

“Volatility Set to Reduce”

- We predict better market sentiment ahead with moderated volatility. Several factors will shore up risk taking, aided by Malaysia’s improving fundamentals. Our 2016 FBMKLCI year-end target of 1,790 based on PER of 17.1x will lift the index to touch its second best year-end closing in history. Against 2016 GDP growth projection of 4.3%, FBMKLCI y-o-y growth target of 5.8% is enviable.
- The rally in Ringgit will be the chief booster to market sentiment. Aided by oil price continuous winning streak and the pause of US interest rate adjustment, Ringgit is expected to test our fair value of RM3.75. Along with the appointment of market friendly new Bank Negara Malaysia governor and also the closure of 1MDB issue, the visibility of Ringgit is intact. This will bring cheer to the market.
- Although there could be some wrinkles emanating from China rising risks to growth and Eurozone’s monetary failure to lift growth, we expect these risks would have been priced-in already. Investors would be able to tolerate these predicted risks by now.
- Envia ble GDP growth projection, steady current account surplus and improving commodity outlook, mainly oil, will cement Malaysia’s improving fundamentals. This will sustain the return of foreign institutional investors.
- We have three **Overweight** sectors namely Construction, Telco and Oil and Gas.

NEUTRAL

| | |
|---------------------|-------|
| 2016 KLCI Target: | 1,790 |
| 2015 Year End KLCI: | 1,692 |

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Top Picks

| Stock Name | Ticker | Target Price |
|---------------|---------|--------------|
| BIMB Holdings | BIMB MK | RM4.28 |
| Bumi Armada | BAB MK | RM0.95 |
| CMS | CMS MK | RM5.45 |
| Gamuda | GAM MK | RM5.94 |
| Ibraco Bhd | Ibra MK | RM1.50 |
| IJM Corp. | IJM MK | RM4.00 |
| Imaspro | IMAS MK | RM2.26 |
| Kossan Rubber | KRI MK | RM8.62 |
| MMC Corp. | MMC MK | RM2.90 |
| Public Bank | PBK MK | RM21.38 |
| SapuraKencana | SAKP MK | RM2.34 |

FBMKLCI 2016 Year-end Target (PER Valuation)

| | PER Based Valuation | | |
|------------------|----------------------------|----------------|------------------------------|
| | Floor (1-SD Below Mean) | Base (Mean) | Ceiling (1-SD Above Mean) |
| Target | 1,420 | 1,790 | 2,150 |
| Basis | **13.6x | *17.1x | **20.6x |
| Growth % (y-o-y) | -16% | +5.8% | +27% |
| FBMKLCI YE: 2015 | 1,692 | | |

Source: M&A Securities

* 10% premium against average normalized PER from 2000-2008 of 15.6x

** 1-SD = 3.50

M&A Securities Quick Fact Sheet

| Index | 2015 | 2016 | Call | Y-o-y growth | PER 2015 | PER 2016 |
|----------------------|---------------------|------------|---------------|-------------------------|--|-------------|
| FBMKLCI | 1,692 | 1,790 | Neutral | 5.8% | 17.3x | 17.1x |
| Msian Economy | 2015 | | | 2016F | | |
| GDP | 5.0% | | | 4.3% | | |
| OPR | 3.25% | | | 3.25% | | |
| Ringgit/USD | RM3.27 | | | RM4.00-RM4.10 | | |
| Inflation | 2.1% | | | 2.5%-3% | | |
| Crude Oil (WTI) | USD48.69 per barrel | | | USD40-USD50 per barrel | | |
| CPO | RM2,235 per tonne | | | RM2,400-2,500 per tonne | | |
| Loans' growth | 8.4% | | | 7.5% | | |
| Sector | Call | | | Top Pick | Target Price | Call |
| Construction | Overweight | | | IJM Corp. | RM4.00 | Buy |
| Oil and Gas | | | | SKP | RM2.34 | Buy |
| Telco | | | | Digi | RM5.90 | Buy |
| Top Call | TP | CP* | Upside | Call | Catalyst | |
| BIMB | RM4.28 | RM3.85 | 11% | BUY | • Investment deposit, lower financing to deposit | |
| Bumi Armada | RM0.95 | RM0.79 | 20% | BUY | • Sizeable firm order book of RM27.5 billion | |
| CMS | RM5.45 | RM4.75 | 15% | BUY | • Growing cement demand in Swak 3%-4% a year | |
| Gamuda | RM5.94 | RM4.92 | 18% | BUY | • Earnings acceleration on KVMRT 2 awards | |
| Ibraco | RM1.50 | RM1.09 | 38% | BUY | • New launches FY16, land banking, expansion in construction segment | |
| IJM Corp | RM4.00 | RM3.53 | 13% | BUY | • Robust construction order book of RM7 billion | |
| Imaspro | RM2.26 | RM2.02 | 12% | BUY | • Tap into new growth in Myanmar | |
| Kossan Rubber | RM8.62 | RM6.05 | 42% | BUY | • Global glove demand to growth 8% per year | |
| MMC | RM2.90 | RM2.19 | 28% | BUY | • Expansion of port & logistic, eyeing more government jobs | |
| PBB | RM21.38 | RM18.78 | 14% | BUY | • Pickup in NOII, Impressive credit quality | |
| SK Petroleum | RM2.34 | RM1.86 | 26% | BUY | • Strong visibility if RM21 billion order book | |

*cutoff date 30th June 2015

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1Q16 Review: “FBMKLCI Did Well”

Table 1: World’s Major Index Performance (1Q16)

| No | Index | 2015 Closing | 1Q16 Closing | YTD Gains | PER (x) |
|----|-----------------|--------------|--------------|-----------|---------|
| 1 | DJIA | 17,425.03 | 17,685.09 | 2% | 16.1 |
| 2 | S&P 500 | 2,043.94 | 2,059.74 | 1% | 18.7 |
| 3 | Stoxx 50 | 3,267.52 | 3,004.93 | -8% | 19.7 |
| 4 | FTSE 100 | 6,233.03 | 6,174.90 | -1% | 34.2 |
| 5 | Nikkei 225 | 19,033.71 | 16,433.99 | -14% | 18.2 |
| 6 | Shanghai Index | 3,539.18 | 3,003.92 | -15% | 15.8 |
| 7 | Hang Seng Index | 21,914.40 | 20,776.70 | -5% | 10.1 |
| 8 | FBMKLCI | 1,692.51 | 1,717.58 | 1% | 18.7 |
| 9 | STI | 2,882.73 | 2,840.90 | -2% | 11.8 |
| 10 | JCI | 4,593.01 | 4,845.37 | 6% | 25.3 |

Source: Bloomberg, M&A Securities

Overall quarterly review: FBMKLCI did well in 1Q16, rebounding from a testy period in 4Q15, lifted by a series of positive catalysts. Overall, 1Q16 witnessed the return of foreign investors that came back with a vengeance. It clocked as a net buyer totaling RM5.3 billion, a stark contrast against the last 4 quarters of net sellers to the tune of RM1.6 billion, RM9.1 billion, RM4.4 billion and RM3.2 billion respectively. This is against the net seller position of local institutions which sold RM5.1 billion in 1Q16. As a result, FBMKLCI touched its best of 1,725 (4th April), 2% higher against 2015 year end close of 1,692. It is witnessed that that foreign investors accumulated blue chips like Maxis, Sime Darby, Tenaga Nasional and Public Bank, the local favorites that have strong fundamentals and big liquidity.

