

# PHILLIP RESEARCH SDN BHD

199001007125 (198695-X)

B-18-6, Megan Avenue II, No 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

Tel No: 03-2783 0300

## Morning Pole Position

| 25<sup>th</sup> October 2022 |

All market data as at previous trading day

### Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBMKLCI	1,446.42	8.70	-7.73
FBMEmas	10,220.90	51.10	-9.62
FBMSHA	10,197.40	33.69	-16.84
FBMSCAP	13,984.82	12.08	-11.27
FBMACE	4,801.27	18.15	-25.21
F4GBM	830.41	5.01	-5.67
F4GBMS	842.74	4.19	-14.23

Funds Flows	Net Buy (MYR'm)
Local Institutions	28.7
Local Retails	-48.8
Foreign	20.1

<i>Foreign</i>			
Dow Jones	31,499.62	417.06	-13.32
S&P 500	3,797.34	44.59	-20.33
Nasdaq	10,952.61	92.9	-29.99
FTSE	7,013.99	44.26	-5.02
Hang Seng	15,180.69	-1030.43	-35.12
Nikkei	26,974.90	84.32	-6.31
Shanghai CI	2,977.56	-61.37	-18.19
Strait Times	2,969.95	-52.75	-4.92

### Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.7380	0.0090	13.76
GBP / MYR	5.2736	-0.0163	-6.35
JPY100 / MYR	3.1391	-0.0147	-13.26
EUR/MYR	4.6224	-0.0037	-1.95
SGD / MYR	3.3162	0.0000	7.48
CNY / MYR	0.6535	0.0000	-0.18
AUD / MYR	2.9624	-0.0050	-2.12

### Bond Yield Movements

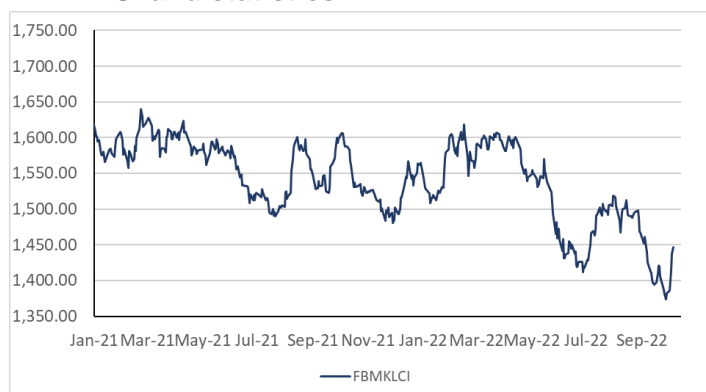
		Yield	Daily Change (bps)
<b>MGS</b>	3- year	3.93	0
	10- year	4.57	7
<b>GII</b>	3- year	3.88	0
	10- year	4.66	9
<b>UST</b>	2- year	4.5	1
	10- year	4.25	4

### Commodities

	Last	Daily chg	Daily chg %
CPO (3 <sup>rd</sup> month)	4,101.00	5	0.12
Brent (1 <sup>st</sup> month)	93.43	0.70	0.75
Gold (spot)	1,649.94	21.66	1.33

Source: Treasury.gov, Bursa and BNM

### FBMKLCI and statistics



Source: Bloomberg

### Market Turnover

Vol (m shrs)	1,991
Value (MYR m)	1,508

Top 5 Value	Last	Daily chg %	Value (MYR m)
PBBANK	4.500	1.351	124.158
CIMB	5.530	0.545	99.207
PCHEM	9.000	1.124	69.954
IHH	6.000	-1.478	49.562
MAYBANK	8.660	0.698	45.586

Top 5 Gainers	Last	Daily chg %	Value (MYR m)
FOCUS-PA	0.010	100.00	0.029
GOCEAN	0.015	50.00	0.026
DOLPHIN	0.020	33.33	0.002
AEM	0.020	33.33	0.000
EDUSPEC	0.020	33.33	1.261

Top 5 Losers	Last	Daily chg %	Value (MYR m)
CAP	0.005	-50.000	0.000
PERMAJU-PA	0.005	-50.000	0.000
VSOLAR	0.005	-50.000	0.003
SAPNRG-PA	0.035	-36.364	0.000
MINETEC-PA	0.010	-33.333	0.002

Top 5 DBT	Value (MYR m)	Volume (m shares)	Price (MYR)
UNISEM	61.728	32.000	2.36
HONGSENG	46.995	187.710	0.225
STELLA	32.927	34.660	1.06
SCGBHD	2.700	10.000	0.36
RAPID	2.471	0.183	14.72

## Market Pulse



Source: Chart created using tradingview.com's tools, PRSB

KLCI's rally extended on Friday to close at an intraday high of 1,466.42, with +8.70 pts (+0.61%). The gain within KLCI constituents was broad-based as it saw gainers outpacing losers by 18 to 10 while the remaining 2 are unchanged. The top gainers of the day were Dialog and Digi.com, which rose 2.82% and 2.00%, respectively. Similarly, the broader market share positive sentiment albeit more cautiously as there were 400 gainers and 388 losers with 382 remaining unchanged on Friday's trading session.

