



# 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

| 28<sup>th</sup> October 2022 |

All market data as at previous trading day

### Market indices

Indices	Last	Daily chg	YTD chg%
Local			
FBM KLCI	1,454.09	-0.89	-7.24
FBM Emas	10,313.57	16.03	-8.80
FBM Syariah	10,346.73	20.62	-15.63
FBM Small Cap	14,245.41	133.60	-9.61
FBM ACE	4,863.19	-5.85	-24.24
F4G BM	836.55	0.73	-4.97
F4G BMS	854.66	1.13	-13.02
Funds Flows		Net Buy (MYR'm)	
Local Institutions		-99.1	
Local Retails		-25.8	
Foreign		124.9	
Foreign			
Dow Jones	32,033.28	194.17	-11.85
S&P 500	3,807.30	-23.3	-20.12
Nasdaq	10,792.67	-178.32	-31.02
FTSE	7,073.69	17.62	-4.21
Hang Seng	15,427.94	110.27	-34.06
Nikkei	27,345.24	-86.6	-5.02
Shanghai CI	2,982.90	-16.6	-18.05
Strait Times	3,015.24	6.86	-3.47

### Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.7150	-0.0030	13.21
GBP / MYR	5.4649	-0.0082	-2.95
JPY100 / MYR	3.2307	0.0213	-10.72
EUR/MYR	4.7438	0.0074	0.63
SGD / MYR	3.3517	-0.0044	8.63
CNY / MYR	0.6525	-0.0052	-0.34
AUD / MYR	3.0497	-0.0132	0.77

### Bond Yield Movements

		Yield	Daily Change (bps)
<b>MGS</b>	3- year	3.85	-2
	10- year	4.33	-6
<b>GII</b>	3- year	3.86	-2
	10- year	4.48	-3
<b>UST</b>	2- year	4.3	-9
	10- year	3.96	-8

### Commodities

	Last	Daily chg	Daily chg %
CPO (3 <sup>rd</sup> month)	4,147.00	26	0.63
Brent (1 <sup>st</sup> month)	96.68	0.66	0.69
Gold (spot)	1,662.16	-2.25	-0.14

Source: Treasury.gov, Bursa and BNM

### FBMKLCI and statistics



Source: Bloomberg

### Market Turnover

Vol (m shrs)	2,530
Value (MYR m)	1,870

Top 5 Value	Last	Daily chg %	Value (MYR m)
BETA	0.580	-18.310	104.176
CIMB	5.600	0.901	90.821
MAYBANK	8.680	-0.230	84.432
PCHEM	8.790	-0.227	78.845
TOPGLOV	0.775	2.649	72.135

Top 5 Gainers	Last	Daily chg %	Value (MYR m)
FOCUS-PA	0.010	100.00	0.014
DGB	0.015	50.00	0.065
GOCEAN	0.015	50.00	0.032
ANZO	0.015	50.00	0.005
FOCUS	0.020	33.33	0.003

Top 5 Losers	Last	Daily chg %	Value (MYR m)
PHB	0.005	-50.000	0.004
FINTEC	0.005	-50.000	0.011
AT	0.010	-33.333	0.006
EDUSPEC	0.015	-25.000	0.013
JOE	0.015	-25.000	0.002

Top 5 DBT	Value (MYR m)	Volume (m shares)	Price (MYR)
TANCO-WC	13.935	111.500	0.185
TANCO	11.040	32.000	0.345
CHINHIN	5.695	2.230	2.74
BJFOOD	4.650	5.000	0.96
HEXTAR	3.990	2.100	2.2

## Market Pulse



Source: Chart created using [tradingview.com](https://tradingview.com)'s tools, PRSB

KLCI closed lower at 1,454.09 or -0.89 pts (-0.16%) as it struggled to keep in green yesterday after opening at 1,457.96. The KLCI constituents saw losers outpacing gainers by 14 to 9 with the remaining 7 unchanged. The losers are led by Axiata Group Bhd and Sime Darby Plantation Bhd shredding 1.78% and 1.33%, respectively. The broader market on the other hand maintained a positive sentiment with gainers surpassing losers 505 to 325, while 395 counters were unchanged.

