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At a Glance

FBMKLCI dropped 24.28 points to finish at 1,572.54 due to the selling pressure on some heavyweight counters.....(See full report next page)

Strategy**"Market Outlook Depends on Ringgit Direction"**

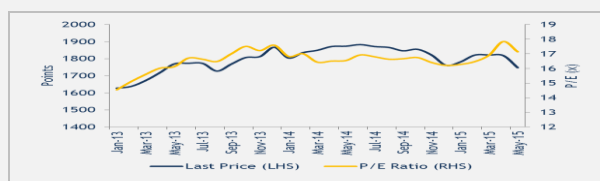
The sustained heavy selling pressure on Ringgit will surely dent investors' sentiment on the local market.....(See full report next page)

Corporate Highlights

- **Maybank, BUY (TP: RM10.70):** Looking at right time for M&As
- **UEM Sunrise, TBD, (TP: TBD):** Q2 net profit rises to RM84mil
- **Affin Holdings (CP: RM2.11):** Q2 earnings up nearly 30% to RM139m

Economic Update

- **Malaysia:** Inflation seen picking up to 2.9 pct in July
- **China:** Yuan closes flat as market looks for direction
- **Thailand:** Q2 economic growth tops forecasts

**KEY ECONOMIC RELEASE**

	Date	Local Time	Event	Survey	Prior
JP	17-Aug	7:50 AM	GDP SA QoQ	-0.5%	1.0%
JP	17-Aug	7:50 AM	GDP Annualized SA QoQ	-1.8%	3.9%
JP	17-Aug	7:50 AM	GDP Nominal SA QoQ	0.1%	2.3%
US	18-Aug	10:30 PM	Housing Starts	1190K	1174K
CN	18-Aug	9:30 AM	China July Property Prices	-	-
US	19-Aug	7:00 PM	MBA Mortgage Applications	-	0.1%
US	19-Aug	8:30 PM	CPI MoM	0.1%	0.3%
US	19-Aug	8:30 PM	CPI Ex Food and Energy MoM	0.2%	0.2%
US	19-Aug	8:30 PM	CPI YoY	0.2%	0.1%
MY	19-Aug	12:00 PM	CPI YoY	-	2.5%
US	20-Aug	8:30 PM	Initial Jobless Claims	-	-
US	20-Aug	8:30 PM	Continuing Claims	-	-
US	20-Aug	9:45 PM	Bloomberg Consumer Comfort	-	-
US	20-Aug	9:45 PM	Bloomberg Economic Expectations	-	45.5
US	20-Aug	10:00 PM	Existing Home Sales	5.41M	5.49M
US	20-Aug	10:00 PM	Philadelphia Fed Business Outlook	6.2	5.7
US	20-Aug	10:00 PM	Existing Home Sales MoM	-1.3%	3.2%
US	20-Aug	10:00 PM	Leading Index	0.2%	0.6%
MY	20-Aug	10:30 PM	Bloomberg Aug. Malaysia Economic Survey	-	-
EU	21-Aug	10:00 PM	Consumer Confidence	-	-7.1
US	21-Aug	9:45 PM	Markit US Manufacturing PMI	-	53.8
MY	21-Aug	-	Foreign Reserves	-	\$96.7B

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Bursa Malaysia

	Close	Change+/-	(+/- %)
FBMKLCI	1,572.54	-24.28	-1.52
FBMEMAS	10,767.97	-197.95	-1.81
FBMEMAS SHA	11,169.05	-216.30	-1.90
FBM100	10,509.87	-183.56	-1.72
Volume (mn)	2,061.67	52.14	2.59
Value (RMmn)	1,950.49	-245.35	-11.17
FBMKLCI YTD Chg			-10.71

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Local Retail	18.1	18.1
Local Institution	57.4	217.4
Foreign Investors	24.5	-235.5

Top Gainers

	Close	Change+/-	(+/- %)
MSM MALAYSIA	4.97	0.12	2.47
ENRA GROUP BHD	2.14	0.09	4.39
REX INDUS BHD	1.55	0.07	4.73

Top Losers

	Close	Change+/-	(+/- %)
NESTLE (MALAY)	72.00	-0.78	-1.07
MITRAJAYA HLDG	1.06	-0.10	-8.59
TASEK CORP BHD	15.30	-0.06	-0.39

World Indices

	Close	Change+/-	(+/- %)
DJIA	17,545.18	67.78	0.39
NASDAQ	5,091.70	43.46	0.86
S&P 500	2,102.44	10.90	0.52
FTSE 100	6,550.30	-0.44	-0.01
DAX	10,940.33	-44.81	-0.41
Nikkei 225	20,620.26	100.81	0.49
HSI	23,814.65	-176.38	-0.74
KOSPI	1,968.52	-14.94	-0.75
STI	3,067.35	-46.90	-1.51
KLCI Futures	1,520.50	(27.50)	(0.02)
USDMYR 3M	14.54	(0.00)	(0.00)
USDMYR 6M	14.33	(0.01)	(0.00)
USDMYR 12M	14.31	(0.02)	(0.00)

