



KDN PP17686/03/2013(032117)

INDICES

	LAST CLOSE	CHG	% CHG
KLCI	1,542.53	-6.59	-0.4
DOW	31,880.24	618.34	2.0
S&P 500	3,973.75	72.39	1.9
NASDAQ	11,535.27	180.65	1.6
FTSE-100	7,513.44	123.46	1.7
SHANGHAI	3,146.86	0.29	0.0
HANG SENG	20,470.06	-247.18	-1.2
STI	3,213.65	-26.93	-0.8
NIKKEI 225	27,001.52	262.49	1.0
JCI	6,840.78	-77.37	-1.1

MARKET ACTIVITY

	VOL(m)	VAL(RMm)
	3,379.19	1,880.42

BURSA'S MARKET SHARE (%)

Retail	26.1%
Institutional	43.5%
Foreign	30.4%

KEY COMMODITIES

	LAST CLOSE	CHG	% CHG
KLCI FUTURES (May)	1,545.50	-3.00	-0.2
OIL - BRENT (USD/b)	113.42	0.87	0.8
CPO FUTURE (RM/ton)	6,261.00	152.00	2.5
RUBBER (RM/kg)	673.50	-2.50	-0.4
GOLD (USD/Ounce)	1,850.10	3.60	0.2

FOREX

	LAST CLOSE	% CHG
MYR/USD	4.39	0.0
MYR/SGD	3.19	0.1
YUAN/MYR	1.52	-0.6
YEN/MYR	29.08	-0.3
MYR/EURO	4.69	0.8
MYR/GBP	5.52	0.6

TOP MOVERS IN MALAYSIA MARKET

TOP 5 VOLUME	LAST CLOSE	VOL (m)
SAPURA ENERGY BH	0.09	813.48
SERBA DINAMIK HO	0.11	194.22
KNM GROUP BHD	0.20	144.52
MQ TECHNOLOGY BH	0.06	68.80
TECHNA-X BHD	0.06	65.08

TOP 5 GAINERS	LAST CLOSE	RM (+)
NESTLE (MALAY)	134.20	0.60
HEINEKEN MALAYSI	25.00	0.52
QUALITY CONCRETE	1.32	0.30
CARLSBERG BREWER	22.14	0.30
PIE INDUSTRIAL	2.98	0.21

TOP 5 LOSERS	LAST CLOSE	RM (-)
KUALA LUMPUR KEP	26.42	-0.48
IOI CORP BHD	4.08	-0.32
PETRONAS GAS BHD	16.48	-0.32
GENTING PLANTATI	8.30	-0.32
HONG LEONG FINAN	19.18	-0.32

Gainers – 355 Losers – 546 Unchanged – 434

Research Team

T 603 2268 3000

F 603 2268 3014

E research@publicinvestbank.com.my

HIGHLIGHTS

Sports Toto: Strong Recovery (SPTOTO MK, Trading Buy, TP: RM2.20)

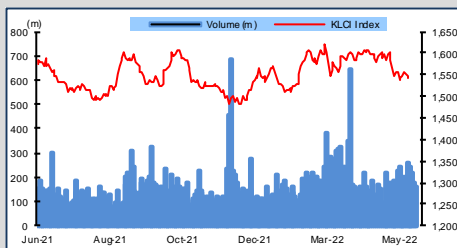
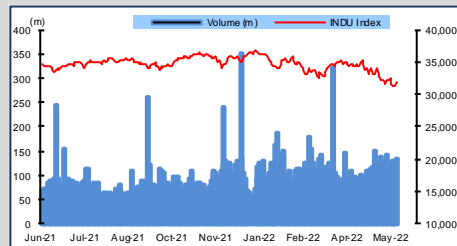
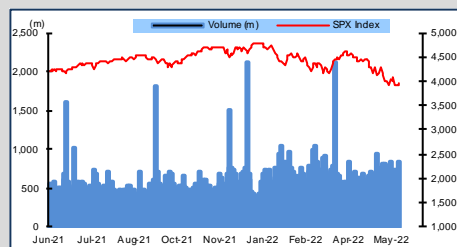
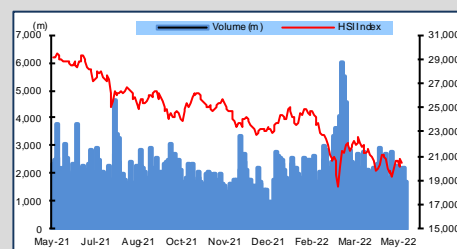
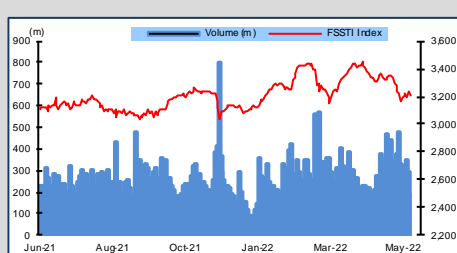
Sports Toto Bhd (Sports Toto) reported a net profit of RM79.6m for 3QFY22, jumping 326% YoY due to stronger contribution from both the gaming and motor dealership operations following a full resumption of business. The gaming operations also benefited from seasonal uptick in sales due to the festive period in February. The results surpassed our expectations but were within market estimates, accounting for 83% and 79% of full-year forecasts respectively. This was mainly due to stronger-than-expected contribution from the gaming business due to improved margin i.e lower prize payout. As such, we raise our FY22-23F earnings forecasts by 7-13% factoring in higher gaming profit due to higher margin assumption. Our DCF-based TP is revised to RM2.20. Given a 15% upside potential, we upgrade Sports Toto to **Trading Buy**. A third interim dividend of 2.0sen per share was declared (3QFY21: 1.50sen per share).

