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Wednesday, May 27, 2015

Report of the Day

Results Review: BMB 1Q15, BUY (TP: RM4.84) – “Brilliant Beginning”

Results Review: UMW Holdings 1Q15, HOLD (TP: RM10.77) – “Tough Atmosphere in FY15”

Results Review: Bumi Armada 1Q15, HOLD (TP: RM1.32) – “Healthy FPSO Offset by Weak OSV Contribution”

Results Review: IJM Corp 4Q15, BUY (TP: RM8.14) – “Fundamental Remain Intact”

Results Review: IJM Plantations 4Q15, HOLD (TP: RM3.46) – “Banking on Indonesia Estates”

Results Review: FGV 1Q15, HOLD (TP: RM2.15) – “Hit by Palm Plantation and Palm Downstream”

Results Review: Dutch Lady 1Q15, SELL (TP: RM40.00) – “Bleeding Quarter”

Results Review: MSM 1Q15, HOLD (TP: RM5.30) – “Broadly Inline”

At a Glance

FBMKLCI fell 3.31 points to finish at 1,764.07 due to the lack of fresh catalyst to spur local market sentiment.....(See full report next page)

Strategy

“Market Choppiness to Continue”

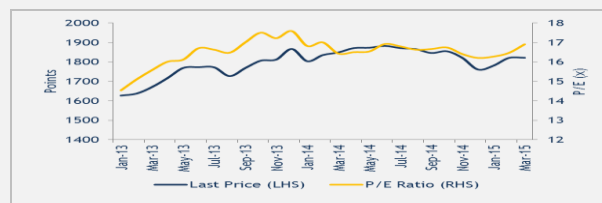
All in, the equity market is in for a rough ride, putting greater believe in a notion ‘sell in May and go away’.....(See full report next page)

Corporate Highlights

- **BIMB, BUY (TP: RM4.84):** 1Q15 net profit increases 10% to RM153 million
- **UMW Holdings, HOLD (TP: RM10.77):** Posts weaker earnings on lower automotive contribution
- **Bumi Armada, HOLD (TP: RM1.32):** Profit rises amid more challenging market

Economic Update

- **Malaysia:** Emerges as one of largest e-commerce markets in South-East Asia
- **Singapore:** Robust Q1 GDP points to steady policy for now
- **Thailand:** Approves US\$12bil Japan railway scheme



Bursa Malaysia

	Close	Change+/-	(+/- %)
FBMKLCI	1,764.07	-3.31	-0.19
FBMEMAS	12,199.99	-11.78	-0.10
FBMEMAS SHA	12,672.39	10.38	0.08
FBM100	11,881.26	-16.08	-0.14
Volume (mn)	1,582.53	-276.92	-14.89
Value (RMmn)	1,937.18	27.67	1.45
FBMKLCI YTD Chg			0.16

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Local Retail	16.0	1.4
Local Institution	58.3	218.5
Foreign Investors	25.7	-219.9

Top Gainers

	Close	Change+/-	(+/- %)
PETRONAS DAG	19.68	0.48	2.50
FAR EAST	8.33	0.31	3.87
UNITED PLANT	26.50	0.28	1.07

Top Losers

	Close	Change+/-	(+/- %)
DUTCH LADY	46.80	-0.50	-1.06
KLK	21.84	-0.36	-1.62
PPB GROUP	14.94	-0.34	-2.23

World Indices

	Close	Change+/-	(+/- %)
DJIA	18,041.54	-190.48	-1.04
NASDAQ	5,032.75	-56.61	-1.11
S&P 500	2,104.20	-21.86	-1.03
FTSE 100	6,948.99	-82.73	-1.18
DAX	11,625.13	-189.88	-1.61
Nikkei 225	20,437.48	23.71	0.12
HSI	28,249.86	257.03	0.92
KOSPI	2,143.50	-2.60	-0.12
STI	3,460.85	1.50	0.04
KLCI Futures	1,751.50	(8.00)	(0.00)
USDMYR 3M	9.84	0.04	0.00
USDMYR 6M	9.85	0.02	0.00
USDMYR 12M	9.97	0.05	0.00

