



## Reports Published

**Sector Update – Plantation MPOB Feb 2018** : Closing stocks eased 3% mom to 2.48m tonnes

## Corporate News

- Econpile bags RM25.9m job for redevelopment of hospital
- BAuto's 3Q net profit jumps 61% on higher sales of new CX-5
- UMW-OG bags three-year contract to provide drilling HWU for Petronas Carigali
- Crest Builder eyes Kepong Metropolitan Park land
- Ekovest bags RM99.9m contract for River of Life (Phase 2) project
- Nexgram partners Chinese firm to operate communication cables
- KSL buys land in Tebrau for RM133.59m

## Bursa Malaysia

	Close	Chg +/-	Chg %	YTD Chg (%)
FBMKLCI	1,861.22	17.30	0.94	3.58
FBMEMAS	13,110.87	141.93	1.09	1.30
FBM100	12,855.18	143.99	1.13	1.91
FBMEMAS Shariah	13,294.20	171.69	1.31	-0.07
FBM Hijrah Shariah	14,867.96	204.58	1.40	2.34
Volume (m)	2,468.31	217.67	9.67	
Value (MYR m)	2,400.19	384.79	19.09	

Source: Bloomberg, BIMB Securities Research

## Regional Indices

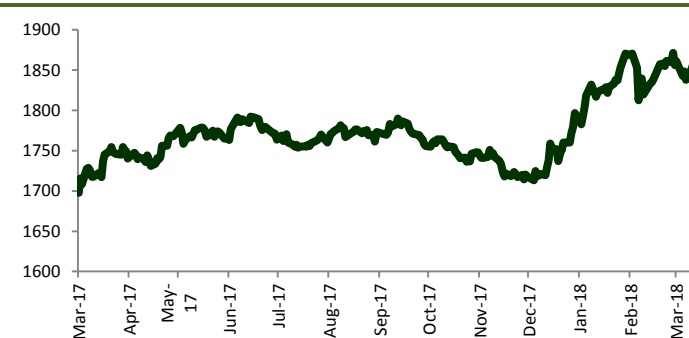
	Close	Chg +/-	Chg %	YTD Chg (%)
DJIA	25,178.61	-157.13	-0.62	1.86
NASDAQ	7,588.33	27.51	0.36	9.92
S&P 500	2,783.02	-3.55	-0.13	4.09
FTSE 100	7,214.76	-9.75	-0.13	-6.15
Nikkei 225	21,824.03	354.83	1.65	-4.13
HSI	31,594.33	598.12	1.93	5.60
SHCOMP	3,326.70	19.53	0.59	0.59
KOSPI	2,484.12	24.67	1.00	0.67
TWSE	11,002.10	137.28	1.26	3.38
STI	3,540.19	54.62	1.57	4.03
JCI	6,500.69	67.36	1.05	2.28
SET	1,800.32	24.95	1.41	2.66
PSEi	8,453.50	80.99	0.97	-1.23

Source: Bloomberg, BIMB Securities Research

## Economic News

- London House Prices Drop at the Fastest Pace Since 2009
- S.Korea will 'deploy all possible means' to respond to US tariffs - finmin
- Malaysia : State governments to receive RM5 for every RM10 of tourism tax collected
- Malaysia says still the destination of choice for international investors
- Malaysian banks showed solid performance in 2017; to continue in 2018, says Moody's

## KLCI Performance



KLCI Year-End Target: 1,900 points

Source: Bloomberg, BIMB Securities Research

## Commodities (Last Close)

	Close	Chg +/-	Chg %
Brent Crude (USD/bbl)	64.95	-0.54	-0.82
WTI Crude (USD/bbl)	61.36	-0.68	-1.10
CPO (RM/MT)	2,381.00	5.00	0.21
Gold (USD/ounce)	1,323.65	0.60	0.05
Latex (sen/kg)	493.00	2.00	0.41
Soybean Oil	31.75	0.16	0.51

