

PP14767/09/2012(030761)

Thursday, December 03, 2015

At a Glance

FBMKLCI dropped 5.60 points to finish at 1,676.77 impacted by losses in selected heavyweight counters.....(See full report next page)

Strategy**"Janet Yellen Party Spoiler; Wall Street Tank"**

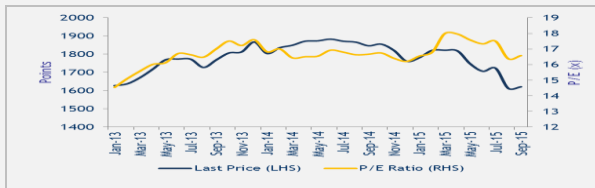
We are more concern on the US Federal Reserve FOMC assessment of the policy outlook this December.....(See full report next page)

Corporate Highlights

- **Malakoff, BUY (TP: RM2.30):** Malakoff CEO resigns just months after company's listing
- **Maxis, HOLD (TP: RM7.70):** Proposes internal reorganisation
- **Sime Darby (TP: TBA):** Sets up Singapore subsidiary

Economic Update

- **Malaysia:** India, Malaysia export-import banks sign MoU
- **U.S.:** Fed's Yellen says 'looking forward' to day of first rate rise in decade
- **Japan:** BoJ won't hesitate to ease if emerging market slowdown hurts inflation trend



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	PPI MoM	-0.4%	-0.3%
EU	2-Dec	6:00 PM	PPI 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	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	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	9.69B
US	4-Dec	9:30 PM	Change in Nonfarm Payrolls	200K	271K
US	4-Dec	9:30 PM	Change in Manuf. 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	1,676.77	-5.60	-0.33
FBMEMAS	11,661.53	-31.47	-0.27
FBMEMAS SHA	12,550.40	-31.13	-0.25
FBM100	11,345.37	-32.83	-0.29
Volume (mn)	1,962.55	-344.83	-14.94
Value (RMmn)	1,852.85	-494.81	-21.08
FBMKLCI YTD Chg			-4.80

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Local Retail	19.1	4.1
Local Institution	56.5	56.7
Foreign Investors	24.4	-60.8

Top Gainers

	Close	Change+/-	(+/- %)
NESTLE (MALAY)	74.58	1.08	1.47
PETRON MALAYSI	4.19	0.43	11.44
HARTALEGA HLDG	5.67	0.34	6.38

Top Losers

	Close	Change+/-	(+/- %)
LAFARGE MALAYSI	9.10	-0.29	-3.09
MAXIS BHD	6.65	-0.21	-3.06
LEBTECH BHD	1.23	-0.21	-14.58

World Indices

	Close	Change+/-	(+/- %)
DJIA	17,729.68	-158.67	-0.89
NASDAQ	5,123.22	-33.09	-0.64
S&P 500	2,079.51	-23.12	-1.10
FTSE 100	6,420.93	25.28	0.40
DAX	11,190.02	-71.22	-0.63
Nikkei 225	19,938.13	-74.27	-0.37
HSI	22,479.69	98.34	0.44
KOSPI	2,009.29	-14.64	-0.72
STI	2,887.33	17.07	0.59
KLCI Futures	1645.0	-7.5	0.0
USDMYR 3M	13.3	-0.04	0.0
USDMYR 6M	13.2	0.0	0.0
USDMYR 12M	13.17	(0.03)	(0.00)

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	40	0.2	0.6%
Brent (USD/bbl)	42.5	-2.0	-4.4%
Gold(USD/ounce)	1,054	0.5	0.0%
Coal (USD/mt)	52.8	-0.5	-0.8%
CPO (RM/mt)	2,331	-8.0	-0.3%
Rubber	129	3.0	2.4%
RM/USD	4.23	-0.0012	0.03%
EUR/USD	0.94	0.0004	0.04%
YEN/USD	123.24	0	0.00%

What To Expect

U.S. Market

- The Dow Jones Industrials Average dropped 158.67 points to 17,729.68 points, S&P 500 declined 23.12 points to 2,079.51. Nasdaq tumbled by 33.09 points to 5,123.22. U.S. stocks closed sharply lower on Wednesday after hawkish comments from Janet Yellen boosted expectations of an interest rate hike, and oil dipped below \$40 a barrel.
- Yellen also expressed confidence in the U.S. economy. Earlier in the day, data showed U.S. private employers boosted hiring in November. The U.S. government monthly jobs report is due Friday.

