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At a Glance

FBMKLCI gained 4.13 points to finish at 1,672.00 lifted by the gain in selected heavyweight counters.....(See full report next page)

Strategy**"US Economy Reverse Yesterday's Gains amid Backsliding Oil Price"**

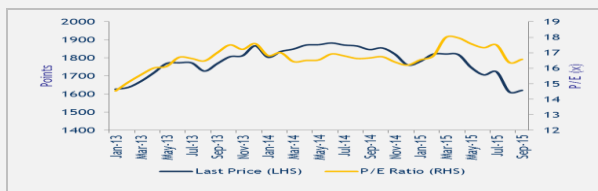
We think that the regional and local market may deliver a profit taking strategy today as a result.....(See full report next page)

Corporate Highlights

- **Gamuda, BUY (TP: RM5.80):** To invest RM7.5bil in construction division in FY16
- **SapuraKencana, BUY (TP: RM2.55):** Bags RM300m worth of contracts
- **CAB Cakaran (CP: RM1.62):** Plans to set up Indonesian poultry joint venture

Economic Update

- **Malaysia:** Bank Negara's international reserves stand at RM420.1bil
- **U.K.:** OPEC's oil market disarray looks like 1990s slump all over again
- **Global:** 3Q semicon equipment billings up 3% y-o-y to US\$9.6b, says SEMI



KEY ECONOMIC RELEASE					
	Date	Local Time	Event	Survey	Prior
CN	7-Dec	-	Foreign Reserves	\$3,487.5b	\$3,525.5b
MY	7-Dec	-	Foreign Reserves	-	\$93.9b
EU	8-Dec	6:00 PM	GDP SA QoQ	-	0.3%
EU	8-Dec	6:00 PM	GDP SA YoY	-	1.6%
CN	8-Dec	-	Trade Balance	\$62.30b	\$61.64b
CN	8-Dec	-	Exports YoY	-5.0%	-6.9%
CN	8-Dec	-	Imports YoY	-11.8%	-18.8%
JP	8-Dec	7:50 AM	GDP SA QoQ	0.0%	-0.2%
JP	8-Dec	7:50 AM	GDP Annualized SA QoQ	0.2%	-0.8%
JP	8-Dec	7:50 AM	GDP Deflator	2.0%	2.0%
JP	8-Dec	7:50 AM	BoP Current Account Balance	-	¥1,468.4b
JP	8-Dec	7:50 AM	Trade Balance BoP Basis	-	¥82.3b
CN	9-Dec	9:30 AM	CPI YoY	1.4%	1.3%
CN	9-Dec	9:30 AM	PPI YoY	-5.9%	-5.9%
US	9-Dec	8:00 PM	MBA Mortgage Applications	-	-
US	9-Dec	11:00 PM	Wholesale Inventories MoM	0.0%	0.5%
CN	10-15 Dec	-	Money Supply M2 YoY	13.4%	13.5%
MY	10-Dec	12:00 PM	Industrial Production YoY	-	5.1%
JP	10-Dec	7:50 AM	PPI MoM	-	-0.6%
JP	10-Dec	7:50 AM	PPI YoY	-	-3.8%
US	10-Dec	9:30 PM	Initial Jobless Claims	-	-
US	11-Dec	9:30 PM	Retail Sales Ex Auto MoM	0.3%	0.2%
US	11-Dec	9:30 PM	Retail Sales Ex Auto and Gas	-	0.3%
US	11-Dec	9:30 PM	PPI Final Demand MoM	0.0%	-0.4%
US	11-Dec	9:30 PM	PPI Ex Food and Energy MoM	0.1%	-0.3%
US	11-Dec	9:30 PM	PPI Final Demand YoY	-	-1.6%
US	11-Dec	9:30 PM	PPI Ex Food and Energy YoY	-	0.1%
US	11-Dec	11:00 PM	Uni. Of Mich. Sentiment	92.2	91.3

