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At a Glance

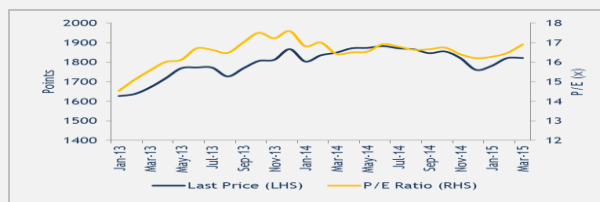
FBMKLCI surged 14.14 points to finish at 1,862.80 driven by China's PBOC decision to cut RRR(See full report next page)

Corporate Highlights

- **Petronas Chemicals, HOLD (TP: RM5.80):** Gears up for 80%-85% plant utilisation rate
- **IJM, HOLD (TP: RM7.50):** Streamlines The Light Waterfront project
- **George Kent (CP: RM1.27):** LRT extension job to lift George Kent earnings

Economic Update

- **Malaysia:** Govt to allocate RM15bil for Green Tech in 11MP
- **Thailand:** Q1 economy likely contracted quarter-on-quarter
- **Indonesia:** Will not re-introduce gasoline subsidies - energy min



KEY ECONOMIC RELEASE

	Date	Local Time	Event	Survey	Prior
JP	21-Apr	1:00 PM	Leading Index CI	-	105.3
JP	21-Apr	1:00 PM	Coincident Index	-	110.5
EU	22-Apr	10:00 PM	Consumer Confidence	-	-3.7
US	22-Apr	7:00 PM	MBA Mortgage Applications	-	-2.3%
US	22-Apr	10:00 PM	Existing Home Sales	5.05M	4.88M
US	22-Apr	10:00 PM	Existing Home Sales MoM	3.3%	1.2%
JP	22-Apr	7:50 AM	Trade Balance	(¥424.6B)	(¥425.0B)
JP	22-Apr	7:50 AM	Exports YoY	-	2.4
JP	22-Apr	7:50 AM	Imports YoY	-	-3.6
MY	22-Apr	12:00 PM	CPI YoY	0.8%	0.1%
MY	22-Apr	-	Foreign Reserves	-	\$105.1B
EU	23-Apr	4:00 PM	Markit Eurozone Manufacturing PMI	-	52.2
EU	23-Apr	4:00 PM	Markit Eurozone Services PMI	-	54.2
EU	23-Apr	4:00 PM	Markit Eurozone Composite PMI	-	54.0
US	23-Apr	8:30 PM	Initial Jobless Claims	-	-
US	23-Apr	8:30 PM	Continuing Claims	-	-
US	23-Apr	9:45 PM	Markit US Manufacturing PMI	56.0	55.7
US	23-Apr	10:00 PM	New Home Sales	510K	539K
CN	23-Apr	9:45 AM	HSBC China Manufacturing PMI	-	49.6
JP	23-Apr	9:35 AM	Markit/JMMA Japan Manufacturing PMI	-	50.3
US	24-Apr	8:30 PM	Durable Goods Orders	0.8%	-1.4%
US	24-Apr	8:30 PM	Durable Ex Transportation	0.7%	-0.4%

Bursa Malaysia

	Close	Change+/-	(+/- %)
FBMKLCI	1,862.80	14.14	0.76
FBMEMAS	12,818.56	82.79	0.65
FBMEMAS SHA	13,329.45	40.29	0.30
FBM100	12,484.77	83.57	0.67
Volume (mn)	3,040.85	-90.38	-2.89
Value (RMmn)	2,470.05	325.75	15.19
FBMKLCI YTD Chg			5.77

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Local Retail	23.2	-32.9
Local Institution	56.8	-154.7
Foreign Investors	20.0	187.6

Top Gainers

	Close	Change+/-	(+/- %)
GENTING BHD	9.20	0.47	5.38
ORIENTAL HLDG	7.36	0.39	5.60
PESTECH INTL	5.29	0.29	5.80

Top Losers

	Close	Change+/-	(+/- %)
BAT	66.60	-0.78	-1.16
RAPID SYNERGY	5.70	-0.15	-2.56
GLOBETRONICS	5.92	-0.14	-2.31

