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At a Glance

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Strategy

“Wall Street Steady on Pick-up in Interest in Consumer and Health Care Stocks”

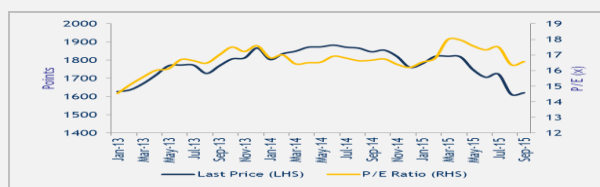
Propelled by steady Wall Street performance and in the absence of negative catalyst, it is posit that the local market may trade in positive momentum.....(See full report next page)

Corporate Highlights

- **Malakoff, BUY (TP: RM2.30):** Files suit against contractors
- **UEM Sunrise (CP: RM1.13) and WCT Holdings, HOLD (TP: RM1.63):** To undertake RM3b property project
- **Axiata, HOLD (TP: RM6.70):** There's still a place where phones are rare and Axiata wants in

Economic Update

- **Malaysia:** Bank Negara welcomes IMF decision on Chinese currency
- **U.S.:** Manufacturing contracts for first time in three years
- **South Korea:** Nov exports fall less than expected



KEY ECONOMIC RELEASE					
Date	Local Time	Event	Survey	Prior	
JP	30-Nov	7:50 AM	Industrial Production MoM	1.8%	1.1%
JP	30-Nov	7:50 AM	Industrial Production YoY	-0.9%	-0.8%
JP	30-Nov	7:50 AM	Retail Trade YoY	0.9%	-0.2%
JP	30-Nov	7:50 AM	Retail Sales MoM	0.3%	0.7%
JP	30-Nov	1:00 PM	Housing Starts YoY	2.6%	2.6%
JP	30-Nov	1:00 PM	Annualized Housing Starts	0.908M	0.900M
JP	30-Nov	1:00 PM	Construction Orders YoY	-	6.7%
US	30-Nov	10:45 PM	Chicago Purchasing Manager	54.0	56.2
US	30-Nov	11:00 PM	Pending Home Sales MoM	1.0%	-2.3%
CN	1-Dec	9:00 AM	Manufacturing PMI	49.9	49.8
CN	1-Dec	9:45 AM	Caixin China PMI Mfg	-	48.3
CN	1-Dec	9:45 AM	Caixin China PMI Composite	-	49.9
CN	1-Dec	9:45 AM	Caixin China PMI Mfg Services	-	52.0
EU	1-Dec	5:00 PM	Markit Eurozone Manufacturing PMI	52.8	52.8
EU	1-Dec	6:00 PM	Unemployment rate	10.8%	10.8%
JP	1-Dec	9:35 AM	Nikkei Japan PMI Mfg	-	52.8
US	1-Dec	10:45 PM	Markit US Manufacturing PMI	52.6	52.6
US	1-Dec	11:00 PM	Construction Spending MoM	0.6%	0.6%
US	1-Dec	11:00 PM	ISM Manufacturing	50.5	50.1
US	1-Dec	11:00 PM	ISM Price Paid	40.0	39.0
EU	2-Dec	6:00 PM	PPPI MoM	-0.4%	-0.3%
EU	2-Dec	6:00 PM	PPPI YoY	-3.2%	-3.1%
EU	2-Dec	6:00 PM	CPI Estimate YoY	0.2%	0.1%
EU	2-Dec	6:00 PM	CPI Core YoY	1.1%	1.1%
US	2-Dec	8:00 PM	MBA Mortgage Applications	-	-3.2%
US	2-Dec	9:15 PM	ADP Employment Change	190K	182K
EU	3-Dec	5:00 PM	Markit Eurozone Services PMI	54.6	54.6
EU	3-Dec	5:00 PM	Markit Eurozone Composite PMI	54.6	54.6
EU	3-Dec	6:00 PM	Retail Sales MoM	0.2%	-0.1%
EU	3-Dec	6:00 PM	Retail Sales YoY	2.6%	2.9%
EU	3-Dec	8:45 PM	ECB Main Refinancing Rate	0.05%	0.05%
EU	3-Dec	8:45 PM	ECB Deposit Facility Rate	-0.30%	-0.20%
EU	3-Dec	8:45 PM	ECB Marginal Lending Facility	-0.30%	-0.30%
US	3-Dec	9:30 PM	Initial Jobless Claims	270K	260K
US	3-Dec	9:30 PM	Continuing Claims	2188K	2207K
US	3-Dec	10:45 PM	Markit US Composite PMI	-	56.1
US	3-Dec	10:45 PM	Markit US Services PMI	56.7	56.5
US	3-Dec	10:45 PM	Bloomberg Consumer Comfort	-	40.9
US	3-Dec	11:00 PM	Factory Orders	1.4%	-1.0%
MY	4-Dec	12:00 PM	Exports YoY	8.3%	8.8%
MY	4-Dec	12:00 PM	Imports YoY	-3.5%	9.6%
MY	4-Dec	12:00 PM	Trade Balance MYR	9.00B	9.49B
US	4-Dec	9:30 PM	Change in Nonfarm Payrolls	200K	271K
US	4-Dec	9:30 PM	Change in Manufact. Payrolls	OK	OK
US	4-Dec	9:30 PM	Trade Balance	(\$40.50B)	(\$40.81B)
US	4-Dec	9:30 PM	Unemployment Rate	5.0%	5.0%