Bursa Malaysia

	Close	Change+/-	(+/- %)
FBMKLCI	1,672.00	4.13	0.25
FBMEMAS	11,655.89	44.94	0.39
FBMEMAS SHA	12,573.54	49.82	0.40
FBM100	11,337.08	43.82	0.39
Volume (mn)	1,788.24	215.75	13.72
Value (RMmn)	1,741.30	144.24	9.03
FBMKLCI YTD Chg			-5.07

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Local Retail	19.1	-25.6
Local Institution	62.1	84.2
Foreign Investors	18.8	-58.6

Top Gainers

	Close	Change+/-	(+/- %)
TOP GLOVE CORP	11.00	0.68	6.59
KLK	22.74	0.40	1.79
GE-SHEN CORP	2.33	0.28	13.66

Top Losers

	Close	Change+/-	(+/- %)
BAT	57.04	-0.84	-1.45
FAR EAST HLDGS	7.55	-0.35	-4.43
PETDAG	24.78	-0.26	-1.04

World Indices

	Close	Change+/-	(+/- %)
DJIA	17,730.51	-117.12	-0.66
NASDAQ	5,101.81	-40.46	-0.79
S&P 500	2,077.07	-14.62	-0.70
FTSE 100	6,223.52	-14.77	-0.24
DAX	10,886.09	133.99	1.25
Nikkei 225	19,698.15	193.67	0.99
HSI	22,203.22	-32.67	-0.15
KOSPI	1,963.67	-10.73	-0.54
STI	2,900.92	21.87	0.76
KLCI Futures	1,642.0	6	0.0
USDMYR 3M	12.7	0.12	0.0
USDMYR 6M	12.9	0.1	0.0
USDMYR 12M	12.85	0.12	0.01

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	38	0.1	0.3%
Brent (USD/bbl)	40.7	-2.3	-5.3%
Gold(USD/ounce)	1,071	-0.4	0.0%
Coal (USD/mt)	52.7	-0.3	-0.6%
CPO (RM/mt)	2,436	70.0	3.0%
Rubber	130	2.9	2.3%
RM/USD	4.22	-0.0092	0.22%
EUR/USD	0.92	0.0002	0.02%
YEN/USD	123.34	-0.03	0.02%

What To Expect

U.S. Market

- The Dow Jones Industrials Average declined 117.12 points to 17,730.51 points, S&P 500 down 14.60 points to 2,077.07. Nasdaq slipped by 40.46 points to 5,101.81. U.S. stocks fell on Monday, led by the S&P energy index's biggest one-day percentage drop since late August as oil prices slid to their lowest point in nearly seven years.
- Meanwhile, stock investors were also wary after Friday's November employment report intensified expectations that the economy would be strong enough to absorb an interest rate hike when the Federal Reserve meets on Dec. 15-16.

The Local Market

- FBMKLCI gained 4.13 points to finish at 1,672.00 lifted by the gain in selected heavyweight counters. There were 460 gainers and 359 decliners in total value traded of RM1.74 billion.
- Among the gainers on Bursa Malaysia were Top Glove grew 68 cent to RM11.00, KLK rose 40 cent to RM22.74, Ge-Shen increased 28 cent to RM2.33 and Inari Amertron surged 27 cent to RM4.51.

Strategy

- **"US Economy Reverse Yesterday's Gains amid Backsliding Oil Price"**
Wall Street was fretted over the backsliding of oil price at the back of rising concern of US first interest rate adjustment in mid-December. S&P 500 and DJIA **erased 14.62 points (-0.70%)** and **117.12 points (-0.68%)** to end at 2,077.07 and 17,730.51 respectively. Oil price benchmark, WTI, dropped USD2 to end at USD38 per barrel yesterday, its lowest in 7 years, hurt by the prospect of US first interest rate adjustment in 6 years in mid-December. Hence, Wall Street partially reversed its gains yesterday, staging for oil price to remain depress for quite some time. Investors were also wary of the biggest tectonic shift, as in US policy adjustment soon. All told, we think that the regional and local market may deliver a profit taking strategy today as a result.
- 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