The U.S. market closed higher last night was fuelled by Fed Pivot speculations driven by The Wall Street Journal (Exhibit 1). The article said that the Fed is likely to use its November meeting to debate whether to trim the size of its rate hike in December, while investors assessed weaker-than-expected economic data. Fed policymakers are currently in a blackout period, with no fresh comments expected this week ahead of their two-day rate-setting meeting that ends on 2<sup>nd</sup> November. However, we believe that Fed would keep its aggressive stance as we still hold the view that inflation would peak in December.

In the meantime, U.S. market volatility would remain elevated (Exhibit 2) as the market heads to the 2<sup>nd</sup> week of corporate earnings with investors focusing on the tech giants (Alphabet, Microsoft, Meta, Apple, and Amazon). Investors also seem to be fleeing out of China upon confirmation of President Xi Jinping to a historic third term. The consolidation of power by President Xi appears to suggest a continuation of current policies and most importantly, the Zero-Covid policy which President Xi reiterates as necessary to protect the greater good of the populace. Nevertheless, we believe that President Xi will ensure China's prosperity during his reign, and he is set to maintain his long reign.

With GE15 working as the market catalyst, KLCI may continue to trend higher today, up to 0.382 Fibonacci level of 1,467.74. RSI has not reached an overbought level yet, despite strong buying activity last week which indicates the buying trend may continue. The recent rally we have seen on the local market appears to be supported by Institutional Investors rather than by foreign investors as seen in Exhibit 3. On top of that, a double bottom formation was completed last week giving a strong bullish reversal signal to the market. Thus, we think KLCI may trade between 0.236 and 0.382 Fibonacci levels (1,431.67-1,467.74) with a bullish bias. Albeit the market would likely remain volatile ahead of GE15 as

the situation remains fluid, we maintain our KLCI year-end target of 1,541 points. As election play kicks in, KLCI may reach 1,571 towards the polling date. Our Picks in Exhibit 4.

Exhibit 1: Friday’s report in The Wall Street Journal

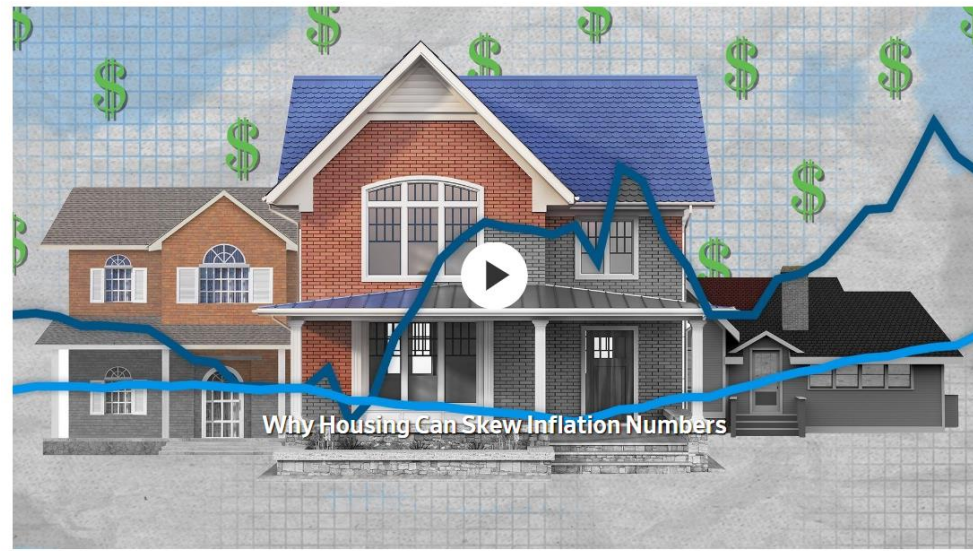
THE WALL STREET JOURNAL.

