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At a Glance

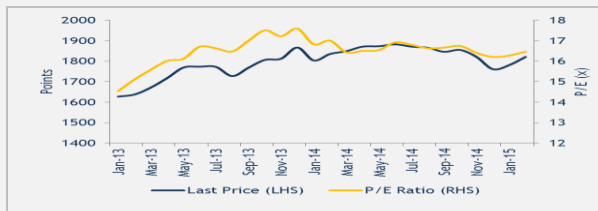
FBMKLCI rose 13.57 points to finish at 1,856.51 due to the positive sentiment on the possible delay in US interest rate hike ... (See full report next page)

Corporate Highlights

- **Maybank, BUY (TP: RM10.70):** To open fourth branch in Greater China
- **UMW Oil & Gas, BUY (TP: RM3.20):** Extends JV with Japan Drilling Co
- **Guocoland (CP: RM1.22):** Profit down to RM11.6mil
- **MRCB (CP: RM1.25):** Buying German embassy land in KL for nearly RM260m

Economic Update

- **Malaysia:** Bank Negara reserves stand at RM389.7bil
- **U.S.:** Job openings in the U.S. increased in February to 14-year high
- **Thailand:** Foreign tourist arrivals rise 23% y/y in Q1



Market Access

KEY ECONOMIC RELEASE

Date	Local Time	Event	Survey	Prior	
JP	6-Apr	1:00 PM	Leading Index CI	-	105.5
JP	6-Apr	1:00 PM	Coincident Index	-	113.3
US	6-Apr	9:45 PM	Markit US Composite PMI	-	58.5
US	6-Apr	9:45 PM	Markit US Services PMI	-	58.6
US	6-Apr	10:00 PM	ISM Non-Manf Composite	56.6	56.9
EU	7-Apr	4:00 PM	Markit Eurozone Services PMI	-	54.1
EU	7-Apr	4:00 PM	markit Eurozone Composite PMI	-	3.7%
EU	7-Apr	5:00 PM	PPI MoM	-	-0.9%
EU	7-Apr	5:00 PM	PPI YoY	-	-3.4%
MY	7-Apr	-	Foreign Reserves	-	\$109.2B
JP	7-Apr	7:50 AM	Official Reserve Assets	-	\$1251.1B
EU	8-Apr	4:10 PM	Markit Eurozone Retail PMI	-	46.4
EU	8-Apr	5:00 PM	Retail Sales MoM	-	1.1%
EU	8-Apr	5:00 PM	Retail Sales YoY	-	3.7%
JP	8-Apr	7:50 AM	BoP Current Account Balance	¥1312.1B	¥61.4B
US	8-Apr	7:00 PM	MBA Mortgage Applications	-	4.6%
US	9-Apr	8:30 PM	Initial Jobless Claims	-	-
US	9-Apr	8:30 PM	Continuing Claims	-	-
CN	10-Apr	9:30 AM	CPI YoY	1.3%	1.4%
CN	10-Apr	9:30 AM	CPI MoM	-4.4%	-4.8%
MY	10-Apr	12:00 PM	Industrial Production YoY	-	7.0%
CN	10-15 Apr	-	Foreign Reserves	-	\$3840.0B

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Bursa Malaysia

	Close	Change+/-	(+/- %)
FBMKLCI	1,856.51	13.57	0.74
FBMEMAS	12,705.87	80.93	0.64
FBMEMAS SHA	13,236.63	72.10	0.55
FBM100	12,403.76	82.39	0.67
Volume (mn)	1,948.81	-44.72	-2.24
Value (RMmn)	2,100.88	414.50	24.58
FBMKLCI YTD Chg			5.41

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Local Retail	18.4	-44.5
Local Institution	55.7	-171.4
Foreign Investors	25.9	215.9

Top Gainers

	Close	Change+/-	(+/- %)
PETRONAS DAG	21.02	0.52	2.54
SYARIKAT TAKAF	14.02	0.44	3.24
MISC	8.98	0.38	4.42