SP Setia: Expecting Stronger Quarters Ahead (SPSB MK, Outperform, TP: RM1.40)

SP Setia recorded 1QFY22 net profit of RM67.5m (-10.3% YoY, -45.3% QoQ) which constituted just 16% and 19% of our and consensus full year estimates. We deem it as in line as we expect revenue to gain speed in the coming quarters, also supported by its overseas projects. During the quarter, the Group secured sales of RM679m, with 92% from local projects and 8% from overseas. The Group also cleared inventories worth RM159m during this period. Albeit the weaker sales (only 17% of FY22 sales target of RM4bn), we understand the Group is still confident that sales will gain pace with current bookings also high at RM655m, with management focusing on converting these into sales. No change to our earnings estimates for now. With current price weakness and its deep intrinsic value, we upgrade SP Setia from Neutral to **Outperform** with unchanged TP of RM1.40 (pegged at c.70% discount to RNAV). Going forward, the Group is expected to meet its FY22 sales target underpinned by c.RM4.0bn worth of launches in the pipeline. Focus remains on landed residential projects, mostly from its existing townships.

Kawan Food: Backed by Strong Demand (KFB MK, Outperform, TP: RM2.50)

Kawan Food's (Kawan) 1QFY22 core net profit grew by 15.1% YoY to RM8.6m, mainly driven by stronger sales and lower selling and distribution expenses. Results were in line with our and consensus expectations, accounting for 23.1% and 20.3% respectively. We are still positive on Kawan's future outlook, underpinned by strong demand for frozen food products and greater production efficiency to mitigate the impact on the rising raw material prices. Meanwhile, we think that Kawan's valuation looks undemanding, as it is currently trading at a PE of 16x, (which is near -1SD of its 3-year historical average (see Figure 1)). We tweak our earnings by an average of 1% for FY22-24F due to housekeeping changes. Our **Outperform** call on Kawan is maintained, with a lower TP of RM2.50 (from RM2.60) however, as we lower our PE multiple to 20x (in line with its 3-year historical average PE) from 25x. We also roll forward our valuation base year to FY23F EPS.

FBM KLCI

DOW JONES

S&P 500

HANG SENG

STRAITS TIMES


Source: Bloomberg, PublicInvest Research

Wah Seong: Dragged by Associates (WSC MK, Outperform, TP: RM0.99)

Wah Seong (WSC) reported a core net profit of RM4.1m for 1QFY22, compared to a core net profit of RM1.9m reported in 1QFY21. This is in tandem with higher revenue (+37.6% YoY) from better oil and gas as well as renewable energy segment contributions. We deem the results as below expectations however, only meeting 7% and 5% of our and consensus full year forecasts respectively, despite earnings that are expected to pick up in the coming quarters on higher execution of its Qatar project. Key drag for the quarter is mainly due to the losses of ~RM11.2m at the associate level, and temporary hiccup in delivering its Qatar project. As such, we revise FY22 earnings forecast lower by 12.4% and 5.1% on average for FY23/24. Outstanding orderbook in hand expanded further to RM3bn, despite the current burn rate. Tender book remains substantial in excess of RM4bn with more jobs to come from the Qatar North Field Expansion project. We maintain our **Outperform** call for Wah Seong with a higher TP of RM0.99 (from RM0.91 previously), as we roll over valuations to FY23 EPS, based on a 12x PE multiple. We expect the Group to register >100% YoY earnings growth in FY22 as work momentum continues.