Home World U.S. Politics **Economy** Business Tech Markets Opinion Books & Arts Real Estate Life & Work Style Sports

ECONOMY | U.S. ECONOMY

# Fed Set to Raise Rates by 0.75 Point and Debate Size of Future Hikes

Some officials are signaling greater unease with big rate rises to fight inflation



Why Housing Can Skew Inflation Numbers

Housing is one of the most weighted categories when tracking inflation, but it's also one of the most complicated to measure. WSJ's David Harrison explains how the shelter index is calculated, and why it can muddy the inflation outlook for the Fed. Illustration: Laura Kammermann

Source: WSJ


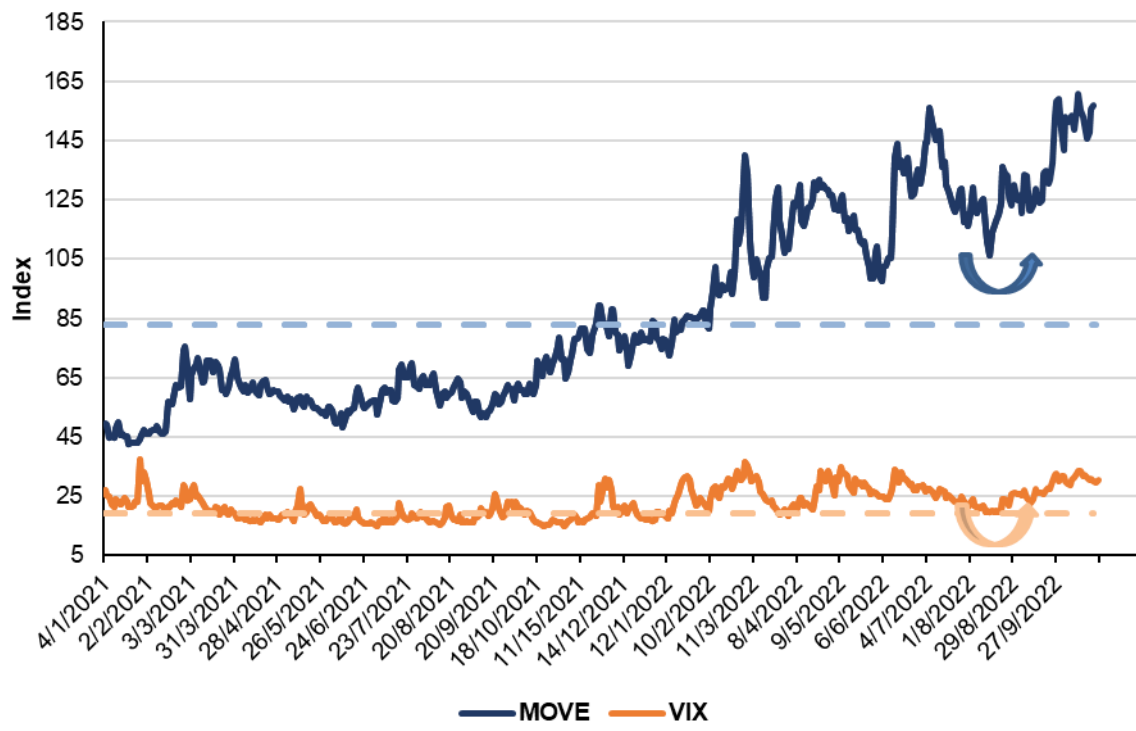
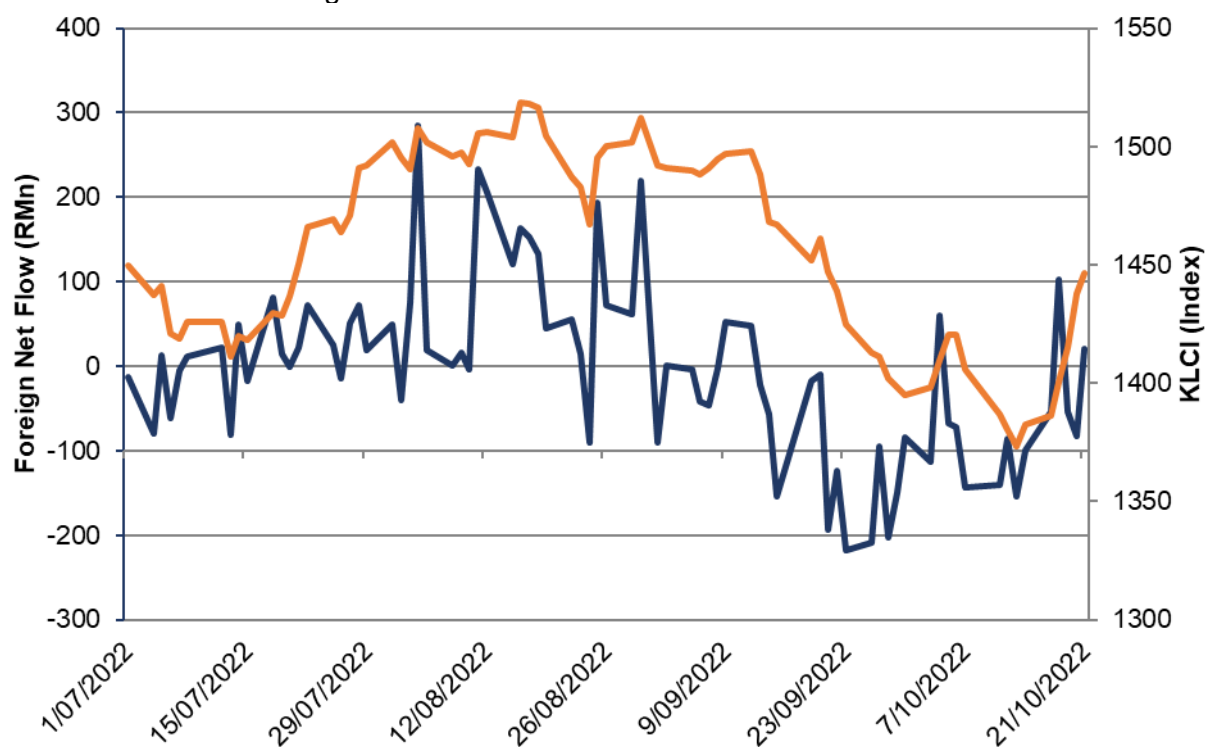