Source: Bloomberg, BIMB Securities Research

## Forex

(per USD)	BIMB (YE Forecast)	Close	Chg +/-	Chg %
MYR	3.95	3.905	-0.0040	-0.10
JPY	115.0	106.420	-0.4000	-0.37
EUR	1.35	0.811	-0.0019	-0.23
SGD	1.33	1.313	-0.0037	-0.28

Source: Bloomberg, BIMB Securities Research

**Major Rates**

	%
KLIBOR 3-mth	3.69
KLIBOR 6-mth	3.80
KLIBOR 12-mth	3.90
3-yr MGS	3.39
5-yr MGS	3.59
10-yr MGS	3.97

Source: Bank Negara Malaysia

**Daily Participation**

	Participation (%)	Bought (MYR m)	Sold (MYR m)	Net (MYR m)
Local Insti	55.3	1,208.6	1,447.9	-239.3
Local Retail	21.2	489.6	529.6	-40.0
Foreign	23.5	702.1	422.8	279.3
<b>Total</b>	<b>100.0</b>	<b>2,400.3</b>	<b>2,400.3</b>	<b>0.0</b>

Source: The Sun, BIMB Securities Research

**Performance of BIMB Stock Coverage****Top Gainers**

	Close	Chg +/-	Chg %
Hartalega	11.80	0.78	7.1
Nestle	150.50	5.50	3.8
Dagang Nexchange	0.42	0.02	3.7
Kossan Rubber	8.15	0.29	3.7
Malakoff Corp	0.90	0.03	3.4

Source: Bloomberg, BIMB Securities Research

**Top Losers**

	Close	Chg +/-	Chg %
Hap Seng Plantations	2.52	-0.06	-2.3
Ikhmas Jaya	0.45	-0.01	-1.1
IJM Plantations	2.28	-0.02	-0.9
Padini	5.01	-0.04	-0.8
Gas Malaysia	2.96	-0.02	-0.7

Source: Bloomberg, BIMB Securities Research

## CORPORATE NEWS

**Econpile bags RM25.9m job for redevelopment of hospital**

Econpile Holdings Bhd has bagged a contract worth RM25.9m for the redevelopment of an existing 7-storey hospital building and an additional 12-storey building in Kota Damansara. Its wholly-owned subsidiary Econpile (M) SB has received a letter of award from Putra Perdana Construction SB for site preparation, earthworks, piling, basement, carpark lower ground and retaining wall of the existing hospital and additional building. The duration of the contract is approximately 15 months and is expected to contribute positively to its revenue and earnings for the FY18. *(Source: The Edge)*

**BAuto's 3Q net profit jumps 61% on higher sales of new CX-5**

BAuto 3Q net profit jumped 61% to RM40.47m from RM25.11m a year earlier, contributed mainly by its domestic operations with the new Mazda CX-5 model recording higher sales volume. EPS for the quarter rose to 3.5 sen from 2.19 sen per share previously. Quarterly revenue rose 65% to RM559.4m from RM338.68m. For the cumulative 9 months, net profit dropped 14% to RM82.88m from RM96.84m in the previous corresponding period. Revenue rose 9% to RM1.42bn from RM1.31bn. BAuto declared a third interim dividend of 2.3 sen per share, payable on April 26. The improved 3Q earnings was also on the back of the contribution by its Philippines operations arising from the well-received response to the new CX-5 and CX-9 models that were launched in Oct and Nov 2017. *(Source: The Edge)*

**UMW-OG bags three-year contract to provide drilling HWU for Petronas Carigali**

UMW-OG wholly-owned unit UMW Workover SB was awarded an umbrella contract for the provision of a 460K drilling hydraulic workover unit (HWU) for Petronas Carigali SB. The umbrella contract is for the provision of a HWU to undertake workover services for Petronas Carigali, for which UMWOG will assign its HWU — UMW Gait 6. The contract is for a term of three years commencing Feb 6, 2018, with a 1 year extension option. On assumption that services under the contract are requested by Petronas Carigali, the contract is expected to contribute positively to the earnings and net assets of UMW-OG for the FY18, and the financial periods in the duration of the contract as well as for the extension, if the option to extend is exercised. *(Source: The Edge)*

