94	138.42
BARAKAH OFFSHORE	0.11	134.82
SAPURA ENERGY BHD	0.34	119.90
PWORTH	0.08	91.61

TOP 5 GAINERS	LAST CLOSE	RM (+)
NESTLE (MALAYSIA)	147.00	1.60
TASEK CORP BHD	6.45	0.50
SYARIKAT TAKAFUL	5.53	0.24
LAFARGE MALAYSIA	3.01	0.21
PLS PLANTATIONS	1.24	0.19

TOP 5 LOSERS	LAST CLOSE	RM (-)
CARLSBERG BREWER	24.70	-0.80
PANASONIC MANUFACTURING	37.50	-0.30
HEINEKEN MALAYSIA	24.34	-0.24
DWL RESOURCES BHD	1.50	-0.20
BINTULU PORT HLD	4.80	-0.15

Gainers – 598 Losers – 328 Unchanged – 422

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HIGHLIGHTS
Economics: CPI Rebounds

The Consumer Price Index (CPI) staged a rebound in March thanks to a smaller effect of the reduction in pump prices. The drop in pump prices (RON95) narrowed from -12.8% YoY in February to -5.4% in March in tandem with the movement of WTI in Ringgit terms (March: -3.2%; February: -3.8%). The effect was especially felt in headline inflation numbers given the sizeable RON95 usage (about 95% of motorists), also pushed by YoY rises in RON97 (+1.9%) and diesel (+0.3%). March's CPI inched 0.2% higher YoY as a result, a first positive reading in CPI growth for the year (February: -0.4%; March: -0.7%). 1Q19 CPI growth averaged -0.3%, a contrast against a year ago (1Q18: 1.7%), though likely temporary in nature as we see the CPI creeping higher in the next few months. The fiscal decision to keep the price of RON95 steady has been the driving factor behind the tepid inflation momentum in the first quarter though this may not last as the ceiling may be lifted once the petrol subsidy for B40 is implemented.

Technical: Cuscap – Possible For Bottom Fishing (0051, Technical Buy)

CUSCAPI is staging for a potential recovery 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 RM0.260 be broken, it may continue to lift price higher to subsequent resistance level of RM0.290. However, failure to hold on to support level of RM0.225 may indicate weakness in the share price and hence, a cut-loss signal.

Technical: Solution Engineering – Possible For Bottom Fishing (0093, Technical Buy)

SOLUTN is staging for a potential recovery 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 RM0.110 be broken, it may continue to lift price higher to subsequent resistance levels of RM0.130 and RM0.140. However, failure to hold on to support level of RM0.100 may indicate weakness in the share price and hence, a cut-loss signal.

HEADLINES
Economy

§ **US: Sliding inflation may provoke Fed rate cut later this year.** US inflation is sliding again, and this time Federal Reserve officials may feel compelled to respond. After a gauge of price pressures central bankers watch closely finally rose above their 2% target last summer. It moderated to 1.8% in Jan, and some forecasters see it heading lower still throughout the first half of the year. Receding inflation could bolster the case for reducing interest rates in 2019, even though worries from earlier in the year about an economic downturn have largely passed. Fed officials have already begun discussing the possibility in public ahead of their policy meeting. Meanwhile, investors are piling into bets that the benchmark federal funds rate will come down later in the year, even as they push US stocks to record highs. (Bloomberg)

