



## Corporate News

- Axiata confirms strategic review of shareholding in M1
- Time dotCom buys another 1.85% of Thai telco Symphony Communication
- FGV targets 22% oil extraction rate by 2020
- QL Resources turns subsidiary into associate for RM11.82m
- UMW O & G discloses value of latest 2 drilling contracts
- Bumi Armada in transition, aims to be lean and efficient
- Vizione bags RM63.7m PPR subcontract in Sabah

## Bursa Malaysia

	Close	Change +/-	Change %
FBMKLCI	1,745.20	8.06	0.46
FBMEMAS	12,341.34	64.10	0.52
FBM100	11,996.30	64.88	0.54
FBMEMAS Shariah	12,727.23	53.07	0.42
FBM Hijrah Shariah	14,024.80	51.80	0.37
Volume (m)	4,981.63	1,582.10	46.54
Value (MYR m)	5,036.55	1,418.42	39.20
FBMKLCI YTD performance			6.30

Source: Bloomberg, BIMB Securities Research

## Regional Indices

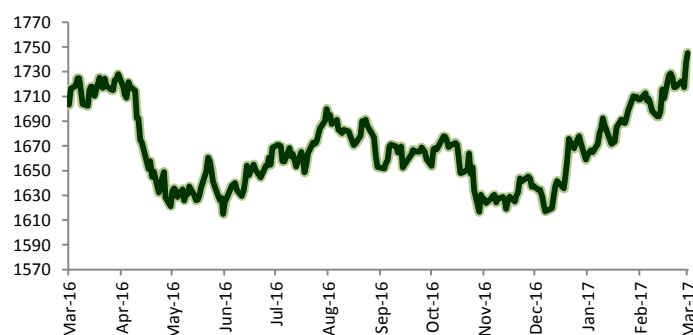
	Close	Change +/-	Change %	YTD Change (%)
DJIA	20,914.62	-19.93	-0.10	5.83
NASDAQ	5,901.00	0.24	0.00	9.62
S&P 500	2,378.25	-3.13	-0.13	6.23
FTSE 100	7,424.96	9.01	0.12	3.95
Nikkei 225	19,521.59	-68.55	-0.35	2.13
HSI	24,309.93	21.65	0.09	10.50
SHCOMP	3,237.45	-31.49	-0.96	4.31
KOSPI	2,164.58	14.50	0.67	6.82
TWSE	9,908.69	70.86	0.72	7.08
STI	3,169.38	5.86	0.19	10.02
JCI	5,540.43	22.19	0.40	4.60
SET	1,560.98	3.93	0.25	1.17
PSEi	7,345.02	66.42	0.91	7.37

Source: Bloomberg, BIMB Securities Research

## Economic News

- Ringgit not adversely impacted by US interest rate hike
- Vehicle sales up 12% in February
- G20 ministers struggle to find consensus on trade, climate
- Germany's Merkel and Japan's Abe urge free trade with jabs at US
- Beijing, Saudi Arabia agree to more oil cooperation, exports to China
- China home price gains spread in Feb Indonesia plans to file WTO complaint over EU biodiesel duties

## KLCI Performance



KLCI Year-End Target: 1,755 points

Source: Bloomberg, BIMB Securities Research

## Commodities (Last Close)

	Close	Change +/-	Change %
Brent Crude (USD/bbl)	51.76	0.02	0.04
WTI Crude (USD/bbl)	48.78	0.03	0.06
CPO (RM/MT)	2,803.00	7.00	0.25
Gold (USD/ounce)	1,230.01	0.72	0.06
Latex (sen/kg)	724.50	-1.00	-0.14
Soybean Oil	32.30	0.04	0.12

Source: Bloomberg, BIMB Securities Research

## Forex

(per USD)	BIMB (YE Forecast)	Close	Change +/-	Change %
MYR	4.20	4.44	-0.0133	-0.30
JPY	110.0	112.70	-0.6100	-0.54
EUR	0.93	0.93	0.0023	0.25
SGD	1.45	1.40	0.0007	0.05

Source: Bloomberg, BIMB Securities Research

## Major Rates

	%
KLIBOR 3-mth	3.41
KLIBOR 6-mth	3.53
KLIBOR 12-mth	3.62
5-yr MGS	3.82
10-yr MGS	4.07