World Indices

	Close	Change+/-	(+/- %)
DJIA	17,949.59	-85.34	-0.47
NASDAQ	5,014.10	19.50	0.39
S&P 500	2,097.29	-3.11	-0.15
FTSE 100	7,062.93	10.80	0.15
DAX	11,939.58	47.67	0.40
Nikkei 225	19,909.09	274.60	1.40
HSI	27,850.49	755.56	2.79
KOSPI	2,144.79	-1.92	-0.09
STI	3,511.21	7.96	0.23
KLCI Futures	1,856.50	13.50	0.01
USDMYR 3M	9.92	(0.01)	(0.00)
USDMYR 6M	9.97	(0.02)	(0.00)
USDMYR 12M	10.05	-	-

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	56	-0.2	-0.4%
Brent (USD/bbl)	62.1	-1.4	-2.2%
Gold(USD/ounce)	1,203	0.4	0.0%
Coal (USD/mt)	58.3	0.9	1.6%
CPO (RM/mt)	2,173	17.0	0.8%
Rubber	170	3.0	1.8%
RM/USD	3.64	0.0155	-0.43%
EUR/USD	0.93	-0.0004	-0.04%
YEN/USD	119.66	-0.01	0.01%

What To Expect

U.S. Market

- The Dow Jones Industrials Average shed 85.34 points to 17,949.59, S&P 500 down by 3.11 points to 2,097.29. Nasdaq grew by 19.50 points to 5,014.10. U.S. stocks closed mixed on Tuesday, mostly failing to hold momentum from Monday, as investors reacted to individual earnings reports of major companies.
- March-quarter earnings season is in full swing, with almost 73 percent of the S&P 500 components that have reported so far beating bottom-line expectations, but just 42.2 percent beating expectations for revenue.

The Local Market

- FBMKLCI surged 14.14 points to finish at 1,862.80 driven by China's PBOC decision to cut RRR. There were 523 gainers and 375 decliners in total value traded of RM2.47 billion.
- Among the gainers on Bursa Malaysia were Genting Bhd rose 47 cent to RM9.20, Oriental Holding grew 39 cent to RM7.36, Pestech grew 29 cent to RM5.29 and Petronas Chemical expanded 28 cent to RM6.04.

Strategy

- Our 1H15 year-end target is 1,840 based on PER of 16.0x and hence, FBMKLCI is poised to record a gain of 4.5% against 2014 closing of 1,761. We have an **OVERWEIGHT** call on auto, construction, rubber gloves and telco respectively. We predict Malaysia to grow by 5.0% in 2015 against the projection of 5.9% in 2014.

CORPORATE HIGHLIGHTS

Petronas Chemicals, HOLD (TP: RM5.80): Gears up for 80%-85% plant utilisation rate

Integrated chemicals producer, Petronas Chemicals Group Bhd (PCG) is currently pushing for a higher average plant utilisation rate of between 80 to 85 percent in a bid to drive sales volume. PCG President and Chief Executive Officer Datuk Sazali Hamzah said the company's efforts in this respect are progressing well. PCG has improved operational excellence, with a plant utilisation rate of 80 per cent last year compared with 78 per cent in 2013, and for 2015 our utilisation rate is expected to rise to 80 to 85 per cent. And with the latest Sabah Ammonia Urea (SAMUR) plant due for commission next year, PCG's utilisation rate could hit beyond 85 per cent from 2016," he told Bernama on the sidelines of the 3rd Hazards Asia Pacific symposium held here today. (Source: The Star)

IJM Corp, HOLD (TP: RM7.50): Streamlines the Light Waterfront project

IJM Corp Bhd has announced a related-party transaction which involves the transfer of The Light Waterfront development in Penang from Jelutong Development Sdn Bhd to Aura Hebat Sdn Bhd (AHSB). Both companies are its subsidiaries. AHSB will acquire this development from Jelutong Development, an 80%-owned subsidiary of IJM Properties Sdn Bhd, for RM402.8mil, subject to among others, the receipt of documents of title to the property from the relevant Penang authorities. IJM Corp told Bursa Malaysia that The Light Waterfront Sdn Bhd (TLW), a wholly-owned subsidiary of IJM Land Bhd, had acquired one ordinary share of RM1 representing a 50% equity interest in AHSB. (Source: The Star)