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	58	0.4	0.6%
Brent (USD/bbl)	63.7	-1.8	-2.7%
Gold(USD/ounce)	1,187	0.1	0.0%
Coal (USD/mt)	60.1	0.0	0.1%
CPO (RM/mt)	2,185	47.0	2.2%
Rubber	185	0.6	0.3%
RM/USD	3.63	0.015	-0.41%
EUR/USD	0.92	-0.0007	-0.08%
YEN/USD	123.04	-0.06	0.05%

KEY ECONOMIC RELEASE					
	Date	Local Time	Event	Survey	Prior
JP	25-May	7:50 AM	Trade Balance	-	¥229.3B
US	26-May	8:30 PM	Durable Goods Orders	-0.5%	4.0%
US	26-May	8:30 PM	Durable Ex Transportation	0.4%	-0.2%
US	26-May	9:00 PM	S&P/CS 20 City MoM SA	-	0.93%
US	26-May	9:00 PM	S&P/CS Composite-20 YoY	4.50%	5.03%
US	26-May	9:00 PM	S&P/CasesShiller 20-City Index NSA	-	173.67
US	26-May	9:45 PM	Markit US Composite PMI	-	57.0
US	26-May	9:45 PM	Markit US Services PMI	-	57.4
US	26-May	10:00 PM	New Home Sales	500K	481K
US	26-May	10:00 PM	New Home Sales MoM	4.0%	-11.4%
US	26-May	10:00 PM	Consumer Confidence Index	95.2	95.2
US	27-May	7:00 PM	MBA Mortgage Applications	-	-1.5%
EU	28-May	5:00 PM	Economic Confidence	-	103.7
EU	28-May	5:00 PM	Business Climate Indicator	-	0.32
EU	28-May	5:00 PM	Consumer Confidence	-	-
JP	28-May	7:50 AM	Retail Trade YoY	-	-9.7%
JP	28-May	7:50 AM	Retail Sales MoM	-	-1.9%
US	28-May	8:30 PM	Initial Jobless Claims	-	-
US	28-May	8:30 PM	Continuing Claims	-	-
US	28-May	10:00 PM	Pending Home Sales MoM	1.0%	1.1%
EU	29-May	4:00 PM	M3 Money Supply YoY	-	4.6%
JP	29-May	7:30 AM	Jobless Rate	-	3.4%
JP	29-May	7:50 AM	Industrial Production MoM	-	-0.8%
JP	29-May	7:50 AM	Industrial Production YoY	-	-1.7%
JP	29-May	12:00 PM	Vehicle Production YoY	-	-6.5%
JP	29-May	1:00 PM	Housing Starts YoY	-	0.7%
JP	29-May	1:00 PM	Annualized Housing Starts	-	0.920M
JP	29-May	1:00 PM	Construction Orders YoY	-	10.8%
US	29-May	10:30 AM	GDP Annualized QoQ	-0.9%	0.2%
US	29-May	10:30 PM	Personal Consumption	-	1.9%
US	29-May	10:00 PM	U. of Mich. Sentiment	90.1	88.6
MY	29-May	6:00 PM	Money Supply M3 YoY	-	7.9%

What To Expect

U.S. Market

- The Dow Jones Industrials Average shed 190.48 points to 18,041.54; S&P 500 down by 21.86 points to 2,104.20. Nasdaq tumble by 56.61 points to 5,032.75. Stocks were hit hard on Tuesday in a way we haven't seen since late April as a combination of stronger economic data and troubles in the Greek bailout negotiations as the June 5 payment deadline to the International Monetary Fund approaches.
- U.S. Federal Reserve Vice Chairman Stanley Fischer said Tuesday that markets should not be surprised by the timing or pace of rate hikes.