It is noted that the reversal of fortune of Ringgit had saved the day. Ringgit during the quarter benefitted from a series of major oil nation producers effort to freeze output in an attempt to stabilize price, leading to a meeting by Latin America producers including Venezuela, Colombia, Ecuador and Mexico. Whilst the non-OPEC members covering Saudi Arabia, Qatar, Russia and Venezuela also met up twice during the quarter with the same mission. Although the meeting did not achieve anything concrete but the understanding to meet up is good enough for the investment community. As a result, oil price (WTI and Brent) made a northbound performance to touch above the critical psychological level of USD40 per barrel and these prices are expected to test the USD50 per barrel, pushing major oil producing countries currency to also gain some ground. Ringgit, from a low of RM4.45 per Dollar (20th September 2015) touched its best of RM3.89 on the 1st April and now looking to test our fair value of RM3.75 per Dollar in the short to medium term. As the movement of Ringgit is correlated to a big extent with the performance of FBMKLCI, the latter also made good gains during the quarter.

Although overall sentiment was quite good in 1Q16 but the quarter also saw nagging issues from China, 1MDB saga along with Eurozone falling deep into negative interest rate environment. Also denting sentiment was China’s overall poor January-February 2016 negative export growth of 18%, more than twice the projection of the consensus. In a nutshell, 1Q16 performance of FBMKLCI will be

preamble of positive things that likely to take place in 2Q16 onwards. That will be elaborated in our 2Q16 strategy outlook in the following section. The followings are a recap of 1Q16 developments:

- **Oil Price and Ringgit**

Oil price has touched its bottom in 1Q16 and poised for a turnaround. It clocked above USD40 per barrel closing (both WTI and Brent), to the loud cheer of oil producing countries currency. Ringgit, per se, made some good gains after touching its best of RM3.89 per Dollar on 1st April. We have all along maintained our view that Ringgit is hugely undervalued and poised for a turnaround. Nonetheless, oil price can perform uninterruptedly so far many thanks to the pause of US interest rate adjustment. The US Federal Reserve is speculated to be much slower in its interest rate adjustment, benefitting to the challenging external environment. From as high as 4x of upward adjustments expected this year it could be no more than 2x of adjustments only. This will be able to give the global commodity prices some reprieve.

- **China - Challenging Economic Outlook**

In line with PBoC expectation, China grew at 6.9% in 2015 and its growth is expected to decelerate to 6.5% in 2016 as its rebalancing effort continues. Nonetheless, there is increasing downside risks to this after China clocked in lower-than-expected export growth during the first 2 months of the year. China's January-February export growth dipped 18%, more than twice the expectation of consensus, as demand for China's goods sapped in line with challenging economic environment of its major trading partners (Eurozone and Japan). Although it's too early to say that China growth may not reach the PBoC target but its rebalancing effort means that export momentum is crucial now that private investment will take a back seat. We predict growth issues from China will continue to weigh on global equity market this year.

- **Tan Sri Dr Zeti Akhtar and Malaysia's 2015 GDP and Annual Book Release**

The incumbent governor service will end on 30th April. Hence, the speculation of the new incoming governor. The favourite internal candidate is Datuk Mohamad bin Ibrahim, the most senior among the 3 deputy governor. Although there are a few other candidates but we think that the government will eventually choose apolitical candidate, which makes Datuk Mohamad a favourite. Above all, by choosing apolitical candidate, Ringgit will benefit and may test our fair value if 1) the government choose apolitical candidate especially from internal ones for the sake of policy continuity and consistency 2) 1MDB issue is settled before 30th April, as pledge by the incumbent governor and 3) oil price continues its winning streak.

Note that Malaysia clocked in enviable 2015 GDP of 5% (2014: 6%), respectful given the challenging external environment. As for 2016, Bank Negara Malaysia expects growth to average 4.0%-4.5% with private investment will continue to be the growth catalyst. Inflation is expected to average 2.5%-3.0% on higher administrative prices whilst current account balance is likely to be lower at 1%-2% of GNI against 2015 of 3% of GNI.

- **US Policy Pause**

The US Federal Reserves maintained its policy rate in its first 2 FOMC meeting of the year. The last adjustment was done in December for 25 basis points. The pause has brought cheer to the global equity market. More importantly, the policy statement says that the rate of adjustment in 2016 will be slower than initially thought, suggesting only 2x of adjustment from 4x initially speculated. There is however some dissenting views that the FOMC should hasten the adjustment in line with St. Louis Fed President Bullard, FOMC voting member, statement. He said that FOMC should adjust faster the US Federal Funds rate given escalating inflation rate in the US. Of note, the US 2015 average inflation rate touched at a mild 0.1% vs. January and February 2016 of 1.37% and 1.02% respectively, indicating rising inflationary pressure in the US.

- **Bursa Malaysia - Steady Capital Inflow**

Foreign investors have returned to Bursa Malaysia in 1Q16 after steadily selling down the local bourse since 4Q14. In 1Q16, foreign investors were the net buyer to the tune of RM5.3 billion against the net selling position since the last 5 quarters of RM1.6 billion, RM9.1 billion, RM4.4 billion, RM3.2 billion and RM3.8 billion respectively. This is the mirror image of local institutions which became the net seller to the amount of RM5.1 billion from the previous 5 quarters of net buyer to the tune of RM1.7 billion, RM5.0 billion, RM9.3 billion, RM1.7 billion, and RM3.6 billion respectively. In a nutshell, foreign investors are returning to our shores driven by 2 factors namely improving outlook and visibility of oil and Ringgit.