Ta Ann: Expecting a Strong Catch-up (TAH MK, Neutral, TP: RM5.16)

Ta Ann's 1QFY22 core earnings surged 133% YoY to RM73.3m, bolstered by stronger earnings contributions from both plantation and timber segments as well as higher contribution from its associate companies. Despite the strong set of results, it made up only 19% of our full-year forecast but in line with consensus at 25%. Nevertheless, we make no changes to our numbers as we expect to see a strong catch-up in the subsequent quarters on the back of strong contribution from both plantation and timber segments. A first interim DPS of 10sen was declared for FY22. Maintain **Neutral** call with an unchanged SOP-based TP of RM5.16.

Hextar: Steadier Quarters Ahead (HAL MK, Neutral, TP: RM1.66)

Hextar Global (HGB) reported a 1QFY22 net profit of RM15.6m (+45.5% YoY, +9.7% QoQ), the stronger YoY performance the result of consolidating new earnings from its recently-acquired specialty chemicals businesses. This was partly weighed by poorer contributions from its Agriculture segment however. While we anticipate improvements in the quarters ahead on the back of ongoing strength in the plantation industry, we err on the side of conservatism and trim FY22-FY24 estimates by an average 7.9% as we impute lower operating margins. We continue to like HGB's prospects, with growth underpinned by its leadership position in the domestic chemical-based market space, though we maintain our **Neutral** call given limited share price upsides to our rolled-over target price of RM1.66 (RM1.71 previously).

Technical: Nextgreen Global - Possible For Sideways Breakout (7241, Technical Buy)

NGGB is potentially staging a breakout from its sideways channel, with anticipation of continuous improvement in both momentum and trend in the near term. Should immediate resistance level of RM0.955 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance level of RM1.00. However, failure to hold on to support level of RM0.885 may indicate weakness in the share price and hence, a cut-loss signal.

Technical: SKB Shutters Corporation - Possible For Sideways Breakout (7115, Technical Buy)

SKBSHUT is potentially staging a breakout from its sideways channel, with anticipation of continuous improvement in both momentum and trend in the near term. Should immediate resistance level of RM0.400 be broken with renewed buying interest, it may continue to lift price higher to subsequent resistance level of RM0.425. However, failure to hold on to support level of RM0.355 may indicate weakness in the share price and hence, a cut-loss signal.

HEADLINES

Economy

- § **US: Fed's George says inflation will guide moves after rates hit 2%.** Federal Reserve Bank of Kansas City President Esther George said she expects the central bank to raise interest rates to 2% by Aug, with the further course of tightening being guided by how surging inflation cools off. "Fed policymakers have emphasized a commitment to act expeditiously to restore price stability, and I expect that further rate increases could put the federal funds rate in the neighbourhood of 2% by Aug," George said in prepared remarks to the bank's agriculture symposium. "Evidence that inflation is clearly decelerating will inform judgments about further tightening." The Fed raised interest rates by 50 basis points earlier this month, to a target range of 0.75% to 1%, and Chair Jerome Powell has signalled it was on track to make similar-sized moves at its meetings in June and July. (Bloomberg)
- § **US: Business borrowing for equipment rises 7% in April - ELFA.** US companies borrowed 7% more in April to finance their investments in equipment compared to a year earlier, the Equipment Leasing and Finance Association (ELFA) said, as firms ramp up production to meet demand. The companies signed up for USD10.5bn in new loans, leases and lines of credit, compared with USD9.3bn a year earlier. "Soaring energy prices and inflation are headwinds confronting the industry as we move into the summer months," said Ralph Petta, ELFA's CEO, in a statement. ELFA, which reports economic activity for the nearly USD1trn equipment finance sector, said credit approvals totalled 77.4%, down from 78.3% in March. (Reuters)
- § **EU: Euro zone government bond yields edge higher as risk appetite returns.** Euro zone government bond yields edged higher as increased risk appetite kept investors away from safe-haven bonds, while money market expectations about the pace of monetary tightening in the bloc were unchanged. European equities and US stock futures rose, shrugging off the gloomy Asian mood where investors worried inflation, rising interest rates, and China's zero-tolerance policy towards COVID-19 would hamper the global economic outlook. Analysts are trying to assess ECB's next moves while money markets price in 105 basis points (bps) worth of rate hikes by year-end, including a 70% chance of 50 bps in July. (Reuters)
- § **EU: German business morale rises in May on buoyant services sector.** German business morale rose unexpectedly in May thanks to a pick-up in the services sector in Europe's largest economy that helped offset the impact of high inflation, supply chain problems and the war in Ukraine, a survey showed. The Ifo institute said its business climax index rose to 93.0 in May following a reading of