The U.S. market ended in mixed with Dow Jones continuing to trend higher but S&P500 and NASDAQ were down. The U.S. market saw some support after the 3Q GDP gained 2.6% YoY, well above the consensus of 2.3% YoY gain. Personal consumption, the biggest part of the economy, climbed at a 1.4% pace, better than forecast but still a slowdown from the prior quarter. Albeit consumption decelerated, growth is still present which highlights U.S. economy resiliency. Other data showed durable-goods orders rising 0.4% in September, but the latest weekly initial jobless claims data showed a 3,000 gain to 217,000.

However, Tech Behemoth's disappointment continues to weigh on investors' sentiments. META attempted transformation to a metaverse platform was not well received by the market, which left investors nervously eyeing the earnings of Apple and Amazon.com, due after the closing bell. Although Apple beats on earnings thanks to stronger-than-expected sales of Macs in the back-to-school quarter, but it still missed on iPhone (Actual USD42.6 billion vs consensus USD43.0 billion). Amazon.com on the other hand slightly missed consensus due to the strengthening of USD and weakness in its AWS cloud-computing business.

We think there may be some selling pressure on the local technology counter taking a cue from disappointing Apple results. GE15 may remain to be a market catalyst, which led us to believe KLCI to trend sideways today. On top of that, RSI has not reached an overbought level yet. Thus, KLCI may trade between 0.236 and 0.382 Fibonacci levels (1,431.67-1,467.74). Our Picks in Exhibit 1.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
<b>Fundamental</b>					
Bermaz Auto	BAUTO MK	Buy	1.92	2.45	27.60
Guan Chong	GUAN MK	Outperform	2.14	2.78	29.91
<b>Technical</b>					
QL Resources	QLG MK	Outperform	5.11	5.77	12.92
Opcom Holdings	OHB MK	Buy	0.910	1.24	36.26
Gamuda	GAM MK	Outperform	3.93	4.30	9.41
Chin Well Holdings	CWH MK	Outperform	1.58	2.00	26.58
Supercomnet Technologies	SCT MK	Outperform	1.64	1.73	5.49
Pentamaster Corporation	PENT MK	Buy	3.85	5.26	36.62
Formosa Prosonic Industries	FOR MK	Buy	3.10	3.92	26.45
Kerjaya Prospek Group	KPG MK	Outperform	1.20	1.39	15.83
MMS Ventures	MMSV MK	Buy	0.675	1.20	77.78
FM Global Logistics Holdings	FMH MK	Buy	0.550	0.82	49.09
Hibiscus Petroleum	HIBI MK	Buy	0.98	1.32	35.38
OSK Holdings	OSK MK	Buy	0.88	1.12	27.27
UWC	UWC MK	Buy	3.65	5.03	37.81
Dayang Enterprise	DEHB MK	Buy	1.21	1.44	19.01
CTOS Digital	CTOS MK	Buy	1.34	1.78	32.84
Ancom Nylex	ANC MK	Buy	0.95	1.24	31.22
BP Plastics Holdings	BPP MK	Buy	1.40	1.80	28.57
CCK Consolidated Holdings	CCK MK	Outperform	0.63	0.71	13.60
Vitrox Corp Bhd	VITRO BHD	Buy	7.26	7.88	8.47
Pecca Group Bhd	PECCA MK	Buy	0.87	1.16	33.53
Nova Wellness Group Bhd	NOVA MK	Outperform	0.89	1.07	19.66
Duopharma Biotech Bhd	DBB MK	Outperform	1.39	1.44	3.60
Mega First Corp	MFCB MK	Outperform	3.28	3.63	10.52
Malton Bhd	MALT MK	Buy	0.39	0.44	14.29
Maxis Bhd	MAXIS MK	Outperform	3.80	3.82	0.53
MyEG Services Bhd	MYEG MK	Outperform	0.87	0.94	8.67
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 1.67	USD 1.93	15.72
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.79	0.92	16.28
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.62	1.80	11.43
Principal FTSE China 50 ETF	CIMBC25 MK	Buy	1.16	1.39	20.13
TradePlus HSCEI Daily (2x) Leveraged Tracker	HSCEI2XL MK	Strong Buy	0.36	0.85	138.03
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Buy	1.87	1.86	-0.53

