



# PHILLIP RESEARCH SDN BHD

199001007125 (198695-X)

B-18-6, Megan Avenue II, No 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

Tel No: 03-2783 0300

## Morning Pole Position

| 30<sup>th</sup> August 2022 |

All market data as at previous trading day

### Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,501.57	1.28	-4.21
FBM Emas	10,625.50	-23.34	-6.04
FBM Syariah	10,733.34	-26.63	-12.47
FBM Small Cap	14,321.75	-147.69	-9.13
FBM ACE	4,881.80	-74.57	-23.95
F4G BM	863.92	-0.71	-1.86
F4G BMS	892.09	-0.10	-9.21

### Funds Flows

### Net Buy (MYR'm)

Local Institutions	-66.4
Local Retails	5.5
Foreign	60.9

### Foreign

Dow Jones	32,098.99	-184.41	-11.67
S&P 500	4,030.61	-27.05	-15.43
Nasdaq	12,017.67	-124.04	-23.19
FTSE	7,427.31	-52.43	0.58
Hang Seng	20,023.22	-146.82	-14.42
Nikkei	27,878.96	-762.42	-3.17
Shanghai CI	3,240.73	4.5	-10.96
Strait Times	3,222.26	-27.27	3.16

### Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.4900	0.0210	7.80
GBP / MYR	5.2344	-0.0395	-7.04
JPY100 / MYR	3.2373	-0.0270	-10.54
EUR/MYR	4.4622	-0.0019	-5.35
SGD / MYR	3.2086	-0.0057	4.00
CNY / MYR	0.6489	-0.0024	-0.89
AUD / MYR	3.0759	-0.0363	1.63

### Bond Yield Movements

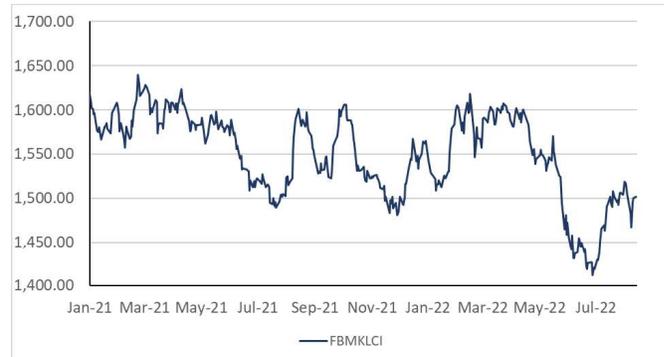
	Yield	Daily Change (bps)
<b>MGS</b>	3- year	3.29
	10- year	4.02
<b>GII</b>	3- year	3.45
	10- year	4.04
<b>UST</b>	2- year	3.42
	10- year	3.12

### Commodities

	Last	Daily chg	Daily chg %
CPO (3 <sup>rd</sup> month)	4,174.00	2	0.05
Brent (1 <sup>st</sup> month)	105.11	4.51	4.48
Gold (spot)	1,737.35	2.48	0.14

Source: Treasury.gov, Bursa and BNM

### FBMKLCI and statistics



Source: Bloomberg

### Market Turnover

Vol (m shrs)	1,945
Value (MYR m)	1,589

### Top 5 Value

	Last	Daily chg %	Value (MYR m)
AGMO	0.895	7.83	93.283
MAYBANK	8.910	0.79	84.399
CIMB	5.460	1.11	60.999
PCHEM	8.690	0.46	60.992
MYEG	0.755	-1.95	48.921

### Top 5 Gainers

	Last	Daily chg %	Value (MYR m)
BTM	0.135	35.00	0.223
EDUSPEC	0.020	33.33	0.015
IMPIANA	0.020	33.33	0.033
MINETEC-PA	0.020	33.33	0.010
AEM	0.020	33.33	0.002

### Top 5 Losers

	Last	Daily chg %	Value (MYR m)
MNC	0.010	-33.33	0.006
AT	0.010	-33.33	0.03
G3	0.025	-16.67	0.04
HSSEB	0.360	-15.29	1.83
EATECH	0.035	-12.50	0.00