Top Losers

	Close	Change+/-	(+/- %)
LPI CAPITAL	14.82	-0.12	-0.80
MALAYSIAN PAC	6.76	-0.11	-1.60
TASEK CORP	16.20	-0.10	-0.61

World Indices

	Close	Change+/-	(+/- %)
DJIA	17,875.42	-5.43	-0.03
NASDAQ	4,910.23	-7.08	-0.14
S&P 500	2,076.33	-4.29	-0.21
FTSE 100	6,961.77	128.31	1.88
DAX	12,123.52	156.13	1.30
Nikkei 225	19,640.54	242.56	1.25
HSI	25,275.64	192.89	0.77
KOSPI	2,047.03	0.60	0.03
STI	3,465.62	12.71	0.37
KLCI Futures	1,850.50	8.50	0.00
USDMYR 3M	10.07	(0.01)	(0.00)
USDMYR 6M	10.17	(0.03)	(0.00)
USDMYR 12M	10.32	(0.01)	(0.00)

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	53	-1.1	-2.0%
Brent (USD/bbl)	59.1	1.0	1.7%
Gold(USD/ounce)	1,209	0.2	0.0%
Coal (USD/mt)	55.0	-0.6	-1.1%
CPO (RM/mt)	2,207	-26.0	-1.2%
Rubber	168	-0.1	-0.1%
RM/USD	3.64	0.0067	-0.18%
EUR/USD	0.92	-0.0007	-0.08%
YEN/USD	120.31	0.03	-0.02%

What To Expect

U.S. Market

- The Dow Jones Industrials Average shed 5.43 points to 17,875.42, S&P 500 tumbled by 4.29 points to 2,076.33. Nasdaq declined by 7.08 points to 4,910.23. U.S. stocks closed mildly lower on Tuesday as investors eyed continued gains in oil and the dollar ahead of the unofficial start of earnings season on Wednesday.
- The monthly non-farm payrolls report for March significantly missed expectations on Friday, but traders mostly digested the data as partly seasonal and as another weak indicator that could delay an interest rate hike.

The Local Market

- FBMKLCI rose 13.57 points to finish at 1,856.51 due to the positive sentiment on the possible delay in US interest rate hike. There were 502 gainers and 354 decliners in total value traded of RM2.10 billion.
- Among the gainers on Bursa Malaysia were Petronas Dagangan gained 52 cent to RM21.02, Syarikat Takaful increased 44 cent to RM14.02, MISC grew 38 cent to RM8.98 and APM Automotive up 35 cent to RM5.20.

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

Maybank, BUY (TP: RM10.70): To open fourth branch in Greater China

Malayan Banking Bhd (Maybank) will be opening its fourth branch in Greater China in Kunming, Yunnan, making it the first Malaysian bank to set foot in the province. Maybank's chairman Tan Sri Megat Zaharuddin Megat Mohd Nor said the bank is banking on the potential of China and the strategic position of the Yunnan province as a gateway to South Asia and ASEAN. He said that the group sees China as a key driver for the global economy, especially for ASEAN economies, noting that bilateral trade between ASEAN and China grew five-fold to US\$444 billion from US\$78 billion in the five-year period up to 2013. (Source: *The Edge*)

UMW Oil & Gas, BUY (TP: RM3.20): Extends JV with Japan Drilling Co

UMW Oil & Gas Corp Bhd (UMW-OG) has extended its joint venture with Japan Drilling Co Ltd (JDC) for another five years to co-own a rig. UMW-OG has recently signed an addendum to its joint venture agreement (JVA) with JDC to confirm the mutual agreement of both parties to renew the terms of the JVA for

another five years after the end of the first 10 years. Consequent to the signing of the addendum, the company has also signed the addendum to the rig-owning agreement with JDC, JDC Panama Inc and UMW Drilling Co Ltd for the renewal of the term of the rig-owning agreement dated March 11, 2005 signed between these parties," it said. The company said all other terms of the JVA remain unchanged. *(Source: The Edge)*

