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## At a Glance

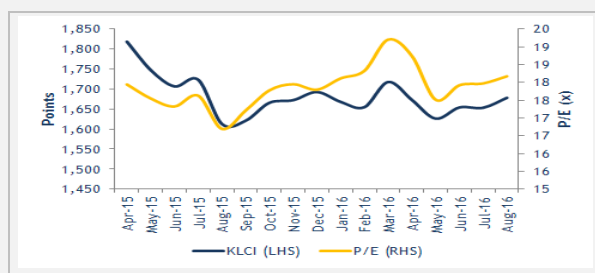
The FBM KLCI rose 3.24 points to 1,683.93 in tandem with regional peers as market sentiment turned positive following US President Trump's trade decisions.....(See full report next page)

## Corporate Highlights

- **EA Holdings (CP:RM 0.055):** Plans par value reduction, rights issue
- **Nylex (CP: RM0.57):** Profit jumps on improved performance by Singapore, Indonesia units
- **Spritzer (CP: RM2.35):** Quarterly profit at RM5.3m with 24% rise in revenue

## Economic Update

- **Thailand:** Investment applications nearly triple in 2016
- **U.K.:** Economy's Brexit Success Still Has Companies Fretting
- **Taiwan:** Expansion Picks Up as Exports Counter Slower Spending



## Bursa Malaysia

	Close	Change+/-	(+/- %)
FBMKLCI	1,683.93	3.24	0.19
FBMEMAS	11,782.57	16.53	0.14
FBMEMAS SHA	12,266.66	9.32	0.08
FBM100	11,489.77	16.65	0.15
Volume (mn)	1,302.50	-257.18	-16.49
Value (RMmn)	1,809.48	-216.21	-10.67
FBMKLCI YTD Chg			2.57

## Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Institution	71.4	103.0
Retail	11.5	-43.5
Foreign	17.1	-59.5

## Top Gainers

	Close	Change+/-	(+/- %)
UNITED PLANTAT	27.50	0.70	2.61
UMW HLDG BHD	5.42	0.26	5.04
CCM DUOPHARM	2.13	0.21	10.94

## Top Losers

	Close	Change+/-	(+/- %)
PANASONIC MAN	31.50	-0.40	-1.25
FAR EAST HLDGS	8.31	-0.24	-2.81
AEON CREDIT	15.68	-0.22	-1.38

## World Indices

	Close	Change+/-	(+/- %)
DJIA	20,068.51	155.80	0.78
NASDAQ	5,656.34	55.38	0.99
S&P 500	2,298.37	18.30	0.80
FTSE 100	7,164.43	14.09	0.20
DAX	11,806.05	211.11	1.82
Nikkei 225	19,057.50	214.45	1.13
HSI	23,049.12	99.26	0.43
KOSPI	2,066.94	4.21	0.20
STI	3,039.94	-2.01	-0.07
KLCI Futures	1,681.50	4.00	0.00
USDMYR 3M	9.61	0.01	0.00
USDMYR 6M	10.03	0.05	0.01
USDMYR 12M	10.51	(0.01)	(0.00)

## Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	53	0.3	0.5%
Brent (USD/bbl)	55.1	-0.4	-0.6%
Gold(USD/ounce)	1,202	1.5	0.1%
Coal (USD/mt)	83.7	0.0	-0.1%
CPO (RM/mt)	3,125	-24.0	-0.8%
Rubber	271	10.7	4.1%
RM/USD	4.43	-0.013	0.29%
EUR/USD	0.93	-0.0009	-0.10%
YEN/USD	113.17	-0.11	0.10%

## What To Expect

## U.S. Market

- The Dow Jones Industrials Average marked a record high by surpassing 20,000 points at 20,068.51 with both S&P 500 and Nasdaq surging 18.30 points and 55.38 points to 2,298.37 and 5,656.34, respectively. Wall Street advanced on Wednesday to push the Dow Jones Industrial Average across the 20,000 mark for the first time ever as solid earnings and optimism over President Donald Trump's pro-growth initiatives reawakened a post-election rally.
  - Oil prices fell on Wednesday after earlier shrugging off a report from the U.S. Energy Information Administration that showed the nation's crude inventories rose and gasoline stocks increased sharply. U.S. light crude settled down 43 cents at \$52.75. Benchmark Brent crude fell 25 cents a barrel to \$55.19 by 2:54 p.m. ET (1954 GMT).
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- The FBM KLCI rose 3.24 points to 1,683.93 in tandem with regional peers as market sentiment turned positive following US President Trump's trade decisions. There were 409 gainers and 327 decliners in total value traded of RM1.81 billion.
  - Among the advancers on Bursa Malaysia were United Plantations which rose 70 cent to RM27.50, UMW ended higher 26 cent to RM5.42 and CCM gained 21 cent to RM2.13.