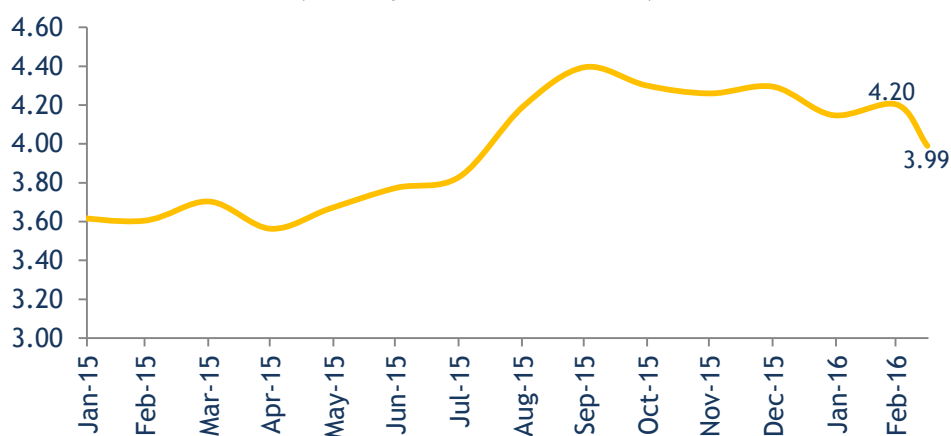
- **CPO Price Rally**

In an unusual pattern, CPO price had rallied in the first quarter of the year, touching year best of RM2,762 per tonne on 28th March. This is despite the adversity facing the sector including dwindling demand and burgeoning stocks level of above 2 million tonne. The CPO price is benefiting from extreme El Nino effect which is causing extreme hot weather which in turn will affect the oil palm tree production and hence, the potential reduction in current stocks and therefore, the upping of CPO price. As 20% of the FBMKLCI index comes from plantation stocks, the rally in CPO has brought renewed energy to both indexes.

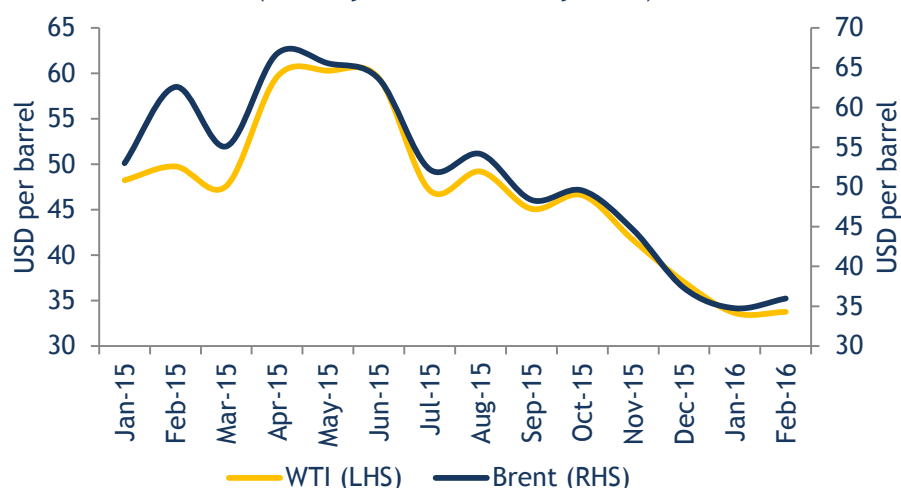
Table 2: Trading Pattern by investors (1Q16)

| 2014 | Local Inst. | Foreign Ins. | Retail |
|------------|----------------|-----------------|----------------|
| Total 2014 | RM7.3 billion | -RM5.9 billion | -RM1.0 billion |
| Total 2015 | RM19.9 billion | -RM18.5 billion | -RM1.4 billion |
| 1Q16 | -RM5.1 billion | RM5.3 billion | -RM0.2 billion |

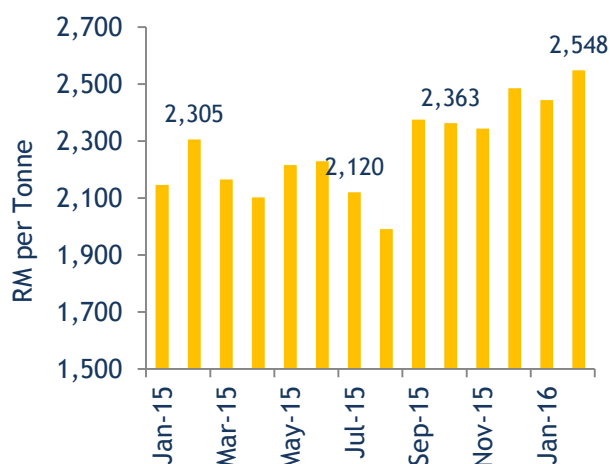
Ringgit per Dollar Exchange Rate
(January 2015 - March 2016)



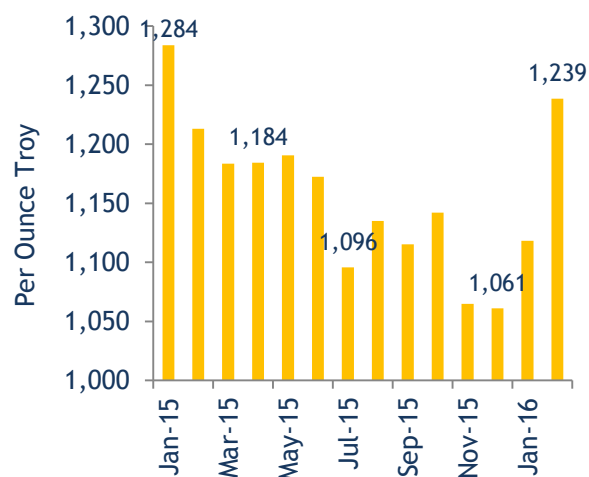
Oil Price: WTI & Brent
(January 2015 - February 2016)

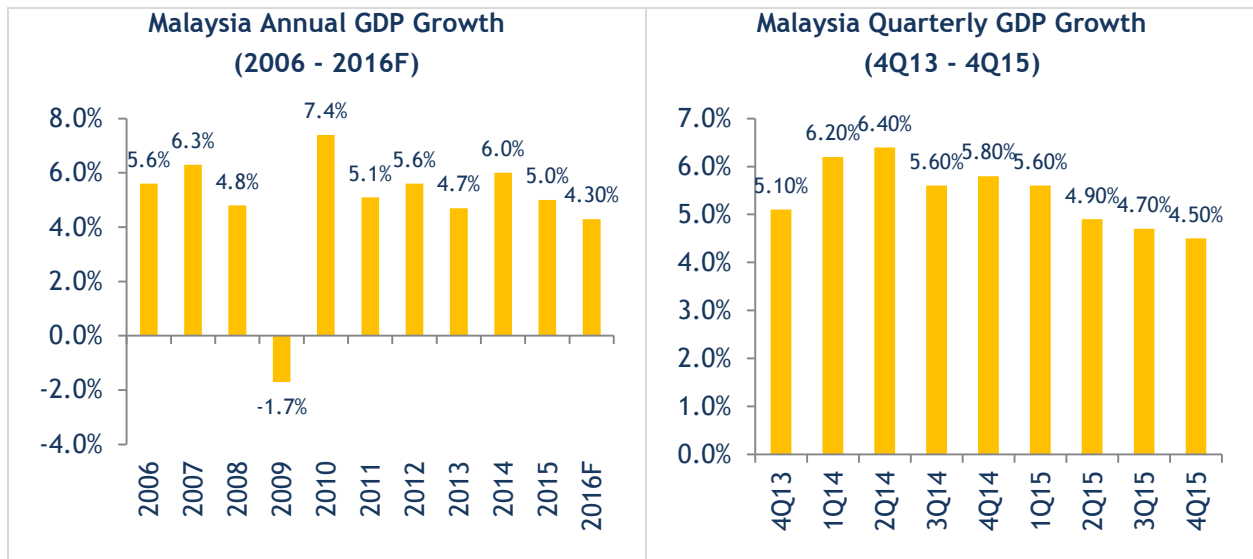


Commodity Price: CPO
(January 2015 - February 2016)