Guocoland (CP: RM1.22): Profit down to RM11.6mil

Guocoland (M) Bhd's net profit for its third quarter ended March 31 slipped 26% to RM11.63mil from RM15.71mil a year earlier, mainly due to a lower contribution from the group's commercial development sub-segment and joint ventures. The company, however, said the reduction in the contribution from commercial projects was mitigated by the increased contribution in the residential development sub-segment. Revenue in the third quarter dropped to RM52.75mil from RM58.44mil a year ago. Basic earnings per share stood at 1.74 sen, compared with 2.35 sen previously. *(Source: The Star)*

MRCB (CP: RM1.25): Buying German embassy land in KL for nearly RM260m

Malaysian Resources Corporation Berhad (MRCB) is buying the German Embassy land here for cash consideration of RM259.15mil. MRCB said on Tuesday it had entered into a sale and purchase agreement with the government of the Federal Republic of Germany to acquire the 1.8661 acres of land with the buildings. To recap, on 26 January 2015, MRCB participated in a tender called by the vendor for the land. "The tender price of RM259.15mil or RM3,188 per sq ft is about 6% higher than the market value of the land based on the appraisal conducted by CH Williams Talhar & Wong and Raine & Horne International Zaki & Partners," it said. *(Source: The Star)*

Kanger International (CP: RM0.41): Eyes up to 30% sales growth in 2015

Kanger International Bhd, China's bamboo flooring manufacturer, is eyeing up to 30% sales growth this year from RM66.72 million last year. Managing director Leng Xingmin said in an effort to achieve the target, the company planned to widen its distribution network in China to 80 from 30 at present. At the EGM, shareholders approved the proposed diversification of principal activities to include property investment and management, and issuance of redeemable convertible note (RCN) programme of up to RM100 million. *(Source: The Star)*

Ewein (CP: RM0.58): RM800mil GDV for Ewein's project in Penang

The first property project on land alienated in relation to Penang's massive highway and traffic mitigation venture will have a gross development value of RM800mil. Ewein Bhd and Consortium Zenith BUCG Sdn Bhd will undertake the mixed development project on 3.67 acres in Bandar Tanjong Pinang. In a filing with Bursa Malaysia yesterday, Ewein said that it was expected to start in the second half of this year. Yesterday, the Penang Island City Council approved the building plans for the development on the parcel of land alienated to Ewein Zenith, a 60:40 joint venture between Ewein and Consortium Zenith. *(Source: The Star)*

Encorp (CP: RM1.39): Felda in preliminary property development talks

Encorp Bhd is in preliminary discussions with its single-largest shareholder, the Federal Land Development Authority (Felda), for a potential collaboration in property development. However, no formal terms or agreement between the two parties have been reached, it said in a filing with Bursa Malaysia. Felda owns 70.97% of Encorp through its investment arm Felda Investment Corp (FIC). FIC had emerged as a shareholder in Encorp last May. *(Source: The Star)*

Taliworks Corporation (CP: RM2.33): JV gets SC go-ahead for RM210m Sukuk

A Taliworks Corporation Bhd joint venture has received the Securities Commission's approval for the proposed issuance of the RM210mil Sukuk Murabahah. Taliworks said on Tuesday the Sukuk would be issued by Grand Sepadu (NK) Sdn Bhd, a joint venture in which it has a 75%, and operates and maintains the concession of the New North Klang Straits Bypass Expressway. "The proceeds from the issuance of the Sukuk Murabahah will be utilised to facilitate the roll-over of the short term syndicated bridging loan facility of up to RM200mil undertaken by GSNK into the Sukuk Murabahah and for working capital purposes," it said. *(Source: The Star)*

Kretam Holdings (CP: RM0.45): Extends cut-off date for bulking JVA

Sabah-based plantation player Kretam Holdings Bhd announced that its subsidiary Usaha Dimega Sdn Bhd has extended the cut-off date to fulfil all the conditions precedent in the bulking joint-venture agreement (BJVA) that the latter inked with Rikaworth Sdn Bhd. This is the second extension of the BJVA. The first extension up to March this year was announced on Jan 7, 2015. To recap, Usaha Dimega signed the conditional BJVA with Rikaworth on July 7, 2014 to venture into the business of palm oil common bulking installations for palm oil and related products. *(Source: The Edge)*