Bursa Malaysia

	Close	Change+/-	(+/- %)
FBMKLCI	1,682.37	10.21	0.61
FBMEMAS	11,693.00	67.03	0.58
FBMEMAS SHA	12,581.53	74.66	0.60
FBM100	11,378.20	65.96	0.58
Volume (mn)	2,307.39	-200.22	-7.98
Value (RMmn)	2,347.66	-1,438.68	-38.00
FBMKLCI YTD Chg			-4.48

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Local Retail	14.8	-41.8
Local Institution	53.4	-84.3
Foreign Investors	31.8	126.1

Top Gainers

	Close	Change+/-	(+/- %)
BAT	58.44	0.58	1.00
MAXIS BHD	6.86	0.30	4.57
LAFARGE	9.39	0.29	3.19

Top Losers

	Close	Change+/-	(+/- %)
AEON CREDIT SER	12.38	-0.60	-4.62
ASIA FILE BHD	4.74	-0.31	-6.14
GENTING PLANT	10.00	-0.26	-2.53

World Indices

	Close	Change+/-	(+/- %)
DJIA	17,888.35	168.43	0.95
NASDAQ	5,156.31	47.64	0.93
S&P 500	2,102.63	22.22	1.07
FTSE 100	6,395.65	39.56	0.62
DAX	11,261.24	-120.99	-1.06
Nikkei 225	20,012.40	264.93	1.34
HSI	22,381.35	384.93	1.75
KOSPI	2,023.93	31.96	1.60
STI	2,870.26	14.32	0.50
KLCI Futures	1648.0	0	0.0
USDMYR 3M	13.4	-0.01	0.0
USDMYR 6M	13.3	0.0	0.0
USDMYR 12M	13.29	0.07	0.00

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	42	-0.1	-0.3%
Brent (USD/bbl)	44.4	-0.2	-0.4%
Gold(USD/ounce)	1,070	0.9	0.1%
Coal (USD/mt)	53.2	-0.3	-0.7%
CPO (RM/mt)	2,339	0.0	0.0%
Rubber	126	1.5	1.2%
RM/USD	4.23	-0.0273	0.65%
EUR/USD	0.94	0.0005	0.05%
YEN/USD	122.92	0.05	-0.04%

What To Expect

U.S. Market

- The Dow Jones Industrials Average surged 168.43 points to 17,888.35 points, S&P 500 rose 22.22 points to 2,102.63. Nasdaq grew by 47.64 points to 5,156.31. U.S. stocks closed higher on Tuesday despite mixed U.S. economic data as treasury yields and the dollar declined while oil prices were choppy ahead of an OPEC meeting later this week.
- The euro bounced back from a multi-month low against the U.S. dollar on strong European data and as investors pared bets that the European Central Bank will soon ease policy further.

The Local Market

- FBMKLCI rose 10.21 points to finish at 1,682.37 due to positive regional market sentiment. There were 549 gainers and 349 decliners in total value traded of RM2.34 billion.
- Among the gainers on Bursa Malaysia were BAT gained 58 cent to RM58.44, Maxis up 30 sent to RM6.86, Lafarge surged 29 cent to RM9.39 and My EG Services increased 23 cent to RM3.64.