Source: Bursa, Bloomberg, PRSB, price as of 27<sup>th</sup> October 2022

## Malaysian news highlights

---

- **Malaysian Furniture Council: Furniture exports up 18% to RM8.5 billion.**  
Malaysia's January-July 2022 furniture exports have recorded an increase versus a year ago despite the many challenges facing the industry, the Malaysian Furniture Council (MFC) said. Its president Khoo Yeow Chong told Bernama at the Reka Interiors Exhibition (RiX) 2022 at the Kuala Lumpur Convention Centre on Thursday that total overall furniture exports, including wooden furniture, stood at RM8.5 billion against RM7.2 billion for the same period in 2021. (Source: [TheEdgeMarkets](#))
- **At least 148 additional flights planned in November for GE15, says Mavcom.**  
Airlines have increased scheduled flights beginning next month and have kept airfares at affordable levels to facilitate the 15th General Election (GE15) on Nov 19, said the Malaysian Aviation Commission (Mavcom). The commission said on Thursday (Oct 27) that the extra flights included 45 from Kuala Lumpur International Airport (KLIA) and 30 from Sultan Abdul Aziz Shah Airport (Subang) to selected locations within Peninsular Malaysia. In a statement, it also said that 68 extra flights have been planned for flights between Peninsular Malaysia and East Malaysia. (Source: [TheEdgeMarkets](#))

## Global news highlights

---

- **US Economy Rebounds as Consumers, Businesses Show Resilience.**  
Gross domestic product rose at a 2.6% annualized rate in the July to September period after falling for the first two quarters, the Commerce Department's preliminary estimate showed Thursday. Personal consumption, the biggest part of the economy, climbed at a 1.4% pace, better than forecast but still a slowdown from the prior quarter. (Source: [Bloomberg](#))
- **US Mortgage Rates Soar Past 7% for First Time in Two Decades.**  
The average for a 30-year, fixed loan rose to 7.08% from 6.94% last week, Freddie Mac said in a statement Thursday. That's the first time the measure has climbed past 7% since April 2002. Mortgage rates have more than doubled this year, throwing cold water on the frenzied housing market of the pandemic. The affordability crunch has sidelined potential buyers, sending home sales falling. Prices have started to drop from their Covid-era peaks. (Source: [Bloomberg](#))
- **ECB Doubles Rate to Most in Over a Decade Despite Recession Fear.**  
The European Central Bank doubled its key interest rate to the highest level in more than a decade, intensifying its broadside against record inflation in the face of a likely recession. Officials in Frankfurt delivered a second straight three-quarter-point hike on Thursday -- as economists expected -- while dropping a prior reference to increases continuing for "several meetings." (Source: [Bloomberg](#))
- **BOE Rate Bets Point to Growing Doubts of a Big November Hike.**  
UK traders are scaling down expectations for interest rates as the government charts a course for austerity to fix public finances. Money markets are wagering on less than 75 basis points of hikes next week, according to interest-rate swaps tied to BOE policy dates, marking a sharp turnaround from a month ago when traders bet on as much as two percentage points of increases. The bank rate is expected to peak below 5% next year compared to over 6.25% last month. (Source: [Bloomberg](#))
- **China's Xi Sends Joe Biden an Olive Branch.**  
Xi said China is willing to work with the US to find ways to get along and encouraged better communication between the countries for the sake of global peace. That message comes weeks before the leaders may have their first in-person meeting since Biden became president when they're expected to attend the Group of 20 summit in Indonesia. (Source: [Bloomberg](#))
- **India's Rate-Setting Panel to Hold Surprise Meet Next Week.**  
The monetary policy committee of the Reserve Bank of India will hold a surprise off-cycle meeting next week, one full month before it was due to deliver on an interest-rate decision. The additional monetary policy committee meeting will likely be held to discuss the content of the letter that the

Reserve Bank of India must write to the government explaining why it missed its inflation mandate, and the roadmap to bring it back within its 2%-6% aim, said a person familiar with the matter. (Source: [Bloomberg](#))

