



Corporate News

- LBS Bina targets sales of RM1.8bn in 2018
- Ta Ann to buy 30.39% stake in SPB for RM170m
- Glove-dipping line maker HLT Global now wants to make rubber gloves
- Uzma bags another umbrella contract from Petronas Carigali
- Amtek to dispose of entire Crocodile brand inventory, accessories and retail fixed assets

Bursa Malaysia

	Close	Chg +/-	Chg %	YTD Chg (%)
FBMKLCI	1,816.88	-6.04	-0.33	1.12
FBMEMAS	13,155.70	-74.17	-0.56	1.65
FBM100	12,800.42	-65.71	-0.51	1.48
FBMEMAS Shariah	13,641.56	-91.59	-0.67	2.55
FBM Hijrah Shariah	14,899.44	-75.11	-0.50	2.56
Volume (m)	4,017.26	-1,730.92	-30.11	
Value (MYR m)	3,046.85	-728.35	-19.29	

Source: Bloomberg, BIMB Securities

Regional Indices

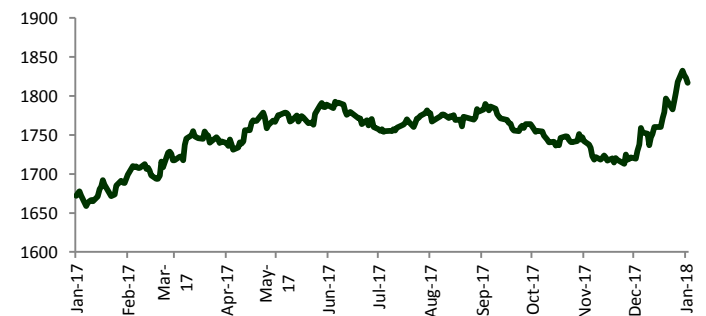
	Close	Chg +/-	Chg %	YTD Chg (%)
DJIA	25,574.73	205.60	0.81	3.46
NASDAQ	7,211.78	58.21	0.81	4.47
S&P 500	2,767.56	19.33	0.70	3.51
FTSE 100	7,762.94	14.43	0.19	0.98
Nikkei 225	23,710.43	-77.77	-0.33	4.15
HSI	31,120.39	46.67	0.15	4.01
SHCOMP	3,425.35	3.51	0.10	3.57
KOSPI	2,487.91	-11.84	-0.47	0.83
TWSE	10,810.06	-21.03	-0.19	1.57
STI	3,512.68	-7.77	-0.22	3.23
JCI	6,386.34	15.17	0.24	0.48
SET	1,802.80	7.88	0.44	2.80
PSEi	8,813.25	-107.04	-1.20	2.98

Source: Bloomberg, BIMB Securities

Economic News

- World Bank forecasts Malaysia 2018 GDP at 5.2%
- Ringgit strength backed by robust economic growth
- Hong Kong's benchmark recorded its longest winning streak ever
- Corporations may dodge billions in U.S. taxes through new loophole
- Euro jumps after ECB minutes; stocks gain with energy

KLCI Performance



KLCI Year-End Target: 1,900 points

Source: Bloomberg, BIMB Securities

Commodities (Last Close)

	Close	Chg +/-	Chg %
Brent Crude (USD/bbl)	69.26	0.06	0.09
WTI Crude (USD/bbl)	63.80	0.23	0.36
CPO (RM/MT)	2,567.00	-55.00	-2.10
Gold (USD/ounce)	1,322.40	0.03	0.00
Latex (sen/kg)	469.50	-2.50	-0.53
Soybean Oil	33.15	-0.30	-0.90

Source: Bloomberg, BIMB Securities

Forex

(per USD)	BIMB (YE Forecast)	Close	Chg +/-	Chg %
MYR	3.95	3.988	-0.0220	-0.55
JPY	115.0	111.260	-0.1800	-0.16
EUR	1.35	0.831	-0.0059	-0.70
SGD	1.33	1.329	-0.0049	-0.37