Exhibit 2: MOVE and VIX Indices



Source: Bloomberg, compiled by PRSB

Exhibit 3: KLCI and Foreign Fund Flow



Source: Bursa, Bloomberg, compiled by PRSB

Exhibit 4: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
<b>Fundamental</b>					
Bermaz Auto	BAUTO MK	Buy	1.89	2.45	29.63
Guan Chong	GUAN MK	Outperform	2.07	2.78	34.30
<b>Technical</b>					
QL Resources	QLG MK	Outperform	5.20	5.77	10.96
Opcom Holdings	OHB MK	Buy	0.860	1.24	44.19
Gamuda	GAM MK	Outperform	3.75	4.30	14.67
Chin Well Holdings	CWH MK	Outperform	1.57	2.00	27.39
Supercomnet Technologies	SCT MK	Outperform	1.57	1.73	10.19
Pentamaster Corporation	PENT MK	Buy	3.85	5.26	36.62
Formosa Prosonic Industries	FOR MK	Buy	3.00	3.92	30.67
Kerjaya Prospek Group	KPG MK	Outperform	1.16	1.39	19.83
MMS Ventures	MMSV MK	Buy	0.655	1.20	83.21
FM Global Logistics Holdings	FMH MK	Buy	0.535	0.82	53.27
Hibiscus Petroleum	HIBI MK	Buy	0.95	1.32	39.68
OSK Holdings	OSK MK	Buy	0.87	1.12	29.48
UWC	UWC MK	Buy	3.63	5.03	38.57
Dayang Enterprise	DEHB MK	Buy	1.14	1.44	26.32
CTOS Digital	CTOS MK	Buy	1.34	1.78	32.84
Ancom Nylex	ANC MK	Buy	0.97	1.24	28.50
BP Plastics Holdings	BPP MK	Buy	1.38	1.80	30.43
CCK Consolidated Holdings	CCK MK	Outperform	0.61	0.71	16.39
Vitrox Corp Bhd	VITRO BHD	Buy	7.00	7.88	12.50

Pecca Group Bhd	PECCA MK	Buy	0.84	1.16	37.50
Nova Wellness Group Bhd	NOVA MK	Outperform	0.89	1.07	20.34
Duopharma Biotech Bhd	DBB MK	Outperform	1.43	1.44	0.70
Mega First Corp	MFCB MK	Outperform	3.33	3.63	8.86
Malton Bhd	MALT MK	Buy	0.37	0.44	20.55
Maxis Bhd	MAXIS MK	Outperform	3.55	3.82	7.61
MyEG Services Bhd	MYEG MK	Outperform	0.83	0.94	13.25
WCT Holdings Bhd	WCT MK	Outperform	0.35	0.43	22.86
<b>ETF</b>					
MyETF Dow Jones U.S. Titans 50	METFUS50 MK	Buy	USD 1.64	USD 1.93	17.84
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.79	0.92	16.28
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.64	1.80	9.73
Principal FTSE China 50 ETF	CIMBC25 MK	Buy	1.15	1.39	21.17
TradePlus HSCEI Daily (2x) Leveraged Tracker	HSCEI2XL MK	Strong Buy	0.48	0.85	77.89
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Buy	1.90	1.86	-2.11

