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At a Glance

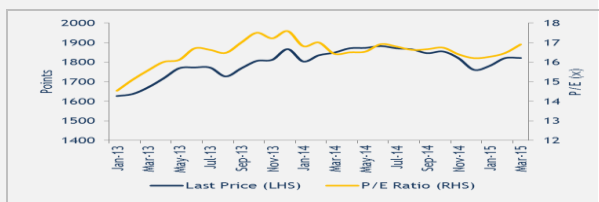
FBMKLCI fell by 4.11 points to finish at 1,743.41 due to the concern on China's factory data(See full report next page)

Corporate Highlights

- **BIMB, BUY (TP: RM4.84):** Eyes 15% growth in assets for 2015
- **WCT, HOLD (TP: RM1.76):** SC sues trio for insider trading in WCT shares
- **Berjaya Assets (CP: RM0.82):** 3Q net profit at RM18.96m

Economic Update

- **Malaysia:** Approved investment in 1Q up 18.8% to RM57bil
- **China:** Import tax cuts no remedy for retail slowdown
- **China:** HSBC PMI contracts for third month in May



KEY ECONOMIC RELEASE					
	Date	Local Time	Event	Survey	Prior
EU	1-Jun	4:00 PM	Markit Eurozone Manufacturing PMI	-	52.3
CN	1-Jun	9:00 AM	Manufacturing PMI	50.2	50.1
CN	1-Jun	9:45 AM	HSBC China Manufacturing PMI	49.3	49.1
JP	1-Jun	7:50 AM	Capital Spending YoY	-	2.8%
JP	1-Jun	9:35 AM	Markit/JMMA Japan Manufacturing PMI	-	50.9
JP	1-Jun	1:00 PM	Vehicle Sales YoY	-	5.0%
US	1-Jun	8:30 PM	Personal Income	0.3%	0.0%
US	1-Jun	8:30 PM	Personal Spending	0.1%	0.4%
US	1-Jun	9:45 PM	Markit US Manufacturing PMI	-	53.8
US	1-Jun	10:00 PM	Construction Spending MoM	0.7%	-0.6%
US	1-Jun	10:00 PM	ISM Manufacturing	51.9	51.5
US	1-Jun	10:00 PM	ISM Price Paid	42.5	40.5
EU	2-Jun	5:00 PM	PPI MoM	-	0.2%
EU	2-Jun	5:00 PM	PPI YoY	-	-2.3%
EU	2-Jun	5:00 PM	CPI Estimate YoY	-	-
US	2-Jun	10:00 PM	Factory Orders	-0.2%	2.1%
EU	3-Jun	4:00 PM	Markit Eurozone Services PMI	-	53.3
EU	3-Jun	4:00 PM	Markit Eurozone Composite PMI	-	53.4
EU	3-Jun	5:00 PM	Unemployment Rate	-	11.3%
EU	3-Jun	5:00 PM	Retail Sales MoM	-	-0.8%
EU	3-Jun	5:00 PM	Retail Sales YoY	-	1.6%
EU	3-Jun	7:45 PM	ECB Main Refinancing Rate	-	0.050%
EU	3-Jun	7:45 PM	ECB Deposit Facility Rate	-	-0.200%
EU	3-Jun	7:45 PM	ECB Marginal Lending Facility	-	0.300%
CN	3-Jun	9:45 AM	HSBC China Composite PMI	-	51.3
CN	3-Jun	9:45 AM	HSBC China Services PMI	-	52.9
JP	3-Jun	9:35 AM	Markit Japan Services PMI	-	51.3
JP	3-Jun	9:35 AM	Markit/JMMA Japan Composite PMI	-	50.7
US	3-Jun	7:00 PM	MBA Mortgage Applications	-	-
US	3-Jun	8:15 PM	ADP Employment Change	180K	169K
US	3-Jun	8:30 PM	Trade Balance	(\$44.3B)	(\$51.4B)
US	3-Jun	9:45 PM	Markit US Composite PMI	-	56.1
US	3-Jun	9:45 PM	Markit US Services PMI	-	56.4
US	4-Jun	8:30 PM	Nonfarm Productivity	-2.9%	-1.9%
US	4-Jun	8:30 PM	Initial Jobless Claims	-	-
US	4-Jun	8:30 PM	Continuing Claims	-	-
EU	5-Jun	5:00 PM	GDP SA QoQ	-	0.4%
MY	5-Jun	12:00 PM	Exports YoY	-	2.3%
MY	5-Jun	12:00 PM	Imports YoY	-	5.8%
MY	5-Jun	12:00 PM	Trade Balance MYR	-	7.82B
MY	5-Jun	-	Foreign Reserves	-	\$106.2B
US	5-Jun	8:30 PM	Unemployment Rate	5.4%	5.4%
US	5-Jun	8:30 PM	Labour Force Participation Rate	-	62.8%