George Kent (CP: RM1.27): LRT extension job to lift George Kent earnings

George Kent (M) Bhd, an engineering specialist, expects the acceleration of works at the RM1.1bil Ampang Light Rail Transit, or LRT line extension project, to boost its earnings for the financial year ending Jan 31, 2016. Executive director Bernie Ooi told a media briefing that the group was also in discussions with Prasarana Malaysia Bhd on "order variations", which might result in more revenue from the project. The discussions are on potential changes or additions to the project's scope of works," he said. The project, which it is working on with consortium partner Lion Pacific Sdn Bhd, is the major contributor to its engineering division. (Source: The Star)

Goh Ban Huat (CP: RM1.53): Declares 12 sen dividend

Ceramic products manufacturer Goh Ban Huat Bhd (GBH), whose net profit fell 95% to RM241, 000 in the financial year ended Dec 31, 2014, declared a first interim dividend of 12 sen per RM1 share on Tuesday. The company will have to fork out RM22.3mil based on its 185.9 million shares. The dividend will go ex on May 6. GBH had RM58.4mil in cash and bank balances as at Dec 31, 2014. It also recently sold freehold and leasehold lands in Kuala Lumpur with combined net land area of 13.9 acres plus the buildings erected on them for RM192.4mil to property developer Keladi Maju Bhd, whose major shareholders include GBH chairman Tan Sri Tan Hua Choon and GBH executive director Tan Han Chuan. (Source: The Star)

Pesona Metro Holding (CP: RM0.93): New RM2b highway

Putrajaya Perdana Bhd, alongside Pesona Metro Holdings Bhd, is on the verge of securing a highway concession in the Klang Valley worth over RM2.1bil, marking the start of both companies diversifying their business portfolio away from a heavy reliance on the construction industry. The highway, with a 55-year concession period, will give both companies recurring income and beef up their order books. The highway is also expected to form the backbone of the return of Putrajaya Perdana as a listed entity to Bursa Malaysia. Putrajaya Perdana was taken private in 2010 as part of the privatisation of UBG Bhd by Petro Saudi International. Apart from Putrajaya Perdana, UBG was also the parent company of Loh & Loh Corp Bhd. Petro Saudi International is also the same company that had entered into a joint-venture (JV) agreement on an oil and gas venture with 1Malaysia Development Bhd in 2009 for some US\$700mil. (Source: The Star)

AirAsia X (CP: RM0.45): Agrees to compensate passengers after Australia scheduling snafu

AirAsia X Bhd said on Tuesday it will compensate travellers inconvenienced by its decision to quit direct flights to the Australian city of Adelaide after authorities received a "significant number" of complaints. In a statement on its website, AirAsia X said it has now reimbursed travellers forced to cancel, rebook on other airlines or make their own way to other Australian cities to catch its flights after it quit the South Australian state capital in January. The airline added that it has also compensated passengers affected when it sold flights between the Australian city of Melbourne and Denpasar, Indonesia, from December, before it had obtained Australian regulatory clearance. That also forced customers to change their flights. *(Source: The Star)*

Malaysia Airports (CP: RM6.85): Sets up Istanbul airport steering committee

Malaysia Airports Holdings Bhd (MAHB) has established an integration steering committee (ISC) on Monday in relation to the acquisition of Sabiha Gokcen International Airport (SGIA) in Istanbul, Turkey. In January this year, the company completed the RM1.2bil acquisition of the remaining 40% stakes in Istanbul Sabiha Gokcen Uluslararası Havalimani Yatırım Yapım Ve İşletme AS (ISG) and the airport's commercial arm, LGM Havalimani İşletmeleri Ticaret Ve Turizm AS (LGM). *(Source: The Star)*

Eco World (CP: RM1.83): Confirms GDV for Batu Kawan devt at RM10b

Eco World Development Bhd has confirmed the estimated gross development value (GDV) for the proposed Eco Marina development comprising of mixed development and the golf course in Batu Kawan, Penang would be RM10bil. The property company said on Tuesday the development period would be about 10 years, with the construction for the mixed development and the international standard golf course to start within six months and three months. Nonetheless, the development costs for the proposed Eco marina development are expected to be funded through a combination of bank borrowings and/or equity funds, the quantum of which cannot be determined at this juncture," it said. The proposed Eco Marina Development is 299.64 acres of leasehold land worth RM730.93mil. *(Source: The Star)*