Commodity Price: Gold
(January 2015 - February 2016)



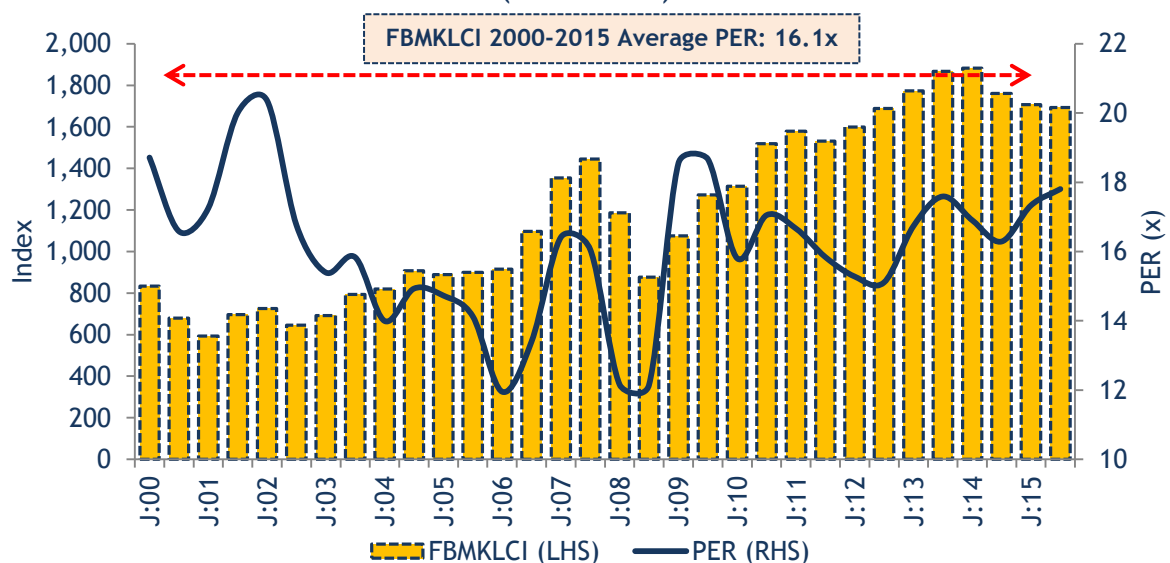


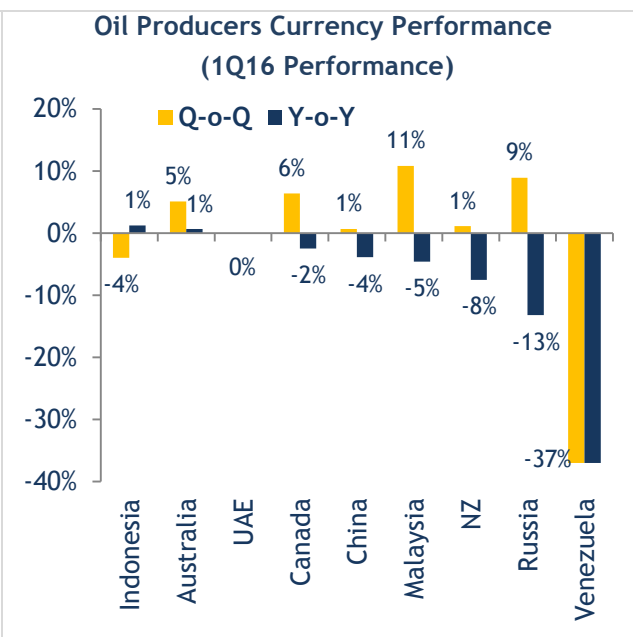
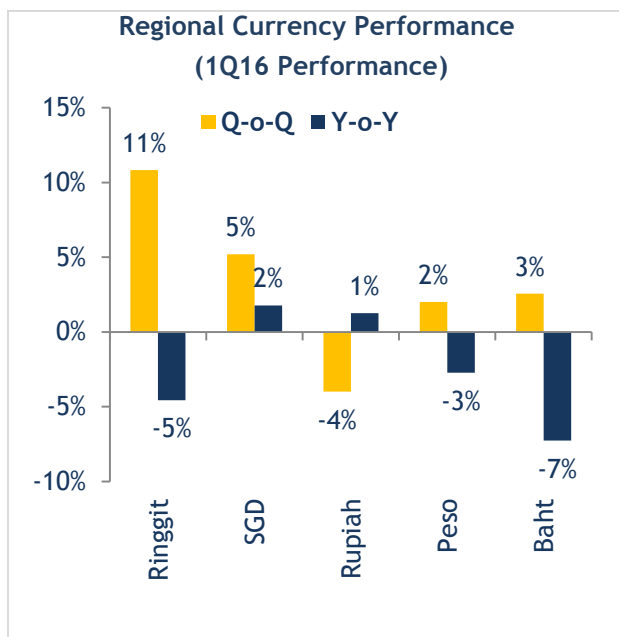
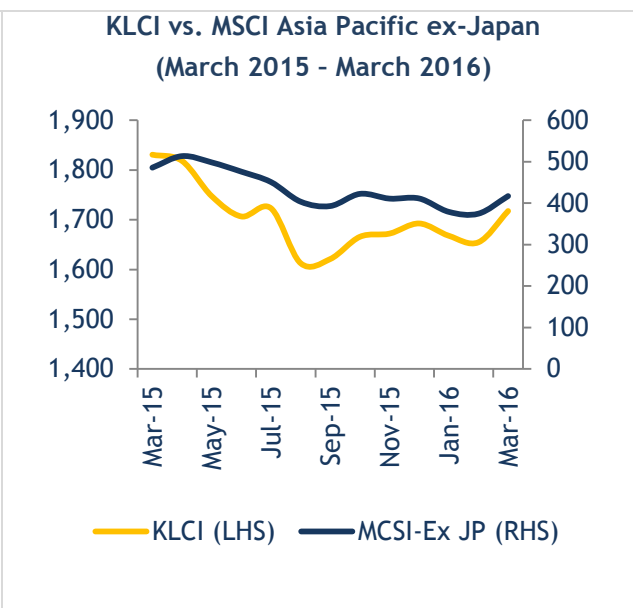
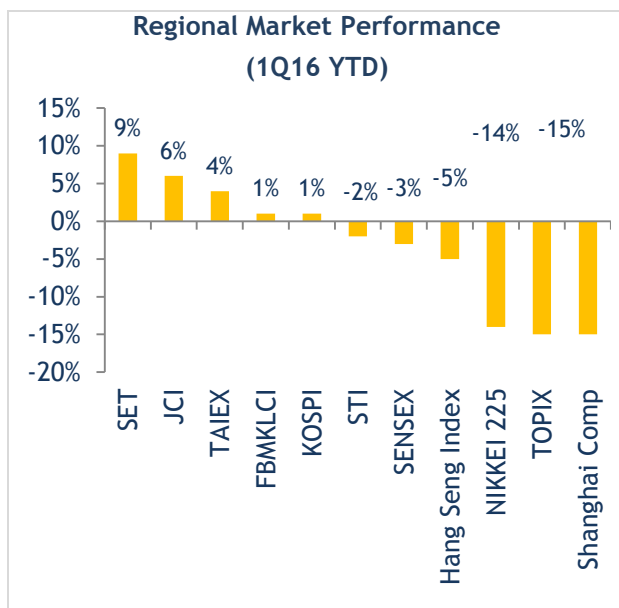
Source: MOS, M&A Securities