## CORPORATE HIGHLIGHTS

**EA Holdings (CP:RM 0.055): Plans par value reduction, rights issue**

Software company EA Holdings Bhd plans a par value reduction through the cancellation of nine sen of each 10 sen share, giving rise to a credit of RM170.4 million which will be used to offset accumulated losses, followed by a renounceable rights issue of 2.5 billion shares. In filing with Bursa Malaysia today, EA Holdings said the proposed par value reduction would facilitate the implementation of the planned rights issue with warrants at an issue price below the existing par value of 10 sen per share. The proposed par value reduction allows the group to strengthen its financial position by reducing losses which amounted to RM43.2 million as at March 31, 2016 based on the latest audited statement for the financial year ended March 31, 2016, and RM44.1 million as at Sept 30, 2016. (Source: The Edge)

**Nylex (CP: RM0.57): Profit jumps on improved performance by Singapore, Indonesia units**

Nylex (M) Bhd saw its net profit jump sharply to RM6.11 million or 3.18 sen a share for its second quarter ended Nov 30, 2016 (2QFY17) from RM2.17 million or 1.13 sen a share a year earlier, due to improved performance by its subsidiaries in Singapore and Indonesia. Revenue however fell 3.94% to RM314.35 million from RM327.26 million, it said in a filing with Bursa Malaysia

today. The company said its industrial chemical division posted higher profit before tax (PBT) of RM8.8 million compared with RM4.3 million in 2QFY16. It added its newly acquired 60% subsidiary NYL Logistics Sdn Bhd, which is involved in the provision of transport, cartage, and haulage contractors and agencies services, has contributed revenue of RM2.4 million to the Logistics Division, with PBT of RM600,000. *(Source: The Edge)*

**Spritzer (CP: RM2.35): Quarterly profit at RM5.3m with 24% rise in revenue**

Spritzer Bhd, famous for its bottled mineral water products, reported a net profit of RM5.26 million or 3.13 sen per share in the three months ended Nov 30, 2016, with revenue of RM81.07 million. As the company has changed its financial year-end from May 31 to Dec 31 in June, there was no bottomline figures provided for comparison, according to its bourse filing today. Revenue-wise, however, the company said there was a 24% improvement from the same quarter last year, mainly from increased sales volume for both bottled water products and packaging materials. *(Source: The Edge)*

**IGB REIT (CP: RM1.75): 4Q16 NPI up 13%, to pay 4.3 sen DPU**

IGB Real Estate Investment Trust's (IGB REIT) net property income in the fourth quarter ended Dec 31, 2016 (4QFY16) rose 13% to RM91.48 million from RM81.23 million a year ago, on higher rental income and lower utilities and property upgrade expenses. For its second half ended Dec 31, 2016 (2HFY16), the trust declared an income distribution of RM150.3 million or 4.3 sen per unit, payable on Feb 28, versus 3.72 sen in the same period last year. Its quarterly distributable income amounted to RM79.66 million, compared with RM61.22 million a year ago. *(Source: The Edge)*

**Genting Plantations (CP: RM11.12): Sells stake in Indon unit for US\$3.2 million**

Genting Plantations Bhd (GenP)'s 73.68% indirect unit in Indonesia, Palma Citra Investama Pte Ltd, plans to dispose of a 95% stake in PT Permata Sawit Mandiri to PT Suryaborneo Mandiri (PT SM) for US\$3.2 million. In a filing with Bursa Malaysia today, GenP said Palma Citra and PT SM signed a conditional sale and purchase agreement in a related party transaction, in which PT Permata Sawit would cease to be its indirect 70%-owned subsidiary. Palma Citra plans to use the proceeds to partly settle amounts owing to holding company PalmIndo Holdings Pte Ltd, which in turn would utilise the sum to fund a proposed joint venture plantation development. *(Source: The Edge)*

**Hua Yang (CP: RM1.08): Acquires 10.8% equity stake in Magna Prima**

Hua Yang Bhd announced it has acquired 36 million shares in Magna Prima Bhd, equivalent to a 10.84% stake, for a purchase consideration of RM66.6 million, via an off-market direct business transaction. The group said the acquisition is part of its objective to invest in strategic landbank, noting Magna Prima's landbanks in Klang Valley which presents an opportunity for further collaboration between the two developers. According to Hua Yang's bourse filing, some 18.63 million shares were acquired from Chun Yee Ying, and the balance 17.37 million shares were acquired from Chun Mei Ngor, at a consideration of RM1.85 per share. *(Source: The Edge)*