Source: Bloomberg, BIMB Securities

Major Rates

	%
KLIBOR 3-mth	3.44
KLIBOR 6-mth	3.56
KLIBOR 12-mth	3.64
5-yr MGS	3.54
10-yr MGS	3.86

Source: Bank Negara Malaysia

Daily Participation

	Participation (%)	Bought (MYR m)	Sold (MYR m)	Net (MYR m)
Local Insti	53.1	1,586.3	1,646.9	-60.6
Local Retail	26.2	838.1	760.7	77.4
Foreign	20.7	622.5	639.3	-16.8
Total	100.0	3,046.9	3,046.9	0.0

Source: The Sun, BIMB Securities

Performance of BIMB Stock Coverage

Top Gainers

	Close	Chg +/-	Chg %
MYEG	2.60	0.03	1.2
QL Resources	4.84	0.05	1.0
TH Plantations	1.06	0.01	1.0
Padini	5.32	0.04	0.8
MCT	0.88	0.01	0.6

Source: Bloomberg, BIMB Securities

Top Losers

	Close	Chg +/-	Chg %
Top Glove	8.70	-0.30	-3.3
Datasonic	1.23	-0.04	-3.1
Dagang Nexchange	0.52	-0.02	-2.8
Petronas Gas	18.50	-0.50	-2.6
IJM Plantations	2.60	-0.07	-2.6

Source: Bloomberg, BIMB Securities

CORPORATE NEWS

LBS Bina targets sales of RM1.8bn in 2018

Despite the soft property market, LBS Bina Group Bhd is boldly targeting a 26% rise in 2018 sales to RM1.8bn by focusing on affordable homes. The developer achieved sales of RM1.43bn in 2017, just 5% shy of its target of RM1.5bn. The amount is still 15% more than its 2016 sales of RM1.24bn. The group is expected to report a better bottom line growth for the year ended Dec 31, 2017 (FY17), based on the profit after tax for the first nine months totalling RM87.3m already surpassing FY16's full year figure of RM85.2m. Net profit for the nine months rose 37.6% to RM79.09m from RM57.47m a year earlier, while revenue increased 42.3% to RM955.41m from RM671.35m. LBS will be launching eight new developments with a gross development value (GDV) of RM2.19bn in 2018. A total of 3,139 units would consist of affordable homes priced below RM500,000, representing 60% of the group's RM1.8bn sales target. *(Source: The Edge)*

Ta Ann to buy 30.39% stake in SPB for RM170m

Ta Ann Holdings Bhd has proposed to acquire a 30.39% stake in Sarawak Plantation Bhd (SPB) for a cash consideration of RM169.94m. The timber and palm oil producer said in its filings yesterday that it had entered into a share sale agreement with Cermat Ceria Sdn Bhd for the proposed acquisition of 84.97m shares in SPB for RM2 per share. The proposed acquisition is consistent with the company's plan to further expand its oil palm plantation business and gain larger market access in Sarawak. The purchase consideration would be funded via internally generated funds and/or bank borrowings. SPB is principally involved in the cultivation of oil palm and the processing of fresh fruit bunches into crude palm oil and palm kernel. As at Dec 31, 2016, SPB owned 20 oil palm estates, with a total planted area of 34,837ha, which were made up of 26,825ha of matured area and 8,012ha of immature area (less than three years). *(Source: The Star)*

Glove-dipping line maker HLT Global now wants to make rubber gloves

Glove-dipping line maker HLT Global Bhd wants to diversify into the rubber glove manufacturing business and has proposed to acquire a controlling stake in a glovemaking for RM33m. HLT announced, it has inked a Heads of Agreement (HoA) with Suntel International Co Ltd, Kan Mei Yoong and Lee Sow Yin to acquire 55% in HL Rubber Industries Sdn Bhd (HLRI). The purchase is to be satisfied via the issuance of 113.79m new HLT shares at 29 sen apiece — subject to a definitive agreement to be finalised later, said the company. HLRI has a share capital of RM10.5m. The acquisition of HLRI comes with a profit guarantee of a collective RM10m for the financial years ending Dec 31, 2018 (FY18) and FY19 by the vendors. HLRI started operations in 2003, and has since established a proven track record on delivering quality products and services to its multinational customers under the leadership of Lin Kuo Tang. *(Source: The Edge)*