Bursa Malaysia

	Close	Change+/-	(+/- %)
FBMKLCI	1,743.41	-4.11	-0.24
FBMEMAS	12,083.02	-14.35	-0.12
FBMEMAS SHA	12,555.02	-21.43	-0.17
FBM100	11,768.15	-15.96	-0.14
Volume (mn)	1,613.65	-620.91	-27.79
Value (RMmn)	1,805.88	-1,887.80	-51.11
FBMKLCI YTD Chg			-1.01

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Local Retail	15.6	-9.6
Local Institution	54.5	200.7
Foreign Investors	29.9	-191.1

Top Gainers

	Close	Change+/-	(+/- %)
CARLSBERG	12.60	0.40	3.28
Y&G CORP	1.40	0.32	29.63
NESTLE (MALAY)	71.30	0.30	0.42

Top Losers

	Close	Change+/-	(+/- %)
BAT	60.90	-1.10	-1.77
TELEKOM	6.99	-0.29	-3.98
ORIENTAL HOLD	7.38	-0.22	-2.89

World Indices

	Close	Change+/-	(+/- %)
DJIA	18,040.37	29.69	0.16
NASDAQ	5,082.93	12.90	0.25
S&P 500	2,111.73	4.34	0.21
FTSE 100	6,953.58	-30.85	-0.44
DAX	11,436.05	22.23	0.19
Nikkei 225	20,569.87	6.72	0.03
HSI	27,597.16	172.97	0.63
KOSPI	2,102.37	-12.43	-0.59
STI	3,392.11	-25.66	-0.75
KLCI Futures	1,730.00	(7.50)	(0.00)
USDMYR 3M	9.97	(0.09)	(0.01)
USDMYR 6M	9.94	(0.02)	(0.00)
USDMYR 12M	10.08	0.04	0.00

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	60	0.0	0.0%
Brent (USD/bbl)	64.9	-0.7	-1.0%
Gold(USD/ounce)	1,190	0.4	0.0%
Coal (USD/mt)	57.2	-0.4	-0.7%
CPO (RM/mt)	2,294	78.0	3.5%
Rubber	190	3.9	2.1%
RM/USD	3.69	0.0187	-0.51%
EUR/USD	0.92	-0.0001	-0.01%
YEN/USD	124.83	0.06	-0.05%

What To Expect

U.S. Market

- The Dow Jones Industrials Average gained 29.69 points to 18,040.37; S&P 500 up by 4.34 points to 2,111.73. Nasdaq surged by 12.90 points to 5,082.93. Stocks closed slightly higher on Monday, the first day of trade for June, as investors found some encouragement from mixed second-quarter economic reports.
- The Institute for Supply Management (ISM) said its index of national factory activity was 52.8 in May, up from April's reading of 51.5, which had tied with March's reading as the lowest since May 2013. The reading topped expectations of 52.0, according to a Reuters poll of economists.

The Local Market

- FBMKLCI fell by 4.11 points to finish at 1,743.41 due to the concern on China's factory data. There were 378 gainers and 436 decliners in total value traded of RM1.81 billion.
- Among the losers on Bursa Malaysia were BAT declined RM1.10 to RM60.90, Telekom Malaysia dropped 29 cent to RM6.99, Oriental Holdings slid 22 cent to RM7.38 and RHB Cap decreased 21 cent to RM7.49.

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

BIMB, BUY (TP: RM4.84): Eyes 15% growth in assets for 2015

BIMB Holdings Bhd is expecting a 15% growth in assets for its wholly owned banking arm Bank Islam Malaysia Bhd for 2015, despite saying that it will be a very challenging year for the banking industry. Hizamuddin Jamalluddin, chief strategy officer of the managing director's office, said the expected asset growth is based on the group's current balance sheet. He added that in terms of loan growth, the group is expecting this year's growth to be similar to that of last year's. (Source: The Edge)