Table 3: FBMKLCI Best Performing Stocks (1Q16)

| No | Stock | Share Price 2015 (RM) | Share Price 1Q16 (RM) | Gains % (YTD) |
|----|------------|-----------------------|-----------------------|---------------|
| 1 | Genting | 7.34 | 9.80 | 34% |
| 2 | Hong Leong | 13.96 | 15.52 | 11% |
| 3 | Astro | 2.76 | 2.99 | 9% |
| 4 | Maybank | 8.40 | 9.02 | 7% |
| 5 | CIMB | 4.54 | 4.85 | 7% |
| 6 | PPB | 15.90 | 16.70 | 5% |
| 7 | KLK | 22.88 | 24.00 | 5% |
| 8 | Tenaga | 13.32 | 13.94 | 5% |
| 9 | YTL | 1.57 | 1.64 | 4% |
| 10 | RHB | 5.67 | 5.90 | 4% |

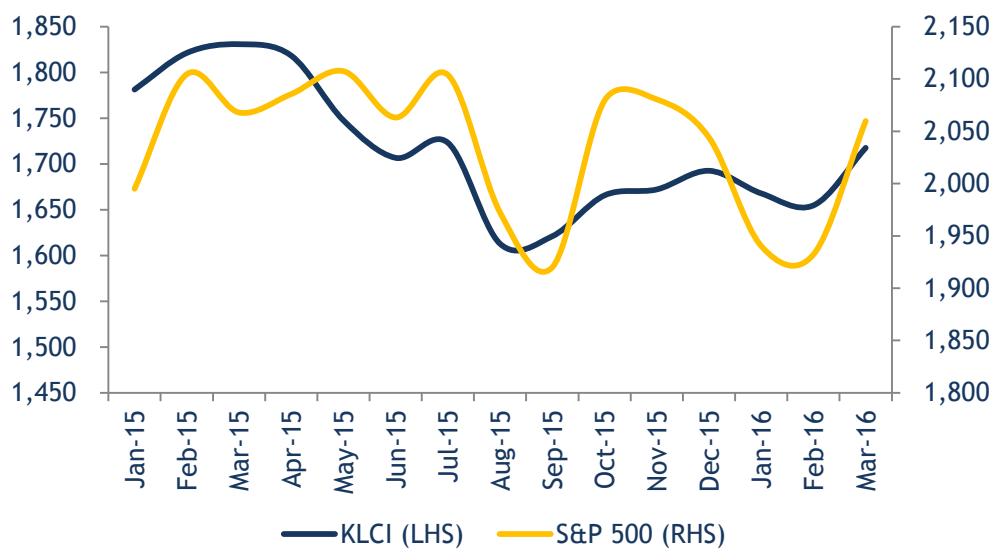
Source: Bursa Malaysia, M&A Securities

FBMKLCI Index and PER
(2000 - 2015)



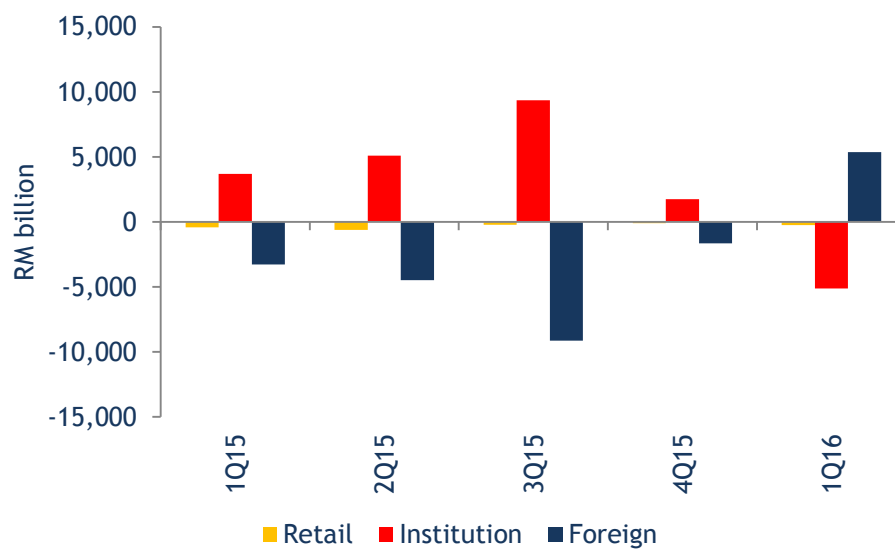
Source: Bloomberg, M&A Securities

M-o-M Performance: FBMKLCI vs. S&P 500
(January 2015 - March 2016)



Source: Bloomberg, M&A Securities

Bursa Malaysia Trading Position by Client
(1Q15 - 1Q16)



Source: Bloomberg, M&A Securities

1Q16 Equity Strategy

“Volatility Set to Reduce”

Table 4: FBMKLCI 2016 Year-end Target (PER Valuation)

| | PER Based Valuation | | |
|------------------|----------------------------|----------------|------------------------------|
| | Floor (1-SD Below Mean) | Base (Mean) | Ceiling (1-SD Above Mean) |
| Target | 1,420 | 1,790 | 2,150 |
| Basis | **13.6x | *17.1x | **20.6x |
| Growth % (y-o-y) | -16% | +5.8% | +27% |
| FBMKLCI YE: 2015 | 1,692 | | |