The Local Market

- FBMKLCI fell 3.31 points to finish at 1,764.07 due to the lack of fresh catalyst to spur local market sentiment. There were 485 gainers and 318 decliners in total value traded of RM1.94 billion.
- Among the losers on Bursa Malaysia were Dutch Lady slid 50 cent to RM46.80, KLK slipped 36 cent to RM21.84, PPB Group fell 34 cent to RM14.94 and Hong Leong Financial dropped 34 cent to RM15.80.

Strategy

- “Market Choppiness to Continue”**

Choppy it is. Wall Street suffered one of its steepest back slides this month, hurt by multiple familiar factors including the usual suspects like Greece debt debacle and US forthcoming interest rate adjustment. **S&P 500** and **DJIA** tanked **21.86 (-1.03%)** and **190.48 (-1.04%)** points to end at **2,104.20** and **18,041.54** respectively. The swinging blade is longer this time around as the Dollar jumped

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higher no thanks to flight to safety, pushed by negative factors mentioned above. Added to the wound, the US hammered convincing economic statistics driven by improving business investment spending, rising consumer confidence and steady jump in house prices, all for the month of April release. These numbers could be potent combination that could lead to stronger argument for an adjustment in US Federal Funds rate soon, widely speculated to be in September. Adding to concerns was Greece, which has warned it may miss its June 5 debt repayment to the International Monetary Fund (IMF). All in, the equity market is in for a rough ride, putting greater believe in a notion 'sell in May and go away'.

- 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

BIMB, BUY (TP: RM4.84): 1Q15 net profit increases 10% to RM153 million

BIMB Holdings Bhd registered a 9.92% growth in net profit for 1Q15 to RM153.45 million, compared with RM137.11 million in its previous corresponding quarter. Likewise, revenue also increased 11.31% to RM809.08 million from RM726.9 million. The Islamic investment holding company attributed the rise in revenue and profit to its Islamic Banking and Takaful groups. "Bank Islam Group ('Bank Islam' or 'the Bank') reported a Profit before Zakat and Taxation (PBZT) of RM173.7 million or an increase of 4.0% for the three months ended 31 March 2015 compared to the previous corresponding period. The improved performance was mainly attributed to growth in business activities. "For the first quarter ended 31 March 2015, Takaful Malaysia Group ('Takaful Malaysia') recorded a PBZT of RM62.2 million, increased by 39.1% as compared to RM44.7 million in the same corresponding period last year. (Source: The Edge)

UMW Holdings, HOLD (TP: RM10.77): Posts weaker earnings on lower automotive contribution

UMW Holdings Bhd's financial performance for the first quarter ended March 31, 2015 was dragged down by the much reduced contribution from the automotive business. Its net profit fell 29.9% year-on-year to RM165.15mil while revenue slipped 9.6% to RM3.25bil. The automotive segment, the group's biggest earnings contributor, recorded a 42.6% lower profit before taxation of RM233.5mil for the quarter as its Toyota core vehicle models faced stiff competition from the new models launched by other players in the market. The weakening ringgit also affected negatively the profit for the segment. The equipment segment, however, posted a profit before taxation of RM99.3mil, up 54% from RM39.1mil recorded in the previous corresponding quarter. Both heavy and industrial equipment sub-segments contributed higher revenue that led to higher profits. (Source: The Star)

Bumi Armada, HOLD (TP: RM1.32): Profit rises amid more challenging market

Offshore oilfield services provider Bumi Armada Bhd posted an 11.2% rise in net profit for the first quarter (Q1) ended March 31, 2015, to RM72.1mil from a year earlier. Revenue increased 22% to RM572.1mil year-on-year. The better performance was thanks to additional contributions from a contract awarded by Eni SpA in April 2014 for a floating production, storage and offloading (FPSO) tanker facility in Angola as well as higher conversion activities from the Enquest Plc FPSO project for the Kraken field in the North Sea and improved utilisation of tankers held as FPSO conversion candidates. Acting chief executive officer Chan Chee Beng said in a press statement that its order book of RM38.9bil, comprising RM25.6bil on firm contract periods and RM13.3bil on optional extensions, was among the largest order books in Malaysia and provided a solid foundation to grow the company. (Source: *The Star*)