Yee Lee (CP: RM2.14): Inks distribution deal

Fast-moving consumer goods distributor Yee Lee Corp Bhd has inked a five-year distribution partnership agreement with Allexcel Trading Sdn Bhd to exclusively market, distribute and sell the latter's products, inclusive of the well-known Red Bull energy drinks. In a filing with Bursa Malaysia yesterday, it said the deal was bagged through its wholly owned subsidiary, Yee Lee Marketing Sdn Bhd. Allexcel features a variety of consumables including Red Bull Gold, Red Bull Less Sugar and Red Bull Bottle energy drinks. *(Source: The Star)*

Cypark (CP: RM1.90): Landfill project will add RM2bil to revenue

Cypark Resources Bhd expects its waste-to-energy project in Ladang Tanah Merah (LTM), Negri Sembilan, to generate RM2bil in revenue over the 25-year concession period. Group chief executive officer Datuk Daud Ahmad said that revenue from the project would come in progressively, with full revenue recognition starting from 2017. Daud said the company was eyeing a similar

project elsewhere, but did not elaborate. Back-of-the-envelope calculation indicates the LTM project might contribute about 34% to the company's revenue based on the RM237mil it achieved for financial year ended Oct 31, 2014. (Source: *The Star*)

VSolar (CP: RM0.36): Signs pact with Japan's Eastasia on EPC solutions

VSolar Group Bhd, an investment holding company focusing on solar renewable energy, has signed a collaboration agreement with Eastasia Group Co Ltd of Japan, to provide engineering, procurement and construction (EPC) solutions. Capitalising on Eastasia's knowledge in large commercial solar development, VSolar has been licensed by the Japanese group to use its intellectual property and expertise, for the development of solar farms using EPC design methodology. VSolar executive chairman Datuk Manan Md Said said the company intended to use the EPC solutions offered by Eastasia for its own solar facilities and expand into third-party installations. (Source: *The Star*)

Boilermech (CP: RM1.56): Inks deal with Aussie firm

Boilermech Holdings Bhd has entered into a 15-year agreement with Australia-based Commonwealth Scientific and Industrial Research Organisation (CSIRO) for the commercialisation of the latter's patents, patent applications and know-how. The agreement would focus on CSIRO technology that can enhance oil extraction from oil palm fruit in return for technology transfer fee to be paid to the Australian firm. (Source: *The Star*)

Petronas: FLNG to tap marginal fields by 1Q of 2016

Petroleum Nasional Bhd (Petronas) expects to complete its ambitious floating liquefied natural gas (FLNG) vessel by the first quarter next year. Petronas vice president and venture director LNG project domestic Datuk Abdullah Karim said on Tuesday the Petronas FLNG 1 (PFLNG) is now 91% completed. With PFLNG we are able to monetise gas fields which previously were considered too small or stranded, he told reporters at the PFLNG briefing. He explained that a marginal field for gas would have a reserve of about half a trillion cubic metres. For the PFLNG1, Abdullah said would be on site, which is in Bintulu, Sarawak (Kanowit field) by March 1 next year. (Source: *The Star*)

Construction Sector: Construction of MRT reaches 61.9%

The construction of the Mass Rapid Transit (MRT) project has reached 61.9%, said MRT Corp Sdn Bhd chief executive officer, Datuk Seri Shahril Mokhtar. He said the construction of the tunnel has also been completed and the underground work, including the building of the station, has reached 76%, which exceeded the target of 74%. This progress was achieved due to the efficiency and close cooperation of the workers," he told reporters at a ceremony to commemorate the completion of the tunnel work here today. Shahril said the construction of the line from Sungai Buloh to Jalan Semantan was expected to be completed by the end of next year and from Jalan Semantan to Kajang by July 2017. (Source: *The Star*)

ECONOMIC UPDATES

Malaysia: Govt to allocate RM15bil for Green Tech in 11MP

The government is allocating more than RM15bil in the 11th Malaysia Plan (11MP) as part of a game-changing move to introduce green technology initiatives into the economy. Director-General of the Economic Planning Unit Datuk Seri Dr Rahamat Bivi Yusoff said about RM3bil to RM4bil annually has been set under the 11MP to create environmentally-sustainable development. The 11MP, outlining the economic growth plans between 2016 and 2020, will be announced in May. Rahamat Bivi said there would be a wider implementation of green growth related initiatives to ensure continuity between the current Malaysia Plan and the upcoming 11MP. *(Source: The Star)*