Source: M&A Securities

* 10% premium against average of normalized PER from year 2000-2008 of 15.6x

** 1-SD = 3.50

Generally, we predict steady global equity market in 2Q onwards with reduce volatility. Many thanks to the pause of US interest rate adjustment. Granted, growth issues from China and Eurozone may continue to rock the global equity market but overall, we expect these issues will be priced-in already. The return of foreign investors is testament to the stable fundamentals of Malaysia. Having said that, we introduce our FBMKLCI year-end 2016 target of 1,790 pegged to PER of 17.1x, a 10% premium against 2000-2008 average PER of 15.6x. Note that the period of 2000-2008 is coinciding with the period of normal liquidity rally, unlike the period after year 2008 when we saw huge liquidity rally. The ending of US tapering and normalization of US interest rate suggest that liquidity rally will moderate and normalize. Targeted PER of FBMKLCI warrants a premium given the undervalued Ringgit, improving fiscal discipline and consolidation aided with the upside risk of oil price. That said, FBMKLCI is **NEUTRAL** with projected y-o-y growth of 5.8%, fair given BNM projected GDP growth target of 4.0%-4.5%.

Given below are the narrations of key events predicted to be the ‘movers and shakers’ for 2Q16:

(I) Ringgit to Gain Grounds

We have a fair value of RM3.75 per Dollar on Ringgit and given all the catalysts, we expect continuous rally on Ringgit. Catalysts to Ringgit sustain rally may come from 1) oil price continues its winning streak 2) the appointment of market friendly new BNM governor and 3) the closure of 1MDB issue by 30th April, as pledge by the outgoing BNM governor. All or a combination of these factors may lift Ringgit towards our fair value.

(II) The US Hibernation of Interest Rate Adjustment

The dovish statement by Janet Yellen over the phase and quantum of US interest rate adjustment has soothed the market. She expects the US Federal Funds Rate adjustment to be more cautiously done, indicating only about 2x of adjustments against the 4x adjustments expected before. In all likelihood it may take place in 3Q16 onwards. It will give some reprieve to USD with Ringgit is expected to gain. The forward signal of the US FOMC will calm the market and hence, a reduce volatility.

(III) Oil Price to Move Northbound

Another strong catalyst to the global equity market is the undervalued position of crude oil price. Despite the supply and demand imbalance, we think that crude oil price is unfairly traded at USD40 per barrel as we saw how the same weakness of crude oil price did to exploration and production activity during the recent twin crises (Global Credit Crisis, Eurozone Sovereign Debt Crisis). The meeting and resolution of oil producing countries to steady the price of oil may help support crude oil price. Another booster to oil price is the interest rate pause of US Federal Reserve. We think that oil price will test USD50 per barrel in the short to medium term, stoking re-rating catalyst on oil stocks.

(IV) New BNM Governor & 1MDB

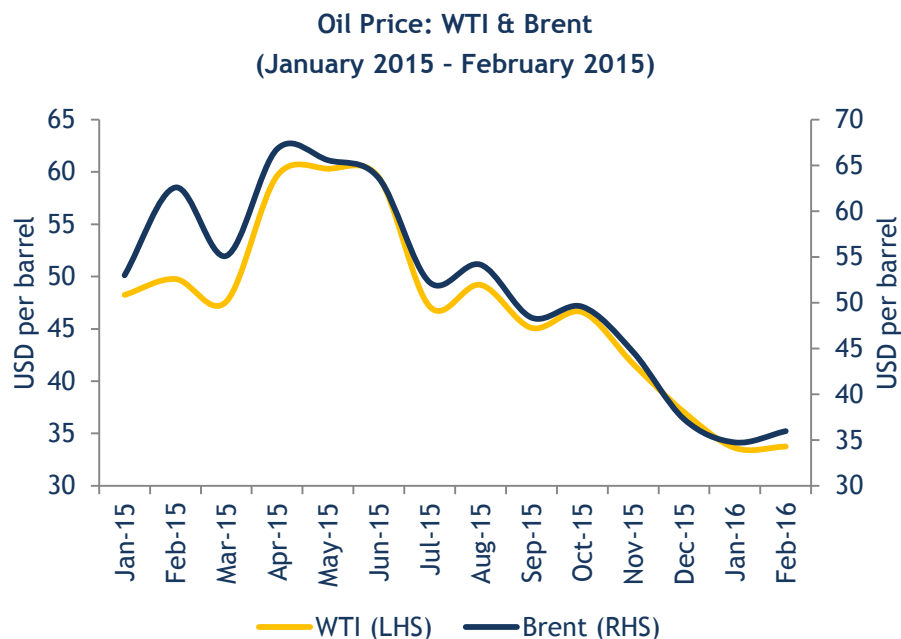
The above catalyst will boost the return of foreign investors towards our financial markets, provided the election of market friendly new governor and the closure of 1MDB issue by 30th April. Sentiment will be upbeat and there will be no more wrinkle towards the government. In short, all is well by then.

(V) Foreign Investors

Foreign investors, driven by improving fundamentals in Malaysia, may start accumulating the hugely mispriced local market. Oil price, Ringgit, new BNM governor and 1MDB issue will be the focus. Another pulling factor is the ability of the ruling government to maintain or increase its grip in the upcoming Sarawak state election.

Conclusion and Recommendation

More importantly, we predict less stock market gyration and volatility in 2Q16. FBMKLCI will be in a steady state, many thanks to better visibility and improving catalysts. That said, FBMKLCI is predicted to end 2016 at 1,790, the second highest year-end seen in history and enviable given the moderation of liquidity rally. The index is a **NEUTRAL**.