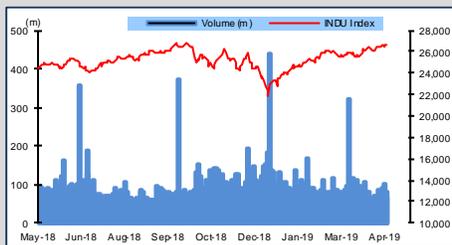
- § **EU: German business confidence sinks to 3-year low.** Germany's business confidence unexpectedly weakened in Apr to its lowest level in three years, suggesting that the biggest euro area economy is not yet out of the woods. The business climate indicator dropped to 99.2 from an upwardly revised 99.7 in Mar. Economists had expected the index to climb to 99.9 from original 99.6 in Mar. The latest reading was the lowest since Apr 2016, when the score was 99. The business situation index fell to 103.3 from an upwardly revised 103.9 in Mar. Economists had predicted a score of 103.6. The reading was the lowest since Mar 2017. The expectations measure of the survey decreased to 95.2 from 95.6, while it was expected to climb to 96. (RTT)
- § **EU: France manufacturing confidence lowest since 2016.** France manufacturing confidence deteriorated for the first time in five months in Apr to its lowest level since 2016. The manufacturing confidence index fell to 101 from a revised 103 in Mar. The reading held steady at 103 since Dec. The latest confidence score was the lowest since Jun 2016, when it was at the same 101 level. The reading remained slightly above its long-term average of 100. Industrialists' assessment of past activity, overall order books, and personal as well as general production expectations deteriorated in Apr. Their view on the finished-goods inventory improved slightly, while the assessment of export orders books remained unchanged in negative territory. (RTT)
- § **UK: Public borrowing lowest in 17 years.** UK government borrowing was the lowest in 17 years in the FYE March 31, and exceeded the official forecast. The public borrowing in the latest full FY from Apr 2018 to Mar 2019 was GBP24.7bn, which was GBP17.2bn fall YoY. The borrowing was the lowest since Apr 2001 to Mar 2002. The full year borrowing was GBP1.9bn more than the GBP22.8bn forecast. In Mar, the public sector net borrowing, excluding public sector banks was GBP1.7bn, which was GBP0.9bn more YoY. Economists had forecast borrowing of GBP0.4bn. Public debt at the end of Mar 2019 hit a record high GBP1,801bn or 83.1% of GDP. The figure increased by GBP22.1bn from Mar 2018. The government net cash requirement for the full FYE March 31 was GBP 35.9bn, which was GBP2.7bn lesser YoY. (RTT)
- § **UK: BOE to refrain from rate hike until Aug 2020 – NIESR.** The BOE is likely to keep interest rates on hold until Aug 2020 because of a slower global economy and prolonged uncertainty about Brexit, a leading think tank said on Thursday. The National Institute of Economic and Social Research pushed back by a year its previous forecast of a BOE rate hike which it made as recently as Feb. IESR economist Garry Young said a weaker global economy, and its knock-in impact on oil prices and other imports, was impacting monetary policy around the world, while in Britain uncertainty about Brexit has also kept the BOE on the sidelines. "Now we expect the first increase in Bank Rate to be next Aug rather than this Aug," he said. (Reuters)
- § **Japan: Economy to weather high-tech, industrial downturn.** A downturn in the chip industry and sputtering industrial production are damping Japan's growth -- just as the economy faces a potential blow from a sales-tax hike in Oct. Analysis suggests growth will slow further over the course of the year, but the economy will avoid a recession. Growth is expected to bottom out in early 2020, supported by an increase in capital expenditure by Japanese companies making long-term commitments to the domestic economy. The slowdown in growth so far is broadly in line with forecasts for this year. Measures taken by the government to soften the impact from the tax bump should help the economy weather the headwinds. Even so, with growth so low, it wouldn't take much to tip the economy into recession. (Bloomberg)

Markets

FBM KLCI



DOW JONES



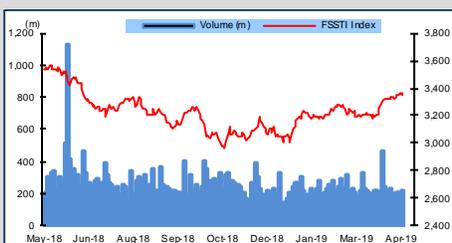
S&P 500



HANG SENG



STRAITS TIMES



Source: Bloomberg, PublicInvest Research

§ **Gamuda (Neutral, TP: RM2.88), KPS: Say SPLASH offer turns unconditional.** Gamuda and Kumpulan Perangsang Selangor said Pengurusan Air Selangor SB proposed purchase of 100% equity in Syarikat Pengeluar Air Sungai Selangor SB (SPLASH) from Syarikat Pengeluar Air Selangor Holdings (SPLASH Holdings) has become unconditional as conditions precedent in the sale and purchase agreement were fulfilled on Monday (April 22, 2019). Gamuda and Perangsang Selangor own 40% and 30% stakes in SPLASH Holdings respectively. Both companies said SPLASH Holdings "had on 24 April 2019 received the upfront sum of RM1.9bn from Air Selangor. As such, the offer has been completed on even date. Accordingly, SPLASH shall cease to be a subsidiary of SPLASH Holdings with effect from 24 April 2019." (The Edge)

§ **Media Prima (Neutral, TP: RM0.43): Vocket acquisition hits legal hiccup.** The agreement signed by Media Prima's unit for a 52% stake buy into Malay-language digital news producer Vocket Media SB has been terminated due to legality issues. However, an alternative acquisition structure has been proposed and accepted by all parties, following the termination of the share sale and purchase agreement (SSPA) inked in June 2018. (The Edge)

§ **Bumi Armada (Neutral, TP: RM0.22): Refinances corporate debt.** Bumi Armada has refinanced its unsecured term loans of USD380m and revolving credit facilities of USD280m into a single facility consisting of Tranche 1 facility of USD260m, and Tranche 2 facility of USD400m. The offshore energy facilities and services provider said the loans will be repayable over two and five years respectively, from the closing date of the facility agreement. (The Edge)

