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At a Glance

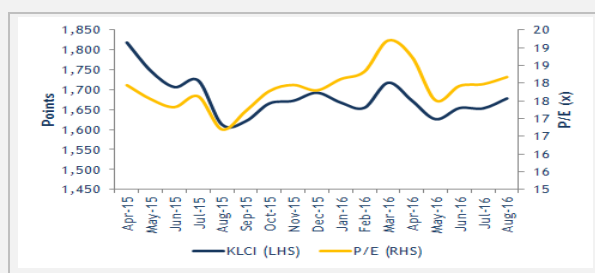
The FBM KLCI edged up 1.99 points to 1,665.02 while the ringgit strengthened, after U.S. President-elect Donald Trump said the U.S. dollar's strength against the yuan did not bode well for the U.S. economy.....(See full report next page)

Corporate Highlights

- **Silk Holding (CP: RM0.455):** PNB enters RM380mil deal to buy Silk Highway operator
- **Genting (CP: RM8.33):** Unit's US\$1bil debt notes oversubscribed
- **Guocoland (CP: RM1.14):** 2Q profit jumps on land sale

Economic Update

- **Germany:** Auto industry warns 'hard Brexit' to stifle UK investment
- **US:** Industrial output rises 0.8% as utilities surge
- **Hong Kong:** Property Tax May Help End Singapore's Housing Slump

**Bursa Malaysia**

	Close	Change+/-	(+/- %)
FBMKLCI	1,665.02	1.99	0.12
FBMEMAS	11,680.43	18.98	0.16
FBMEMAS SHA	12,172.21	-7.63	-0.06
FBM100	11,382.51	16.42	0.14
Volume (mn)	1,880.93	-107.13	-5.39
Value (RMmn)	1,642.48	-34.94	-2.08
FBMKLCI YTD Chg			1.42

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMmn)
Institution	57.1	-43.2
Retail	19.0	-40.9
Foreign	23.9	84.1

Top Gainers

	Close	Change+/-	(+/- %)
AEON CREDIT SE	16.02	0.56	3.62
PANASONIC MAN	31.90	0.40	1.27
DUTCH LADY MILK	55.00	0.30	0.55

Top Losers

	Close	Change+/-	(+/- %)
HEINEKEN MALAY	15.92	-0.38	-2.33
TAHPS GROUP	6.52	-0.18	-2.69
HONG LEONG FIN	14.86	-0.16	-1.07

World Indices

	Close	Change+/-	(+/- %)
DJIA	19,804.72	-22.05	-0.11
NASDAQ	5,555.65	16.93	0.31
S&P 500	2,271.89	4.00	0.18
FTSE 100	7,247.61	27.23	0.38
DAX	11,599.39	59.39	0.51
Nikkei 225	18,894.37	212.30	1.12
HSI	23,098.26	257.29	1.13
KOSPI	2,070.54	1.78	0.09
STI	3,000.22	-12.55	-0.42
KLCI Futures	1,665.50	3.00	0.00
USDMYR 3M	10.53	0.02	0.00
USDMYR 6M	10.86	0.01	0.00
USDMYR 12M	11.53	(0.01)	(0.00)

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	51	0.4	0.8%
Brent (USD/bbl)	54.4	0.4	0.8%
Gold(USD/ounce)	1,204	-0.3	0.0%
Coal (USD/mt)	83.9	-0.7	-0.8%
CPO (RM/mt)	3,150	-9.0	-0.3%
Rubber	262	0.4	0.2%
RM/USD	4.45	0.0067	-0.15%
EUR/USD	0.94	-0.0002	-0.02%
YEN/USD	114.68	0.03	-0.03%

What To Expect

U.S. Market

- The Dow Jones Industrials Average was down 22.05 points to 19,804.72 while S&P 500 and Nasdaq both lifted 4.00 points and 16.93 points to 2,271.89 and 5,555.65, respectively. Nasdaq increased 20 points to 5,551.82.. The Dow ended lower for the fourth day in a row. The frenetic post-election rally in U.S. equities has slowed in recent weeks as investors wait for Trump to work on his campaign promises. Investors hope to get more insight following his inauguration on Friday.
- The FBM KLCI edged up 1.99 points to 1,665.02 while the ringgit strengthened, after U.S. President-elect Donald Trump said the U.S. dollar's strength against the yuan did not bode well for the U.S. economy. There were 411 gainers and 366 decliners in total value traded of RM1.64 billion.
- Among the advancers on Bursa Malaysia were BAT which rose 36 cent to RM45.00, Aeon Credit lifted 30 cent to RM15.46 and Magni-Tech increased 28 cent to RM4.81.