Uzma bags another umbrella contract from Petronas Carigali

Just two days ago, Uzma Bhd won three umbrella contracts from Petronas Carigali Sdn Bhd. Today, it announced another contract from Petronas Carigali to supply a 340K and 460K Hydraulic Workover Unit. The umbrella contract was awarded to its wholly-owned subsidiary Uzma Engineering Sdn Bhd (UESB). The tenure of contract is three years starting from Dec 22, 2017 till Dec 21, 2020, with an extension option of one year. Uzma said the umbrella contract does not constitute a commitment for any specific work and the execution of the umbrella contract depends on work orders to be issued to UESB from time to time at Petronas Carigali's discretion. Hence, there is no form value for the umbrella contract. However, the company noted that the contract is expected to contribute positively to the company's earnings and enhance the group's net assets per share for the financial year ending June 30, 2018 (FY18) and onwards until the expiry of the umbrella contract. *(Source: The Edge)*

Amtek to dispose of entire Crocodile brand inventory, accessories and retail fixed assets

Apparel International Sdn Bhd, an indirect wholly-owned subsidiary of Amtek Holdings Bhd, has entered into a conditional sale and purchase agreement (SPA) with Crocodile International Sdn Bhd (CISB) for the disposal of its entire Crocodile brand's inventory, accessories and retail fixed assets located at consignment sales outlet, boutique and warehouse and the termination of both the license agreement for distributing and retailing the "Crocodile" brand men's apparel and small leather goods in Malaysia for about RM8m. According to the filing with Bursa Malaysia, the tentative sale consideration of RM8m will be fully satisfied by CISB to Apparel International in cash. It said that the proposed disposal is expected to result in a loss on disposal of about RM2.2m for Amtek. The inventory which comprises all Crocodile brand men's apparel, accessories and small leather goods are distributed and located at 92 consignment sales outlets in major department stores located in Malaysia, 1 boutique located at AEON Bukit Mertajam, Prai and the warehouse, it added. *(Source: The Edge)*

ECONOMIC NEWS

World Bank forecasts Malaysia 2018 GDP at 5.2%

The World Bank expects Malaysia's GDP growth to moderate to 5.2% in 2018, from an estimated 5.8% in 2017, on the back of a gradual slowdown in China which offsets a pickup of activity in the rest of the region. Regional growth is projected to moderate slightly during the forecast horizon led by a cyclical rebound in several commodity exporters, the bank said in its Global Economic Prospects report. It said the regional growth is projected to gradually slow to 6.2% in 2018 and 6.1% on average in 2019 to 2020 with the continuing gradual structural slowdown in China offsetting a cyclical pickup in the rest of the region. On the upside, the report said the stronger-than-expected growth observed in 2017 in the largest advanced economies and emerging market and developing economies could continue in the near term. However, on the downside, there are three major risks to the forecasts, which could be amplified by the vulnerabilities of some economies, such as elevated domestic debt, large external financing needs, and limited policy buffers. (Source: *The Edge*)

Ringgit strength backed by robust economic growth

The ringgit's current upward momentum against major currencies is backed by the country's robust domestic economy and healthy trade performance, underpinned by the recovery in global oil prices. Second Finance Minister, Datuk Seri Johari Abdul Ghani said the ringgit was also supported by Malaysia's strong export performance, which increased 20.2% from Jan-Nov 2017, as compared to the same period in 2016. The global economy is also showing positive growth momentum this year, and is forecast to ramp up between 3.7-3.8% this year (World Bank). This will positively impact Malaysia's economic growth. He said the ringgit's performance so far is reflected by the positive sentiment in the local and global economies, with Malaysia's gross domestic product expected to grow between 5.0-5.5%. (Source: *Bernama*)