WCT, HOLD (TP; RM1.76): SC sues trio for insider trading in WCT shares

The Securities Commission has filed a suit against Chan Soon Huat, Goh Ching Liong and Leong Ah Chai, at the Kuala Lumpur High Court recently, for insider trading in the shares of WCT Bhd. The SC said on Monday it had filed the action against Goh and Leong on May 26 while the action against Chan was filed on May 27. In the filings, the SC alleged Chan sold 2.414 million WCT shares and 1.236 million warrants between Dec 30, 2008 and Jan 5, 2009 during which he had non-public information material. The SC alleged the material referred to in

the action related to the cancellation of a contract for the proposed construction of the "Nad Al Sheba Dubai Racecourse". The project was awarded to the joint venture between WCT and Arabtec Construction L.L.C. (Source: *The Star*)

Berjaya Assets (CP: RM0.82): 3Q net profit at RM18.96m

Berjaya Assets Bhd's net profit in the third quarter ended March 31, 2015 (3QFY15) stood at RM18.96 million or 1.7 sen per share, on higher profit contribution from gaming, property development and investment business segment. The group posted a net loss of RM12.25 million in the previous corresponding period (3QFY14), but returned to profitability in the subsequent quarter (4QFY14). Revenue for the quarter under review was, however, marginally weaker at RM106.09 million compared with RM106.54 million last year. For the cumulative nine months (9MFY15), Berjaya Assets (fundamental: 0.85; valuation: 1.2) saw its net profit grow 217.29% year-on-year (y-o-y) to RM66.6 million or 5.98 sen a share from RM20.99 million or 1.89 a share in 9MFY14. (Source: *The Edge*)

Hibiscus Petroleum (CP: Suspended): Cancels purchase of Talisman Resources

Hibiscus Petroleum Bhd's unit Timor Hibiscus Ltd has called off the proposed purchase of the entire stake in Talisman Resources Pty Ltd for US\$18mil cash. It said on Monday the proposed purchase of the company from Talisman Oil & Gas (Australia) Pty Ltd was called off as the conditions under the sales and purchase agreement could not be met by the cut-off date on May 31. Hibiscus Petroleum said Timor Hibiscus has issued a written notice to the seller on Monday the outstanding condition precedent could not be satisfied. (Source: *The Edge*)

Microlink (CP: RM1.85) Y&G (CP: RM1.40): Issued Bursa UMA

Microlink Solutions Bhd and Y&G corporation has been slapped with an unusual market activity (UMA) query by Bursa Malaysia yesterday after its share price surged close to 200% in just one month. However, both companies in separate announcements said they have no knowledge about the reason behind the recent rally in its respective share price. The counter emerged as one of the top gainers in the morning trade yesterday hitting a record high of RM1.95. The ICT-based company develops and markets computer software namely for the banking industry. Meanwhile, Y&G shares, which rose as much as 63% in the past one month, jumped close 30% higher in yesterday trade. (Source: *The Star*)

WZ Satu (CP: RM1.62): Bags RM58.22 million Kuantan Port expansion project

WZ Satu Bhd's wholly-owned unit, WZS KenKeong Sdn Bhd, has clinched a subcontract worth RM58.22 million for works related to the expansion of Kuantan Port. It said in an announcement yesterday that the subcontract entails the construction of a bridge to Kuantan Port, with the scope of works including earthworks, infrastructure works, street lighting services, relocation of utilities services and landscaping works. WZ Satu said the construction period for the project is 120 weeks. "The award is expected to contribute positively to the future earnings and net assets per share of the group for the financial years ending from Aug 31, 2015, to Aug 31, 2017, (Source: *The Sun*)

Tanjung Offshore: (CP: RM0.46): No conflict of interest for Tanjung Offshore

Tanjung Offshore Bhd said there does not appear to be any conflict of interest or related breach of duty with respect to directors Tan Sri Tan Kean Soon and Muhammad Sabri Ab Ghania, according to a special audit by Ferrier Hodgson MH Sdn Bhd. In a filing with the stock exchange, Tanjung Offshore said it will forward the report to Bursa Malaysia. The company has also set up a special task force board committee to review the report. Tan is now executive director of Tanjung Offshore, while Muhammad Sabri had resigned earlier, citing personal reasons. Tanjung Offshore withdrew its civil suit against Tan and five others in March, soon after the cancellation of an EGM called by Tan, who in turn dropped a suit against several directors and officials of the company. (Source: The Sun)

TA Global (CP: RM0.32): Commences arbitration proceedings against Prince Al-Waleed's firm

