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At a Glance

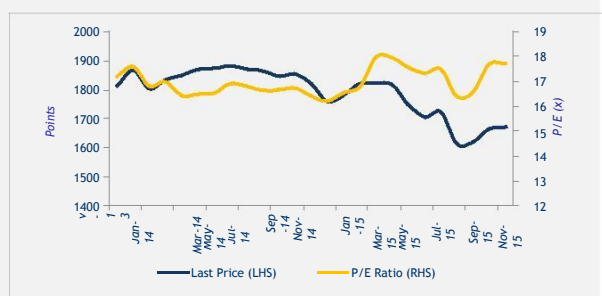
FBMVKLCI declined 0.63 points and closed at 1,692.51 due to the profit taking activities.....(See full report next page)

Corporate Highlights

- **MMC, BUY (TP: RM2.80):** Unit sells land to IPark for RM370mil
- **Xingquan (CP: RM 0.635):** To spend RM99.22m on knitting machines for upstream expansion
- **Nexgram (CP: RM0.095):** Turns around with 2Q profit

Economic Update

- **Malaysia:** November industrial production down 0.6%
- **Malaysia:** 1MDB's Bandar Malaysia deal a major milestone At RM7.41 billion,
- **China:** Two-Speed Economy Stays Intact as Factories Slump, Services Gain



KEY ECONOMIC RELEASE					
	Date	Local Time	Event	Survey	Prior
EU	4-Jan	5:00 PM	Markit Eurozone Manufacturing PMI	53.1	53.1
CN	4-Jan	9:45 AM	Caixin China PMI Mfg	49.0	48.6
JP	4-Jan	9:35 AM	Nikkei Japan PMI Mfg	-	52.5
US	4-Jan	10:45 PM	Markit US Manufacturing PMI	-	51.3
US	4-Jan	11:00 PM	Construction Spending MoM	0.6%	1.0%
US	4-Jan	11:00 PM	ISM Manufacturing	49.0	48.6
US	4-Jan	11:00 PM	ISM Prices Paid	36.0	35.5
EU	5-Jan	6:00 PM	CPI Estimate YoY	0.4%	0.2%
EU	5-Jan	6:00 PM	CPI Core YoY	1.0%	0.9%
JP	5-Jan	7:50 AM	Monetary Base YoY	-	32.5%
JP	5-Jan	9:35 AM	Nikkei Japan PMI Services	-	51.6
EU	6-Jan	5:00 PM	Markit Eurozone Services PMI	53.9	53.9
EU	6-Jan	5:00 PM	Markit Eurozone Composite PMI	54.0	54.0
EU	6-Jan	6:00 PM	PPI MoM	-0.2%	-0.3%
EU	6-Jan	6:00 PM	PPI YoY	-3.2%	-3.1%
CN	6-Jan	9:45 AM	Caixin China PMI Services	-	51.2
CN	6-Jan	9:45 AM	Caixin China PMI Composite	-	50.5
JP	6-Jan	9:35 AM	Nikkei Japan PMI Composite	-	52.3
US	6-Jan	8:00 PM	MBA Mortgage Applications	-	7.3%
US	6-Jan	9:15 PM	ADP Employment Change	198K	217K
US	6-Jan	9:30 PM	Trade Balance MYR	(\$44.10B)	(\$43.89B)
US	6-Jan	10:45 PM	Markit US Services PMI	55.8	53.7
US	6-Jan	10:45 PM	Markit US Composite PMI	-	53.5
US	6-Jan	11:00 PM	ISM Non-Manf. Composite	56.0	55.9
US	6-Jan	11:00 PM	Factory Orders	-0.3%	1.5%
US	6-Jan	11:00 PM	Durable Goods Orders	-	0.0%
EU	7-Jan	5:10 PM	Markit Eurozone Retail PMI	-	48.5
EU	7-Jan	6:00 PM	Economic Confidence	106.0	106.1
EU	7-Jan	6:00 PM	Consumer Confidence	-5.7	-5.7
EU	7-Jan	6:00 PM	Unemployment Rate	10.7%	10.7%
EU	7-Jan	6:00 PM	Retail Sales MoM	0.2%	-0.1%
EU	7-Jan	6:00 PM	Retail Sales YoY	2.0	2.5
CN	7-Jan	-	Foreign Reserves	-	\$3428.3B
MY	7-Jan	12:00 PM	Trade Balance MYR	-	12.16B
MY	7-Jan	12:00 PM	Exports YoY	-	16.7%
MY	7-Jan	12:00 PM	Imports YoY	-	-0.4
MY	7-Jan	6:00 PM	Foreign Reserves	-	\$94.9B
US	7-Jan	9:30 PM	Initial Jobless Claims	-	-
US	7-Jan	9:30 PM	Continuing Claims	-	-
JP	8-Jan	1:00 PM	Leading Index CI	103.9	104.2
JP	8-Jan	1:00 PM	Coincident Index	11.6	113.3
US	8-Jan	9:30 PM	Unemployment Rate	5.0%	5.0%
US	8-Jan	9:30 PM	Change in Nonfarm Payrolls	200K	211K
US	8-Jan	9:30 PM	Change in Manufacturing Payrolls	OK	(1K)
US	8-Jan	11:00 PM	Wholesale Inventories MoM	-0.1%	-1.0%