Hong Kong's benchmark recorded its longest winning streak ever

Hong Kong's benchmark Hang Seng Index has had a roaring start to the year. Wednesday's session saw the 51-stock index close higher for the 12th straight day, marking the benchmark's longest winning streak since it was first started in 1969. That beat the 11-day streak last recorded by the Hang Seng in 1999. Tencent fell 2% and insurer AIA was lower by 0.3%. Still, the Hang Seng is up by more than 3 percent in the new year, a move mirrored by other major markets as investors bet on continued global growth. Japan's Nikkei 225, Korea's Kospi and blue chip CSI 300 indexes were all up by at least 2% in January as of Thursday morning. The rise in the Hang Seng, which has risen more than 6 percent since its streak began in late December, was largely driven by large inflows into Hong Kong, analysts told CNBC. (Source: *CNBC*)

Corporations may dodge billions in U.S. taxes through new loophole

A loophole in the new U.S. tax law could allow multinational corporations like Apple Inc to avoid paying billions of dollars in taxes on profits stashed overseas, according to experts. Stemming from a Republican overhaul of international business taxes, the loophole involves the tax rates - 15.5% or 8% - that companies must pay on \$2.6trn in profits they are holding abroad. By manipulating their foreign cash positions, a determining factor under the new law, a U.S. multinational could potentially save money by shifting profits to the lower rate from the higher one, according to Stephen Shay, a senior lecturer at Harvard Law School. The savings could amount to more than \$4bn in Apple's case alone. An Apple spokesman declined to speak on the record about Shay's analysis. U.S. Treasury Department and Internal Revenue Service officials did not respond to Reuters' queries seeking comment. (Source: *Reuters*)

Euro jumps after ECB minutes; stocks gain with energy

The euro jumped against the dollar on Thursday as the European Central Bank signalled it could begin to wind down its 2.5trn euro stimulus program this year, while oil prices hit their highest since 2014 on tightening crude stocks, lifting energy shares. U.S. Treasury yields fell after China disputed a report that its government officials had recommended the country slow or halt its purchases of the U.S. bonds. The Bloomberg News report had lifted yields on the 10-year government bond to a 10-month high on Wednesday. The European Central Bank should revisit its communication stance in early 2018, accounts of its December meeting showed, suggesting that policymakers could soon start preparing markets for the end of the bank's massive stimulus. (Source: *Reuters*)