Source: Bursa, Bloomberg, PRSB, price as of 21<sup>st</sup> October 2022



## Malaysian news highlights

---

- **Labuan Development Blueprint 2030 offers various economic developments, says Ismail Sabri**  
The Labuan Development Blueprint 2030 is capable of bringing economic development to the tax-free island, said caretaker Prime Minister Datuk Seri Ismail Sabri Yaakob. He said the development plan launched in 2018 was drafted covering various physical developments and economic sectors to drive economic development in Labuan. "The Labuan Development Blueprint 2030 has been formulated to fulfil the needs of existing economic sectors and those that will be created. (Source: [TheEdgeMarkets](#))
- **MPIC: Delay in foreign workers intake due to source countries**  
The delay in the entry of foreign workers into Malaysia is due to the source countries as they have to carry out several screening tests such as health screening and others. Plantation Industries and Commodities Minister Datuk Zuraida Kamaruddin said, nevertheless, this problem is being resolved and the intake of foreign workers is proceeding smoothly. (Source: [TheEdgeMarkets](#))
- **Malaysia still most desirable location for data centre hubs in the region — Mida**  
Malaysia is still the most desirable location in the region for data centre hubs, said Malaysian Investment Development Authority (Mida) chief executive officer Datuk Wira Arham Abdul Rahman. Supported by the country's vast resources, favourable environment, and advancement in digital infrastructure, Malaysia has developed into a mature market for data centres, he said in conjunction with the grand opening of Bridge Data Centres' (BDC) first-phase hyperscale data centre in Sedenak, Johor on Thursday. (Source: [TheEdgeMarkets](#))

## Global news highlights

---

- **US Business Activity Contracts for Fourth Month, Orders Shrink**  
The S&P Global flash composite purchasing managers output index decreased 2.2 points to 47.3, the group reported Monday. Readings below 50 indicate contraction. A measure of business activity at service providers slid to 46.6 in the month, marking the second-worst reading since May 2020. Firms attributed the decline to weak client demand, rising interest rates and stubborn inflation, the report showed. (Source: [Bloomberg](#))
- **US Budget Deficit Plunges to \$1.38 Trillion as Pandemic Aid Unwinds**  
The deficit for the fiscal year through September narrowed to \$1.38 trillion, from a revised \$2.78 trillion the previous year, according to US Treasury Department data released Friday. The headline gap between the government's spending and revenue figures are a perennial hot-button issue in Congress, often wielded as a key metric as Democrats and Republican push competing agendas. (Source: [Bloomberg](#))
- **Moody's cuts UK outlook to 'negative' over political turmoil**  
Ratings agency Moody's on Friday (Oct 21) lowered the UK's outlook to "negative" from "stable" over ongoing political turmoil, weaker growth prospects and high inflation. Moody's maintained its sovereign rating for the UK at "Aa3". British Prime Minister Liz Truss resigned on Thursday triggering a leadership contest that, coming so soon after the bitter one that put her into power, could deepen divisions in the governing Conservative party. (Source: [TheEdgeMarkets](#))
- **Euro-Area Consumer Confidence Near Record Low as Recession Looms**  
Euro-area consumer confidence stayed close to a record low in October, highlighting the continued risk of a recession this winter as households struggle with surging inflation and an acute cost-of-living crisis. A monthly gauge from the European Commission inched up to -27.6 from -28.8 in September, according to preliminary data released on Friday. Economists surveyed by Bloomberg had predicted a decline to -30. (Source: [Bloomberg](#))

- **Euro-Zone Downturn Deepens, Making Recession More Likely**  
Private-sector activity in the euro zone contracted for a fourth month in October, reinforcing expectations that the bloc is headed for a recession. An index of purchasing managers compiled by S&P Global slumped to its lowest level since April 2013, barring months when there were Covid-19 lockdowns. That was worse than economists had anticipated as record inflation hurts demand and some firms rein in production on weaker sales. (Source: [Bloomberg](#))
- **ECB Preps Another Big Hike as Focus Shifts to Where It Will Stop**  
The European Central Bank is priming another hefty hike in interest rates this week as the attention increasingly switches to how high it will eventually push. A second straight three-quarter-point increase -- an increment that appeared almost inconceivable earlier this year but is becoming the norm after three such moves by the Federal Reserve -- is all but a done deal on Thursday, bringing the deposit rate to 1.5%. (Source: [Bloomberg](#))
- **Japan's Suspected Intervention Estimated at Record \$37 Billion**  
The size of the suspected market action is estimated to be as much as 5.5 trillion yen (\$36.8 billion), according to a basic calculation using the BOJ's forecast for the change in its current account and the Central Tanshi projection for the balance assuming no intervention. (Source: [Bloomberg](#))
- **Australia's 2023 Budget Deficit Set to Halve on Commodity Boom**  
The underlying cash deficit in the 12 months through June 2023 will be A\$36.9 billion (\$23.4 billion), figures released prior to Tuesday's announcement showed. That compares with A\$78 billion forecast by the former conservative government when it laid out its plan for the fiscal year almost seven months ago. (Source: [Bloomberg](#))
- **Xi's Power Grab Spurs Historic Market Rout as Foreigners Flee**  
The market meltdown following the reshuffle, which highlighted Xi's unquestioned grip over the ruling party, shows deep disappointment over a likely continuation of policies staked on Covid Zero and state-driven companies. Tech giants Alibaba Group Holding Ltd., Tencent Holdings Ltd. and Meituan all tumbled more than 11% as investors remained skeptical that Xi and his allies will seek a rejuvenation of private enterprise. (Source: [Bloomberg](#))
- **China's Export Growth Slows as Global Demand Weakens**  
Exports in US dollar terms expanded 5.7% last month from a year earlier, the General Administration of Customs said in a statement Monday. That was slower than the 7.1% growth in August, but beat the 4% rise forecast by economists in a Bloomberg survey. Imports rose 0.3% in September from a year earlier, unchanged from August. The trade balance increased to \$84.74 billion. (Source: [Bloomberg](#))
- **India faces headwinds from external sector, government says**  
India's economy faces risks from the external sector, the nation's finance ministry said in its monthly report, flagging that foreign capital inflows could be hurt as the Federal Reserve tightens monetary policy and concerns about elevated global energy prices cloud the near-term outlook. "On the one hand, the Federal Reserve continues to be aggressive in the fight against inflation, thereby signalling further interest rate hikes. This may lower capital inflows, increase pressure on the rupee to depreciate, and make imports of essential commodities costlier," according to the report released Saturday. (Source: [TheEdgeMarkets](#))