§ **HeiTech Padu: Bags two smart-parking system concessions.** HeiTech Padu has bagged two contracts to develop and manage smart parking systems on Penang Island and Seberang Perai. The group accepted the Letters of Award from Majlis Bandaraya Pulau Pinang (MBPP) and Majlis Perbandaran Seberang Perai (MPSP). The contracts are revenue-sharing concessions between HeiTech and MBPP and MPSP respectively, based on agreed parking rates. (The Edge)

§ **Iris Corp: Sues ex-chairmen, ex-directors, director over BCS investment.** Iris Corp is suing its former chairmen Tan Sri Razali Ismail and Datuk Nik Azman Mohd Zain and former group MD and CEO Datuk Tan Say Jim, as well as five former board members for losses incurred in relation to the subscription of Border Control Solutions Ltd (BCS) shares for RM11.7m. Iris said it has commenced legal proceedings in the High Court here against the nine defendants. (The Edge)

§ **IPO: Leong Hup kicks off return to Bursa.** Tan Sri Francis Lau Tuang Nguang, dubbed the "chicken king" of Malaysia, is making his return to the local bourse with the biggest IPO in almost two years that will test investors' appetite for chicken producers. Leong Hup International, which owns livestock feed mills and poultry businesses in five countries, is targeting to raise up to RM1.2bn in its IPO that includes an over-allotment option. The IPO price values Leong Hup at about RM4bn, giving it the crown of the most valuable poultry producer on Bursa Malaysia. (StarBiz)

MARKET UPDATE

§ The FBM KLCI might open flat today after the S&P 500 took a breather a day after setting a fresh closing high, as investors digested a mixed bag of corporate updates from big-name US stocks. The energy and communication services shares led the market lower on Wednesday, and the benchmark index fell 0.2% overall. The S&P 500 remains 16.9% higher for 2019, lifted by solid earnings and a dovish tone from global central banks. Meanwhile, the tech-heavy Nasdaq Composite, which also closed at a record on Tuesday, broke above its previous intraday peak during today's session but ultimately finished 0.2% lower. Frankfurt's Xetra Dax 30 stood out in Europe with a 0.6% rise, helped by dealmaking activity centred on two of its constituents, cloud computing services stock SAP and Wirecard, the digital payments company. Brent crude remained near six-month highs after reaching its highest reading of the calendar year on Tuesday as the US pledged to scrap waivers on sanctions on Iranian oil imports, a move likely to erode supply. The international oil contract gained 0.1% to USD74.57 a barrel. West Texas Intermediate crude fell 0.6% to USD65.89 a barrel.

Back home, the FBM KLCI index gained 10.57 points or 0.65% at 1,638.01 as higher crude oil prices supported broader market sentiment. Across Bursa Malaysia, volume was heavy at 4.38bn shares for a total value of RM2.85bn. A total of 598 counters gained versus 328 decliners. The regional markets finished mixed with the Shanghai Composite gained 0.09%, while the Hang Seng led the Nikkei 225 lower. They fell 0.53% and 0.27% respectively.

TECHNICAL OUTLOOK

FBM KLCI: 1638.01 (+10.57; +0.65%)

Resistance: 1652, 1664, 1680

Support: 1622, 1600, 1590

FBM KLCI Daily Chart



The local bourse was lifted further by re-emergence of buying interest yesterday. At the close, the FBM KLCI was up 10.57 points to end at 1638.01. Market breadth reversed again its earlier trend with gainers outpacing losers 598 to 328. While having 1622 horizon as critical support, the FBM KLCI is anticipated to trend sideways with slight bullish bias towards immediate resistance level of 1652 in the near term. 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>
25-Apr-19	US Initial Jobless Claims	20-Apr	200K	192K
29-Apr-19	Euro-Zone Consumer Confidence	Apr	--	-7.9
30-Apr-19	China Non-manufacturing PMI	Apr	55.0	54.8
30-Apr-19	China Manufacturing PMI	Apr	50.7	50.5
01-May-19	US ISM Manufacturing	Apr	55.0	55.3
02-May-19	US Initial Jobless Claims	27-Apr	--	--
02-May-19	Euro-Zone Markit PMI Manufacturing	Apr	--	47.8

CORPORATE MONITOR**COMPANY VISITS / BRIEFING**

<u>Company</u>	<u>Date</u>	<u>Time</u>
AirAsia	29-Apr-19	2.00pm

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

CORPORATE MONITOR

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

24-Apr-2019

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Barakah Offshore Petroleum	20,000,000	1,900,000	0.10
YNH Property	1,000,000	1,550,000	1.55
MUI Properties	11,200,000	2,240,000	0.20
PLS Plantations	10,000,000	10,000,000	1.00

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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