



## Reports Published

**Results Review – Petdag 1QFY17 (Inline):** Meeting Expectation

**Results Review – Tambun Indah 1QFY17 (Below):** The Northern Developer

## Corporate News

- Sarawak Plantation returns to profit in 1Q on higher CPO, PK sales
- Silk Holdings plans dividend reinvestment, share buy-back
- Century Logistics 1Q profit strengthens 9%
- MHC Plantations back in the black in 1Q on recovery in palm oil prices
- Tomypak's 1Q surges 78.3% on increased demand, declares 2sen dividend
- Press Metal 1Q net profit up 56.6%, pays 1.5sen dividend

## Bursa Malaysia

	Close	Change +/-	Change %
FBMKLCI	1,767.17	-8.48	-0.48
FBMEMAS	12,660.40	-68.29	-0.54
FBM100	12,288.02	-68.66	-0.56
FBMEMAS Shariah	12,992.36	-91.09	-0.70
FBM Hijrah Shariah	14,237.94	-102.33	-0.71
Volume (m)	2,985.95	-465.75	-13.49
Value (MYR m)	2,640.46	-240.58	-8.35
FBMKLCI YTD performance			7.64

Source: Bloomberg, BIMB Securities Research

## Regional Indices

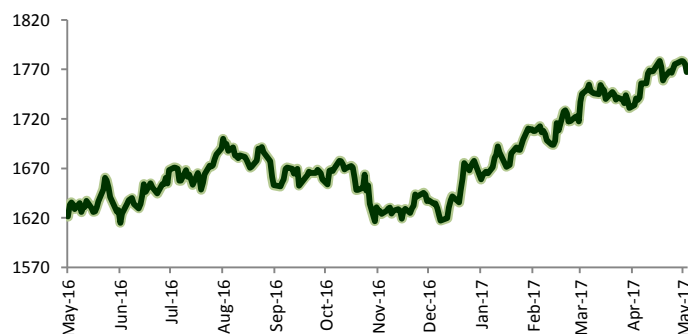
	Close	Change +/-	Change %	YTD Change (%)
DJIA	20,663.02	56.09	0.27	4.56
NASDAQ	6,055.13	43.89	0.73	12.48
S&P 500	2,365.72	8.69	0.37	5.67
FTSE 100	7,436.42	-67.05	-0.89	4.11
Nikkei 225	19,553.86	-261.02	-1.32	2.30
HSI	25,136.52	-157.11	-0.62	14.25
SHCOMP	3,090.14	-14.30	-0.46	-0.43
KOSPI	2,286.82	-6.26	-0.27	12.85
TWSE	9,969.45	-44.22	-0.44	7.74
STI	3,221.66	-2.44	-0.08	11.83
JCI	5,645.45	29.96	0.53	6.58
SET	1,545.88	-2.41	-0.16	0.19
PSEi	7,757.69	-68.84	-0.88	13.41

Source: Bloomberg, BIMB Securities Research

## Economic News

- Malaysia's solid exports, demand likely spurred faster 1Q growth
- US jobless claims fall; mid-Atlantic factory activity jumps
- Robots taking over US factories imperil emerging-market growth
- Japan's economy expands at fastest pace in a year in Jan-March
- ECB's journey out of stimulus is still long and unclear
- Philippine 1Q GDP growth weakest in a year, but rate rise on cards

## KLCI Performance



KLCI Year-End Target: 1,800 points

Source: Bloomberg, BIMB Securities Research

## Commodities (Last Close)

	Close	Change +/-	Change %
Brent Crude (USD/bbl)	52.51	0.56	1.08
WTI Crude (USD/bbl)	49.35	0.28	0.57
CPO (RM/MT)	2,626.00	-17.00	-0.64
Gold (USD/ounce)	1,248.39	1.25	0.10
Latex (sen/kg)	639.00	1.00	0.16
Soybean Oil	32.44	-0.71	-2.14

Source: Bloomberg, BIMB Securities Research

## Forex

(per USD)	BIMB (YE Forecast)	Close	Change +/-	Change %
MYR	4.20	4.33	0.0065	0.15
JPY	110.0	111.49	0.6600	0.60
EUR	0.93	0.90	0.0046	0.51
SGD	1.45	1.39	0.0023	0.17

Source: Bloomberg, BIMB Securities Research

## Major Rates

	%
KLIBOR 3-mth	3.43
KLIBOR 6-mth	3.54
KLIBOR 12-mth	3.63
5-yr MGS	3.56
10-yr MGS	3.88

Source: Bank Negara Malaysia

## Daily Participation

	Participation (%)	Bought (MYR m)	Sold (MYR m)	Net (MYR m)
Local Insti	52.5	1,358.2	1,412.9	-54.7
Local Retail	21.6	603.7	537.2	66.5
Foreign	25.9	678.6	690.4	-11.8
<b>Total</b>	<b>100.0</b>	<b>2,640.5</b>	<b>2,640.5</b>	<b>0.0</b>