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	42	0.0	0.0%
Brent (USD/bbl)	48.7	-0.4	-0.9%
Gold(USD/ounce)	1,117	-0.7	-0.1%
Coal (USD/mt)	59.2	-0.2	-0.3%
CPO (RM/mt)	2,044	-3.0	-0.1%
Rubber	142	-3.4	-2.3%
RM/USD	4.10	0.019	-0.46%
EUR/USD	0.90	0.0003	0.03%
YEN/USD	124.44	0.05	-0.04%

What To Expect

U.S. Market

- The Dow Jones Industrials Average gained 67.78 points to 17,545.18, S&P 500 up 10.90 points to 2,102.44. Nasdaq jumped by 43.46 points to 5,091.70. Stocks closed higher on Monday after the release of positive homebuilder data as investors digested weak manufacturing data and falling oil prices while eyeing the release of the Federal Reserve's minutes.
- The index's data release propelled stocks up and helped the S&P 500 to close above its 50-day moving average for the first time since Aug. 10.

The Local Market

- FBMKLCI dropped 24.28 points to finish at 1,572.54 due to the selling pressure on some heavyweight counters. There were 149 gainers and 836 decliners in total value traded of RM1.95 billion.
- Among the losers on Bursa Malaysia were Nestle (M) fell 78 cent to RM72.00, Mitrajaya Holding tumbled 10 cent to RM1.06, Tasek Corp weakened 6 cent to RM15.30 and Genting Bhd declined 36 cent to RM7.14.

Strategy

- **"Market Outlook Depends on Ringgit Direction"**
Wall Street ended Monday's trading in positive beat as investors resumed buying in the absence of negative news flow. S&P 500 and DJIA added 10.90 (0.52%) and 67.78 (0.39%) points to end at 2,102.44 and 17,545.18 respectively. As mentioned, lack bad news had pushed Wall Street sentiment a bit higher at the back investors waiting nervously for the FOMC latest monetary meeting minutes that will be released this week. It will be a treasure trove of info that will contain what to be expect of US view on its economy, perhaps a hint on next monetary steps which will be crucial for investing decision. As for the local market, the outlook will depend hugely on the performance of Ringgit. The sustained heavy selling pressure on Ringgit will surely dent investors' sentiment on the local market. Note that Ringgit ended almost unchanged against last week's closing of RM4.10 per Dollar.
- Our 2015 year-end target is **1,660** based on PER of 15.6x. FBMKLCI is a **NEUTRAL**. We have **OVERWEIGHT** call on auto, construction, and telco respectively. We predict Malaysia to grow by 5.0% in 2015.

CORPORATE HIGHLIGHTS

Maybank, BUY (TP: RM10.70): Looking at right time for M&As

Malayan Banking Bhd is always on the lookout for opportunities in mergers and acquisitions, its group president and chief executive officer Datuk Abdul Farid Alias said. "There are markets that we are interested in, but we are waiting for the right time," he said on Monday. Farid added the banking group was not looking at raising funds for the next two years as it still had the capital. The last fund-raising exercise was carried out two years ago, he said. Farid also said he sees consumer banking continuing to expand but at a slightly slower pace due to the current market sentiment. Consumer banking is still growing, given the present market sentiment, he pointed out. (Source: *The Star*)

UEM Sunrise, TBD, (TP: TBD): Q2 net profit rises to RM84mil

UEM Sunrise Bhd's net profit for the second quarter ended June 30, 2015 rose 12.6% to RM83.91mil compared with the same quarter a year ago on lower expenses, higher income from dividend distribution from a subsidiary under creditors' voluntary liquidation, and recognition of liquidated ascertained damages receivable from a contractor. However, revenue fell 16.8% to RM372.32mil due to lower contribution from property development. This followed the completion of Summer Suites at the end of the preceding quarter and Imperia, which is nearing completion. (Source: *The Star*)

Affin Holdings (CP: RM2.11): Q2 earnings up nearly 30% to RM139m

Affin Holdings Bhd's earnings rose 29.7% to RM139.38mil in the second quarter ended June 30, 2015 from RM107.38mil a year ago. The banking group said on Monday its revenue was lower by 4.2% at RM447.05mil while its earnings per share 7.17 sen compared with 7.19 sen. Interest income for the quarter stood at RM622.7mil against RM609.4mil a year ago. Commenting on the results, it said the commercial banking arm, Affin Bank Bhd group delivered an improved profit before tax of RM153.4mil, an increase of 17.7% on-year. (Source: *The Star*)