The Local Market

- FBMKLCI dropped 5.60 points to finish at 1,676.77 impacted by losses in selected heavyweight counters. There were 423 gainers and 426 decliners in total value traded of RM1.85 billion.
- Among the gainers on Bursa Malaysia were Lafarge fell 29 cent to RM9.10, Maxis and Lebttech decreased 21 cent to RM6.65 and RM1.23 respectively, and Hub Seng slid 18 cent to RM6.14.

Strategy

- **“Janet Yellen Party Spoiler; Wall Street Tank”**

Wall Street reversed yesterday's gain no thanks to the drop in oil price, underpinned by Janet Yellen hawkish view on the US policy outlook and the economy. **S&P 500** and **DJIA** erased **23.12 points (-1.10%)** and **158.67 points (-0.89%)** to end at **2,079.51** and **17,729.68** respectively. Janet Yellen gave a vote of confidence over the US economy as consumers spending were solid even though the labor market has yet to reach its potential but nevertheless, it was solidly healing. That is harbinger to the first US interest rate hike this December, its first adjustment since 2009, pushing oil price (WTI) to drop to USD40 per barrel. All told, we think that the market will stay nervous in anticipation of this tectonic shift this December that could push investors to the sideline. Noted on the adjustment and we are more concern on the US Federal Reserve FOMC assessment of the policy outlook this December that could be a conduit to a series of adjustments in 2016. Until, then we expect jittery sentiment to persist in the local market until the end of the week.

- 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): Malakoff CEO resigns just months after company's listing

Malakoff Corp Bhd's chief executive officer Datuk Seri Syed Faisal Syed AR Albar has resigned effective Dec 31. The country's largest independent power producer, which was listed in May, told Bursa Malaysia that Syed Faisal, 50, stepped down "to pursue other career opportunity." Malakoff said its board of directors would "immediately look into succession planning of the chief executive officer position." Syed Faisal joined Malakoff in July last year after a half-year stint as CEO of Gas Malaysia Bhd. Prior to that, he was an executive director of Konsortium Logistik Bhd, and he remains a non-executive director there. (Source: The Sun)

Maxis, HOLD (TP: RM7.70): Proposes internal reorganisation

Maxis Bhd and its subsidiaries' proposal to implement an internal reorganisation is expected to consolidate and integrate the businesses and undertakings of its wholly-owned subsidiaries under Maxis Broadband Sdn Bhd (MBSB). In a filing with Bursa Malaysia, Maxis said MBSB has entered into separate sale and purchase agreements with Maxis Collections Sdn Bhd, Maxis International Sdn Bhd, Maxis Mobile Sdn Bhd and Maxis Mobile Services Sdn Bhd to purchase their businesses and undertakings including relevant assets and liabilities. Maxis said barring unforeseen circumstances and subject to the condition, the group expects to complete the reorganisation in the first half of 2016. (Source: The Edge)

Sime Darby (TP: TBA): Sets up Singapore subsidiary

Sime Darby Bhd announced that it has incorporated an indirect wholly-owned subsidiary, Sime Darby Real Estate Management Pte Ltd (SDREM), in Singapore on Dec 1. In a filing with Bursa Malaysia yesterday, Sime Darby said that SDREM, which provides property management services, was incorporated as a private company with limited liability. Sime Darby said the incorporation is not expected to have a material effect on its earnings or net assets of for the year ending June 30, 2016. (Source: The Sun)