Strategy

- **“Wall Street Steady on Pick-up in Interest in Consumer and Health Care Stocks”**
Wall Street made a good start for month of December trading after closing in positive vibes. **S&P 500** and **DJIA** gained **22.22 points (1.07%)** and **168.43 points (0.95%)** to end at **2,102.63** and **17,888.35** respectively. Underpinned by rising interest in consumers and health care stocks, Wall Street made good gains of about 1% amid mixed economic data. Notwithstanding that, the US construction spending in October jumped by 1.0%, beating expectation of 0.7% while ISM Index for November indicated a decline to 48.6 from 50.1 while the consensus expected an uptick to 50.4. Propelled by steady Wall Street performance and in the absence of negative catalyst, it is posit that the local market may trade in positive momentum albeit the upside may be capped in view of this Friday’s US November unemployment data.
- Our 2015 year-end target is 1,660 based on PER of 15.6x. FBMKLCI is a **NEUTRAL**. We have **OVERWEIGHT** call on construction and telco respectively. We predict Malaysia to grow by 5.0% in 2015.

CORPORATE HIGHLIGHTS

Malakoff, BUY (TP: RM2.30): Files suit against contractors

Malakoff Corp Bhd, the independent power producer, has filed a RM780mil suit against IHI Corp Japan and two other contractors for what it claimed to be breaches of duty that have led to various incidents at its Tanjung Bin Power plant in Johor. "The breaches have led to at least 22 different boiler tube failure incidents at the plant and the inability of the plant to meet certain required output conditions," the company said yesterday in a filing with Bursa Malaysia. The Tanjung Bin Power plant consists of three 700MW coal-fired units. IHI Corp is the manufacturer and supplier of the equipment, parts and components for boilers and boiler system for the plant. (Source: *The Star*)

UEM Sunrise (CP: RM1.13) and WCT Holdings, HOLD (TP: RM1.63): To undertake RM3b property project

UEM Sunrise Bhd and WCT Holdings Bhd plan to undertake a RM3 billion mixed-property project in Serendah, Selangor, under a proposed equally-owned joint venture (JV). In a statement to Bursa Malaysia today, UEM Sunrise said the JV intended to develop freehold land measuring 243ha (608.63 acres). UEM Sunrise and WCT had today signed a conditional subscription and shareholders agreement, under which UEM Sunrise proposed to buy a 50% stake in the expanded share capital of Jubilant Courtyard Sdn Bhd (JCSB) for RM214.88 million. Land owner JCSB is currently a wholly-owned subsidiary of WCT. Upon completion of the stake buy, UEM Sunrise and WCT will own 50% each in JCSB. (Source: *The Edge*)

Axiata, HOLD (TP: RM6.70): There's still a place where phones are rare and Axiata wants in

Axiata Group Bhd plans to invest as much as US\$200 million on telecommunications towers in Myanmar, one of the least connected places on the planet, as the Malaysian phone operator seeks to capitalize on the world's fastest-growing mobile market. The company's Edotco Group Sdn Bhd network infrastructure unit agreed last month to pay US\$125 million for a 75% stake in Digicel Myanmar Tower Co to enter Myanmar. Edotco intends to invest another US\$100 million to US\$200 million in Myanmar within five to eight years, Chief Executive Officer Suresh Sidhu said. (Source: *The Edge*)

Muhibbah (CP: RM2.22): Bags RM300m Pengerang jobs

Muhibbah Engineering (M) Bhd has bagged a RM300 million engineering, procurement, construction and commissioning (EPCC) contract to construct two temporary construction facilities in Pengerang, Johor. In a filing with Bursa Malaysia today, the oil and gas services provider said Petronas Refinery and Petrochemical Corp Sdn Bhd, a subsidiary of Petrolia Nasional Bhd (Petronas), has awarded the package 20A-3 of the Refinery and Petrochemicals Integrated Development (Rapid) project to the group on Nov 25, but was only acknowledged by the group yesterday (Nov 30). The EPCC job was for the Petronas Rapid Temporary Village (RTEV) and Petronas Rapid Temporary Management Office, within the RAPID project. (Source: *The Edge*)

Pos Malaysia (CP: RM3.44): Partners Konsortium Logistik to provide vehicle shipping service

Pos Malaysia Bhd) and Konsortium Logistik Bhd (KLB) have entered into a partnership to provide a vehicle shipping service between Peninsular Malaysia and East Malaysia. The service, which will be provided via KLB's vehicle carrier vessel MV Zara Sofia, will operate between two and three shipments per month, with a frequency target of 28 shipments per year. MV Zarah Sofia has a load capacity of 2,500 vehicles. (Source: The Edge)

Daya Materials (CP: RM0.10): Sells 16.9% stake in unit to fulfil Bumiputera equity ownership

