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At a Glance

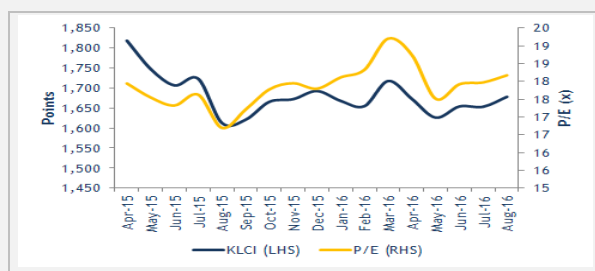
The FBM KLCI lifted 3.16 points to 1,675.21 with Asian shares, as investors waited for US President-elect Donald Trump's press conference later today.....(See full report next page)

Corporate Highlights

- **LFE Corp (CP: RM0.34):** Sees 4.71% stake trade off market
- **Sunway REIT (CP: RM1.73):** Adds RM91.5m Shah Alam property into portfolio
- **Gadang (CP: RM1.05):** To develop RM160 mil townhouse project in Puchong

Economic Update

- **India:** Central bank chief urges government to cut borrowing
- **Venezuela:** Awful Economy Got Even Worse in 2016
- **India:** Economy Faces a Bumpy Road to Recovery

**Bursa Malaysia**

	Close	Change+/-	(+/- %)
FBMKLCI	1,675.21	3.16	0.19
FBMEMAS	11,719.12	34.14	0.29
FBMEMAS SHA	12,244.96	11.50	0.09
FBM100	11,425.61	34.15	0.30
Volume (mn)	2,756.31	72.56	2.70
Value (RMmn)	2,021.68	-85.59	-4.06
FBMKLCI YTD Chg			2.04

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Institution	60.9	-92.4
Retail	19.5	-37.7
Foreign	19.6	130.1

Top Gainers

	Close	Change+/-	(+/- %)
SAM ENGINEERIN	5.97	0.37	6.61
BRIT AMER TOBAC	46.58	0.30	0.65
TIME DOTCOM	8.19	0.29	3.67

Top Losers

	Close	Change+/-	(+/- %)
NESTLE (MALAY)	76.00	-0.48	-0.63
PETRONAS GAS	20.66	-0.32	-1.53
BHD			
HEINEKEN	16.40	-0.12	-0.73
MALAYSI			

World Indices

	Close	Change+/-	(+/- %)
DJIA	19,954.28	98.75	0.50
NASDAQ	5,563.65	11.83	0.21
S&P 500	2,275.32	6.42	0.28
FTSE 100	7,290.49	15.02	0.21
DAX	11,646.17	62.87	0.54
Nikkei 225	19,364.67	-198.50	-1.03
HSI	22,935.35	190.50	0.84
KOSPI	2,075.17	1.01	0.05
STI	3,000.94	-5.08	-0.17
KLCI Futures	1,675.50	5.50	0.00
USDMYR 3M	11.22	0.01	0.00
USDMYR 6M	11.52	0.01	0.00
USDMYR 12M	12.17	0.00	0.00

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	52	0.0	-0.1%
Brent (USD/bbl)	55.1	1.5	2.7%
Gold(USD/ounce)	1,194	2.6	0.2%
Coal (USD/mt)	82.2	0.7	0.8%
CPO (RM/mt)	3,133	51.0	1.7%
Rubber	259	8.4	3.3%
RM/USD	4.46	-0.0079	0.18%
EUR/USD	0.95	0.0002	0.02%
YEN/USD	115.09	-0.32	0.28%

What To Expect

U.S. Market

- The Dow Jones Industrials Average rose 98.75 points to 19,954.28 while S&P 500 and Nasdaq lifted 6.42 points and 11.83 points to 2,275.32 and 5,563.65, respectively. Nasdaq increased 20 points to 5,551.82. U.S. stocks declined Monday as investors sold following last week's advance to the precipice of 20,000 on the Dow Jones Industrial Average. Energy stocks slid with crude oil. The S&P 500 Index lost 0.4 percent to 2,268.90 at 4 p.m in New York, after increasing 1.7 percent last week. The benchmark gained 0.4 percent on Friday and reached a record as data showed U.S. wages in December increasing the most since 2009, fueling expectations of stronger economic growth this year.
 - Oil prices fell on Monday on fears that record Iraqi crude exports and growing U.S. output could undermine OPEC's efforts to reduce supply, while sterling slumped on comments by British Prime Minister Theresa May suggesting what could be an aggressive exit from the European Union.
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- The FBM KLCI lifted 3.16 points to 1,675.21 with Asian shares, as investors waited for US President-elect Donald Trump's press conference later today. There were 467 gainers and 324 decliners in total value traded of RM2.02 billion.
 - Among the gainers on Bursa Malaysia were Sam Engineering which increased 37 cent to RM5.97, BAT rose 30 cent to RM46.58 and Time dotCom was up 29 cent to RM8.19.