FGV, HOLD (TP: RM2.15): Hit by lower crop and palm oil volumes

Felda Global Ventures Holdings Bhd (FGV) started the year badly with first quarter (Q1) net profit plunging 85.8% to RM29.7mil from RM208.8mil a year earlier. Revenue for the quarter ended March 31 dropped 20.4% year-on-year to RM2.96bil. The result is as expected due to the challenges compounded by low production of fresh fruit bunches (FFB) and downward trend in crude palm oil (CPO) prices – affecting most plantation based industry players,” FGV said in a statement to the media on Tuesday. The palm plantation and palm downstream segments, which are the largest revenue contributors to the group, both recorded losses - of RM1.57mil and RM44.01mil respectively. FFB production volume dropped 20% 930,000 tonnes. Meanwhile, CPO sales volume dropped 35% versus a year earlier and even the average CPO price was 12% lower at RM2,279 per tonne. (Source: *The Star*)

IJM Corp., BUY (TP: RM8.14): Q4 PBT down to RM244 mil

In the current quarter, the Group posted an operating revenue of RM1,442.8 million, a decrease of 12.6% over the corresponding quarter of the preceding year, mainly due to decrease in revenue from the Group's Construction, Property and Plantation divisions. The Group's pre-tax profit for the current quarter stood at RM244.6 million, a decrease of 17.8% compared to the corresponding quarter of the preceding year. This was mainly because the preceding year's corresponding quarter included one-off items such as gain on remeasurement of the previously held stake of RM222.7 million from the acquisition of additional equity interest in Radiant Pillar Sdn Bhd and partly offset by the impairment of concession assets in Vijayawada Tollway Pte Ltd and Lebuhraya Kajang Seremban Sdn Bhd totalling RM176.1 million. (Source: *Bursa Malaysia*)

IJM plantations, HOLD (TP: RM3.46): Q4 down by 29.4%

For Q4-FY2015, the Group recorded a 29.4% decrease in revenue as compared to Q4-FY2014 mainly due to lower sales volume and lower commodity prices. Loss before taxation arose mainly due to the higher net unrealised foreign exchange losses. The year-to-date revenue of the Group was 3.2% higher than that of the Year to-date FY2014. The increase was mainly due to higher sales volume. The Group is exposed to the foreign currency exchange movement due to its US Dollar denominated borrowings. The Group's financial performance

was adversely impacted by the exchange rate movement of the Rupiah against the US Dollar. (Source: Bursa Malaysia)

MSM, HOLD (TP: RM5.30): 1Q net profit rises 26% on lower raw sugar cost

MSM Malaysia Holdings Bhd registered a 26% increase in net profit for 1Q15 to RM71.03 million from RM56.33 million in its previous corresponding quarter. Revenue was slightly up as well, gaining 2.05% to RM508.49 million from RM498.26 million a year ago. The group said that its growth in profit and revenue was higher mainly due to the lower cost of raw sugar and higher revenue recorded for Industries sales, despite lower sales for domestic and export. Going further into the group's FY15, MSM said that it was expecting to be able to sustain a satisfactory performance, notwithstanding the volatility of commodity prices. (Source: The Edge)