CORPORATE HIGHLIGHTS

Silk Holding (CP: RM0.455): PNB enters RM380mil deal to buy Silk Highway operator

Permodalan Nasional Bhd (PNB) has become the latest suitor of Silk Holdings Bhd's (SHB) unit Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd, the concession holder of the Kajang Traffic Dispersal Ring Road known popularly as Silk Highway. The country's largest fund management company is making a cash offer of RM380mil, which follows previous failed attempts to buy the highway operator by IJM Corp Bhd's unit Road Builder (M) Holdings Bhd (RM398mil cash offer in 2014) and WZ Satu Bhd (RM368mil offer last year to be satisfied with RM239.25mil cash and WZ Satu shares). According to a joint statement on Wednesday, SHB has signed a conditional agreement to dispose of 100% in its sole tolled highway business to PNB, which plans to enhance its existing portfolio of highway infrastructure assets. *(Source: The Star)*

Genting (CP: RM8.33): Unit's US\$1bil debt notes oversubscribed

Genting Bhd's wholly owned subsidiary GOHL Capital Ltd's offering of US\$1bil debt notes have been oversubscribed by 2.8 times. The debt offering, which will bear a fixed interest of 4.25% per annum, garnered orders from 200 accounts, with a sizeable order book of over US\$2.8bil. The group said in a filing with Bursa Malaysia that the offering of guaranteed unsecured fixed rate notes represented its landmark return to the international US dollar bond market since 2004. Genting said the notes, with an issue price of 99.597% of the principal amount, were offered entirely offshore and outside the US. *(Source: The Star)*

Guocoland (CP: RM1.14): 2Q profit jumps on land sale

Gain from one land sale has lifted Guocoland (M) Bhd's net profit to RM110.8 million, or 16.54 sen per share, for the second financial quarter ended Dec 31, 2016. To recap, Guocoland's associate Vintage Heights Sdn Bhd completed the disposal of the 679.2 hectare piece of land worth RM474.99 million in Sepang, Selangor, to Putrajaya Properties Sdn Bhd on Dec 8 last year. The profit is in contrast to a net loss of RM7.47 million, or 1.12 sen per share, in the previous corresponding financial quarter. Its quarterly revenue grew 23.9% to RM44.63 million from RM36.01 million in the same period on the back of "higher contribution from the residential project in Damansara City, commercial projects in PJ City and Old Klang Road", it said in a bourse filing. (Source: *The Edge*)

Axis REIT (CP: RM1.65): 4Q net income up 6.27%, declares 2.1 sen distribution

Axis Real Estate Investment Trust (REIT)'s realised net income for the fourth quarter ended Dec 31, 2016 (4QFY16) came in at RM23.1 million, an increase of 6.27% year-on-year from RM21.8 million. The REIT has proposed a distribution per unit of 2.1 sen, an increase of 0.1 sen from 2 sen in 4QFY15. In a filing to Bursa Malaysia today, Axis REIT said the distribution of 2.1 sen represents about 99.94% of its 4QFY16's realised income available for distribution. The distribution will go ex on Jan 31 and is payable on Feb 28. Net profit for the quarter rose 43.2% to RM24.3 million from RM17 million in 4QFY15, in line with an increase of 5.95% in revenue to RM42.4 million from RM40 million. (Source: *The Edge*)

Green Packet (CP: RM0.27): To pay RM12.1m for its entitlement in Yen Global rights issue