### Top 5 DBT

	Value (MYR m)	Volume (m shares)	Price (MYR)
HONGSENG	113.322	343.400	0.46
BORNOIL	1.450	145.000	0.025
HONGSENG-WB	0.595	118.917	0.05
SAPNRG	2.250	50.000	0.045
HAPSENG	186.051	25.399	7.18

**Market Pulse**



Source: Chart created using tradingview.com's tools, PRSB

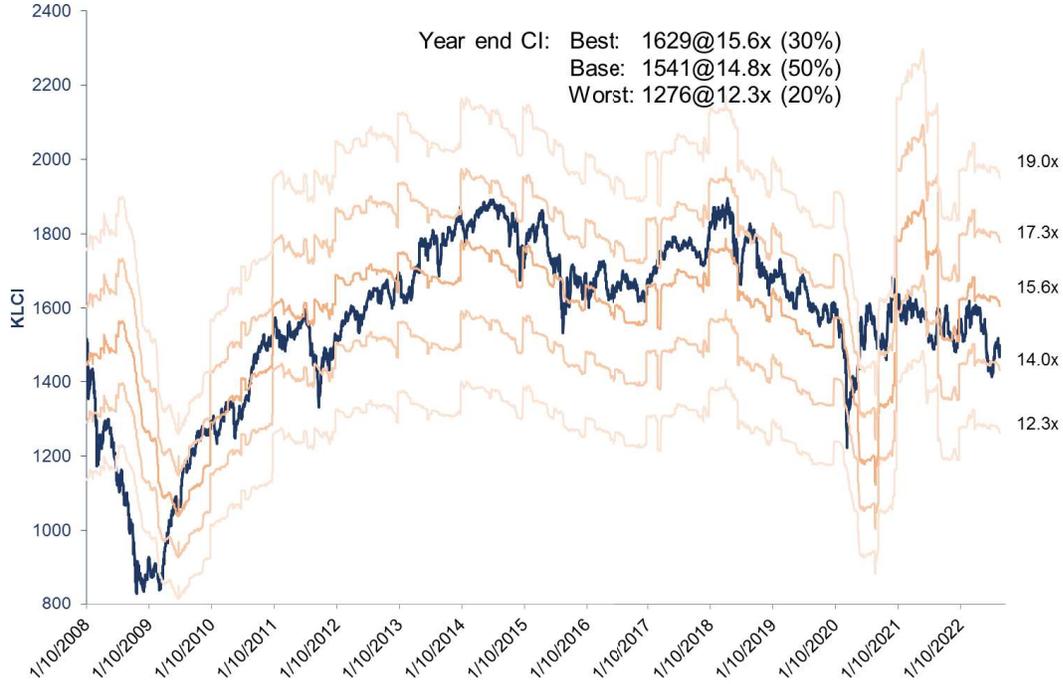
Despite a higher July CPI at 4.4% but in line with consensus, FBMKLCI was supported by relatively good corporate earnings and PChem (+21 sen) to close at 1,501.57, marginally higher at 1,501.57 pts with +1.28 pts (+0.09%) compared to the previous day's session, above 1,500 points psychological level. However, broad market sentiment was weak with 616 losers but only 278 gainers while remaining 378 unchanged.

On the other hand, headline news was very quiet overnight. There was no sense of serious panic after Friday's heavy selloff in the US and VIX was kept in check. Most of the selling occurred overnight via futures and the US cash session was stuck in a range with SPX trading between 4,020-4,060.

We continue to expect BNM to deliver a 25bp policy rate hike next week since CPI, excluding fuel and food, rose 3.4% YoY from 3.0% in June, consistent with stronger domestic demand. As such, we believe BNM will monitor inflation closely after next week hike before deciding whether to raise rates further in order to stick with its "measured and gradual manner" of monetary policy normalization.

Against this backdrop and although KLCI consensus EPS was revised down by 1.4% since 1<sup>st</sup> August, we maintain our year-end target of 1,541 (Exhibit 1).