Source: The Sun, BIMB Securities Research

## Performance of BIMB Stock Coverage

## Top Gainers

	Close	Change +/-	Change %
Hartalega	5.85	0.09	1.6%
Sunway Construction	2.07	0.03	1.5%
Tambun Indah Land	1.54	0.02	1.3%
IJM Corp	3.53	0.03	0.9%
Barakah Offshore	0.64	0.01	0.8%

Source: Bloomberg, BIMB Securities Research

## Top Losers

	Close	Change +/-	Change %
Eversendai	0.86	-0.03	-3.4%
Axiata	5.23	-0.17	-3.1%
My Eg	2.19	-0.07	-3.1%
MCT	1.00	-0.03	-2.9%
FGV	1.94	-0.05	-2.5%

Source: Bloomberg, BIMB Securities Research

## CORPORATE NEWS

**Sarawak Plantation returns to profit in 1Q on higher CPO, PK sales**

Sarawak Plantation Bhd posted a net profit of RM13.19 million in the 1QFY17 versus a net loss of RM756,000 in the previous year, on higher sales volume of CPO and PK. Revenue increased 77% to RM109.63m from RM62.07m a year ago. The average selling prices of CPO and PK had increased by approximately 31.4% and 56% respectively whereas the sales volumes of CPO and PK had increased by approximately 31.5% and 29.6% respectively for the current financial period. On its prospects, the performance of the group is largely dependent on the production, operation efficiency and prices of CPO and PK. The group will continue in its efforts to improve its performance and use its best endeavour to achieve satisfactory results for the current financial year. (Source: The Edge)

**Silk Holdings plans dividend reinvestment, share buy-back**

Silk Holdings is planning to undertake a dividend reinvestment plan and purchase up to 10% of its issued share capital. The reinvestment plan would give its shareholders the option to reinvest their cash dividend in new shares, providing them with an opportunity to enhance and maximise the value of their shareholdings in the company. The issue price of the new shares shall be adjusted to the volume weighted average market price for the five market days immediately before the price fixing date, after applying a discount of no more than 10%. Furthermore, this option, if exercised by shareholders, will enlarge Silk's capital base and strengthen its capital position, while the retained cash that would have gone into payment of dividends could be used by the company for future investments or general working capital purposes. (Source: The Edge)

**Century Logistics 1Q profit strengthens 9%**

Century Logistics posted a 9% rise in net profit to RM4.85m in the 1QFY17, versus RM4.46m a year ago, on higher contribution from its total logistics services segment. Revenue was up 2% to RM71.03m from RM69.54m a year ago, on higher activities from the same segment. On its prospects, the logistics sector is expected to remain challenging this year in the face of uncertain global economic climate. In view of the increasingly competitive landscape, it will leverage on its extensive customer base and internal strength that focuses on providing value added logistics solutions, while maintaining cost efficiencies. It also intends to tap on the extensive network and infrastructure of its major shareholder, CJ Logistics Group. (Source: The Edge)

**MHC Plantations back in the black in 1Q on recovery in palm oil prices**

A jump in overall prices of palm-oil related products lifted MHC Plantations net profit in its 1QFY17 up to RM4.67m, from a net loss of RM227,000 a year ago. Revenue jumped 55.23% to RM90.45m, against RM58.27m in 1QFY16. MHC Plantations attributed the uptick to an increase in prices of CPO, PK, and FFB by 33%, 59% and 42% respectively, compared to the same period last year. Empty fruit bunches (EFB) oil sale price also increased by 97%, it added. The group has also increased FFB production by 30% in the period, and saw an increase in efficiency of its biomass power plant in exporting electricity, contributing to the better bottom line. QoQ, MHC Plantations' net profit saw near 2-fold increase from RM1.61m in 4QFY16, as a result of higher palm oil prices, better milling margins and lower administrative expenses. Revenue, however, declined by 15.63% in 1QFY17, from RM107.21 the previous quarter. (Source: The Edge)

**Tomypak's 1Q surges 78.3% on increased demand, declares 2sen dividend**

Tomypak saw its net profit for its 1QFY17 surge 78.3% to RM6.26m or 3.79 sen per share, from RM3.51m or 3.21sen/share a year ago. The group attributed the surge in profitability to an increase in demand from both local and overseas customers, on improved cost of production, as well as lower foreign exchange losses. This came on the back of a 5% increase in 1QFY17 revenue to RM53.92m, from RM51.36m in 1QFY16. Tomypak has declared a dividend of 2sen/share, to be paid on June 16 to shareholders whose names appear on the record of depositors on June 2. Going forward, the group will continue to focus on its core business of manufacturing and marketing of flexible packaging materials. Its new plant in Senai Industrial Estate completed at the end of March and with the full operation of more advanced and efficient printing and lamination machines in the second quarter of 2017, the group's performance is expected to improve. (Source: The Edge)