91.9 in April, revised up slightly from 91.8. A Reuters poll of analysts had pointed to a May reading of 91.4. Ifo said in its statement there were "currently no observable signs of a recession". (Reuters)

- § **UK: CEO pay rebounds, gap widens with workers – report.** British chief executives' pay is on track to exceed their employees' median earnings by more than before the COVID-19 pandemic as profits and executive bonuses rebound, a report from Britain's High Pay Centre showed. The ratio of executive pay to median earnings had fallen sharply during the COVID-19 pandemic, due to lower profit-related bonuses, which make up a high proportion of CEO pay. Looking at Britain's 350 largest listed companies, the ratio of median CEO pay to median employee pay fell to 44:1 in the 2020/21 financial year from 53:1 in 2019/2020. For FTSE-100 companies, the ratio fell to 67:1 from 73:1. (Reuters)
- § **Hong Kong: Inflation eases unexpectedly in April.** Hong Kong's consumer price inflation eased unexpectedly in April to reach its lowest level in three months, data released by the Census and Statistics Department showed. Consumer prices climbed 1.3% YoY in April, slower than March's 1.7% increase. Economists had forecast inflation to accelerate to 1.9%. Netting out the effects of all government's one-off relief measures, the underlying inflation also eased to 1.6% in April from 1.7% in the previous month. The latest downward trend in inflation was mainly due to the slower increases in the prices of basic food, particularly fresh vegetables. Prices for basic food grew 5.2% annually in April and those of clothing and footwear rose 3.6%. (RTT)
- § **Taiwan: Industrial production surges in April.** Taiwan's industrial production increased at a faster pace in April, data from the Ministry of Economic Affairs showed. Industrial output increased 7.33% YoY in April, following a 2.40% rise in March. Manufacturing output rose 7.50% in April, following a 2.21% increase in the previous month. Electricity, gas and water supply output grew 5.79% and 1.33%. Meanwhile, mining and quarrying production fell 11.27%. On a MoM basis, industrial production grew 4.08% in April, after 6.27% drop in the prior month. (RTT)
- § **Taiwan: Jobless rate declines in April.** Taiwan's unemployment rate fell slightly in April, the Directorate General of Budget Accounting & Statistics showed. The unemployment rate declined a seasonally adjusted 3.68% in April from 3.70% in March. In the same period last year, the jobless rate was 3.69%. On an unadjusted basis, the jobless rate decreased to 3.62% in April from 3.66% a month ago. The number of unemployed persons fell by 6,000 to 429,000 in April from 435,000 the previous month. The total employment decreased by 25,000 persons from the previous month to 11.415m in April. (RTT)
- § **Singapore: Inflation steady at 5.4%.** Singapore consumer price inflation remained stable in April and core inflation increased, data published by the Monetary Authority of Singapore and the Ministry of Trade and Industry showed. Consumer prices increased 5.4% YoY in April, same as seen in March. Economists had expected the inflation rate to rise to 5.5%. The latest increase was due to the rise in core inflation that was offset by a moderation in private transport costs. MAS core inflation rose to 3.3% in April from 2.9% in the previous month. Economists had forecast a rise of 3.4%. The acceleration was largely driven by higher inflation for food, retail and other goods, and electricity and gas. (RTT)