**Exhibit 1: KLCI Target**



Source: Bloomberg, compiled by PRSB

Today, we anticipate the Index to continue trending upward as being backed by the 1,500 support level. Technically, the Index may test the immediate resistance at 1,508.49 pts and may go higher to 1,527.84 pts. We set the support level at 1,481.49 pts. Our picks are as in Exhibit 2.

## Exhibit 2: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
<b>Fundamental</b>					
Bermaz Auto	BAUTO MK	Buy	1.80	2.45	36.11
Guan Chong	GUAN MK	Outperform	2.40	2.78	15.83
<b>Technical</b>					
Genting Malaysia	GENM MK	Outperform	2.96	3.21	8.45
IHH Healthcare	IHH MK	Outperform	6.34	7.00	10.41
Kawan Food	KFB MK	Outperform	2.11	2.19	3.79
Matrix Concept	MCH MK	Outperform	2.32	2.57	10.78
Ta Ann	TAH MK	Buy	3.97	4.64	16.88
Telekom	T MK	Outperform	5.95	6.28	5.55
QL Resources	QLG MK	Outperform	5.07	5.77	13.81
CB Industrial Product Holding	CB MK	Buy	1.35	1.76	30.37
Opcom Holdings	OHB MK	Buy	0.84	1.24	48.50
KSL Holdings	KSL MK	Buy	0.83	0.96	15.66
Gamuda	GAM MK	Outperform	3.73	4.30	15.28
Chin Well Holdings	CWH MK	Outperform	1.76	2.00	13.64
Supercomnet Technologies	SCT MK	Buy	1.45	1.73	19.31
Kelington Group	KGRB MK	Buy	1.25	1.71	36.80
Pentamaster Corporation	PENT MK	Buy	3.91	5.26	34.53
AME Elite Consortium	AME MK	Buy	1.53	2.03	32.68
Formosa Prosonic Industries	FOR MK	Buy	3.08	3.92	27.27
Pertama Digital	PRTMA MK	Buy	1.12	1.31	16.96
IJM Corp Bhd	IJM MK	Outperform	1.75	2.06	17.71
Kerjaya Prospek Group	KPG MK	Outperform	1.15	1.39	20.87
MMS Ventures	MMSV MK	Buy	0.81	1.20	48.15
Dialog Group	DLG MK	Buy	2.40	2.95	22.92
FM Global Logistics Holdings	FMH MK	Buy	0.57	0.82	43.86
Solarvest Holdings	SOLAR MK	Buy	0.76	1.12	47.37
Hibiscus Petroleum	HIBI MK	Buy	1.01	1.32	30.69
<b>ETF</b>					
MyETF Dow Jones U.S. Titans 50	METFUS50 MK	Buy	USD 1.83	USD 2.21	20.52
MyETF MSCI SEA Islamic Dividend	MEMMID MK	Buy	0.83	0.85	2.42
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.65	1.80	9.36
TradePlus HSCEI Daily (-1x) Inverse Tracker	HSCEI1XI MK	Buy	2.18	2.35	7.80
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Buy	1.68	1.86	10.71