## Corporate news

---

- **Moody's affirms Exim Bank's A3 ratings**  
Moody's Investors Service has affirmed the A3 foreign currency senior unsecured debt and issuer ratings of Export-Import Bank of Malaysia Bhd (Exim Bank) and its (P)A3 foreign currency senior unsecured medium-term note (MTN) programme rating. Concurrently, it also affirmed the A3-backed foreign currency senior unsecured debt rating and the (P)A3-backed foreign currency senior unsecured MTN programme rating of the bank's wholly owned subsidiary, Exim Sukuk Malaysia Bhd.

Moody's said it has also affirmed Exim Bank's Baseline Credit Assessment (BCA) of b2. (Source: [TheEdgeMarkets](#))

- **MBSB moves ahead with MIDF merger, submits application to BNM**

Malaysia Building Society Bhd (MBSB) said it has made an application to Bank Negara Malaysia (BNM) to seek approval for its acquisition of Malaysian Industrial Development Finance (MIDF) from Permodalan Nasional Bhd (PNB), to form a universal Islamic banking group. Concurrently, MBSB said it has also entered into an implementation agreement with PNB towards inking a definitive agreement for the acquisition, upon obtaining BNM's approval. (Source: [TheEdgeMarkets](#))

- **MAHB's September passenger movements surpass eight million for first time since March 2020**

Malaysia Airport Holdings Bhd's (MAHB) said the passenger movements for its network of airports last month surpassed the eight million level for the first time since March 2020. The 8.2 million passengers achieved in September 2022, was equal to 71% of the September 2019 figure, the airports operator said in a filing with Bursa Malaysia. A total of 24 million passengers was recorded for the third quarter of 2022 (3Q22), it added. (Source: [TheEdgeMarkets](#))

"The remaining of this page is intentionally left blank"



## Corporate Actions/ Entitlement

Stock Code	Stock Name	Entitlements	Description	Ex-Date	Lodgement Date	Payment/ Cessation Date
5027	KMLOONG	RM0.0500	Interim Dividend	25/10/2022	26/10/2022	15/11/2022
6718	CRESNDO	RM0.0300	Interim Dividend	25/10/2022	26/10/2022	15/11/2022
138	MYEG	RM0.0025	First Interim Dividend	26/10/2022	27/10/2022	25/11/2022
0225	SCGBHD	2 Warrant to 1 Share	Bonus Issue Warrant	26/10/2022	27/10/2022	-
5006	STELLA	RM0.0250	Final Interim Dividend	26/10/2022	27/10/2022	24/11/2022
0186	PTRANS	RM0.0075	Third Interim Dividend	27/10/2022	28/10/2022	15/11/2022
4006	ORIENT	RM0.2000	Interim Dividend	27/10/2022	28/10/2022	17/11/2022
5220	GLOTEC	RM0.0180	Final Interim Dividend	27/10/2022	28/10/2022	21/11/2022
7207	SUCCESS	RM0.0180	Interim Dividend	28/10/2022	31/10/2022	28/11/2022

“The remaining of this page is intentionally left blank”

## DISCLAIMER

Legal and Regulatory Notices (Electronic Communications)  
© 2018 PRSB.