Gamuda, BUY (TP: RM5.80): To invest RM7.5bil in construction division in FY16

Gamuda Bhd will invest about RM7.5bil in financial year 2016 in its construction division, said group managing director Datuk Lin Yun Ling. He said for property development, Gamuda had invested RM2bil in three townships and allocated another RM2bil for infrastructure, interchanges and roads for the townships. Lin said for 2016, the company would invest an additional RM3.5bil in property development, bringing its total investments to about RM7.5bil. (Source: *The Star*)

SapuraKencana, BUY (TP: RM2.55): Bags RM300m worth of contracts

SapuraKencana Petroleum Bhd clinched two new projects and secured an extension for an existing one. These contracts have a collective value of US\$72 million (RM300 million). SapuraKencana said the new contracts involved upstream support services each in Malaysia and India. In Malaysia, SapuraKencana said it clinched an engineering, procurement, construction and commissioning contract for simultaneous production and drilling from Roc Oil (Sarawak) Sdn Bhd. The contract is for a period of approximately four months and works are expected to commence in the fourth quarter of 2015 with expected completion by the first quarter of 2016. (Source: *The Edge*)

CAB Cakaran (CP: RM1.62): Plans to set up Indonesian poultry joint venture

Integrated poultry producer CAB Cakaran Corp Bhd plans to set up a fully integrated poultry business in Indonesia and has signed a memorandum of understanding (MoU) with Salim Group, one of Indonesia's largest conglomerates. The company said it and Salim Group's investment holding company KMP Private Ltd would study the possibility of having a joint venture, in which a Salim Group special purpose vehicle would initially hold 90% and CAB 10%. (Source: *The Star*)

E&O (CP: RM1.53): Secures up to RM1.08b loan for Penang's STP2 project

Eastern & Oriental Bhd (E&O) has secured up to RM1.084 billion loan facility to finance its reclamation and infrastructure works for the Seri Tanjung Pinang Phase 2 (STP2) project in Penang. In a statement, the property company said its subsidiary, Tanjung Pinang Development Sdn Bhd (TPD), has executed a Facility Agreement with Maybank Islamic Bank Bhd and RHB Islamic Bank Bhd, in relation to the syndicated banking facilities up to RM1.08 billion. The joint principal advisors, mandated lead arranger, underwriters and bookrunners are Maybank Investment Bank Bhd and RHB Bank Bhd. "The syndicated banking facilities will be used to part-finance the reclamation and infrastructure works of the STP2 project in Penang," E&O's managing director Datuk Seri Terry Tham Ka Hon said, adding with the funding in place for STP2, one of the key aspects to operationalise the project has been successfully addressed. (Source: *The Edge*)

CBIP (CP: RM2.05): Bags palm mill contract worth RM51m in Indonesia

CB Industrial Product Holding Bhd has bagged a contract worth RM51.08 million from PT Ichtar Gusti Pudi, a subsidiary of Ahmad Zaki Resources Bhd, to supply one continuous sterilisation palm oil mill with a capacity of 60 tonnes per hour. In a filing with Bursa Malaysia, CBIP said its unit Modipalm Engineering Sdn Bhd received the letter of award (LoA) for the project last Friday (Dec 4) from PT Ischtar Gusti. Under the contract, CBIP is tasked to supply the palm oil mill at Kabupaten Landak, Kecamatan Ngabang, Kalimantan Barat, Indonesia. The contract is made up of both local and import portions, with the local being IDR76.2 billion (RM22.98 million) and the import portion worth US\$6.73 million (RM28.09 million), the filing read. *(Source: The Edge)*