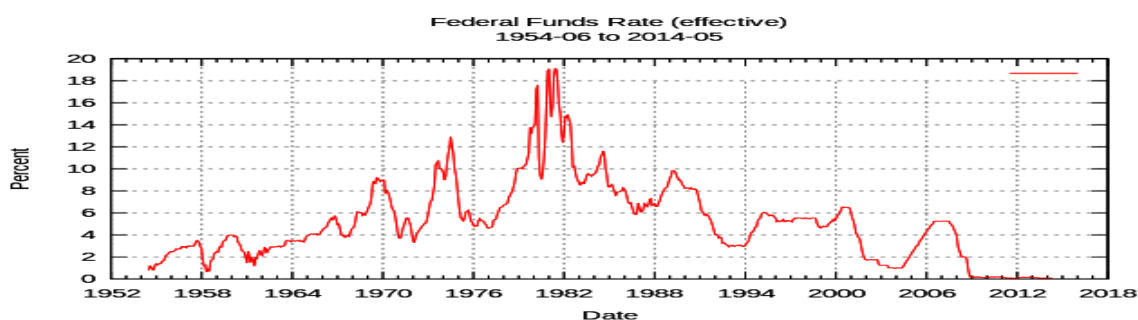


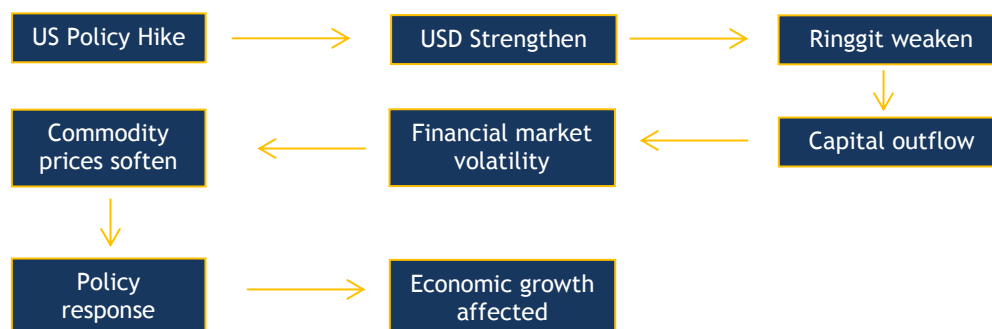
Table 5: US Federal Reserve Historical FFR Monetary Cycle

| Economic Cycle | FFR Adjustment | Total quantum of adjustments |
|-----------------------|----------------|--|
| July 1990 – Sept 1992 | 8.00% → 3.00% | 500 basis points cut over 2 years |
| Feb 1995 – Nov 1998 | 6.00% → 4.75% | 125 basis points cut over almost 3 years |
| May 2000 – June 2003 | 6.50% → 1.00% | 550 basis points cut in 3 years |
| 2004-2006 | *1.00% → 5.25% | 425 basis points increase in 2 years |
| June 2006 – Oct 2008 | 5.25% → 1.00% | 425 basis points cut in 2 years plus |
| Dec, 2008 | 0.0%-0.25% | 75 basis points cut in 3 months |

Source: Various, M&A Securities

*17 quarters of increase over 2 years

Chart: Interest Rate Parity and International Fisher Effect Impact in Response to US Policy Rate Hike



Note: The above is not in any particular order

Table 6: Top BUYs

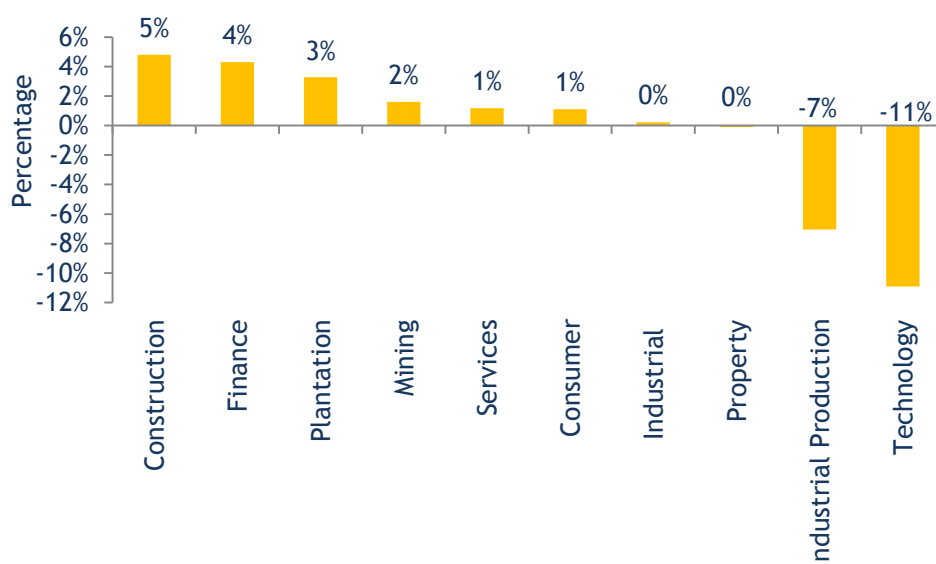
| | 31/3/16 SP (RM) | TP (RM) | EPS (Sen) | | EPS Growth (%) | | PE (x) | | P/BV | | Div Yield FY16 | ROE FY16 |
|---|--------------------|------------|-----------|------|----------------|------|--------|------|------|------|----------------------|-------------|
| | | | FY16 | FY17 | FY16 | FY17 | FY16 | FY17 | FY16 | FY17 | | |
| Big Caps: Market Capitalisation: > RM4 billion | | | | | | | | | | | | |
| BIMB Holdings | 3.85 | 4.28 | 36 | 38 | 3 | 5 | 10.3 | 9.8 | 1.7 | 1.6 | 3.6 | 17 |
| Bumi Armada | 0.79 | 0.95 | 5 | 8 | 66 | 60 | 14.4 | 9.3 | 0.6 | 0.6 | 2.0 | 4 |
| CMS | 4.75 | 5.45 | 27 | 29 | 17 | 7 | 18.1 | 16.7 | 2.4 | 2.2 | 2 | 13 |
| Gamuda | 4.92 | 5.80 | 27 | 31 | -7 | 15 | 17.9 | 15.7 | 1.7 | 1.6 | 2 | 10 |
| IJM Corp | 3.53 | 4.00 | 19 | 21 | 19 | 11 | 17.4 | 17.1 | 1.4 | 17.1 | 2 | 8 |
| MMC Corp | 2.19 | 2.80 | 12 | 14 | 114 | 51 | 15.0 | 13.6 | 0.6 | 0.6 | nil | 20 |
| Public Bank | 18.78 | 21.38 | 120 | 130 | -3 | 6 | 14.7 | 13.9 | 2.3 | 1.9 | 3 | 17 |
| SapuraKencana | 1.86 | 2.34 | 13 | 17 | -5 | 31 | 10.6 | 10.9 | 0.8 | 0.8 | 1 | 7 |
| Mid Caps: Market Capitalisation: <RM1 billion - RM4 billion | | | | | | | | | | | | |
| Ibraco | 1.09 | 1.50 | 10 | 12 | -1 | 22 | 10.1 | 8.3 | 1.7 | 1.5 | 3 | 16 |
| Imaspro | 2.02 | 2.26 | 12 | 13 | -6 | 8 | 16.6 | 14.5 | 1.3 | 1.2 | 2 | 8 |
| Kossan | 6.05 | 8.62 | 42 | 50 | 37 | 64 | 10.9 | 9.1 | 2.7 | 2.3 | 4.6 | 5 |