Bursa Malaysia

	Close	Change+/-	(+/- %)
FBMVKLCI	1,692.51	-0.63	-0.04
FBMEMAS	11,793.65	7.90	0.07
FBMEMAS SHA	12,800.65	22.98	0.18
FBM100	11,470.57	7.54	0.07
Volume (mn)	1,347.94	-426.73	-24.05
Value (RMmn)	1,332.22	-470.70	-26.11
FBMVKLCI YTD Chg			-3.90

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMmn)
Local Retail	22.4	-54.1
Local Institution	21.1	-8.7
Foreign Investors	56.5	62.8

Top Gainers

	Close	Change+/-	(+/- %)
BAT	56.08	0.64	1.15
MSM	4.96	0.41	9.01
PIE INDUSTRIAL	10.70	0.32	3.08

Top Losers

	Close	Change+/-	(+/- %)
PANASONIC MAN	24.28	-0.32	-1.30
INARI AMERTRON	4.58	-0.20	-4.18
LATITUDE TREE	7.39	-0.14	-1.86

World Indices

	Close	Change+/-	(+/- %)
DJIA	17,425.03	-178.84	-1.02
NASDAQ	5,007.41	-58.43	-1.15
S&P 500	2,043.94	-19.42	-0.94
FTSE 100	6,242.32	-31.73	-0.51
DAX	10,743.01	-117.13	-1.08
Nikkei 225	19,033.71	51.48	0.27
HSI	21,914.40	32.25	0.15
KOSPI	1,961.31	-5.00	-0.25
STI	2,882.73	-2.78	-0.10
KLCI Futures	1599.0	9.5	0.0
USDMYR 3M	13.1	-0.04	0.0
USDMYR 6M	13.1	0.0	0.0
USDMYR 12M	13.10	0.02	0.00

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	38	0.8	2.2%
Brent (USD/bbl)	38.3	1.0	2.7%
Gold(USD/ounce)	1,063	1.7	0.2%
Coal (USD/mt)	50.6	-0.3	-0.6%
CPO (RM/mt)	2,485	-10.0	-0.4%
Rubber	121	0.4	0.3%
RM/USD	4.30	-0.0255	0.59%
EUR/USD	0.91	-0.0002	-0.02%
YEN/USD	121.69	0.01	-0.01%

What To Expect

U.S. Market

The Dow Jones Industrials Average dropped 178.84 points to 17,425.03 points, S&P 500 declined 19.42 points to 2,043.94. Nasdaq fell by 58.43 points to 5,007.41. U.S. stocks had their worst annual performance since 2008, closing out a rocky year that tempered investors' expectations for gains in 2016.

The year wasn't grim across the board. The tech-heavy Nasdaq Composite Index rose 5.7%. Netflix and Amazon.com, the top-performing stocks in the S&P 500 in percentage terms, rose 134% and 118%, respectively. The consumer discretionary sector, which includes stocks such as Starbucks and Expedia, led the S&P 500 with an 8.4% gain. But broadly, the market struggled. While an extended slump in commodity prices helped drag the stock market into negative territory this year, six of the 10 sectors in the S&P 500 posted losses.