## Corporate news

---

- **Divfex secures TM contract worth RM71.8 mil.**  
Divfex Bhd's wholly-owned subsidiary Diversified Gateway Bhd has clinched a RM71.82 million contract from Telekom Malaysia Bhd (TM). The information and communications technology solutions provider said under the agreement, it will plan, design, install, test, commission, maintain and provide support services for TM's dense wavelength division multiplexing (DWDM). The contract, spanning nearly 17 years, runs from Aug 1, 2022, until March 15, 2039, it said in a filing with Bursa Malaysia on Thursday. (Source: [TheEdgeMarkets](#))
- **Bursa Malaysia approves listing, quotation of Digi's 3.96 billion new shares for Celcom-Digi merger.**  
Bursa Malaysia Securities Bhd has approved the listing of and quotation for 3.96 billion new ordinary shares in Digi.com Bhd to be issued pursuant to the proposed merger with Celcom Axiata Bhd. In a filing with Bursa Malaysia, Digi said it must first fully comply with the relevant provisions under the listing requirements pertaining to the implementation of the proposed merger. (Source: [TheEdgeMarkets](#))
- **Maybank: Competition for deposits to intensify as interest rates rise.**  
Malayan Banking Bhd is expecting competition for deposits to intensify among industry peers as interest rates go up, but the bank is going to refrain from competing irrationally, said group president and chief executive officer Datuk Khairussaleh Ramli. "We are [already] seeing some form of competition, potentially towards the end of the year, that will get a bit more intense," he told reporters after announcing Maybank's M25+ midterm strategy on Thursday (Oct 27). (Source: [TheEdgeMarkets](#))
- **Maybank revises midterm ROE target down to 11%-12% by 2025, from 13%-15%.**  
Malayan Banking Bhd (Maybank) has revised its return on equity (ROE) target down to 11%-12% by 2025 in its latest midterm strategy, dubbed M25+, from 13%-15% previously, on expectations of higher investment and growing uncertainties in global economy. "[The revision is] primarily premised on the environment that we see globally. We mentioned about post-pandemic, but we also see the geopolitical uncertainties globally," said Maybank's group president and chief executive officer Datuk Khairussaleh Ramli at a media briefing after announcing M25+ on Thursday (Oct 27). (Source: [TheEdgeMarkets](#))
- **CTOS Digital's 3Q earnings almost doubles.**  
CTOS Digital Bhd posted a 95% surge in net profit to RM22.76 million for the third quarter ended Sept 30, 2022 (3QFY2022), up from RM11.67 million a year earlier, driven by higher revenue and share of profit from associates. The credit reporting group's revenue for the quarter surged 37% to RM52.85 million from RM38.57 million, as revenue from its Malaysian operations rose 28.7% to RM47.65 million from RM37.01 million, while revenue from its international operations ballooned to RM5.2 million from RM1.56 million. (Source: [TheEdgeMarkets](#))
- **Gamuda clinches RM2.13 bil railway job from Taiwanese govt.**  
Gamuda Bhd has bagged a NT\$14.5 billion (RM2.13 billion) contract to construct an underground rail track and commuter station in Taiwan's TaoYuan city, jointly with a local company. Gamuda said it was appointed as the main contractor for the package of the TaoYuan City Underground Railway Project by Taiwan's transportation ministry and state-owned railway company Communications' Railway Bureau. (Source: [TheEdgeMarkets](#))

- **Lotte Chemical Titan posts second straight quarterly loss of RM355 mil at 3QFY22** Text Body. Lotte Chemical Titan Holding Bhd (LCT) posted a net loss of RM355.5 million or 15.61 sen per share in the third quarter ended Sept 30, 2022 (3QFY22), compared to a net profit of RM48.48 million or 2.41 sen per share in 3QFY21, despite higher revenue. This is LCT's second straight quarterly loss. In comparison, it made a wider net loss for the quarter under review compared with the RM145.92 million loss in 2QFY22, on revenue of RM2.82 billion. (Source: [TheEdgeMarkets](#))

## Regional company reports

---

### **UNISEM Q3FY2022 Result Briefing.**

- Revenue grew 20.0% YoY for the quarter, while net profit rose 39.3% YoY. This displayed strength across all its businesses, where it is also attributable to better average selling prices and appreciation of USD/MYR and USD/RMB exchange rates.
- For Q4FY2022 guidance, expect inventory adjustment and weaker consumer demand in the mobile phone segment, while other segments such as auto and power management should remain strong. Target growth of 3-5% in terms of USD revenue.
- Announced 2nd interim dividend of 2.0sen with ex-date on 10th November and payable on 23<sup>rd</sup> November.

### **CTOS Q3FY2022 Result Briefing.**

- Achieved record high quarterly revenue (+37% YoY) and PATAMI (+95% YoY) driven by growth across all business segments and higher associate contributions.
- On track to meet FY2022 internal target for revenue of MYR185-195 million and normalized PATAMI MYR75-80 million. Guiding further growth for FY2023, revenue without consolidation of RAM is looking at MYR220-230 million and normalized PATAMI is at MYR95-100 million.
- Announced 3<sup>rd</sup> interim dividend of 0.60sen with ex-date on 16<sup>th</sup> November and payable on 14<sup>th</sup> December.



## 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.