CORPORATE HIGHLIGHTS

LFE Corp (CP: RM0.34): Sees 4.71% stake trade off market

LFE Corp Bhd saw some 8.54 million shares, representing a 4.71% stake, trade off market today for a total value of RM3.08 million. The shares were traded at 36 sen each, 5.9% higher than its closing price of 34 sen per share. However it is not immediately known who the parties involved in the transactions were. According to the group's latest annual report, Shapadu Capital Sdn Bhd is the group's largest shareholder, owning 58.67 million shares or a 32.32% stake. Daisy Bliss Sdn Bhd controlled a 6.43% stake or 11.7 million shares, while Hong Leong Bank Bhd held 8.5 million shares, equivalent to a 4.71% stake. (Source: *The Edge*)

Sunway REIT (CP: RM1.73): Adds RM91.5m Shah Alam property into portfolio

Sunway Real Estate Investment Trust (SunREIT) is buying a 15.46-acre piece of leasehold land and the buildings erected on it in Shah Alam for RM91.5 million. In a filing with Bursa Malaysia today, SunREIT said it has entered into a conditional sale and purchase agreement with Champion Edge Sdn Bhd for the acquisition. The 99-year leasehold land has a land area of 62,587.34 square

meters, with buildings consisting of a two-storey office with an annexed one-storey factory with mezzanine floor, a three-storey office together with an annexed one-storey warehouse and an integral two-storey office together with a two-storey factory cum warehouse with an adjoining M&E building and other ancillary buildings. SunREIT said the acquisition will be fully funded through its existing debt programme. (Source: *The Edge*)

Gadang (CP: RM1.05): To develop RM160 mil townhouse project in Puchong

Gadang Holdings Bhd has entered into a deal to develop a townhouse project with a gross development value of RM160 million in Taman Putra Perdana, Puchong. The group said its indirect wholly-owned subsidiary Tema Warisan Sdn Bhd today inked a joint venture agreement with Perikatan Progresif Sdn Bhd for the proposed development on the 17.5-acre piece of leasehold land. Perikatan Progresif is the beneficial owner of the land, and is entitled to 32% of the net development value, or RM42.688 million, whichever is lower. Tema Warisan, meanwhile, will be responsible for development approvals and activities. "The proposed JV is expected to be completed within 42 months from the date the building plans approval is obtained from the authorities for the development," Gadang said in a bourse filing. (Source: *The Edge*)

HeveaBoard (CP: RM1.54): Buys Seremban land for RM13.46m

HeveaBoard Bhd has proposed to acquire a leasehold vacant land in Seremban for RM13.46 million, through its wholly-owned unit HeveaPac Sdn Bhd. The acquisition will enable HeveaPac "to progressively expand its production capacities for meeting the current and future growing demand for its products," HeveaBoard said in a filing today. HeveaPac is principally engaged in manufacturing ready-to-assemble furniture, and the vacant land is located next to its existing manufacturing plants. The vendor is one of HeveaPac's executive directors, Yee Kong Yin. (Source: *The Edge*)

Paramount (CP: RM1.51): To acquire 66% of REAL Education

Property and education company Paramount Corp Bhd will acquire a 66% controlling stake in REAL Education Group Sdn Bhd for RM183mil. "We are excited about the prospects and the positioning that it will bring to the group, as we will be the largest K-12 player in the market and also venture into the segment of the business where KDU has not been able to build yet," Paramount chief executive officer Jeffrey Chew said at a press conference following the signing ceremony. The stake purchase will be satisfied by a combination of internal funds and debt and will be bought over from Character First Sdn Bhd. Paramount, whose revenue is derived mainly from property development, will increase its exposure to the education segment for recurring income. (Source: *The Star*)

MQ Tech (CP: RM0.045): Appoints ex-Genting HK senior executive to its board

Mould, tool and die maker MQ Technology Bhd (MQ Tech) has appointed Wong Ken Hong, who held various senior positions in Genting Hong Kong, as executive director. The company, which is diversifying its business to include theme park operations, told Bursa Malaysia that Wong, 46, had over 15 years of experience in gaming and hotel industries. "He has vast experiences in finance, operations control, revenue management, audit and new casino set up. Prior to joining