CLIQ Energy (CP: RM0.69): Maintains its cash call still on

CLIQ Energy Bhd (CLIQ) has clarified today that its proposed rights issue to raise at least RM210 million (US\$49.95 million) is still on. The cash call was announced in October to address a potential shortfall between its trust account cash and payment of the initial US\$90 million for its qualifying acquisition of a 51% stake in Phystech II Joint Stock Company. In a filing with the bourse, CLIQ directors said "its announcements made to the Bursa Malaysia to-date, still remains". It is in the midst of compiling and finalising information in connection with an updated application to be submitted to the Securities Commission, in light of, among others, the proposed rights issue with warrants and proposed increase in authorised share capital, it added. *(Source: The Edge)*

Instacom (CP: RM0.28): Secures RM116.4m housing job in Gombak

Instacom Group Berhad was awarded a RM116.4 million contract by CRCC Malaysia Bhd to construct a gated community housing scheme in Gombak, Selangor. Instacom said its subsidiary, Vivocom Enterprise Sdn Bhd (Vivocom), has received and accepted the letter of award (LoA) for the provision of construction works for a gated community housing scheme comprising semi-d units, villa mansions, apartment block and housing units under the Rumah Selangorku scheme in Bandar Ulu Klang, Gombak, Selangor. "The LoA is subject to [an] agreement to be entered into by Vivocom and CRCC," it said in a filing to the Bursa Malaysia yesterday. The project is in addition to contracts totalling RM231 million, received from CRCC Malaysia last month. *(Source: The Edge)*

SILK's (CP: RM0.46): 3 month net loss narrows to RM1.1 mil

SILK Holdings Bhd (Valuation: 0.30, Fundamental: 0.20) reported a net loss of RM1.1 million in the three months period ended Oct 30, 2015, narrowed from RM3.28 million a year ago. Revenue declined 9.15% to RM97.74 million, from RM107.54 million recorded in the preceding year's corresponding quarter. In a statement today, SILK said the downturn in topline performance attributable to an increasingly competitive and challenging economic landscape, saw the group record a loss before tax for the quarter of RM300,000, compared to a pre-tax profit of RM1.1 million previously. SILK said the oil and gas services division remained the group's main contributor to the overall revenue, contributing 64% to the overall topline performance. *(Source: The Edge)*

ECONOMIC UPDATES

Malaysia: Bank Negara's international reserves stand at RM420.1bil

Bank Negara announced on Monday that its international reserves stood at RM420.1bil or equivalent to US\$94.6bil as at Nov 30. It was higher than the RM417.2bil (US\$93.9bil) recorded on Nov 13, 2015. "The reserves position is sufficient to finance 8.6 months of retained imports and is 1.1 times the short-term external debt," the central bank said in a statement. (Source: *Bernama*)

U.K.: OPEC's oil market disarray looks like 1990s slump all over again

OPEC has seemingly dropped any attempt at trying to fulfill its founding mission and manage the global oil market. For Saudi Arabia's Ali al-Naimi, the most powerful and longest-serving of the group's oil ministers, it may have seemed like history was repeating itself. There are several striking parallels between the Organisation of Petroleum Exporting Countries' current situation and the period from 1997 to 1999, when the group lost control of market and oil slipped to less than US\$10 a barrel. While investors may wonder whether markets will follow a similar trajectory this time, it's important to remember that OPEC emerged from the crisis to see oil prices surge all the way to almost US\$150 a barrel. If the parallels hold, markets could be in for a wild ride. (Source: *Bloomberg*)

Global: 3Q semicon equipment billings up 3% y-o-y to US\$9.6b, says SEMI

Worldwide semiconductor manufacturing equipment billings rose 3% year-on-year and reached US\$9.6 billion in the third quarter of 2015, according to the US-based Semiconductor Equipment and Materials International (SEMI). In a statement on its website yesterday, SEMI said Worldwide semiconductor equipment bookings were \$8.7 billion in the third quarter of 2015. It said the figure was 7% lower than the same quarter a year ago and 14% lower than the bookings figure for the second quarter of 2015. The data is gathered jointly with the Semiconductor Equipment Association of Japan (SEAJ) from over 100 global equipment companies that provide data on a monthly basis. (Source: *The Edge*)

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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