Daya Materials Bhd is disposing of a 16.9% stake in its 67%-owned subsidiary Daya OCI Sdn Bhd (DOCI) to Rancak Nikmat Sdn Bhd for RM9.2 million, to enhance the Bumiputera equity ownership in DOCI. The integrated oil and gas company said the price was arrived at on a willing buyer-willing seller basis after taking into consideration the net assets of DOCI of RM28.17 million, based on the audited accounts for the financial period ended Dec 31, 2014. (Source: The Edge)

Iris (CP: RM0.24): Bags RM622.7m Putrajaya mixed development job

Digital identification solutions provider Iris Corp Bhd, which ventured into property development just early this year, was awarded a mixed development contract in Putrajaya that carries an estimated gross development cost (GDC) of RM622.73 million. Iris said it received the letter of award, dated Nov 26, from Putrajaya Corp to undertake the proposed development of Perumahan Penjawat Awam 1Malaysia (PPA1M) and a mixed development (commercial and residential buildings) at Presint 19, on a tract measuring 16.2 acres. It has accepted the appointment for the project, and said the job — involving the construction of 1,928 units of residential houses under PPA1M, with 508 residential houses and 22 units of commercial buildings for open sale — is expected to be completed in 30 months. (Source: The Edge)

Protasco (CP: RM1.60): Gets RM300.5m job to build civil servant homes

Protasco Bhd has secured a contract worth RM300.5 million from the government to build 1,100 units of houses in the Federal Territory of Putrajaya under the 1Malaysia Civil Servants Housing Programme. The company said its unit Protasco Development Sdn Bhd had received a letter of award from Perbadanan Putrajaya for the contract. It said the project was expected to contribute positively to its future earnings. (Source: The Edge)

Alam Maritim (CP: RM0.47): Gets RM26mil contract from Petronas Carigali

Alam Maritim Resources Bhd's wholly-owned unit, Alam Maritim (M) Sdn Bhd, has received a letter of award (LOA) from Petronas Carigali Sdn Bhd for a RM26mil contract. In a filing with Bursa Malaysia, Alam Maritim said the contract was for the provision of engineering, procurement, construction, installation and commissioning of pipeline for effluent discharge line extension project. "Physical execution is expected in March 2016 and the work is expected to be completed by end-June 2016. "It is expected to contribute positively to the earnings and net tangible assets of the company for the financial year ending Dec 31, 2015 and beyond," it said. (Source: The Star)

ECONOMIC UPDATES

Malaysia: Bank Negara welcomes IMF decision on Chinese currency

Bank Negara governor Tan Sri Zeti Akhtar Aziz welcomes the inclusion of the Chinese currency in the International Monetary Fund's (IMF) basket of reserve currencies as an "important development" that will contribute to greater stability in the international monetary system. But the central bank is in no rush to increase its holdings of yuan reserves. "We will assess that carefully before making such decisions," she said on the sideline of the Iclif Leadership Energy Summit Asia 2015 here yesterday. Zeti said the central bank was currently comfortable with its yuan holdings level. (Source: *The Star*)

U.S.: Manufacturing contracts for first time in three years

The US manufacturing sector contracted in November, falling to its worst levels since June 2009, when the economy was still in the midst of a recession, according to an industry report released on Tuesday. The Institute for Supply Management (ISM) said its index of national factory activity fell to 48.6, the first time the index has been below 50 since November 2012, after reading 50.1 in October. The reading was for expectations of 50.5, according to a Reuters poll of 77 economists. A reading below 50 indicates contraction in the manufacturing sector; the ISM data is often viewed as a precursor to movement in the overall economy, though its contribution to US economic activity has been in decline for decades. The ISM index fell below 50 in 2012 briefly, but the economy did not go into recession. (Source: *The Star*)

South Korea: Nov exports fall less than expected

South Korean exports fell for an 11th consecutive month in November although increased ship deliveries and resilient domestic demand kept the economy afloat. November export, inflation and manufacturing sector survey figures out on Tuesday showed global demand for South Korean goods continued to slide, but was offset by domestic demand supported by low interest rates and a solid employment position. Exports fell 4.7% on-year in November, the smallest drop since July and less than an 8.3% fall forecast in a Reuters poll, government data showed. Exports would have been much worse if not for unusually big ship deliveries in November. Export prospects remain bleak, the trade ministry said in a statement, as China and other emerging economies were still experiencing a slowdown and Europe as a whole was struggling to rebuild economic momentum. (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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