- FBMKLCI declined 0.63 points and closed at 1,692.51 due to the profit taking activities. There were 409 gainers and 419 decliners in total value traded of RM1.33 billion.
- Among the losers on Bursa Malaysia were Panasonic Manufacturing down 32 cent to RM24.28, Inari Emerton dropped 20 cent to RM4.58, Latitude lost 14 cent to RM7.39 and Asia File slipped 12 cent to RM4.58.

Strategy

- 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

MMC, BUY (TP: RM2.80): Unit sells land to IPark for RM370mil

Senai Airport City Sdn Bhd (SACSB), a wholly-owned unit of MMC Corp Bhd (MMC), has sold three parcels of land, totalling 76.38 ha in Mukim of Tebrau and Mukim of Senai, Johor, for about RM369.97mil to IPark Development Sdn Bhd. MMC said SACSB, formerly known as Enigma Harmoni Sdn Bhd, had signed a sale and purchase agreement (SPA) with IPark on Aug 11, 2015. On Dec 30, 2015, SACSB and IPark signed a supplemental agreement to amend and vary certain terms of the SPA, it said. (Source: *The Star*)

Xingquan (CP: RM 0.635): To spend RM99.22m on knitting machines for upstream expansion

China-based Xingquan International Sports Holdings Ltd (Xingquan) plans to spend 150 million yuan (RM99.22 million) to purchase 80 to 100 knitting machines as part of its upstream expansion plan. Xingquan's chairman and managing director Datuk Wu Qing Quan said that the company planned to buy

advanced equipment to venture into the production of knit fabric, which could be used in producing shoes and the inner lining of clothing. "For the first phase, we will buy 80 to 100 knitting machines, which would cost about 150 million yuan and supported by 200 million yuan supporting cash flow," Wu said after the company's AGM here today. *(Source: The Edge)*

Nexgram (CP: RM0.095): Turns around with 2Q profit

Nexgram Holdings announced a net profit of RM3.9 million for its second quarter ended Oct 31, 2015 (2QFY16) against a net loss of RM7,000 a year earlier, on higher sales of video surveillance equipment. Revenue rose to RM31.01 million, from RM24.98 million, Nexgram's filing with Bursa Malaysia showed. "The group's revenue increased by 15.7%, is mainly due to higher contribution from a subsidiary, which [is] principally involved in a wide-ranging choice of security and video surveillance equipments. *(Source: The Edge)*

CSC Steel (CP: RM1.09): To buy land in Seberang Perai for RM41mil CSC Steel

Holdings Bhd's wholly-owned subsidiary, CSC Steel Sdn Bhd (CSCM), is proposing to acquire two pieces of leasehold land in Seberang Perai Tengah, Penang, for RM41mil. The land, which houses a three-and-a-half storey detached factory building will be purchased from Tatt Giap Group Bhd (TGGB) and its subsidiary Tatt Giap Steel Centre Sdn Bhd (TGSC). "The purchase, expected to be completed by May 2016, will be funded by CSCM's internal funds," CSC Steel said in a filing to Bursa Malaysia. *(Source: The Star)*

Ewein (CP: RM1.28): Buys 50% stake in UD Piles Sdn Bhd

Ewein Bhd has inked a share sale agreement with Messrs 555 Capital Sdn Bhd for the acquisition of one million ordinary shares of RM1 each or a 50% equity interest in UD Piles Sdn Bhd for RM2.88mil. A filing with Bursa Malaysia showed that UD Piles would be a 50%-owned associate company of Ewein on completion of the purchase. The acquisition was paid in cash and funded entirely through internally-generated funds. *(Source: The Star)*

Only World Group (CP: RM3.09): Expects 50% revenue growth in FY17

Only World Group Holdings Bhd (OWG) has clarified it is expecting a 50% growth in revenue for the financial year ending June 30, 2017 (FY17). In a filing with Bursa Malaysia, the group said its growth rate forecast is based on the management's internal target for FY17. OWG said the growth forecast is based on the expansion of OWG's 29 food service outlets as at Sept 30, 2015, as well as amusement and recreation operations, via the opening of several new food service outlets and family attractions at the Komtar Tower in George Town, Penang. This is coupled with the consolidated revenue contribution from its newly-acquired subsidiary, Escaperoom Holdings Sdn Bhd. *(Source: The Edge)*