MAHB (CP: RM5.62): Leaves It to Government to Decide On PSC Review

Malaysia Airports Holdings Bhd (MAHB) leaves it to the government to decide on its five-yearly review of passenger service charges (PSC) which is due next month. Its managing director, Datuk Badlisham Ghazali said any decision on the review of the fees would depend on the government. The PSC has to be reviewed every five years and we have entered the five-year cycle. It's about time now, and we leave it to the government to decide as they are aware about it," he told reporters after opening the Flight Club at the Kuala Lumpur International Airport (KLIA) here today. The PSC at klia2 currently is RM32 for international passengers and RM6 for domestic passengers, while at the KLIA main terminal is RM65 for international passengers and RM9 for domestic passengers. (Source: Bernama)

Titijaya (CP: RM1.77): Signs framework agreements with Stone Master

Titijaya Land Bhd has signed a framework agreement (FA) with Stone Master Corp Bhd (SMCB) for the products and services provided by SMCB at competitive prices on selected development projects. Titijaya said SMCB agreed to offer the products and services, coupled with interest-free vendor financing services to the company, over 18 months from the date thereof in the FA. Titijaya would accept the dual offers subject to all the salient terms and conditions as stated therein in the FA, it said. *(Source: The Star)*

Carlsberg (CP: RM11.80): Records 98% more in actual contract value

Carlsberg Brewery Malaysia Bhd (CBMB) recorded a 98% or RM4.9 million variation in actual contracted transaction value at RM9.9 million for the beverage products purchased from related party Carlsberg Hong Kong Ltd (CHKL) for the period of Oct 1 to Nov 30, 2015. In a filing with Bursa Malaysia today, CBMB said the estimated transaction value as disclosed in the circular to shareholders was from RM1 million to RM5 million, but it rose to RM9.9 million due to the increase in purchase of products by CHKL. The circular is in relation to the proposed shareholders' mandate for recurrent related party transactions (RRPT) of a revenue or trading nature and proposed new shareholders' mandate for RRPT of a revenue or trading nature dated March 23, 2015. *(Source: The Edge)*

Hibiscus Petroleum (CP: RM0.24): Secures new shareholder

Hibiscus Petroleum Bhd announced it secured London Stock Exchange's AIM-listed Polo Resources Ltd as a new substantial shareholder, with an 8.4% stake. Hibiscus said it had entered into a share placement agreement with Polo. Under the deal, Hibiscus issued 90 million new shares at 23.5 sen each to Polo, which invests in mining assets. Hibiscus managing director Dr Kenneth Pereira said: "We are truly excited by the opportunity to have Polo Resources as a strategic investor in the company. We look forward to working with Polo Resources, as we build out our business plan into 2016 and beyond." *(Source: The Edge)*

Eversendai (CP: RM0.84): Eyes Thailand's power sector

Eversendai Corp Bhd is buying a 70% stake in Thailand-based S-Con Engineering Co Ltd for 30 million baht (RM3.55 million), a move that will help the buyer expand into the neighbouring country's power sector., Eversendai said it had today signed a conditional share subscription agreement with Anuchart Suphannarat and S-Con. Anuchart is the founder and owner of S-Con, which specialises in steel fabrication and installation. The subscription is in line with the company's business plan to expand its [foothold] in the Southeast Asia region and is a good opportunity for the company to venture into Thailand with a ready infrastructure set up and an established future income stream. *(Source: The Edge)*

Berjaya Corp (CP: RM0.38): To raise stake in Berjaya Land to 75.05%

Berjaya Corp Bhd (BCorp) proposes to raise its stake in Berjaya Land Bhd to 75.05% by acquiring Tan Sri Vincent Tan Chee Yioun and Penta Investment Advisers Ltd's 12% interest, for RM419.11 million or 70 sen per Bland share. In a filing with Bursa Malaysia yesterday, BCorp said it and its wholly-owned subsidiary Juara Sejati Sdn Bhd have entered into separate conditional share

sale agreements with Tan and Penta. The purchase consideration will be satisfied by the issuance of RM353.25 million 10-year 2% irredeemable convertible unsecured loan stocks (new ICULS) at 100% of its nominal value together with 706.5 million free detachable warrants in BCorp. The remaining RM65.86 million will be satisfied in cash, which will be funded through borrowings. (Source: *The Sun*)