**Press Metal 1Q net profit up 56.6%, pays 1.5sen dividend**

Press Metal saw its net profit jump 56.6% to RM148.05m or 3.99sen a share in the 1QFY17 from RM94.56m or 7.28 sen a share a year ago, mainly due to higher production output generated by its Samalaju Phase 2 smelting plant in Sarawak and improved metal price. Quarterly revenue grew 56.7% to RM2.02bn in 1QFY17 from RM1.29bn in 1QFY16. Press Metal also declared a first interim dividend of 1.5sen/share for the FY17, payable on June 21. The aluminium price increased 11.2% from an average of US\$1,731/tonne in December 2016 to an average of US\$1,930/tonne in April this year. The delivery premium has also increased from US\$95/mt in 4QFY16 to US\$126/mt in 2QFY17. The increase in aluminium price was mainly due to the Chinese government's great concern of its environment and it moved to reduce the capacity of aluminium production in the country. (Source: The Edge)

**ECONOMIC NEWS****Malaysia's solid exports, demand likely spurred faster 1Q growth**

Malaysia's economic growth is expected to pick up in the 1Q, thanks to surging exports and resilient domestic demand. The median forecast in a Reuters poll of 12 economists was for 4.8% annual growth in Jan-Mar, up from 4.5% the previous quarter. If the pace is 4.8%, Jan-Mar will be the best period since the 2Q2015. Exports from Southeast Asia's 3<sup>rd</sup> largest economy rose strongly in early 2017, aided by China's push to rebuild inventory and higher commodity prices. Malaysian industrial production was resilient in 1Q, with the manufacturing sector growing 5.6% yoy vs 5% in 4Q, on the back of robust demand for electronics. March exports surged 24.1% from a year earlier. *(Source: Reuters)*

**US jobless claims fall; mid-Atlantic factory activity jumps**

New applications for US jobless benefits unexpectedly fell last week and the number of Americans on unemployment rolls tumbled to a 28-1/2-year low, pointing to rapidly shrinking labor market slack. The economy's brightening prospects were further boosted by other data, showing a sharp acceleration in factory activity in the mid-Atlantic region this month. While the raft of upbeat economic data support an interest rate hike next month, the Fed's decision will also hinge on the state of financial markets, which have been rattled in recent days by Trump administration scandals. Initial claims for state unemployment benefits decreased 4,000 to a seasonally adjusted 232,000 for the week ended May 13. That pushed claims close to levels last seen in 1973. *(Source: Reuters)*

**Robots taking over US factories imperil emerging-market growth**

The robot revolution is here, and it's not all good for emerging-market economies. As the conversion to more automated factories picks up steam in countries like the US, Japan and Germany, there will be less factory work outsourced to developing nations with relatively low labor costs. The impact will be most severe in Hungary, Czech Republic, Slovakia, Vietnam, Malaysia and Thailand. While most robot-related anxiety in popular culture has swirled around unfounded concern of a violent cyborg rebellion and the more likely possibility of blue-collar job losses, Moody's raises the specter that developing countries that depend on manufactured exports could be in for a painful reckoning. *(Source: Bloomberg)*

**Japan's economy expands at fastest pace in a year in Jan-March**

Japan's economy grew in the 1Q at its fastest pace in a year to mark the longest period of expansion in a decade, thanks to robust exports and a helpful boost from private consumption. Positive data should offer some relief to BoJ policymakers, who hope the economy is now gathering enough momentum to drive up inflation that remains stubbornly below their 2% target. Driven by robust exports and firming domestic consumption, Japan's economy expanded an annualised 2.2% in Jan-Mar. It marked the 5<sup>th</sup> straight quarter of expansion, the longest growth run since a 6-quarter streak through 2006, when the BoJ was exiting from its previous quantitative easing programme on signs of strength in the economy. *(Source: Reuters)*

**ECB's journey out of stimulus is still long and unclear**

ECB policymakers are preparing to dial back their extraordinary stimulus measures if the economy continues to improve, but that course of action is not yet certain. Inflation and economic growth in the euro zone have rebounded, but the bloc's central bankers have yet to be convinced that this recovery would continue if their €2.3trn (USD2.55trn) money printing programme and ultra-low rates are taken away. Such caution underpinned the ECB's decision to keep its policy unchanged at its April meeting and was confirmed by comments by rate setters Benoit Coeure, Jens Weidmann and Vitas Vasiliauskas. This suggests policymakers are unlikely to make major changes when they meet again on June 8, opting instead for a small nod to the improved growth outlook. *(Source: Reuters)*