**Gadang (CP: RM1.03) 2Q net profit up 57.5% on higher construction, property contributions**

Gadang Holdings Bhd's net profit rose 57.5% to RM23 million or 10.62 sen per share for the second quarter ended Nov 30, 2016 (2QFY17), from RM18 million or 7.4 sen per share a year ago. The company said this was mainly due to improved profit margins from construction activities and higher contributions from the property division. Revenue climbed 45% to RM147.9 million from RM102 million in 2QFY16, it said in a filing with Bursa Malaysia today. For the cumulative six months (6MFY17), Gadang's net profit rose 15.6% to RM44.6 million or 16.97 sen per share, from RM38.6 million or 16.12 sen per share for 6MFY16. Revenue went up 0.44% to RM252.5 million from RM251.4 million in 6MFY16. (Source: The Edge)

**ECONOMIC UPDATES****Thailand: Investment applications nearly triple in 2016**

Thailand's investment applications nearly tripled in 2016 to US\$16.6 billion, mainly in the automobile, chemicals and electronics industries, and are expected to rise by 3% this year, the investment agency said on Wednesday. Thai and foreign firms submitted more than 1,500 investment projects worth a combined 584.4 billion baht last year — slightly higher than the government's target and up 196 percent from 2015, Hirunya Suchinai, secretary-general of the Board of Investment, told reporters. "Investment pledges in 2016 beat our target, reflecting investor confidence in Thailand," she said. (Source: Bloomberg)

**U.K.: Economy's Brexit Success Still Has Companies Fretting**

The U.K. economy may have cleared its 2016 Brexit test, but that's not easing companies' concern about the approaching challenges. Days before figures are predicted to show a healthy 0.5 percent expansion in the last quarter of 2016, businesses from airline EasyJet Plc to telecommunications firm BT Group Plc cited Brexit-linked problems such as a weaker pound and loss of business as they offered investors a forbidding outlook for this year. (Source: Bloomberg)

**Taiwan: Expansion Picks Up as Exports Counter Slower Spending**

Taiwan's economy, which began 2016 in contraction, concluded it on the strongest footing in almost two years as stronger trade activity helped offset weakness in consumption. Gross domestic product rose 2.58 percent in the fourth quarter from a year earlier, preliminary data from the statistics bureau showed Wednesday. That compared with a median estimate of 2.85 percent growth in a Bloomberg survey and followed 2.03 percent third-quarter growth. Strong growth of expenditures tied to exports was outweighed by weakening private consumption and government spending, government data showed. The island's economy has shown signs of resilience in the past year as it recovered from three quarters of contraction that ended in March. That's putting it in a better position to prepare for looming challenges including the protectionist stance of Donald Trump that ultimately may weigh on trade conditions across export-led Asian economies. (Source: Bloomberg)

**German: Business Confidence Unexpectedly Weakened in January**

German business sentiment unexpectedly slipped in January from its highest level in almost three years in a sign that momentum in Europe's largest economy may have weakened at the start of the year. The Munich-based Ifo institute's business climate index dropped to 109.8 from 111 in December. That compares with a median estimate of 111.3 in a Bloomberg survey of economists. Confidence in France, one of Germany's biggest trading partners, also missed forecasts, with a gauge published by the national statistics office down 1 point to 104. *(Source: Bloomberg)*

**Russian: retail slump clouds forecasts for economic recovery**

Russian retail sales fell more than expected in December, official data showed on Wednesday, challenging the government's optimistic predictions for an imminent economic recovery. Retail sales are the largest contributor to Russian gross domestic product and have suffered steep falls since the economy entered a deep slump in 2014, when oil prices collapsed and the West imposed sanctions over the Ukraine crisis. They contracted 5.9 percent in December, data from the Federal Statistics Service showed, more than the 3.3 percent drop predicted by a Reuters poll of analysts and the 4.1 percent fall in November. *(Source: Reuters)*

**Japan: Exports up for first time in 15 months, U.S. protectionism poses risks**

Japan's exports rose for the first time in 15 months in December on strong sales of electronics and car parts, a positive sign for the export-reliant economy even as U.S. protectionism threatens to hurt trade across the region and dent external demand. Ministry of Finance data showed on Wednesday that exports rose 5.4 percent year-on-year in December, compared with a 1.2 percent annual increase expected by economists in a Reuters poll. It followed an annual 0.4 percent decline in November. The volume of shipments also rose 8.4 percent from a year earlier, up for a second straight month, underlining a pickup in external demand. *(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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