Markets

- § **TM (Outperform, TP: RM6.40): Poised to offer comprehensive data centre capacity for govt digital transformation.** Telekom Malaysia Group's (TM) enterprise and public sector business arm TM One is poised to offer comprehensive data centre capacity and data sovereignty for the government's digital transformation. With the government's Cloud Framework Agreement (CFA) formalised, the appointed cloud service providers (CSPs) and managed service providers (MSPs) must now demonstrate their strategic offerings to potential clients. In a statement on May 23, the group said that in anticipating the extended capabilities needed to implement the government's strategic shift to cloud, TM One continues to expand its data centre portfolio. (The Edge)
- § **Petron: Receives notice of arbitration of RM50m for additional MIF2 project costs.** Petron M Refining & Marketing has received a notice of arbitration from MTC Engineering SB seeking RM50.5m for alleged outstanding additional costs from a project. The claims by MTC Engineering arose from the execution of Pipeline End Manifold (PLEM) Fabrication and Marine Equipment Installation for Marine Import Facilities 2 (MIF2) Project at Petron Port Dickson Refinery, Negeri Sembilan. The relief sought by MTC Engineering comprised payment of RM50.5m with 5% annual interest from date of award until final settlement, as well as costs and other reliefs. (The Edge)
- § **EUPE: Plans high-rise residential development on KL land it is buying for RM125m.** EUPE Corp is buying a 4.812-acre parcel of land located along Jalan Damansara and Jalan Belfield within the residential development of Kampung Attap, off Jalan Istana here (Belfield land) for RM125m cash, as part of plans to develop it into a high-rise residential development. The proposed acquisition is in line with the group's business expansion objective and growth strategy in accumulating new suitable land to be included in the group's landbank and to scale up its property development portfolio to generate additional streams of income for the group moving forward. (The Edge)
- § **Destini: Secures MRO contract worth RM531.39m.** Destini has secured a contract for the maintenance, repair and overhaul (MRO) of 35 train sets operated by Keretapi Tanah Melayu (KTMB) worth RM531.39m. In a statement on May 23, the group said its unit received the award of the four-and-a-half-year Level 4 MRO contract from the Ministry of Transport. Level 4 MRO for electric train sets is an important exercise that is required to be done based on a train's operational time or kilometre in service. The electric train sets are required to undergo Level 4 MRO to ensure their safety and reliability during service. (The Edge)
- § **SCIB: Bags RM38m road infrastructure job in Sarawak.** Sarawak Consolidated Industries (SCIB) has bagged a RM38m job from Masama SB to undertake a road infrastructure project connecting Baleh Bridge, RH Belaja, Ng Benin, SK Ng Pelagus and Pelagus Resort in Kapit, Sarawak. In a filing with Bursa Malaysia on May 23, the group has accepted a letter of award and acceptance for the engineering, procurement, construction and commissioning contract. The contract will commence from May 2022 to March 2023. (The Edge)

MARKET UPDATE

§ The FBM KLCI might open higher today after US stocks rallied on Monday while government bond prices fell, as investors returned to riskier assets after growth fears and high inflation left the S&P 500 nursing its seventh consecutive week of losses. The broad S&P gauge closed 1.9% higher, with gains in every sector. The tech-heavy Nasdaq Composite added 1.6%. Global equities have dropped this year as inflation — driven by economies reopening from coronavirus shutdowns and Russia's invasion of Ukraine disrupting fuel and food prices — hit multi-decade highs in many countries and central banks moved to raise interest rates in response. However, some investors have begun to question whether markets have now priced in enough bad news to create buying opportunities. Monday's advance followed a late tumround on Wall Street on Friday when the S&P briefly entered bear market territory — defined as a 20% drop from a recent peak — before rebounding to close 0.01% higher. In European stock markets, the Stoxx 600 share index added 1.3%, while London's FTSE 100 rose 1.7%. UK-listed mining shares rallied after Chinese policymakers pledged new steps to support the nation's pandemic-blighted economy.

Back home, Bursa Malaysia erased earlier gains to close in the negative territory on Monday, driven by continued profit taking in selected plantation counters, amid mixed sentiment in the regional market. At 5pm, the FBM KLCI declined 6.59 points or 0.43% to 1,542.53, from Friday's close of 1,549.12, after hovering between 1,540.09 and 1,556.43 throughout the day. Elsewhere, Hong Kong's Hang Seng share index closed 1.2% lower after the city of Beijing reported rising coronavirus cases, increasing fears of further social restrictions under China's zero-Covid policy. The Hang Seng has lost about a tenth of its value since early March. Mainland China's CSI 300 dropped 0.6% on Monday, while the Nikkei 225 in Tokyo added 1%.