**Philippine 1Q GDP growth weakest in a year, but rate rise on cards**

The Philippine economy grew at its slowest pace in more than a year in the 1Q on weaker government spending, but strong exports and domestic consumption suggest the country remains poised to raise rates this year. It was the slowest economic expansion since firebrand President Rodrigo Duterte took office nearly a year ago. GDP grew 6.4% in Jan-Mar from a year earlier. But the Philippines remains 1 of the fastest growing economies in Asia with robust consumption, which fuelled last year's growth, continuing to bolster economic activity as exports pick up. Moving forward, the domestic economy is poised to maintain its growth momentum with the recovery of external trade and the private sector's steadfast optimism. *(Source: Reuters)*

## ECONOMIC CALENDAR

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
05/19/2017 02:00	MX	Overnight Rate	18-May	6.50%	6.75%	6.50%	--
05/19/2017 03:00	CO	Civil Works Payments (YoY)	1Q	--	3.30%	3.90%	--
05/19/2017 06:00	CL	Overnight Rate Target	18-May	2.75%	2.50%	2.75%	--
05/19/2017 06:45	NZ	Net Migration SA	Apr	--	5780	6100	6130
05/19/2017 11:00	NZ	Credit Card Spending MoM	Apr	--	--	0.80%	--
05/19/2017 11:00	NZ	Credit Card Spending YoY	Apr	--	--	7.10%	--
05/19/2017 12:00	MA	GDP YoY	1Q	4.80%	--	4.50%	--
05/19/2017 12:00	MA	GDP SA QoQ	1Q	1.20%	--	1.40%	--
05/19/2017 12:00	MA	BoP Current Account Balance MYR	1Q	6.6b	--	12.2b	--
05/19/2017 12:30	NE	Consumer Spending YoY	Mar	--	--	0.80%	--
05/19/2017 12:30	NE	Consumer Confidence Index	May	--	--	26	--
05/19/2017 14:00	GE	PPI MoM	Apr	0.20%	--	0.00%	--
05/19/2017 14:00	GE	PPI YoY	Apr	3.20%	--	3.10%	--
05/19/2017 15:00	DE	Consumer Confidence Indicator	May	--	--	7.4	--
05/19/2017 15:00	HU	Average Gross Wages YoY	Mar	10.20%	--	10.70%	--
05/19/2017 15:30	TH	Foreign Reserves	12-May	--	--	\$183.7b	--
05/19/2017 15:30	TH	Forward Contracts	12-May	--	--	\$28.1b	--
05/19/2017 16:00	RU	Money Supply Narrow Def	12-May	--	--	9.01t	--
05/19/2017 16:00	EC	ECB Current Account SA	Mar	--	--	37.9b	--
05/19/2017 16:00	EC	Current Account NSA	Mar	--	--	27.9b	--
05/19/2017 16:20	TA	BoP Current Account Balance	1Q	--	--	\$18300m	--
05/19/2017 16:30	HK	Unemployment Rate SA	Apr	3.20%	--	3.20%	--
05/19/2017 16:30	SV	PPI MoM	Apr	--	--	0.00%	--
05/19/2017 16:30	SV	PPI YoY	Apr	--	--	1.90%	--
05/19/2017 16:30	IT	Current Account Balance	Mar	--	--	1193m	--
05/19/2017 18:00	UK	CBI Trends Total Orders	May	4	--	4	--
05/19/2017 18:00	UK	CBI Trends Selling Prices	May	29	--	29	--
05/19/2017 20:00	PD	Sold Industrial Output MoM	Apr	-10.60%	--	17.60%	--
05/19/2017 20:00	PD	Sold Industrial Output YoY	Apr	1.90%	--	11.10%	--
05/19/2017 20:00	PD	Construction Output YoY	Apr	6.80%	--	17.20%	--
05/19/2017 20:00	PD	PPI MoM	Apr	0.10%	--	-0.10%	--
05/19/2017 20:00	PD	PPI YoY	Apr	4.50%	--	4.70%	--
05/19/2017 20:00	PD	Retail Sales MoM	Apr	-1.30%	--	16.50%	--
05/19/2017 20:00	PD	Retail Sales YoY	Apr	9.00%	--	9.70%	--
05/19/2017 20:00	PD	Retail Sales Real YoY	Apr	7.20%	--	7.90%	--
05/19/2017 20:30	CA	CPI NSA MoM	Apr	0.50%	--	0.20%	--
05/19/2017 20:30	CA	CPI YoY	Apr	1.70%	--	1.60%	--
05/19/2017 20:30	CA	Consumer Price Index	Apr	--	--	129.9	--
05/19/2017 20:30	CA	CPI Core- Common YoY%	Apr	1.40%	--	1.30%	--
05/19/2017 20:30	CA	CPI Core- Trim YoY%	Apr	--	--	1.40%	--

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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