Jaya Tiasa (CP: RM1.33): MACC uplifts frozen bank account of subsidiary

The Malaysian Anti-Corruption Commission has uplifted the bank account of Jaya Tiasa Holding Bhd's subsidiary which was frozen on May 15 following a probe into illegal logging. The timber-plantations based company said on Thursday the anti-graft agency had uplifted the bank account of Jaya Tiasa Timber Products Sdn Bhd. In the May 15 statement, Jaya Tiasa said it was

extending full cooperation to the MACC in the recent state wide investigation in illegal logging activities in Sarawak. (Source: *The Star*)

Tatt Giap (CP: RM0.125): To sell land for RM41 million

Tatt Giap Group Bhd has agreed to dispose of a 42,376.3 sq m piece of leasehold industrial land in Prai, Penang, to CSC Steel Sdn Bhd for RM41 million as part of the group's debt reducing exercise. In a stock exchange filing yesterday, Tatt Giap said it had created legal charges over the Prai property as security to Maybank for banking facilities granted to its 51% owned unit, TGSC as well as other companies within the group. (Source: *The Sun*)

IPO: Ranhill to raise RM637.5 million from IPO

Ranhill Holdings Bhd is planning to raise up to RM637.5 million from its initial public offering (IPO) slated for Feb 18, 2016, following the completion of the reverse takeover of Symphony House Bhd by Ranhill. Ranhill, which is now a environment, energy and power generation business, has priced its shares at RM1.70 apiece. The floatation exercise will involve the sale of up to 475 million shares representing about 50.5% of the enlarged issued and paid-up share capital of the company. This is made up of an offer for sale of up to 100 million existing units and a public issue of up to 375 million new shares. . (Source: *The Sun*)

ECONOMIC UPDATES

Malaysia: November industrial production down 0.6%

Malaysia's producer price index (PPI) for November decreased 0.6% to 104.1, the Statistics Department said on Thursday. In a statement, the department said this was due to the decrease in local production index of 1% and an increase in import price index of 0.1%. "Year-on-year (y-o-y) comparison showed that the PPI for the domestic economy in November decreased 3% with the local production index dropping 5.3% while the import price index rose 1.8%," it said. The department added that the PPI for local production declined 1% to 101.6 in November mainly due to decreases in mining (minus 5.6%), agriculture forestry and fishing (minus 2.3%), electricity and gas (minus 0.9%) and manufacturing (minus 0.3%). (Source: *The Star*)

Malaysia: 1MDB's Bandar Malaysia deal a major milestone At RM7.41 billion,

1Malaysia Development Bhd's (1MDB) planned sale of a 60% stake in Bandar Malaysia Sdn Bhd is among Malaysia's largest property deals in terms of value. The Edge Malaysia business and investment weekly reported in its latest Jan 4 to 10 issue that the transaction translated into RM12.35 billion or about RM583.37 psf for the 194ha (486 acre) Bandar Malaysia land at Sungai Besi here. Malaysian government-owned 1MDB said it signed the share sale and purchase agreement with consortium IWH-CREC Sdn Bhd, which would jointly undertake the Bandar Malaysia mixed development. (Source: *The Edge*)

China: Two-Speed Economy Stays Intact as Factories Slump, Services Gain

China's economic rebalancing remained intact as the first economic reports of 2016 signaled manufacturing weakened for a fifth straight month, the longest such streak since 2009, even as a gauge of services rose to the highest level in

more than a year. The official purchasing managers index edged up to 49.7 last month from a three-year low of 49.6 in November, the National Bureau of Statistics said Friday. The non-manufacturing PMI rose to 54.4, the highest since August 2014. *(Source: Bloomberg)*

Indonesian: GDP Growth Misses Target in 2015,

Ministry Reports Indonesia missed its target for economic growth in 2015 because of a global slowdown, according to the Finance Ministry, which reported initial estimates for a larger-than-expected budget deficit and an undershoot on inflation for the year. The economy expanded 4.73 percent from a year earlier, missing the 5.7 percent target set in the state budget, the ministry said in statement on Sunday. Inflation was 3.1 percent last year, lower than the 5 percent goal, the ministry said. *(Source: Bloomberg)*

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.