Source: Bank Negara Malaysia

## Daily Participation

	Participation (%)	Bought (MYR m)	Sold (MYR m)	Net (MYR m)
Local Insti	50.3	2,165.5	2,903.7	-738.2
Local Retail	14.1	670.0	747.9	-77.9
Foreign	35.6	2,201.2	1,385.1	816.1
<b>Total</b>	<b>100.0</b>	<b>5,036.7</b>	<b>5,036.7</b>	<b>0.0</b>

Source: The Sun, BIMB Securities Research

## Performance of BIMB Stock Coverage

## Top Gainers

	Close	Change +/-	Change %
Mah Sing	1.52	0.10	7.0%
MMHE	0.98	0.05	6.0%
IOI Properties	2.00	0.07	3.6%
Axiata	4.97	0.16	3.3%
MyEg	1.90	0.06	3.3%

Source: Bloomberg, BIMB Securities Research

## Top Losers

	Close	Change +/-	Change %
Benalec	0.56	-0.02	-3.5%
Eversendai	0.65	-0.02	-2.3%
Scomi Energy	0.23	0.00	-2.1%
Tan Chong Motor	1.82	-0.03	-1.6%
IHH Healthcare	5.98	-0.09	-1.5%

Source: Bloomberg, BIMB Securities Research

## CORPORATE NEWS

**Axiata confirms strategic review of shareholding in M1**

Axiata has confirmed that it and the other substantial shareholders of M1 Ltd, Singapore Press Holdings Ltd (SPH) and Keppel Telecommunications & Transportation Ltd are undertaking a strategic review in respect of their respective shareholdings in the Singapore-based telecommunication firm. The review “may or may not” lead to a transaction. The 3 key shareholders, which hold a combined stake of just over 61% in M1, had jointly appointed Morgan Stanley Asia (Singapore) Pte as their financial adviser to assist with the strategic review. There is no assurance that any transaction will materialise from such strategic review or that any definitive or binding agreement will be reached. If and when there are any material developments which warrant disclosure, the company will, in compliance with applicable rules, make further announcements as appropriate. *(Source: StarBiz)*

**Time dotCom buys another 1.85% of Thai telco Symphony Communication**

Time dotCom is acquiring another 1.85% stake in Thailand's Symphony Communication Public Co Ltd for 73.44m baht (RM9.m). It is buying the stake from Symphony Communication's executive vice president for finance and accounting, Dr Bussakorn Jaruwachirathanakul. The acquisition done via its wholly-owned unit Time dotCom International SB was in addition to its earlier proposed acquisition of a 37% stake in Symphony Communication for 1.47bn baht (RM186.7m). *(Source: The Edge)*

**FGV targets 22% oil extraction rate by 2020**

FGV has targeted to achieve an oil extraction rate (OER) of up to 22% by 2020, compared to the 20.73% average rate last year. This would be able to raise the incomes of the settlers and the smallholders. In order to achieve this target, FGV has to increase the quality of the fresh fruit bunches (FFB) supplied to the mills to be processed. FGV had suffered RM80m losses last year due to settlers sending in unripe fruit bunches which could not be processed. There are several factors which affect the quality of FFB, which include unripe and rotten fruits. *(Source: Bernama)*

**QL Resources turns subsidiary into associate for RM11.82m**

QL Resources plans to dispose of its 61.97% stake in QL KK Properties SB (QLKK) to Ruby Techniques SB (RT), a related party, for RM11.82m. It has entered a share sale agreement (SSA) via its wholly-owned subsidiary QL Feedingstuffs Sdn Bhd (QLF) for the disposal. The shareholders of RT are CBG Holdings SB and Farsathy Holdings SB, both major shareholders of QL Resources. On completion of the proposed disposal, QLKK will cease to be a subsidiary of QL Resources and be an associate company of QL Resources. The proposed disposal is in line with QL Resources' strategic review to focus on its core business with the spin-off of its property development activity, said the company. Further, the proposed disposal is an opportunity for QLF to realise the gains from QLF's investment in QLKK. The proposed disposal is expected to be completed within three months from the date of the SSA, adding that the sale consideration shall be satisfied entirely by cash. *(Source: The Edge)*