TA Global Bhd's (TAG) wholly-owned unit Crystal Caliber Sdn Bhd (CCSB) has commenced arbitration proceedings against Saudi royalty-owned Kingdom Hotel Investments (KHI), following a dispute between the parties relating to the breach of the sale and purchase agreement (SPA) dated April 25, 2012, concerning a resort property in Thailand. KHI is founded by Saudi billionaire investor Prince Alwaleed Bin Talal Bin AbdulAziz Al Saud, who is worth US\$22.8 billion, according to Forbes. According to TA Global's filing with Bursa Malaysia, the dispute arose from breaches by KHI of the said SPA, whereby KHI had agreed and covenanted to pay CCSB any tax liability and cost before May 31, 2012. To recap, the SPA entailed the acquisition of the hotel and business of Movenpick Karon Beach Resort in Phuket, Thailand, by TA Global from KHI, for a total consideration of US\$90.21 million (equivalent to RM276.94 million at that time). (Source: The Edge)

Takaso (CP: RM0.49): Enters JVA to undertake mixed development on Kuantan land

Takaso Resources Bhd has entered into a conditional Joint Venture Agreement (JVA) with SSPP Development Sdn Bhd (SSPP) in relation to a proposed mixed development on a parcel of land in Bandar Kuantan, Pahang. Takaso told Bursa Malaysia in a filing today that it has entered into the deal via its 70%-owned Takaso Development (Kuantan) Sdn Bhd (TDKSB). According to the baby products and condom maker, PASDEC Corporation Sdn Bhd is the registered proprietor of the land. The land is a Malay reserved land and is surrounded by matured shops and residential areas such as East Coast Mall, Zenith Hotel, Zenith Tower and Stadium Darul Makmur. Under the JVA, SSPP will procure the land to be transferred to it, and convert the land from Malay reserved land to Non-Malay reserved land, as well as ensure the said Land is free of all encumbrances and third party interests, within six calendar months from the date of the JVA. Upon completion of the JVA, Takaso foresees the profit contribution from the project to be 25% or more. (Source: The Edge)

Bursa Securities (CP: RM8.41): Classifies 21 companies under PN17

Bursa Malaysia Securities Bhd (Bursa Securities) has listed 21 companies as having fallen under Practice Note No. 17 (PN17) as of today, with the latest being petroleum storage tank maker CN Asia Corp Bhd. In a statement, Bursa

said the companies represent 2.32% of the total number of 907 companies listed on the exchange. The 21 companies that has fallen under PN17 comprise AHB Holdings Bhd, Asia Knight Bhd, Biosis Group Bhd, China Stationary Ltd, Haisan Resources Bhd, HB Global Ltd, Integrated Rubber Corp Bhd, IRM Group Bhd, Kejuruteraan Samudra Timur Bhd, LFE Corp Bhd, Lion Corp Bhd, MAA Group Bhd, Malaysia Pacific Corp Bhd, Metal Reclamation Bhd, ML Global Bhd, Nakamichi Corp Bhd, Octagon Consolidated Bhd, Perwaja Holdings Bhd, Petrol One Resources Bhd and TPC Plus Bhd. (Source: The Edge)

ECM Libra, (Suspended): Declares RM320mil payout

ECM Libra Financial Group Bhd is distributing up to RM320.1mil to entitled shareholders, or approximately RM1.20 per share via a proposed capital reduction and special dividend exercise. The special dividends are via Eastern & Oriental Bhd (E&O) shares and warrants which are part of the portfolio of securities held under the Libra Strategic Opportunity Fund (LSOF), which is held under ECM Libra. This distribution exercise will be implemented through a proposed share capital reduction of ECM Libra amounting to approximately RM234.74mil or 88 sen per share, while the remaining amount of RM85.36mil will be via the proposed special dividend of 32 sen per share. Shares of ECM Libra were suspended yesterday. The stock was last traded at RM1.05. It is up 6.06% on a year-to-date basis. ECM Libra has a market capitalisation of RM281.2mil comprising 267.8 million shares. (Source: The Star)

ECONOMIC UPDATES

Malaysia: Approved investment in 1Q up 18.8% to RM57bil

Malaysia's approved investments for the primary, services and manufacturing sectors rose by 18.8% to RM57.4bil in the first quarter of this year (1Q15), from RM48.3bil in the same period of 2014. International Trade and Industry Minister Datuk Seri Mustapa Mohamad said the manufacturing sector was the major contributor, accounting for 58.5% of the total or an equivalent of RM33.6bil, followed by services (38.9% or RM22.3bil) and primary (2.6% or RM1.5bil). "This increase comes despite the World Bank's lower growth forecast for the Malaysian economy for 2015". (Source: The Star)