TECHNICAL OUTLOOK

FBM KLCI: 1542.53 (-6.59; -0.43%)

Resistance: 1551, 1580, 1600

Support: 1515, 1485, 1455

FBM KLCI Daily Chart



The local benchmark dropped 6.59 points to end at 1542.53 yesterday, succumbing to persistent selling pressure. Market breadth turned negative as decliners outnumbered gainers 546 and 355. At this juncture, the FBM KLCI is anticipated to tread sideways around the 1551 horizon at best in the near term due to suppressed upward momentum. Support levels for the index are at 1515, 1485 and 1455, while the resistance levels are at 1551, 1580 and 1600.

ECONOMIC MONITOR (Announcements over next 7 days)

<u>Date</u>	<u>Economic Release</u>	<u>Period</u>	<u>Consensus</u>	<u>Previous</u>
25-May-22	Malaysia CPI YoY	Apr	2.3%	2.2%
26-May-22	US Initial Jobless Claims	21-May	215K	218K
30-May-22	Euro-Zone Consumer Confidence	May F	--	-21.1
31-May-22	China Non-manufacturing PMI	May	--	41.9
31-May-22	China Manufacturing PMI	May	--	47.4

CORPORATE MONITOR

RESULTS

<u>Company</u>	<u>Financial Quarter</u>	<u>Date</u>
KLK	2QFY22	24 May
TSH	1QFY22	24 May
D&O	1QFY22	24 May
Sime Darby	3QFY22	24 May
Bumi Armada	1QFY22	25 May
DKSH	1QFY22	25 May
MFCB	1QFY22	25 May
Genting Plantation	1QFY22	25 May
Axiata	1QFY22	25 May
Telekom Malaysia	1QFY22	25 May
KPJ	1QFY22	26 May
CCK	1QFY22	26 May
Genting Group	1QFY22	26 May
Genting Malaysia	1QFY22	26 May
IHH Healthcare	1QFY22	26 May
Capital A	1QFY22	26 May
DRB-Hicom	1QFY22	26 May
MISC	1QFY22	26 May
WCT Holdings	1QFY22	26 May
IJM	4QFY22	27 May
QL Resources	4QFY22	30 May
AirAsia X	3QFY22	30 May
Uzma	3QFY22	30 May
FGV	1QFY22	31 May
Bermaz Auto	4QFY22	13 Jun

COMPANY VISITS / BRIEFING

<u>Company</u>	<u>Date</u>	<u>Time</u>
Bumi Armada	25 May	1.00 pm
MISC	26 May	6.00 pm
WCT Holdings	27 May	10.00 am
IJM Corporation	27 May	5.00 pm

CORPORATE MONITOR

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>	
CNERGENZ BERHAD	ACE Market	0.58	100,000,000	50,000,000	11 May 22	11 May 22	24 May 22
UNITRADE INDUSTRIES BERHAD	ACE Market	0.32	312,500,000	125,000,000	30 May 22	30 May 22	14 June 22

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

23-May-2022

<u>Company</u>	<u>Volume</u>	<u>Value (RM)</u>	<u>Average Price (RM)</u>
Berjaya Corp	45,000,000	10,350,000	0.23
Solarvest Holdings	20,000,000	15,010,000	0.75
Pertama Digital	1,600,000	1,460,000	0.91
Cuscapi	4,630,000	1,390,000	0.30
Green Packet	200,000,000	16,000,000	0.08
Sentoria Group	6,000,000	1,500,000	0.25

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>
Guan Chong	Final dividend of 2 sen per share	0.020	21-Feb	17-May	18-May	10-Jun
AmFIRST Real Estate Investment Trust	Distribution dividend of 1.93 sen per share	0.019	26-Apr	17-May	18-May	31-May
RHB Bank	Final dividend of 25 sen per share	0.250	28-Apr	17-May	18-May	16-Jun
Atrium Real Estate Investment Trust	Distribution dividend of 2.2 sen per share	0.022	28-Apr	18-May	19-May	2-Jun
Mi Technovation	1st Interim dividend of 1 sen per share	0.010	29-Apr	18-May	19-May	2-Jun
Metronic Global	Consolidation of every 10 existing ordinary shares Metronic Global	--	5-May	19-May	20-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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PUBLIC INVESTMENT BANK BERHAD (20027-W)

26th Floor, Menara Public Bank 2
78, Jalan Raja Chulan
50200 Kuala Lumpur
T 603 2268 3000
F 603 2268 3014