**Crest Builder eyes Kepong Metropolitan Park land**

Crest Builder is eyeing a land swap deal worth RM400m for a parcel in the Kepong Metropolitan Park. The firm plans to build middle-high cost high-rise properties on the site, which is partially submerged in water. Negotiations on the construction contract which would entail a land swap of strategically located parcels owned by the government as consideration for construction of its facilities, such as the park land are still ongoing for the Ministry of Home Affairs and the Royal Malaysian Police. Meanwhile, Crest Builder will bid for more development projects on government land, despite experiencing a delay of over 2 years in developing such projects at Jalan Dang Wangi and Jalan Ampang in Kuala Lumpur and Kelana Jaya in Selangor. *(Source: The Edge)*

**Ekovest bags RM99.9m contract for River of Life (Phase 2) project**

Ekovest Bhd has bagged a RM99.89m contract to undertake the improvement and beautification works under Package 2, Taman Titiwangsa, which forms part of the second phase of the River of Life project. Its wholly-owned subsidiary EkoRiver Construction SB has received a Letter of Acceptance from the Kuala Lumpur City Hall (DBKL) for the proposed project. The completion period for the works is 78 weeks. The works are expected to contribute positively to the group's future revenue and earnings. EkoRiver Construction is also undertaking works on Phase 1 of the River of Life project. The River of Life project comprises 3 stages: river cleaning and river beautification which are targeted to be completed by 2020, as well as commercialisation and tourism which are to commence from 2020 onwards. *(Source: The Edge)*

**Nexgram partners Chinese firm to operate communication cables**

Nexgram has inked a strategic cooperation framework agreement with a Chinese-listed group to undertake operations in the field of communications cables. The tie-up with Jiangsu Tongguang Electronic Wire & Cable Co Ltd would allow it to carry out all-round operations in radio-frequency coaxial cables, high temperature resistant wires and cables for aerospace, aluminium-alloy electrical cables, submarine optical fiber cables and other optical cables along power transmission lines. The partnership is in line with the China government's 'one belt one road' US\$1trn economic investment initiative with the national power grid, and 5G infrastructure expenditure in the region playing a major part in the master plan. *(Source: The Edge)*

**KSL buys land in Tebrau for RM133.59m**

KSL Holdings announced that it is acquiring 2 parcels of land in Tebrau, Johor, for RM133.59m cash. The parcels will be utilised for landed property development. Its wholly-owned Goodpark Development SB has signed a conditional SPA with Grace Versatile SB for the exercise. The 2 parcels of land situated in the Ulu Tiram locality are for a lease of 99 years, expiring on Jan 3, 2115. It will be used for landed properties development, which will enlarge the group's land bank and enhance its presence in the Johor property market. The proposed acquisition is to be financed via a combination of internally-generated funds and/or bank borrowings at a quantum to be determined later, and is expected to be completed by end of this year. *(Source: The Edge)*

**ECONOMIC NEWS****London House Prices Drop at the Fastest Pace Since 2009**

London house prices are falling at the fastest pace since the depths of the recession almost a decade ago, with the capital's most expensive areas seeing the biggest declines. Average prices fell to 593,396 pounds (\$820,000) in January, an annual decline of 2.6%, the most since August 2009. London's highest-priced boroughs were the biggest losers, while the largest single drop was recorded in Wandsworth, down almost 15%. Weakness in prime property in London in recent years partly due to tax changes has spread to other locations in the city and around the Southeast. Nationally, slower economic growth and faster inflation since the Brexit vote are weighing on the market, while the Bank of England is raising interest rates, adding to the downward pressure. (Source: Bloomberg)