China: Import tax cuts no remedy for retail slowdown

China's economic policymakers clearly didn't consult mother-of-one Chen Xuejun when they decided to try stimulating consumer demand by slashing import tariffs on sneakers to skincare. The 28-year-old speaks for many Chinese shoppers when she says the move last week won't make her shift her purchases back home from overseas, suggesting the economic upside may be less than Beijing has bargained for. The tariff cuts, effective from June 1, are the latest in a string of measures to stimulate domestic consumption and bolster economic growth, which hit a 24-year low last year. Private consumption now accounts for over half of China's GDP growth, but lags far behind levels in markets like the United States. (Source: The Edge)

China: HSBC PMI contracts for third month in May

China's manufacturing activity continued to deteriorate in May despite government measures to support the economy, a closely watched survey showed Monday. The HSBC China Manufacturing Purchasing Managers Index rose to a final reading of 49.2 in May from 48.9 in April, but the result was in negative territory for the third month in a row. Anything below the 50 mark indicates contraction. The final reading was higher than HSBC's preliminary May PMI of 49.1, announced on May 21. The preliminary figure is based on 85% to 90% of responses to its PMI survey. *(Source: Market Watch)*

Eurozone PMI rises in May, but lower than estimate

Manufacturing activity in the eurozone grew more rapidly during May, driven by pickups in Spain and Italy, according to surveys of purchasing managers. The surveys indicated that the weaker euro has helped manufacturers win new export orders, while also raising costs for manufacturers by lifting import prices, although businesses didn't raise the prices they charged, an indication that the European Central Bank faces a long struggle to raise the currency area's inflation rate back to its target of just under 2.0%. Data firm Markit, which surveys more than 3,000 manufacturers across the eurozone, said on Monday that its purchasing manager's index rose to 52.2 in May from 52.0 in April. Markit had previously estimated the PMI rose to 52.3. *(Source: Market Watch)*

Europe: Eurozone factory growth stumbles as core struggles

Euro zone factory growth was weaker than previously thought last month as the bloc's core countries continued to struggle, a survey of businesses showed on Monday. That is likely to disappoint the European Central Bank, which is battling to get inflation even close to its target, as will the survey's finding that factories held prices in May after raising them in April for the first time in eight months. To restore economic growth and combat deflation, the ECB started buying around 60 billion euros a month of mainly government bonds in March and the survey suggested it is having at least some effect. *(Source: The Edge)*

U.S.: Cautious consumers cast doubt on US growth outlook

U.S. consumer spending growth unexpectedly stalled in April as households cut back on purchases of automobiles and continued to boost savings, suggesting the economy was struggling to gain momentum early in the second quarter. But after a slump in economic growth in the first quarter, there are signs of a rebound, with other reports on Monday showing manufacturing activity picked up in May for the first time in seven months and construction spending surged in April to a near 6-1/2-year high. Still, sluggish consumer spending growth this year and muted inflation pressures suggest the Federal Reserve may not raise interest rates until later this year. The Commerce Department said April's unchanged reading in consumer spending growth compared with analysts' forecasts for a 0.2 percent rise and followed a 0.5 percent increase in March. *(Source: The Star)*

U.S.: Personal Income Rises 0.4% In April, Slightly More Than Expected

While the U.S. Commerce Department released a report on Monday showing that personal income increased by slightly more than expected in April, the report also showed that personal spending unexpectedly came in nearly flat.

The report said personal income rose by 0.4 percent in April after inching up by less than a tenth of a percent in March. Economists had expected income to climb by 0.3 percent. Disposable personal income, or personal income less personal current taxes, also increased by 0.4 percent in April after coming in nearly unchanged in the previous month. *(Source: Nasdaq)*

U.S.: ISM manufacturing index hits 52.8 in May; construction spending up 2.2% in April

U.S. construction spending surged in April to the highest level in nearly 6-1/2 years as outlays increased broadly, pointing to some pockets of strength in the economy. Construction spending jumped 2.2 percent to an annual rate of \$1.0 trillion, the highest level since November 2008, the Commerce Department said on Monday. The percent increase was the largest since May 2012. March's outlays were revised to show a 0.5 percent increase instead of the previously reported 0.6 percent fall. Economists polled by Reuters had forecast construction spending rising 0.7 percent in April. *(Source: CNBC)*

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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