ECONOMIC UPDATES**Malaysia: Bank Negara reserves stand at RM389.7bil**

Bank Negara's international reserves stood at RM389.7bil (US\$105.1bil) as at March 31, 2015. In a statement, the central bank said the current reserves position was sufficient to finance 8.1 months of retained imports and was 1.1 times the short-term external debt. Comparatively, the international reserves as at March 31 were higher against the RM386bil recorded as at end-February. However, in dollar terms, February's international reserves were higher at US\$110.5bil, due to the strength of the dollar compared with the other units in Bank Negara's basket of currencies. The central bank said the reserves level took into account the quarterly adjustment for foreign exchange revaluation changes. *(Source: The Star)*

U.S.: Job openings in the U.S. increased in February to 14-year high

Job openings rose in February to the highest level in 14 years, indicating the U.S. labor market remained resilient even as the economy was cooling. The number of positions waiting to be filled climbed by 168,000 to 5.13 million, the most since January 2001, a report from the Labor Department showed Tuesday. Hiring slowed and fewer Americans quit their jobs. More job listings and waning

dismissals signal companies remained optimistic the U.S. will pick up in coming months and lead to stronger hiring after March data showed the weakest payrolls gain since 2013. (Source: *The Edge*)

Thailand: Foreign tourist arrivals rise 23% y/y in Q1

The number of foreign tourists arriving in Thailand rose 23 percent to 7.8 million in the first three months of 2015, a spokesman for the Ministry of Tourism and Sports said on Tuesday. Tourists from China, Malaysia, South Korea, Russia and Japan topped the list of visitors, Chanvit Polcheevin said in a statement. The number of visitors jumped 37.8 percent to 337,000 in the first four days of April compared to the same period in 2014, with growth for the month seen at 25 percent, Chanvit said. (Source: *The Star*)

Australia: RBA skips on rate cut, focus shifts to May

Australia's central bank kept interest rates steady for a second month on Tuesday to defy market pressure for a cut, but the stars are better aligned for a move in May. The Reserve Bank of Australia's (RBA) decision to hold at 2.25 percent surprised many investors who had wagered plunging prices for iron ore, the country's biggest single export earner, would force its hand. The local dollar shot up three quarters of a U.S. cent to \$0.7900 as a consequence. "The Board judged that it was appropriate to hold interest rates steady for the time being," RBA Governor Glenn Stevens said in a terse eight paragraph statement. (Source: *The Star*)

Europe: Eurozone business growth accelerates as new orders pour in

Euro zone business activity accelerated in March at its fastest pace for nearly a year as customers took advantage of ongoing price discounting to place new orders at a rate not seen since mid-2011, a survey found. The upbeat survey will provide welcome news for the European Central Bank just weeks after it embarked on a trillion-euro asset-purchase programme to try and spur growth and inflation. Markit's final March Composite Purchasing Managers' Index (PMI), seen as a good indicator of growth, stood at 54.0, a touch below the preliminary estimate of 54.1 but well ahead of February's 53.3. A reading above 50 implies growth. (Source: *The Edge*)

Global: IMF endorses Islamic finance, warns it must be implemented better

The International Monetary Fund has endorsed the principles of Islamic finance, saying it could prove safer than conventional finance, but the multilateral lender warned Islamic bankers that they must tighten rules and follow them more consistently. A report released by the IMF this week showed the lender's growing interest in Islamic banking, which is expanding in much of the world. Last October, the IMF launched discussions with an external advisory group of Islamic finance experts and industry bodies. The IMF's report noted that because Islamic banking forbids pure monetary speculation and stresses that deals should be based on real economic activity, it could pose less risk than conventional banking to the stability of financial systems. (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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