**S.Korea will 'deploy all possible means' to respond to US tariffs - finmin**

South Korea will "deploy all possible means" to respond to US President Donald Trump's decision to impose tariffs on steel and aluminium imports. The government will deploy all possible means to respond to US steel tariffs measures and make an all-out effort, without elaborating. The US opened the way for more exemptions from its steel and aluminium tariffs on Friday, after pressure from allies and intense lobbying from lawmakers, further diluting the measures just a day after they were formally announced. (Source: Reuters)

**Malaysia : State governments to receive RM5 for every RM10 of tourism tax collected**

The government will increase the amount of tourism tax returned to state governments from RM1 to RM5 for every RM10 of tax collected, the Dewan Rakyat was told yesterday. The repayment of the tax would be made fairly based the percentage of tourism tax collected in each state. Every state can use the allocation to develop its own tourism sector especially for the promotion and marketing of destinations, organising tourism events, human resource development, and small-scale tourism projects. The payment would be made every three months directly to the state governments. (Source: Bernama)

**Malaysia says still the destination of choice for international investors**

Malaysia is still the investment destination of choice for the international community because the government has prepared a good investment environment, its encouraging economic performance and high competitive standing. The Finance Ministry in a written reply in the Dewan Rakyat yesterday, said this was proven by the continued net foreign investment inflow of RM39.2bn in 2017 at the same time, international reserves remain strong at USD103.6bn or RM419.1bn on Feb 15, 2018. The country's competitive standing, as reported in the World Economic Forum's Global Competitiveness Report 2017-2018, had improved from 25th to 23rd out of 137 nations. (Source: Bernama)

**Malaysian banks showed solid performance in 2017; to continue in 2018, says Moody's**

Moody's Investors Service says its six rated Malaysian banks showed a solid performance in 2017, with additional improvements likely in some areas in 2018. In a statement yesterday, a Moody's VP and senior analyst Simon Chen said the asset quality and profitability of the six banks generally improved in 2017, while their capitalisation and funding remained adequate. We expect loan demand to recover further in 2018, strengthening profitability, but also tightening funding conditions. As a result, profit growth among banks with weaker deposit franchises could be limited by higher funding costs. Moody's conclusions are contained in its just-released report, Banks - Malaysia: 2017 sees asset quality stabilize, profits improve. (Source: The Edge)