ECONOMIC CALENDAR

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
01/12/2018 07:50	JN	BoP Current Account Balance	Nov	¥1836.1b	--	¥2176.4b	--
01/12/2018 07:50	JN	BoP Current Account Adjusted	Nov	¥2168.9b	--	¥2441.5b	--
01/12/2018 07:50	JN	Trade Balance BoP Basis	Nov	¥310.6b	--	¥430.2b	--
01/12/2018 16:00	LN	Current Account Balance	Nov	--	--	305.9m	--
01/12/2018 17:00	IT	Industrial Production MoM	Nov	0.60%	--	0.50%	--
01/12/2018 17:00	IT	Industrial Production WDA YoY	Nov	3.30%	--	3.10%	--
01/12/2018 17:00	IT	Industrial Production NSA YoY	Nov	--	--	6.40%	--
01/12/2018 21:30	US	CPI MoM	Dec	0.10%	--	0.40%	--
01/12/2018 21:30	US	CPI Ex Food and Energy MoM	Dec	0.20%	--	0.10%	--
01/12/2018 21:30	US	CPI YoY	Dec	2.10%	--	2.20%	--
01/12/2018 21:30	US	CPI Ex Food and Energy YoY	Dec	1.70%	--	1.70%	--
01/12/2018 21:30	US	CPI Index NSA	Dec	246.372	--	246.669	--
01/12/2018 21:30	US	CPI Core Index SA	Dec	254.333	--	253.724	--
01/12/2018 21:30	US	Real Avg Weekly Earnings YoY	Dec	--	--	0.80%	--
01/12/2018 21:30	US	Real Avg Hourly Earning YoY	Dec	--	--	0.20%	--
01/12/2018	CH	Trade Balance	Dec	\$37.00b	--	\$40.21b	--
01/12/2018	CH	Exports YoY	Dec	10.80%	--	12.30%	--
01/12/2018	CH	Imports YoY	Dec	15.10%	--	17.70%	--
01/12/2018	CH	Trade Balance CNY	Dec	235.20b	--	263.60b	--
01/12/2018	CH	Exports YoY CNY	Dec	6.70%	--	10.30%	--
01/12/2018	CH	Imports YoY CNY	Dec	11.80%	--	15.60%	--
01/12/2018 01:15	CH	Money Supply M1 YoY	Dec	12.60%	--	12.70%	--
01/12/2018 01:15	CH	Money Supply M2 YoY	Dec	9.20%	--	9.10%	--
01/12/2018 01:15	CH	Money Supply M0 YoY	Dec	5.90%	--	5.70%	--
01/15/2018 07:50	JN	Money Stock M2 YoY	Dec	4.00%	--	4.00%	--
01/15/2018 07:50	JN	Money Stock M3 YoY	Dec	3.40%	--	3.40%	--
01/15/2018 13:30	NE	Trade Balance	Nov	--	--	5.2b	--
01/15/2018 15:00	FI	Current Account Balance	Nov	--	--	0.54b	--
01/15/2018 17:00	CZ	Current Account Monthly CZK	Nov	0.10b	--	14.99b	--
01/15/2018 18:00	EC	Trade Balance SA	Nov	--	--	19.0b	--
01/15/2018 18:00	EC	Trade Balance NSA	Nov	--	--	18.9b	--
01/15/2018 19:00	IR	Trade Balance	Nov	--	--	3930m	--
01/15/2018 21:00	PD	Current Account Balance	Nov	693m	--	575m	--
01/15/2018 21:00	PD	Trade Balance	Nov	554m	--	597m	--
01/15/2018 21:00	PD	Exports	Nov	17884m	--	17914m	--
01/15/2018 21:00	PD	Imports	Nov	17289m	--	17317m	--
01/15/2018 22:00	BE	Trade Balance	Nov	--	--	-550.8m	--
01/16/2018 16:00	CZ	Export Price Index YoY	Nov	--	--	-1.70%	--
01/16/2018 16:00	CZ	Import Price Index YoY	Nov	--	--	-2.20%	--
01/16/2018 18:00	IT	Trade Balance Total	Nov	--	--	4953m	--
01/16/2018 18:00	IT	Trade Balance EU	Nov	--	--	666m	--
01/17/2018 07:50	JN	Core Machine Orders MoM	Nov	-0.40%	--	5.00%	--
01/17/2018 07:50	JN	Core Machine Orders YoY	Nov	0.30%	--	2.30%	--
01/18/2018 10:00	CH	GDP YoY	4Q	6.70%	--	6.80%	--
01/18/2018 10:00	CH	Industrial Production YTD YoY	Dec	6.60%	--	6.60%	--
01/18/2018 10:00	CH	Industrial Production YoY	Dec	6.10%	--	6.10%	--
01/18/2018 10:00	CH	GDP YTD YoY	4Q	6.80%	--	6.90%	--
01/18/2018 12:30	JN	Industrial Production MoM	Nov F	--	--	0.60%	--
01/18/2018 12:30	JN	Industrial Production YoY	Nov F	--	--	3.70%	--
01/18/2018 12:30	JN	Capacity Utilization MoM	Nov	--	--	0.20%	--
01/18/2018	GR	Current Account Balance	Nov	--	--	-624m	--

Source: Bloomberg, BIMB Securities

DEFINITION OF RATINGS

BIMB Securities uses the following rating system:

STOCK RECOMMENDATION

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

SECTOR RECOMMENDATION

OVERWEIGHT	The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months
NEUTRAL	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
UNDERWEIGHT	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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