### Important disclosures

This research report is strictly confidential and has been prepared for information purposes only by Phillip Research Sdn Bhd ("PRSB"), a subsidiary of Phillip Capital Holdings Sdn Bhd ("PCH") and is meant for circulation to its clients and clients of other subsidiaries companies of PCH particularly Phillip Mutual Berhad ("PMB"), Phillip Capital Management Sdn Bhd ("PCM"), Phillip Wealth Planners Sdn Bhd ("PWP") and Phillip Capital Sdn Bhd ("PCSB") (collectively refer to as Phillip Group other licensed intermediaries ("PGOLI")) only or such other persons as may be deemed eligible to receive such research report, information or opinion contained herein. Neither the publication/communication nor any portion hereof may be reprinted, distributed, sold, resold, redistributed, copied, reproduced, published, republished, displayed, posted or transmitted in any form or media or by any means without the written consent of PRSB.

The policy of PRSB is to only publish research that is impartial, independent, clear, fair, and not misleading. Analysts never receive compensation from companies they cover. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to a research report as below. This research disclosure is for your information only and does not constitute any recommendation, representation or warranty. Absence of a disclosable position should not be taken as endorsement on the validity or quality of the research report or recommendation.

To maintain the independence and integrity of PRSB's research, PGOLI activities such as fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, financial planning and research business lines are distinct from one another. This means that PRSB is not part of and does not report to any of PGOLI. Accordingly, PGOLI does not supervise nor control the activities of PRSB's research analysts. PRSB's research analysts report to the Head of Research, who in turn report to PRSB's senior management.

PRSB and PGOLI have in place internal controls designed to manage conflicts of interest that may arise as a result of PGOLI engaging in fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, financial planning and PRSB activities. Some examples of these controls include: the use of information barriers and other information controls designed to ensure that confidential information is only shared on a "need to know" basis and in compliance with PRSB and PGOLI's Chinese Wall policies and procedures; measures designed to ensure that interactions that may occur among PRSB's research personnel, fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, and financial planning, PGOLI's financial product issuers and PRSB's research analysts do not compromise the integrity and independence of PRSB's research.

Neither analysts nor their household members/associates/may have a financial interest in, or be an officer, director or advisory board member of companies covered by the analyst unless disclosed herein. In circumstances where an analyst has a pre-existing holding in any securities under coverage, those holdings are grandfathered and the analyst is prohibited from trading such securities up to the date of the publication of this research report.

Unless specified otherwise, PRSB did not receive investment banking/non-investment banking income from, and did not manage/co-manage a public offering for, the listed company during the past 12 months, and it does not expect to receive investment banking compensation from the listed company within the coming three months. Unless mentioned otherwise, PRSB does not own a material disclosable position, and does not make a market, in the securities.

We hereby certify that the views expressed in this research report accurately reflect our views about the securities and/or the issuers and that no part of our compensation were or will be directly or indirectly related to the specific recommendation or views contained in this report or to any investment banking relationship with the subject company covered in this report (for the past one year) or otherwise any other relationship with such company which leads to receipt of fees from the company except in ordinary course of business of the company. We hereby confirm that our analyst(s) has/have not been placed under any undue influence, intervention or pressure by any person(s) in compiling this research report. This report is prepared without any intention to raise, lower or maintaining the price of the securities covered or to induce the recipient to buy or sell the securities covered. In addition, our analyst(s) included herein attest that he/she/they was/were not in possession of any material, non-public price

sensitive information regarding the subject company at the time of publication of the report. Save from the disclosure below (if any), we are not aware of any material conflict of interest.

Key to PRSB investment ratings:

Equity:

BUY: Total stock return (including dividends) expected to exceed 20% annually;

O-PF: Total expected return below 20% annually but exceeding market return;

U-PF: Total expected return positive but below market return;

SELL: Total return expected to be negative.

For relative performance, we benchmark the 12-month total forecast return (including dividends) for the stock against the 12-month forecast return (including dividends) for the market on which the stock trades.

ETFs (Criteria applies to rating assignments from 16th December 2019):

STRONG BUY: Total return (including dividends) expected to exceed 20% annually;

BUY: Total expected return below 20% but exceed 5% or then 1-year rate, whichever is higher;

SELL: Total return of not more than 5% or then 1-year rate, whichever is higher.

The ratings are based on the forecast total return (including dividends) over the next 12 months.

Funds:

The rating a mathematical scoring system that include risks (standard deviation, Sharpe Ratio) and returns (1-year, 3-year, 5-year and consistency) BUY: Total return (including income distribution) is positive and above peers' average while risk factors are low;

O-PF: Total return is positive and above peers' average but has higher risk factors; SELL: Total return is negative.

For a history of the recommendations and price targets for companies mentioned in this report, as well as company specific disclosures, please write to: Phillip Research Sdn Bhd, B-18-6, Block B Level 18, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Malaysia.