Dutch Lady, SELL (TP: RM40.00): 1Q net profit down 26.2% on lower revenue

Dutch Lady Milk Industries Bhd registered a 26.2% drop in net profit to RM17.03 million or 26.6 sen a share for its first quarter ended March 31, 2015 (1QFY15) from RM23.07 million or 36 sen a share a year ago, due to the lower revenue and increased marketing investments to support the relaunch activities. Revenue for the quarter fell 13.5% to RM196.89 million from RM227.68 million in 1QFY14, due to the rundown of activities prior to the relaunch of its Dutch Lady Children Formula Milk. In a filing with Bursa Malaysia today, the dairy products manufacturer said the business environment is expected to remain competitive against the backdrop of less robust consumer confidence. "Despite the ongoing business challenges for 2015, the company remains committed to leveraging the strength of the Dutch Lady brand with the introduction of the Dutch Lady PureFarm range and relaunch of Dutch Lady Children Formula Milk," it added. (Source: The Edge)

Hong Leong Financial (CP: RM15.80): Posts lower earnings in Q3 as insurance biz weighs

Hong Leong Financial Group Bhd (HLFG) posted a 12.3% decline in earnings at RM363.49mil in the third quarter ended March 31, 2014 mainly due to lower contribution from insurance division. The financial services group announced on Tuesday the earnings were lower compared with RM414.68mil a year ago. Profit before tax was down 3.9% to RM699.7mil from RM727.9mil a year ago. The decline in profit was however, mitigated by higher contribution from banking division. HLFG's revenue slipped to RM1.045bil from RM1.053bil. Earnings per share were 34.70 sen compared with 39.80 sen. It rewarded shareholders with a dividend of 25 sen a share, unchanged from the previous year. (Source: The Star)

Hong Leong Bank (CP: RM13.72); Reports 3.8% increase in 3Q net profit on higher net income

Hong Leong Bank Bhd (HLBB) reported a 3.8% increase in net profit for the third quarter ended March 31, 2015 (3QFY15) to RM519.17 million, or 29.39 sen per share from RM500.05 million or 28.4 sen per share in 3QFY14, led by a healthy growth in net interest income, improved asset quality and strong contribution from associates. HLBB said that for the nine months ended March 31, 2015 (9MFY15) it had reported a 3.42% increase in net profit to RM1.62 billion or

91.62 sen per share, from RM1.56 billion or 88.87 sen per share in the same period a year ago. In terms of revenue, HLBB reported a 4.2% increase in revenue to RM988.11 million in 3QFY15, from RM948.27 million in 3QFY14, mainly due to a better performance from its global markets segment. (Source: *The Edge*)

Bonia (CP: RM1.06): 3Q net profit down nearly 9%

Bonia Corp Bhd's net profit dropped nearly 9% to RM14.13 million for the third quarter ended March 31 (3QFY15), from RM12.98 million a year ago. This translated into a higher earnings per share (EPS) of 1.75 sen, as compared to 1.61 sen in 3QFY14. Quarterly revenue was up 14% to RM195 million, from RM171.02 million. Giving the uncertain economic outlook, Bonia's prospect for the remaining financial year is expected to be challenging. For the nine-month period ended March 31, Bonia posted a net profit of RM40.94 million, a decline of 11.4% from RM46.21 million a year ago, due to a decrease in profit margin caused by promotional activities prior to the implementation of goods and services tax (GST) and higher operating expenses. EPS for the period was lower at 5.08 sen, as compared to 5.73 sen in 9MFY14. (Source: *The Edge*)

YNH (CP: RM1.92): 1Q net profit falls nearly 70%

YNH Property Bhd saw its net profit fallen nearly 70% to RM5.18 million in the first quarter ended March 31, 2015 (1QFY15), from RM17.01 million a year ago, after the completion of project Fraser Residence Kuala Lumpur. Earnings per share (EPS) was lower at 1.26 sen, as compared to 4.07 sen in the corresponding quarter last financial year. Revenue was at RM103.23 million, a drop of 2% from RM105.28 million. In a filing with Bursa Malaysia, YNH said it registered a lower profit before taxation for the financial period, as compared to previous year's correspondence quarter, due to the completion of project Fraser Residence Kuala Lumpur. It said the group's performance this year was mainly derived from progressive sales of unsold units in Fraser Residence Kuala Lumpur, progressive sales of its inventories in Ceriaan Kiaran (Mont Kiara, Kuala Lumpur), and sales of development land. (Source: *The Edge*)