**UMW O & G discloses value of latest 2 drilling contracts**

UMW-OG has clarified that the value of 2 contracts awarded to its subsidiary, UMW Offshore Drilling SB, announced this month is worth about RM32.9m. The contracts were for the provision of drilling rig services for Vestigo Petroleum Sdn Bhd (about RM8.9m) and Petrofac (Malaysia-PM304) Ltd (about RM24m). The contract from Vestigo was announced to Bursa Malaysia on March 10 while Petrofac's contract was reported on March 14. However, the value of both contracts were not disclosed in the previous filings. *(Source: Bernama)*

**Bumi Armada in transition, aims to be lean and efficient**

Bumi Armada which suffered a massive RM1.9bn in losses in FY16 will see it become a more efficient and lean organization in 2017. Bumi Armada is focused on efficiency and building a robust organisation as we build a lean unified and responsible team. This year will be something of a transition as Bumi Armada complete the major projects and look to fine-tune the organisation in preparation for the next stage of growth. The company has completed 4 new projects Malta, Angola, North Sea and Indonesia at the end of 2016. Two of these projects are already in operation and the other 2 are due to come onstream this year. It is anticipated that with these projects there should be a significant increase in the charter income for the group in 2017. *(Source: StarBiz)*

**Vizione bags RM63.7m PPR subcontract in Sabah**

Vizione's unit Vizione Construction Sdn Bhd (VCSB) will build a 410-unit flat under the People's Housing Project (PPR) in Lahad Datu, Sabah, for RM63.7m. Vizione Construction SB (VCSB) had received a subcontract from Permata Rebana SB to undertake main building and associated works for the project in Mukim Sapagaya. Construction was expected to begin this quarter and be completed in 26 months. As a relatively new player in the construction sector, the award provides an opportunity for the group to enhance its credentials in the construction segment and open up new opportunities in the state of Sabah. The source of funding would be through proceeds from a rights issue and internally generated funds. *(Source: StarBiz)*

## ECONOMIC NEWS

**Ringgit not adversely impacted by US interest rate hike**

The recent interest rate hike in the US has not negatively impacted the ringgit. An increase does not necessarily lead to a weakening of the ringgit as the local unit's performance is determined by market forces. In fact, since the increase, the ringgit has remained stable and even strengthened. The US Fed on Wednesday increased the interest rate in the world's largest economy by 25 basis points to 0.75-1.00%.

(Source: *Bernama*)

**Vehicle sales up 12% in February**

Total industry vehicle (TIV) sales rose 12.1% in February 2017 from a year ago to 42,455 units from 37,874 units, says the Malaysian Automotive Association (MAA). Of the 42,455 units sold in February, 38,881 units were passenger vehicles and the remainder commercial vehicles. However, the February sales were lower by 5% or 2,212 units from January due to the shorter working months while market conditions remained unchanged. Production in February was 43,127 units, up 22.7% from 35,130 units a year ago in line with the recovery in the market and broader economy. MAA was more upbeat about its outlook for March, expecting it to be better due to the longer working month and as car companies continued to provide attractive offers to attract buyers. (Source: *StarBiz*)

**G20 ministers struggle to find consensus on trade, climate**

Finance ministers from the world's biggest economies were battling Saturday to halt a bid by US President Donald Trump's administration to roll back hard-fought pledges on trade and climate. Representatives from G20 nations have gathered in the picturesque western German spa town of Baden Baden for a meeting clouded by concerns over Trump's "America First" policy and scepticism towards climate change. Trump, whose tough protectionist talk helped win him the presidency, has withdrawn the US from a TPP pact and attacked export giants China and Germany. He also revealed a budget plan that would make good on a campaign pledge to drastically scale back environment-related funding. But talks have so far failed to produce a breakthrough for consensus. (Source: *Reuters*)

**Germany's Merkel and Japan's Abe urge free trade with jabs at US**

German Chancellor Angela Merkel and Japan's Prime Minister Shinzo Abe spoke up for free trade at a major technology fair with jabs clearly pointed at an increasingly protectionist US. Both called for a free trade deal to be reached quickly between Japan and the EU, in comments made after G20 finance ministers and central bankers dropped a long-standing mention of open trade in their final communique after a 2 day meeting in Germany. Neither leader named the US government as they opened the CeBIT technology fair in Hanover, but both used the opportunity to distance themselves from protectionist tendencies coming from the Trump administration. (Source: *Reuters*)