Table 7: Selected Regional Market Equity Performance (1Q16)

| Index | 2015 Closing | 1Q16 Closing | YTD Gains | PER (x) |
|-----------------|--------------|--------------|-----------|---------|
| NIKKEI 225 | 19,033.71 | 16,433.99 | -14% | 18.2 |
| TOPIX | 1,547.30 | 1,347.20 | -15% | 14.6 |
| Shanghai Comp | 3,539.18 | 3,003.92 | -15% | 15.8 |
| TAIEX | 8,338.06 | 8,744.83 | 4% | 14.4 |
| FBMKLCI | 1,692.51 | 1,717.58 | 1% | 18.7 |
| SENSEX | 26,117.54 | 25,341.86 | -3% | 19.4 |
| Hang Seng Index | 21,914.40 | 20,776.70 | -5% | 10.1 |
| KOSPI | 1,961.31 | 1,995.85 | 1% | 14.6 |
| STI | 2,882.73 | 2,840.90 | -2% | 11.8 |
| JCI | 4,593.01 | 4,845.37 | 6% | 25.3 |
| SET | 1,288.02 | 1,407.70 | 9% | 19.3 |

Source: Bloomberg, M&A Securities

Bursa Malaysia Sector Performance
1Q16 (Q-o-Q)



Source: Bloomberg, M&A Securities

Table 8: BNM MPC Meeting Schedule (2016)

| | Date |
|-----|-------------------------|
| 3rd | 19 May 2016 (Thursday) |
| 4th | 13 Jul 2016 (Wednesday) |
| 5th | 07 Sep 2016 (Wednesday) |
| 6th | 23 Nov 2016 (Wednesday) |

Source: M&A Securities

Table 9: FOMC Meeting Schedule (2016)

| | Date |
|-----|-------------------------|
| 3rd | 28 Apr 2016 (Thursday) |
| 4th | 16 Jun 2016 (Thursday) |
| 5th | 28 Jul 2016 (Thursday) |
| 6th | 22 Sept 2016 (Thursday) |
| 7th | 03 Nov 2016 (Thursday) |
| 8th | 15 Dec 2016 (Thursday) |

Source: Bloomberg, M&A Securities

Table 10: FBMKLCI Best Performing Stocks 1Q16

| No | Stock | Share Price end 2014 (RM) | 30 th June 2015 (RM) | Gains % (YTD) |
|----|-----------------------------|------------------------------|------------------------------------|---------------|
| 1 | Westport | 3.36 | 4.23 | 26% |
| 2 | Petronas Dagangan | 17.12 | 20.58 | 20% |
| 3 | IHH Healthcare | 4.82 | 5.66 | 17% |
| 4 | Petronas Chemical | 5.45 | 6.32 | 16% |
| 5 | MISC | 7.22 | 7.72 | 7% |
| 6 | PPB Group | 14.3 | 15.12 | 6% |
| 7 | KLCC Property Stapled | 6.71 | 6.96 | 4% |
| 8 | Genting | 4.07 | 4.20 | 3% |
| 9 | Public Bank | 18.30 | 18.72 | 2% |
| 10 | SapuraKencana | 2.32 | 2.36 | 2% |
| 11 | Astro | 3.03 | 3.08 | 2% |
| 12 | Maybank | 9.17 | 9.14 | -1% |
| 13 | CIMB | 5.56 | 5.47 | -2% |
| 14 | YTL Corp | 1.59 | 1.55 | -3% |
| 15 | RHB Cap | 7.62 | 7.37 | -3% |
| 16 | Petronas Gas | 22.16 | 21.26 | -4% |
| 17 | Hong Leong Bank | 13.98 | 13.4 | -4% |
| 18 | British American Tobacco | 65.10 | 62.00 | -5% |
| 19 | Telekom Malaysia | 6.88 | 6.54 | -5% |
| 20 | KLK | 22.80 | 21.40 | -6% |
| 21 | Maxis | 6.85 | 6.37 | -7% |
| 22 | Sime Darby | 9.19 | 8.52 | -7% |
| 23 | UMW Holdings | 10.96 | 10.14 | -8% |
| 24 | Hong Leong Finance | 16.52 | 15.16 | -8% |
| 25 | Tenaga Nasional | 13.80 | 12.64 | -8% |
| 26 | Ambank | 6.60 | 6.03 | -9% |
| 27 | Genting | 8.87 | 8.06 | -9% |
| 28 | Axiata | 7.05 | 6.40 | -9% |
| 29 | Digi | 6.17 | 5.36 | -13% |
| 30 | IOI Corp | 4.80 | 4.06 | -15% |

Source: Bloomberg, M&A Securities

Table 11: FBM EMAS Best Performing Stocks 1Q16

| No | Stock | Share Price end 2015 (RM) | Share Price 1Q16 (RM) | Gains % (YTD) |
|----|--------------------|---------------------------|-----------------------|---------------|
| 1 | Airasia | 1.29 | 1.83 | 42% |
| 2 | Malaysia Airport | 5.61 | 6.80 | 21% |
| 3 | Alliance Finance | 3.56 | 4.15 | 17% |
| 4 | Hap Seng | 6.48 | 7.53 | 16% |
| 5 | IGB Reit | 1.34 | 1.53 | 14% |
| 6 | F&N | 18.50 | 20.70 | 12% |
| 7 | MMC Corp | 1.96 | 2.19 | 12% |
| 8 | Pavilion Reit | 1.55 | 1.70 | 10% |
| 9 | Sunway Reit | 1.46 | 1.60 | 10% |
| 10 | Bursa Malaysia | 8.35 | 8.90 | 7% |
| 11 | United Plantation | 25.36 | 26.96 | 6% |
| 12 | Genting Plantation | 10.60 | 11.20 | 6% |
| 13 | Gamuda | 4.66 | 4.92 | 6% |
| 14 | Nestle | 73.40 | 76.90 | 5% |
| 15 | Batu Kawan | 17.50 | 18.30 | 5% |
| 16 | IJM Corp | 3.38 | 3.53 | 4% |
| 17 | Kulim | 3.77 | 3.88 | 3% |
| 18 | IOI Properties | 2.25 | 2.31 | 3% |
| 19 | Sunway | 3.08 | 3.14 | 2% |
| 20 | UEM Sunrise | 1.12 | 1.14 | 2% |
| 21 | QL Resources | 4.29 | 4.35 | 1% |
| 22 | Lafarge | 8.88 | 9.00 | 1% |
| 23 | BIMB | 3.83 | 3.85 | 1% |
| 24 | YTL Power | 1.60 | 1.60 | 0% |
| 25 | Dialog | 1.60 | 1.60 | 0% |
| 26 | Malakoff | 1.48 | 1.48 | 0% |
| 27 | Affin | 2.34 | 2.34 | 0% |
| 28 | MYEG | 2.16 | 2.14 | -1% |
| 29 | Spsetia | 3.20 | 3.13 | -2% |
| 30 | LPI | 16.08 | 15.36 | -4% |

Source: Bloomberg, M&A Securities

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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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