Sumatec (CP: RM0.19): 1Q net profit more than quadruples, boosted by forex gains

Sumatec Resources Bhd saw its net profit surged 335% to RM19.44 million in the first quarter ended March 31 (1QFY15), from RM4.47 million a year ago, on higher revenue and unrealised gains on foreign exchange. Earnings per share (EPS) expanded to 0.57 sen, from 0.15 sen in 1QFY14. Revenue more than doubled to RM27.98 million, from RM13.74 million, in line with the increase in level of activities in the upstream oil and gas operations. In a filing with Bursa Malaysia today, Sumatec said the market conditions within the oil and gas industry are forecasted to continue being challenging during the rest of 2015. (Source: *The Edge*)

Sunway (CP: RM3.52): 1Q net profit jumps 41% to RM146.54m

Sunway Bhd saw its net profit advanced 41% to RM146.54 million or 8.45 sen per share in its first quarter ended March 31, 2015 (1QFY15), from RM103.99 million or 6.03 sen per share last year. The higher net profit was boosted by the realised capital gains of RM22.9 million from the disposal of Sunway

Hotel Georgetown and Wisma Sunway, and higher profit contributions from all its business segments. However, its property development segment recorded a lower profit contribution. Revenue for the quarter strengthened by 3.41% to RM1.06 billion, from RM1.025 billion in 1QFY14. (Source: *The Edge*)

Bina Puri (CP: RM0.54): In JV for Johor project with RM204m GDV

Bina Puri Holdings Bhd is undertaking a joint venture to develop a residential project in LakeHill Resort City near Masai in Johor. It is teaming up with landowner LakeHill Resort Development Sdn Bhd, a unit of Malaysia Pacific Corporation Bhd to undertake the residential housing project on the 24.41 acre site with a gross development value of RM204mil. It said on Tuesday its unit Bina Puri Properties Sdn Bhd had signed a joint development agreement with LakeHill, a unit of Malaysia Pacific Corporation Berhad, to undertake the residential housing project on the 24.41 acre site. Bina Puri said based on the preliminary planning stage, the estimated GDV was RM204mil. (Source: *The Star*)

MRCB (CP: RM1.27): Planning Brickfields high-rise mixed development

Malaysian Resources Corp Bhd (MRCB) is planning a high-rise mixed development on the 1.4ha (3.5 acre) 100 Quarters land in Brickfields here. MRCB executive vice president Datuk Dell Akbar Khan said development plans for MRCB's only plot of vacant Brickfields land "are still at the drawing board" since the property developer had yet to own the land. However, Dell Akbar confirmed that it would "most likely be a mixed development featuring a connecting covered walkway to Kuala Lumpur Sentral." He said MRCB could develop three towers of about 40-storeys each on the tract. The project may comprise residential, commercial and retail portions, according to him. (Source: *The Edge*)

Masteel (CP: Suspended): Bursa Securities' answer to Masteel is still no

Malaysia Steel Works (KL) Bhd (Masteel) has again failed to get Bursa Malaysia Securities' approval for a time extension to release its financial results. Masteel, which earlier this month was slapped with share trading suspension for the delay in submitting its annual audited accounts for 2014, this time asked to postpone the release of its first-quarter-ended-March results to July 31. Bursa Securities, however, told the steel bar manufacturer that it had "resolved to reject" the company's application. In its announcement to the exchange on Tuesday, Masteel said the delay was caused by an ongoing special review by UHY Advisory (KL) Sdn Bhd, which was appointed to conduct an independent and comprehensive review of the issues raised by Nexia SSY, the external auditors on the company's 2014 financial statements. (Source: *The Star*)