**Beijing, Saudi Arabia agree to more oil cooperation, exports to China**

China and Saudi Arabia will increase their cooperation in the oil sector, including in Saudi oil exports to China. The world's largest oil exporter has been looking to cement ties with the world's 2<sup>nd</sup> largest economy. After losing market share to Russia last year, Saudi Arabia has sought to boost oil sales to China, the world's 2<sup>nd</sup> largest oil market, by working mostly with China's top 3 state oil firms. Both countries are willing to raise their level of cooperation in the oil sector, including supplying Saudi oil to the continuously growing Chinese market. (Source: *Reuters*)

**China home price gains spread in Feb amid stepped up battle against speculators**

China's red-hot property market picked up pace in February after price gains had slowed in the previous 4 months, with average new home prices in 70 major cities edging up in spite of a raft of new government curbs aimed at tempering speculative demand. Compared with a month earlier, new home prices rose 0.3%, quickening from January's 0.2% increase. The monthly gain in price growth suggested speculation has yet to be contained even with more local governments rolling out restrictive measures amid fears that a furious rally over the past year end in a crash. China's property sales unexpectedly surged in the 1<sup>st</sup> 2 months of the year despite government measures to cool the market, though growth in real estate investment eased slightly. (Source: *Reuters*)

**Indonesia plans to file WTO complaint over EU biodiesel duties**

Indonesia plans to file a WTO complaint this month against EU anti-dumping duties on biodiesel exports from the Southeast Asian country. The EU duties on biodiesel were inconsistent with the WTO's Anti-Dumping Agreement and disputed the calculations that they were based on. Indonesia are ready to file the suit at the first meeting in March 29-30 at WTO headquarter in Geneva. In November 2013, the EU set duties of 8.8% to 20.5% for Indonesian producers and between 22% and 25.7% for Argentine producers, to apply for 5 years in both cases. The EU argued that by imposing duty on the raw product, soybeans in the case of Argentina and palm oil for Indonesia, they gave an advantage to domestic producers, which allowed them then to "dump" product at unfairly low prices. (Source: *Reuters*)