Green Packet Bhd said it will take up its full entitlement in the two-for-one rights issue by Yen Global Bhd in support of the growth of the company in which it has a 22% stake. The group said it will subscribe for the 60.5 million rights shares together with 45.4 million warrants for a total consideration of RM12.1 million. In a filing to Bursa Malaysia today, Green Packet said it will not dispose of any of the Yen Global shares following the issuance of the rights shares up to the entitlement date. Green Packet said the subscription consideration will be satisfied entirely in cash and will be funded via internal funds. (Source: *The Edge*)

Tex Cycle (CP: RM1.12): Says it may have to pay RM36.7 mil if it loses counterclaim

Tex Cycle Technology (M) Bhd said that it may book an estimated potential liability of RM38.67 million in its balance sheet if FACT System Malaysia Sdn Bhd succeeds in its counterclaim against it. In reply to a query by Bursa Malaysia, the environmental and waste management firm said there will however be no financial and operational impact to the group arising from the case. On Monday, Tex Cycle announced that it is dragging FACT System to the court to claim damages of RM1.06 million, refund of the contract sum and other costs. (Source: *The Edge*)

WCT (CP: RM1.78): Proposes share placement to raise RM212.5m

WCT Holdings Bhd is proposing a placement of 125 million shares to raise about RM212.5 million, based on indicative issue price of RM1.70 per share. In a filing with Bursa Malaysia, the property, construction and engineering group said the placement shares represent 10% of its existing issued and paid-up capital. The places and number of placement shares to be allotted will be determined and finalised at later date, it said. The group said it would allocate RM80 million to repay bank borrowings and RM130 million for working capital. The estimated expenses for the exercise meanwhile, is RM2.5 million. *(Source: The Edge)*

FSBM Holdings (CP: RM0.20): Sets private placement shares at 20 sen

FSBM Holdings Bhd, a loss-making information technology service and systems provider, announced that it has fixed the price for its private placement shares at 20 sen apiece. According to FSBM Holdings, the price represents the five-day weighted average market price of the counter from Jan 11 to Jan 17. It is worth noting that FSBM Holding's shares have risen by 25% or 4 sen from 16 sen from Nov 29, 2016 and closed at 20 sen today. This values the main-market listed FSBM Holdings, which has been suffering losses for six straight years, at RM27.2 million. To recap, FSBM Holdings had on Sept 9, 2016 announced its plan to raise some RM2.28 million via a private placement exercise by issuing 12.66 million shares in several tranches to selected investors. *(Source: The Edge)*

CAB Cakaran (CP: RM1.56): Buys land from shareholders for RM3.2 mil

Integrated poultry farmer CAB Cakaran Corp Bhd via its indirect wholly-owned subsidiary Home Mart Fresh & Frozen Sdn Bhd bought a 4.572 square meter piece of freehold land in Nibong Tebal, Penang, from two of its shareholders for RM3.2 million. The group announced in a filing on Bursa Malaysia this evening that the purchase price was arrived at on a willing-buyer, willing seller basis, in order that HMFF can establish a retail outlet for selling fresh and frozen items. The owners of the property Chuah Ah Bee and Loo Choo Gee, are both directors and shareholders in CAB Cakaran Corp Bhd, with Chuah holding a majority stake. "The Purchase Consideration will be funded through internally-generated funds and/or external borrowings," the group added. *(Source: The Edge)*

Country View (CP: RM1.51): Sees 43% increase in 4Q net profit

Country View Bhd's net profit for its fourth quarter financial results for the period ended Nov 30, 2016 (4QFY16) rose 43.1% to RM9.24 million from RM6.5 million a year ago, due mainly to new sales combined with contributions from the sale of three-storey terrace houses in Taman Nusa Sentral, Johor, which were launched and sold in 4QFY16. According to a filing on Bursa Malaysia today, the property developer's revenue for the quarter swelled 123% to RM52.2 million from RM23.4 million in 4QFY15 for the same reasons. For its full financial year (FY16), the group's net profit saw an increase of 25% to RM25.9 million versus RM21.16 million the year before, while revenue rose 45.4% to RM161.1 million from RM110.8 million in FY15. *(Source: The Edge)*