Pharmaniaga (CP: RM5.65): Slightly higher Q2 earnings for Pharmaniaga

Pharmaniaga Bhd posted a 1.5% increase in net profit to RM16.22mil for the second quarter ended June 30, 2015 compared with RM15.98mil a year ago due to higher profit margins from the manufacturing division. It said on Monday that during the quarter, there were higher expenses on corporate responsibility programmes and promotional activities which had impacted its earnings. Pharmaniaga said revenue fell 2.3% to RM512.84mil from RM525.07mil a year ago, mainly due to lower sales in the concession segment. Its earnings per share were 6.26 sen compared with 6.17 sen. (Source: *The Star*)

Scomi Energy (CP: RM0.28): Bags US\$28m Myanmar job

Scomi Energy Services Bhd (SESB) has been awarded with a US\$28 million (RM114.8 million) contract in Myanmar, pushing its order book up to the US\$1 billion mark and bringing the total value of jobs it won this year to US\$140 million. The latest contract was awarded by PTTEP International Ltd Myanmar (PTTEPI) to SSEB for the provision of drilling fluids solutions together with solids control products, equipment and engineering solutions. The three-year contract

covers Phases 1B and 1C of the Zawtika Development drilling campaign in Myanmar and work is expected to begin in the fourth quarter of this year. (Source: *The Star*)

TMS (CP: RM0.13): Appoints Low and Tan as directors

The Media Shoppe Bhd (TMS) has appointed Datuk Low Liong Kian and Tan Tzu Pin as directors. Low and Tan are also substantial shareholders of TMS with an indirect interest of 93.35 million shares or 21.22% stake in the company through Master Knowledge Sdn Bhd. Last week, chief executive officer Chan Hooi Guan ceased to be a substantial shareholder of TMS following the disposal of his shares in Master Knowledge. (Source: *The Star*)

ECONOMIC UPDATES

Malaysia: Inflation seen picking up to 2.9 pct in July

Inflation in Malaysia likely accelerated to 2.9 percent in July from a year earlier due to rising food and gas prices, a Reuters poll showed. The Eid-al-Fitr festive celebrations after the Muslim holy month of Ramadan also kept food prices elevated, economist said. June's consumer price index rose 2.5 percent on higher food and transport prices, and also reflected a 6 percent Goods and Services Tax (GST) implemented in April. Malaysia's economic growth cooled to a two-year low of 4.9 percent in the second quarter from a year earlier as global commodity prices fell and the services tax hit consumer spending. (Source: *The Edge*)

China: Yuan closes flat as market looks for direction

China's yuan closed flat against the dollar on Monday after a historic weekly loss last week, with the market looking for direction on where the currency will move. The People's Bank of China set the midpoint rate at 6.3969 per dollar prior to market open, weaker than Friday's closing quote of 6.3918. The spot market closed at 6.3947, 29 pips away from the previous close and 0.03 percent away from the midpoint. The spot rate is currently allowed to trade with a range 2 percent above or below the official fixing on any given day. The offshore yuan was trading 0.75 percent away from the onshore spot at 6.4431 per dollar. The yuan posted its biggest weekly loss on record and touched four-year lows after the central bank's surprise devaluation of its currency by nearly 2 percent last Tuesday. (Source: *The Edge*)

Thailand: Q2 economic growth tops forecasts

Thailand's economy grew slightly more than expected in the second quarter but remained sluggish, putting more pressure on the military government to boost sputtering activity as it enters its second year in power. South-East Asia's second-largest economy grew 0.4% in April-June on a seasonally-adjusted basis, barely edging up from 0.3% in the previous quarter though better than the 0.2% pace expected by economists in a Reuters poll. On an annual basis, growth was 2.8%, the same as the poll but down from 3% in the first quarter, the National Economic and Social Development Board (NESDB) said on Monday. (Source: *The Star*)

Europe: Merkel sees IMF joining Greek bailout as debt relief floated

German Chancellor Angela Merkel said she's confident the International Monetary Fund will join Greece's third bailout and signaled willingness to consider debt relief to help make it happen. Merkel's first public comments since euro-area finance ministers backed the 86 billion-euro (\$96 billion) aid package were partly aimed at her party's lawmakers, who want the chancellor to ensure an IMF contribution to the latest Greek rescue. Germany's lower house votes on the bailout on Wednesday. IMF Managing Director Christine Lagarde made it clear she will back the fund's participation starting in October if conditions including eased terms on previous Greek aid loans are met. *(Source: The Star)*

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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