## ECONOMIC CALENDAR

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
03/21/2017 16:00	SP	Trade Balance	Jan	--	--	-2446.9m	--
03/21/2017 17:00	LN	Industrial Production YoY	Feb	--	--	11.50%	--
03/21/2017 17:30	SV	Industrial Production MoM	Jan	--	--	1.30%	--
03/21/2017 17:30	SV	Industrial Production YoY	Jan	--	--	10.20%	--
03/21/2017 20:30	US	Current Account Balance	4Q	-\$128.1b	--	-\$113.0b	--
03/21/2017	PO	Current Account Balance	Jan	--	--	-211.4m	--
03/22/2017 07:50	JN	Trade Balance	Feb	¥807.2b	--	-¥1086.9b	-¥1087.6b
03/22/2017 07:50	JN	Trade Balance Adjusted	Feb	¥551.9b	--	¥155.5b	--
03/22/2017 07:50	JN	Exports YoY	Feb	10.10%	--	1.30%	--
03/22/2017 07:50	JN	Imports YoY	Feb	1.30%	--	8.50%	8.40%
03/22/2017 17:00	EC	Current Account NSA	Jan	--	--	47.0b	--
03/22/2017 17:00	EC	ECB Current Account SA	Jan	--	--	31.0b	--
03/22/2017 17:30	IT	Current Account Balance	Jan	--	--	5535m	--
03/23/2017 15:30	HU	Current Account NSA	4Q	664	--	1289	--
03/23/2017 16:00	LN	Current Account Balance	4Q	--	--	0.0b	--
03/23/2017	RO	Money Supply M3 YoY	Feb	--	--	9.10%	--
03/23/2017	GR	Current Account Balance	Jan	--	--	-933m	--
03/24/2017 08:30	JN	Nikkei Japan PMI Mfg	Mar P	--	--	53.3	--
03/24/2017 21:45	US	Markit US Manufacturing PMI	Mar P	54.7	--	54.2	--
03/24/2017 03:28	GE	Import Price Index MoM	Feb	0.40%	--	0.90%	--
03/27/2017 09:30	CH	Industrial Profits YoY	Feb	--	--	2.30%	--
03/27/2017 16:00	EC	M3 Money Supply YoY	Feb	--	--	4.90%	--
03/28/2017 15:30	SW	Trade Balance	Feb	--	--	1.5b	--
03/28/2017 16:00	IT	Industrial Orders MoM	Jan	--	--	2.80%	--
03/28/2017 16:00	IT	Industrial Orders NSA YoY	Jan	--	--	-0.90%	--
03/28/2017 16:00	IT	Industrial Sales MoM	Jan	--	--	2.60%	--
03/28/2017 16:00	IT	Industrial Sales WDA YoY	Jan	--	--	9.40%	--
03/28/2017 17:00	BP	Gross External Debt	Jan	--	--	34.7b	--
03/28/2017 20:00	HU	Central Bank Rate Decision	28-Mar	--	--	0.90%	--
03/28/2017 20:30	US	Advance Goods Trade Balance	Feb	-\$67.2b	--	-\$69.2b	-\$68.8b
03/28/2017 21:45	US	Markit US Services PMI	Mar P	54	--	53.8	--
03/28/2017 21:45	US	Markit US Composite PMI	Mar P	--	--	54.1	--
03/29/2017 16:30	UK	Money Supply M4 MoM	Feb	--	--	0.90%	--
03/29/2017 16:30	UK	M4 Money Supply YoY	Feb	--	--	7.00%	--
03/30/2017 09:00	CH	Swift Global Payments CNY	Feb	--	--	1.68%	--
03/30/2017 18:00	PO	Industrial Production MoM	Feb	--	--	-0.50%	--
03/30/2017 18:00	PO	Industrial Production YoY	Feb	--	--	2.70%	--
03/30/2017 19:00	CZ	Repurchase Rate	30-Mar	0.05%	--	0.05%	--
03/30/2017 20:30	US	GDP Annualized QoQ	4Q T	1.90%	--	1.90%	--
03/30/2017 20:30	US	Personal Consumption	4Q T	--	--	3.00%	--
03/30/2017 20:30	US	GDP Price Index	4Q T	2.00%	--	2.00%	--
03/31/2017 07:50	JN	Industrial Production MoM	Feb P	--	--	-0.40%	--
03/31/2017 07:50	JN	Industrial Production YoY	Feb P	--	--	3.70%	--
03/31/2017 09:00	CH	Manufacturing PMI	Mar	51.2	--	51.6	--
03/31/2017 09:00	CH	Non-manufacturing PMI	Mar	--	--	54.2	--
03/31/2017 13:00	JN	Construction Orders YoY	Feb	--	--	1.10%	--
03/31/2017 14:00	FI	Trade Balance	Jan F	--	--	-455m	--
03/31/2017 16:00	CZ	Money Supply M2 YoY	Feb	--	--	8.40%	--
03/31/2017 16:00	SP	Current Account Balance	Jan	--	--	3.4b	--
03/31/2017 16:30	UK	Current Account Balance	4Q	--	--	-25.5b	--

Source: Bloomberg, BIMB Securities Research

**DEFINITION OF RATINGS**

BIMB Securities uses the following rating system:

**STOCK RECOMMENDATION**

<b>BUY</b>	Total return (price appreciation plus dividend yield) is expected to exceed 10 in the next 12 months.
<b>TRADING BUY</b>	Share price may exceed 15 over the next 3 months, however longer-term outlook remains uncertain.
<b>HOLD</b>	Share price may fall within the range of +/- 10 over the next 12 months
<b>TAKE PROFIT</b>	Target price has been attained. Fundamentals remain intact. Look to accumulate at lower levels.
<b>TRADING SELL</b>	Share price may fall by more than 15 in the next 3 months.
<b>SELL</b>	Share price may fall by more than 10 over the next 12 months.
<b>NOT RATED</b>	Stock is not within regular research coverage.

**SECTOR RECOMMENDATION**

<b>OVERWEIGHT</b>	The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months
<b>NEUTRAL</b>	The Industry as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months
<b>UNDERWEIGHT</b>	The Industry as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months

**Applicability of ratings**

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

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