Spring Gallery (CP: RM0.605): Ventures into property development

Spring Gallery Bhd is making its maiden foray into the property development market through a joint venture (JV) with Hasil Senudong Sdn Bhd to develop a residential project in Kledang Utara, Perak. The proposed development will feature two blocks of medium-end apartments on land measuring 3.3ha, with an estimated gross development value of RM161.2 million. "The development plan of the project is still at its preliminary stage and has yet to be finalised," said Spring Gallery in a filing with Bursa Malaysia today. *(Source: The Edge)*

ECONOMIC UPDATES**Germany: Auto industry warns 'hard Brexit' to stifle UK investment**

Germany's powerful carmakers warned uncertainty about future tariffs in the wake of a "hard Brexit" could deter investment in Britain over a number of years, hampering their largest export market. Every second new car sold in Britain comes from a German-owned brand, and every second car made in the United Kingdom is exported to a customer in the European Union, Germany's carmaking lobby VDA said. "An exit of Great Britain from the (EU's) common market would have significant consequences for the economy on both sides of the channel," VDA president Matthias Wissmann said in a statement to Reuters on Wednesday. *(Source: The Edge)*

US: industrial output rises 0.8% as utilities surge

US industrial production rebounded in December due to the biggest jump in utilities since 1989 as temperatures cooled across the country. The Federal Reserve said on Wednesday industrial output rose 0.8% last month after a downwardly revised 0.7% decline in November. Economists polled by Reuters had forecast industrial production rising 0.6%. The US central bank's measure of the industrial sector comprises manufacturing, mining, and electric and gas utilities. Overall industrial production, however, fell at an annual rate of 0.6% in the fourth quarter. *(Source: The Edge)*

Hong Kong: Property Tax May Help End Singapore's Housing Slump

Singapore's three-year housing slump could see relief from an unexpected quarter in 2017: Hong Kong. So says Cushman & Wakefield Inc., which expects the slide in the city-state's home prices to end this year as foreign investors turned off by Hong Kong's move to increase the stamp duty for overseas buyers look to Singapore instead. Desmond Sim, head of research for Singapore and Southeast Asia at CBRE Ltd., said Singapore house prices are approaching their trough, with a forecast price move of flat to minus 2 percent. *(Source: Bloomberg)*

U.K.: Employment Steady, Wages Pick Up in Resilient Labor Market

The U.K. economy lost fewer jobs than expected and wage growth picked up toward the end of 2016, suggesting the labor market remains relatively resilient. The number of people in work fell by 9,000 to 31.8 million in the three months through November, whereas economists had predicted a 35,000

decline. The jobless rate stayed at 4.8 percent, the lowest since 2005, and wage growth reached the highest rate since 2015. The labor market has cooled since the end of 2015, when it was adding more than 200,000 jobs a quarter, but there are few signs of hiring going into reverse as Britain prepares to begin negotiations to leave the European Union. *(Source: Bloomberg)*

China: 2016 home prices surge most in five years, but moderating, easing bubble fears

Prices of new homes in China grew last year at the fastest rate since 2011, but moderated enough in December to calm fears of a speculative bubble bursting with disastrous economic consequences. The price moderation will come as a relief to China's leaders as they wrestle with economic targets for 2017. Sources have told Reuters that Beijing is prepared to accept a more modest growth target of 6.5 percent this year as leaders tackle a mountain of debt built up over years of heavy official borrowing to fund stimulus campaigns. China depended heavily on the surging real estate market and government stimulus to drive economic expansion in 2016. Now it is widely expected to report on Friday that it met its annual GDP growth target of 6.5 to 7 percent. *(Source: Reuters)*

M&A Securities

STOCK RECOMMENDATIONS

BUY	Share price is expected to be $\geq +10\%$ over the next 12 months.
TRADING BUY	Share price is expected to be $\geq +10\%$ within 3-months due to positive newsflow.
HOLD	Share price is expected to be between -10% and $+10\%$ over the next 12 months.
SELL	Share price is expected to be $\geq -10\%$ over the next 12 months.

SECTOR RECOMMENDATIONS

OVERWEIGHT	The sector is expected to outperform the FBM KLCI over the next 12 months.
NEUTRAL	The sector is expected to perform in line with the FBM KLCI over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform the FBM KLCI over the next 12 months.

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