ECONOMIC UPDATES

Malaysia: Emerges as one of largest e-commerce markets in South-East Asia

Malaysia has emerged as one of the largest e-commerce markets in South-East Asia alongside Singapore and Indonesia, according to eBay Inc's report, Commerce 3.0: Enabling Asean Small and Medium Enterprises (SMEs). The report noted that intra-Asean trade flows between Malaysia and Singapore were the highest in the region, generating almost half of total online sales. A separate report said consumers in Asia-Pacific would spend more on online purchases than those in North America, making it the largest regional e-commerce market in the world. This year alone, business to consumer e-commerce sales are expected to reach US\$525.2bil in the region, compared with US\$482.6bil in North America. (Source: The Star)

Singapore: Robust Q1 GDP points to steady policy for now

Singapore's economy in the first quarter grew faster than estimated as manufacturing and services sectors showed more resilience, boding well for the city-state's economic growth outlook this year. The surprisingly strong data bolsters the case for the Monetary Authority of Singapore (MAS) to hold off from additional monetary easing later this year, economists said. The trade-reliant economy expanded an annualised and seasonally adjusted 3.2 percent in the January-March quarter from the previous three months, the Ministry of Trade and Industry said on Tuesday. That far exceeded the 1.1 percent expansion in the government's advance estimate released in April, and beat a Reuter's poll forecast for 1.8 percent growth. (Source: The Star)

Thailand: Approves US\$12bil Japan railway scheme

Thailand's cabinet has approved a US\$12bil (RM43.7bil) railway project to be built with Japanese help, a deputy government spokesman said on Tuesday, one of several big-ticket plans the government hopes will stimulate South-East Asia's second largest economy. The Thai-Japan rail project is the latest initiative by the military government to help jump-start a slowing economy by strengthening infrastructure, employment, transport and tourism. The high-speed rail scheme will cover a distance of 670km, connecting Bangkok to the northern city of Chiang Mai. Construction could begin as early as the second quarter of 2016. (Source: The Star)

Greece: Committed to reforms, rules out more austerity

Greece is committed to liberalising its economy, reforming its pension system and running a reasonable primary budget surplus, Finance Minister Yanis Varoufakis wrote on Tuesday. But it cannot meet requests from its creditors to adopt further austerity measures this year and beyond as this would cripple its ability to carry out the needed reforms, he wrote in an opinion piece in Italian daily Il Sole 24 Ore. Shut out of bond markets and with bailout payments suspended, Greece intends to make good on its debt obligations but urgently needs more aid to be able to do so, the government said on Monday. It must repay four loans totalling 1.6 billion euros (\$1.75 billion) to the International Monetary Fund next month. (Source: The Edge)

U.S.: Fischer Says Fed May Slow Rate Rises If World Growth Falters

Federal Reserve Vice Chairman Stanley Fischer said policy makers will consider global growth as they begin to raise interest rates, and that they could increase borrowing costs more gradually should the world economy falter. The Fed will weigh how raising rates will affect other nations, said Fischer, a former governor of the Bank of Israel. While tightening will probably cause spillovers, the Fed is working to communicate policy changes clearly to smooth the transition, and emerging market economies are in better shape to endure the shift than in recent years, he said. Fed policy makers preparing to raise rates that they've held near zero since December 2008 are working to engineer a smooth tightening and avoid the volatility spurred by the so-called "taper tantrum" that roiled global markets in 2013. (Source: MSN Money)

U.S.: Consumer confidence rises as job market improves

The Conference Board says consumer confidence rebounded this month as the job market showed signs of improvement. The business research group's consumer confidence index rose to 95.4 in May from 94.3 in April. The April reading had been sharp drop from March's 101.4. Consumers' assessment of current economic conditions improved, but their outlook for the next six months slipped. Their expectations for the job markets however improved. Employers added a healthy 223,000 jobs last month, up from a lackluster 85,000 in March. And the unemployment rate slid to 5.4 percent, lowest since May 2008, six months into the Great Recession. (Source: MSN Money)

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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