Scientex (CP: RM8.37): Proposes RM500 million sukuk issue

Scientex Bhd wholly-owned subsidiary, Scientex Quatari Sdn Bhd (SQSB), is planning a RM500 million in nominal value sukuk programme to be used for land or property acquisition, working capital and refinance its existing bank borrowings. In stock exchange filing yesterday, the Industrial packaging and property group said SQSB had yesterday lodged with the Securities Commission Malaysia (SC) all the required information and relevant documents relating to the sukuk murabahah programme. RHB Investment Bank Bhd is the principal adviser, lead arranger, lead manager and facility agent for the sukuk programme. (Source: *The Sun*)

See Hup (CP: RM1.15): Sets up logistics JV with Japan's Maruzen

See Hup Consolidated Bhd, which is involved in general cargo transporting and freight forwarding services, is tying up with Tokyo Stock Exchange-listed Maruzen Showa Unyu Co Ltd to set up a logistics and forwarding joint venture (JV) company, which it foresees will provide it a competitive edge over its competitors. Its subsidiary SH Global Freight Sdn Bhd entered into a JV agreement with Maruzen Showa yesterday to effect the tie-up, said See Hup in a Bursa Malaysia announcement. The JV company will be known as Maruzen SH Logistics Sdn Bhd, which will provide logistics, forwarding, warehousing and other related business and services, it said. Maruzen Showa, established in 1931, is engaged in the provision of logistics, yard operations and machine stevedoring. (Source: *The Star*)

ECONOMIC UPDATES

Malaysia: India, Malaysia export-import banks sign MoU

Export-Import Bank of Malaysia Bhd and Export-Import Bank of India have signed a memorandum of understanding (MOU) to strengthen cooperation in financing, guaranteeing and other financial mechanism to support projects of interests to both the banks. In a statement on Wednesday, Export-Import Bank of India said both institutions were already cooperating with each other under the umbrella of Asian Export-Import Banks Forum. The MoU would further enhance the scope of information and knowledge sharing between the two banks, it said. (Source: *Bernama*)

U.S.: Fed's Yellen says 'looking forward' to day of first rate rise in decade

Federal Reserve Chair Janet Yellen said on Wednesday she was "looking forward" to a U.S. interest rate rise that will be seen as a testament to the economy's recovery from recession. Fed policymakers are widely seen raising interest rates for the first time in almost a decade at their next meeting on Dec.

15-16, but they continue to parse data and trends carefully given the uneven nature of the U.S. recovery. In her remarks to the Economic Club of Washington, Yellen expressed confidence in the U.S. economy, saying job growth through October suggested the labor market was healing even if not yet at full strength. (Source: Reuters)

Japan: BoJ won't hesitate to ease if emerging market slowdown hurts inflation trend

The Bank of Japan (BoJ) is prepared to ease monetary policy again if further deterioration in emerging economies hurts a broad uptrend in Japanese inflation, deputy governor Kikuo Iwata said on Wednesday. Iwata voiced confidence that Japan's economy is on track to achieve the central bank's 2% inflation target and blamed recent declines in consumer prices largely on slumping energy costs. A tightening job market will push up wages and underpin household spending, while companies are seen using their record corporate profits on capital expenditure, he said. But the former academic warned that there were "strong downside risks" on the outlook for exports and output, given slowing growth and excess slack among emerging economies. (Source: The Star)

Australia: Economy expands as resources boom shift accelerates

Australia's economy grew 0.9% in the third quarter for an annual rate of 2.5%, official data showed on Wednesday, with Treasurer Scott Morrison hailing progress in shifting from the resources boom to broader-based growth. The September quarter numbers were slightly above analyst expectations and an improvement on the previous quarter's sluggish growth, which was revised to 0.3% by the Australian Bureau of Statistics. "There are positive signs of a strengthening economy and signs that our economy is heading in the right direction," Morrison said. Australia is exiting an unprecedented mining investment boom, and the treasurer said the economy was evolving to meet the new conditions. (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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