The information, opinions and estimates herein are not directed at, or intended for distribution to or use by, any person or entity in any jurisdiction where doing so would be contrary to law or regulation or which would subject PRSB and/or its associate companies to any additional registration or licensing requirement within such jurisdiction. The information and statistical data herein have been obtained from sources we believe to be reliable. Such information has not been independently verified and we make no representation or warranty as to its accuracy, completeness or correctness. Any opinions or estimates herein reflect the judgment of PRSB at the date of this publication/communication and are subject to change at any time without notice. Where any part of the information, opinions or estimates contained herein reflects the views and opinions of a sales person (include but not limited to Financial Planners and Marketing Representative or a non-analyst), such views and opinions may not correspond to the published view of PRSB. This is not a solicitation or any offer to buy or sell. This publication/communication is for information purposes only and does not constitute any recommendation, representation, warranty or guarantee of performance. Any price target given in the report may be projected from one or more valuation models and hence any price target may be subject to the inherent risk of the selected model as well as other external risk factors. This is not intended to provide professional, investment or any other type of advice or recommendation and does not take into account the particular investment objectives, financial situation or needs of individual recipients. Before acting on any information in this publication/communication, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice, including tax advice. PRSB, and PGOLI do not accept any responsibility and cannot be held liable for any person's use of, or reliance on the information and opinions contained herein. To the extent permitted by applicable securities laws and regulations, PRSB accepts no liability whatsoever for any direct or consequential loss arising from the use of this publication/communication or its contents. Where the publication does not contain ratings, the material should not be construed as research but is offered as factual commentary. It is not intended to, nor should it be used to form an investment opinion about the non-rated companies.

Subject to any applicable laws and regulations at any given time, PRSB, PGOLI and their respective affiliates or companies or individuals connected with PRSB may have used the information contained herein before publication and may have positions in, may from time to time purchase or sell or have a material interest in any of the securities mentioned or related securities, or may currently or in future have or have had a business or financial relationship with, or may provide or have provided investment banking, capital markets and/or other services to, the entities referred to herein, their advisors and/or any other connected parties. As a result, investors should be aware that PRSB, PGOLI and/or their respective affiliates or companies or such individuals may have one or more conflicts of interest. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to research reports. Details of the disclosable interest can be found in certain reports as required by the relevant rules and regulation. Disclosures therein include the position of PRSB and PGOLI only. Unless specified otherwise, PRSB did not receive any compensation or other benefits from the subject company covered in this publication/communication.

The analysts/contributors to this publication/communication may be employed by any relevant PGOLI entity, which is different from the entity that distributes the publication/communication in the respective jurisdictions.

PRSB, PGOLI and/or its officers, directors and employees, may, to the extent permitted by applicable law and/or regulation, deal as principal, agent, or otherwise, or have long or short positions in, or buy or sell, the securities, commodities or instruments, or options or other derivative instruments based thereon, of issuers or securities mentioned herein. PGOLI may also act as market maker or liquidity provider (within the meaning of applicable regulations in the UK) in the financial instruments of the issuer. Where the activity of market maker is carried out in accordance with the definition given to it by specific laws and regulations of the US or other jurisdictions, this will be separately disclosed within the specific issuer disclosures.

Investors should not consider this report as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. PRSB produces a number of different types of research product including, among others, fundamental analysis and quantitative analysis; recommendations contained in one type of research product may differ from recommendations contained in other types of research product, whether as a result of differing time horizons, methodologies or otherwise. PRSB and PGOLI publishes research product in a number of different ways including the posting of product on the PGOLI portals and/or distribution directly to clients. Different groups of clients may receive different products and services from the research department depending on their individual requirements.

Figures presented herein may refer to past performance or simulations based on past performance which are not reliable indicators of future performance. Where the information contains an indication of future performance, such forecasts may not be a reliable indicator of future performance. Moreover, simulations are based on models and simplifying assumptions which may oversimplify and not reflect the future distribution of returns. Any figure, strategy or index created and published for illustrative purposes within this report is not intended for “use” as a “benchmark”.

Certain securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment.

With respect to Fixed Income Research: Recommendations fall into two categories: tactical, which typically last up to three months; or strategic, which typically last from 6-12 months. However, trade recommendations may be reviewed at any time as circumstances change. ‘Stop loss’ levels for trades are also provided; which, if hit, closes the trade recommendation automatically. Prices and yields shown in recommendations are taken at the time of submission for publication and are based on either indicative Bloomberg, Reuters or PGOLI prices or yields at that time. The prices and yields shown are not necessarily those at which the trade recommendation can be implemented.

The securities described herein may not have been registered under the US Securities Act of 1933 (the ‘1933 Act’), and, in such case, may not be offered or sold in the US or to US persons unless they have been registered under the 1933 Act, or except in compliance with an exemption from the registration requirements of the 1933 Act. Unless governing law permits otherwise, any transaction should be executed via PhillipCapital Group entity in your home jurisdiction.