Thailand: Q1 economy likely contracted quarter-on-quarter

Thailand's economy likely contracted in the first quarter from the previous three months but looks set to return to growth in April-June, a central bank official said on Tuesday. There is a high chance that on-quarter GDP will be negative given the data we have tracked, Don Nakornthab, director of the Bank of Thailand's Macroeconomic Policy Office, told reporters. The second quarter would be helped by improved exports and government investment, he added. *(Source: The Star)*

Indonesia: Will not re-introduce gasoline subsidies - energy min

Indonesia will not re-introduce government subsidies for gasoline even if prices bounce back to previous highs, the energy minister said on Tuesday. President Joko Widodo scrapped gasoline subsidies at the start of the year, freeing up US\$20bil (RM72.8bil) in state spending for infrastructure and agricultural projects. The removal of the subsidies - in keeping with policies announced during Widodo's campaign to win the presidency last year - hit as international oil prices were dipping to six-year lows, softening some of the pain of higher fuel prices. The global Brent crude benchmark has climbed nearly 40% from US\$45.19 (RM164.59) a barrel in January, though, prompting speculation that Indonesia might reinstate the subsidies if international oil prices keep rising. *(Source: The Star)*

U.S.: Fed plays down liftoff timing as it emphasizes gradual rate pace

Janet Yellen wants you to know that while the era of zero rates may be drawing to a close, money will stay cheap for a long time to come. The Federal Reserve chair and her colleagues have stressed in recent speeches that monetary policy will remain unusually easy after they begin to tighten this year for the first time in almost a decade. They are telling investors that the pace of increases is more important than the liftoff date. Policy makers have ruled out an increase at the next meeting of the Federal Open Market Committee, April 28-29. New York Fed President William C. Dudley stressed on Monday that once they start to lift rates above zero, "we will simply be moving from an extremely accommodative monetary policy to one that is only slightly less so. *(Source: The Edge)*

U.S.: Group sees thousands of US jobs from trade deal

The 12-nation Pacific trade pact would create nearly a quarter of a million US jobs due to increased foreign investment in the United States, a business group estimated, in the first look at the deal's employment impact. The Trans-Pacific Partnership (TPP), a potential legacy-defining achievement for President Barack Obama, is near completion but has run into opposition from Democrats and others who worry the deal would cost US jobs. The Organisation for International Investment (OFII), a trade group that represents the US operations of global companies, said TPP would create 68,000 direct jobs tied to an estimated US\$20bil boost in foreign direct investment (FDI). *(Source: The Star)*

U.S.: Fed rate rise won't matter as much as these U.S. housing drivers

The Federal Reserve is preparing to raise its benchmark interest rate for the first time since 2006. Yet the gradually healing housing industry — one of the biggest beneficiaries of rock-bottom borrowing costs in this economic recovery — isn't panicking. Because policy makers have signaled they will raise their key rate slowly and incrementally, potential buyers are less likely to rush into the market ahead of the first rate hike, said Columbus, Ohio-based Nationwide Insurance Chief Economist David Berson. Besides, mortgage rates, while no longer at a record low, are still half their historical average in Freddie Mac data back to April 1971. So if not the Fed's looming interest rate move, then what? Here are a few things analysts say we should be watching instead to determine how the housing market will perform this year. *(Source: The Edge)*

M&A Securities

STOCK RECOMMENDATIONS

BUY	Share price is expected to be $\geq +10\%$ over the next 12 months.
TRADING BUY	Share price is expected to be $\geq +10\%$ within 3-months due to positive newsflow.
HOLD	Share price is expected to be between -10% and $+10\%$ over the next 12 months.
SELL	Share price is expected to be $\geq -10\%$ over the next 12 months.

SECTOR RECOMMENDATIONS

OVERWEIGHT	The sector is expected to outperform the FBM KLCI over the next 12 months.
NEUTRAL	The sector is expected to perform in line with the FBM KLCI over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform the FBM KLCI over the next 12 months.

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(A wholly-owned subsidiary of INSAS BERHAD)
A Participating Organisation of Bursa Malaysia Securities Berhad

Level 1,2,3 No.45-47 & 43-6
The Boulevard, Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel: +603 – 2282 1820 Fax: +603 – 2283 1893
Website: www.mnaonline.com.my

Head Of Research



Rosnani Rasul
M&A Securities