Genting Hong Kong in year 2000, he worked in an audit (company) and a manufacturing firm," MQ Tech said. *(Source: The Star)*

Muhibbah (CP: RM2.39): Bids for RM5bil worth of jobs

The first half of 2017 could be a period of good newsflow for Muhibbah Engineering (M) Bhd as it continues to actively tender for infrastructure and marine jobs, both locally and overseas, according to CIMB Research. "We would not discount the group securing more packages in QEZ-3. Our target price is still pegged to a 30% revised net asset values (RNAV) discount. Key catalysts are job flows. At 9-10 times calendar year 2017-2018 price-earning (P/E), its valuation remains attractive versus our construction average of 14-15 times," CIMB said in a report. It added that Muhibbah remained the house's preferred small/mid-cap pick while the downside risk was lower-than-targeted order wins. *(Source: The Star)*

ECONOMIC UPDATES

India: Central bank chief urges government to cut borrowing

Reserve Bank of India Governor Urjit Patel urged the government on Wednesday to show some progress in cutting high federal and state government borrowing, just weeks before Prime Minister Narendra Modi's administration is due to unveil its annual budget. Patel, in a speech at the Vibrant Gujarat summit, said the government debt to gross domestic product ratio was also taking its toll on the country's sovereign ratings. India's total fiscal deficit, combining the levels of the federal and state governments, was among the highest in G20 countries, Patel said, citing International Monetary Fund data. *(Source: The Edge)*

Venezuela: Awful Economy Got Even Worse in 2016

Venezuelans have to navigate a labyrinth of lines to buy staples like sugar or aspirin. They've gotten used to finding that the store shelves are empty, a frustration that sometimes boils over into looting. So they don't really need economic data to tell them that 2016 was a terrible year. Still, when and if the numbers do come in, they'll likely confirm a collapse that's almost unprecedented outside wartime. The government has long since halted regular publication of GDP figures, maintaining radio silence since February. But the International Monetary Fund's estimate, of a 10 percent contraction, would make Venezuela the world's worst economy last year -- and that's toward the optimistic end of the spectrum. Private economists put the drop at as much as 15 percent. *(Source: Bloomberg)*

India: Economy Faces a Bumpy Road to Recovery

India's economy is set for a choppy recovery from the world's most sweeping currency policy change in decades. Inflation continued to slow in December as the cash ban squelched demand while a volatile factory output gauge rose in November, according to Bloomberg surveys before data due at 5:30 p.m. in New Delhi on Thursday. Companies are bracing for lower sales and employment and bond-market swings are at the highest level since 2013. The outlook is complicated by the government's forecasts of a surge in revenue from its fight

against tax evasion and implementation of a landmark national sales levy due by September. (Source: Bloomberg)

German: Economy Gets Head Start in Year of Political Turmoil

The German economy is getting some wind in its sails just as the waters are about to get rough. The nation, the first of the world's biggest developed economies to report on its 2016 performance, probably achieved expansion of 1.8 percent, helped by a pickup toward the end of the year. The German result, forecast by economists surveyed by Bloomberg, would be the fastest since 2011 and top expected euro-area growth of 1.6 percent. Record-low unemployment and improving business sentiment are a testimony to Germany's economic strength heading into a potentially tumultuous 2017 that will see challenges from national elections in autumn to risks from Britain's exit negotiations with the European Union. (Source: Bloomberg)

U.K.: Industry Continues 'Erratic' Performance as Output Rebounds

U.K. industrial production rose more than economists forecast in November, led by a surge in oil and gas as a major North Sea field resumed operations. The 2.1 percent increase, the biggest in seven months, continues the volatile performance of industry in recent months. While the economy has defied expectations of a downturn since the Brexit vote in June, that's been largely due to services and consumer spending. Industry was a drag on growth in the third quarter, and the Office for National Statistics said Wednesday that sectors other than services have been "erratic and far more subdued." (Source: Bloomberg)

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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(A wholly-owned subsidiary of INSAS BERHAD)
A Participating Organisation of Bursa Malaysia Securities Berhad

Level 1,2,3 No.45-47 & 43-6
The Boulevard, Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel: +603 – 2282 1820 Fax: +603 – 2283 1893
Website:

Head Of Research



Rosnani Rasul
M&A Securities