## ECONOMIC CALENDAR

Date Time	Country	Event	Period	Survey	Actual	Prior	Revised
03/13/2018 16:00	SO	Construction Constant YoY	Jan	--	--	3.00%	--
03/13/2018 19:00	IR	Industrial Production MoM	Jan	--	--	3.00%	--
03/13/2018 19:00	IR	Industrial Production YoY	Jan	--	--	3.00%	--
03/13/2018 20:30	US	CPI MoM	Feb	0.20%	--	0.50%	--
03/13/2018 20:30	US	CPI Ex Food and Energy MoM	Feb	0.20%	--	0.30%	--
03/13/2018 20:30	US	CPI YoY	Feb	2.20%	--	2.10%	--
03/13/2018 20:30	US	CPI Ex Food and Energy YoY	Feb	1.80%	--	1.80%	--
03/13/2018 20:30	US	CPI Index NSA	Feb	248.933	--	247.867	--
03/13/2018 20:30	US	CPI Core Index SA	Feb	255.8	--	255.287	--
03/13/2018 20:30	US	Real Avg Weekly Earnings YoY	Feb	--	--	0.40%	0.60%
03/13/2018 20:30	US	Real Avg Hourly Earning YoY	Feb	--	--	0.80%	0.70%
03/14/2018 07:50	JN	Core Machine Orders MoM	Jan	5.20%	--	-11.90%	--
03/14/2018 07:50	JN	Core Machine Orders YoY	Jan	-0.70%	--	-5.00%	--
03/14/2018 10:00	CH	Industrial Production YTD YoY	Feb	6.20%	--	6.60%	--
03/14/2018 16:00	SP	House transactions YoY	Jan	--	--	9.20%	--
03/14/2018 18:00	EC	Industrial Production SA MoM	Jan	-0.50%	--	0.40%	--
03/14/2018 18:00	EC	Industrial Production WDA YoY	Jan	4.40%	--	5.20%	--
03/14/2018 20:30	US	PPI Final Demand MoM	Feb	0.10%	--	0.40%	--
03/14/2018 20:30	US	PPI Ex Food and Energy MoM	Feb	0.20%	--	0.40%	--
03/14/2018 20:30	US	PPI Final Demand YoY	Feb	2.80%	--	2.70%	--
03/14/2018 20:30	US	PPI Ex Food and Energy YoY	Feb	2.60%	--	2.20%	--
03/15/2018 13:30	NE	Trade Balance	Jan	--	--	4.1b	--
03/15/2018 15:00	FI	Current Account Balance	Jan	--	--	-0.06b	--
03/15/2018 16:00	CZ	Construction Output YoY	Jan	--	--	-3.20%	--
03/15/2018 16:00	CZ	Industrial Output YoY	Jan	5.50%	--	2.70%	--
03/15/2018 19:00	IR	Current Account Balance	4Q	--	--	14488m	--
03/15/2018 20:30	US	Import Price Index MoM	Feb	0.20%	--	1.00%	--
03/15/2018 20:30	US	Import Price Index ex Petroleum MoM	Feb	0.30%	--	0.50%	--
03/15/2018 20:30	US	Import Price Index YoY	Feb	3.50%	--	3.60%	--
03/15/2018 20:30	US	Export Price Index MoM	Feb	0.30%	--	0.80%	--
03/15/2018 22:00	BE	Trade Balance	Jan	--	--	-1857m	--
03/16/2018 12:30	JN	Industrial Production MoM	Jan F	--	--	-6.60%	--
03/16/2018 12:30	JN	Industrial Production YoY	Jan F	--	--	2.70%	--
03/16/2018 12:30	JN	Capacity Utilization MoM	Jan	--	--	2.80%	--
03/16/2018 16:00	LN	Current Account Balance	Jan	--	--	333.7m	--
03/16/2018 17:00	CZ	Current Account Monthly CZK	Jan	29.00b	--	-2.92b	--
03/16/2018 19:00	IR	Trade Balance	Jan	--	--	3849m	--
03/16/2018 21:00	PD	Current Account Balance	Jan	965m	--	-1152m	--
03/16/2018 21:00	PD	Trade Balance	Jan	-35m	--	-1268m	--
03/16/2018 21:00	PD	Exports	Jan	16986m	--	15232m	--
03/16/2018 21:00	PD	Imports	Jan	17184m	--	16500m	--
03/19/2018 07:50	JN	Trade Balance	Feb	--	--	-¥943.4b	-¥944.1b
03/19/2018 07:50	JN	Trade Balance Adjusted	Feb	--	--	¥373.3b	--
03/19/2018 07:50	JN	Exports YoY	Feb	--	--	12.20%	12.30%
03/19/2018 07:50	JN	Imports YoY	Feb	--	--	7.90%	--
03/19/2018 17:00	PD	Sold Industrial Output MoM	Feb	-1.30%	--	4.10%	--
03/19/2018 17:00	PD	Sold Industrial Output YoY	Feb	8.40%	--	8.60%	--
03/19/2018 17:00	PD	Construction Output YoY	Feb	28.70%	--	34.70%	--
03/19/2018 17:00	IT	Industrial Production MoM	Jan	--	--	1.60%	--
03/19/2018 17:00	IT	Industrial Production WDA YoY	Jan	--	--	4.90%	--

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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