Source: Bloomberg, PRSB, compiled by PRSB

## Malaysian news highlights

---

- **Malaysia to Allow Limited Chicken Exports as Local Supplies Ease.**  
Malaysia will allow limited exports of chicken from October, according to Annuar Musa, chairman of the nation's task force on inflation. Only certain breeders rearing chickens meant for export will be allowed to ship after getting approval from the Agriculture and Food Industries Ministry, according to a video of the briefing posted on his Facebook page. (Source: [Bloomberg](#))
- **Malaysia's July inflation hits 4.4%, bolstering bets on another OPR hike.**  
Surging food prices last month pushed Malaysia's inflation to its highest in 14 months, with the consumer price index (CPI) rising 4.4% year-on-year (y-o-y), bolstering chances for another 25-basis-point (bps) hike in the overnight policy rate (OPR) by Bank Negara Malaysia (BNM) at its Monetary Policy Committee (MPC) meeting next week. The last time Malaysia's inflation rate topped 4% was May last year, when the CPI similarly climbed 4.4% y-o-y. July 2022's CPI print also marked the fourth straight month of increase since April. The inflation gauge has been steadily trending up in the past few months. It grew 3.4% in June, from 2.8% in May, 2.3% in April and 2.2% in March. (Source: [TheEdgeMarkets](#))
- **DOSM: PPI increase eased to 7.6% in July.**  
The increase in Malaysia's producer price index (PPI) for local production, which measures the costs of goods at the factory gate, eased to 7.6% year-on-year (y-o-y) in July 2022, from 10.9% y-o-y in June 2022, said the Department of Statistics Malaysia (DOSM). According to the DOSM's infographic released on Monday (Aug 29), July 2022's PPI was mainly fuelled by the manufacturing index with a 9.9% increase, versus 10% in June 2022. This was followed by the mining index, which increased by 9% (June: 17.5%), and the agriculture, forestry and fishing index at -10.3% (June: 18.1%) (Source: [TheEdgeMarkets](#))

## Global news highlights

---

- **McConnell Says US Recession Is Likely, Vows GOP Will Curb Biden's Spending.**  
The Kentucky Republican pointed to Democrats' nearly \$2 trillion Covid relief package last year as the driver behind price surges, which he said are "likely to lead next to a recession, because the Fed will end up raising interest rates." The central bank is raising interest rates rapidly to curb the hottest price pressures in 40 years. US consumer prices rose 8.5% in the 12 months through July, according to Labor Department data. (Source: [Bloomberg](#))
- **The Bottom 50% of Americans Are Building Wealth Even as Inflation Bites.**  
The group's collective inflation-adjusted wealth grew by 2.8% through the first six months of the year, according to the tracker, developed by three economists at the University of California, Berkeley. By contrast, those in the middle 40% were down 4.9%, while the top 1% — more heavily exposed to the bear market in stocks — lost more than 10%. (Source: [Bloomberg](#))
- **EU Plans Emergency Intervention to Stem Surging Power Prices.**  
The European Union is planning urgent action to try to dampen soaring power prices and is putting together proposals to reform the electricity market, according to Commission President Ursula von der Leyen. "Skyrocketing electricity prices are now exposing, for different reasons, the limitations of our current electricity market design," von der Leyen, who heads the EU's executive body, said Monday in a speech at the Bled Strategic Summit in Slovenia. (Source: [Bloomberg](#))

- **MPI reports record FY22 figures as 4Q revenue rises to new high.**

Malaysian Pacific Industries Bhd's (MPI) net profit rose 7.17% to RM80.49 million for its fourth quarter ended June 30, 2022 (4QFY22), from RM75.1 million in the same period last year, helped by double-digit contributions from all of its geographical segments. Earnings per share went up to 40.47 sen from 37.85 sen, the semiconductor player's Bursa Malaysia filing showed. Quarterly revenue climbed 13.9% to a new record high of RM612.04 million from RM537.34 million, as the Asia segment grew 12%, the US segment grew 23%, and the Europe segment grew 15%. (Source: [TheEdgeMarkets](#))
- **DRB-HICOM and Petromin to venture into vehicle aftersales servicing.**

DRB-HICOM Bhd through its wholly owned subsidiary Edaran Otomobil Nasional Bhd (EON) will expand its presence in the aftersales services market via a joint venture with the world's fifth largest fast-fit service brand Petromin Express. Petromin Express is a subsidiary of Saudi Arabia's Petromin Corporation. The proposed joint venture will be in the ratio of 51:49 between Petromin and EON. (Source: [TheEdgeMarkets](#))
- **Solarvest starts off FY23 with record high 1Q.**

Solarvest Holdings Bhd's net profit for the first quarter ended June 30, 2022 (1QFY23) soared to RM4.33 million from RM174,000 in the same period last year, as construction activities continued to pick up following the country's transition to the endemic stage of Covid-19. The latest quarterly profit is also the group's highest 1Q profit since the group's founding. Quarterly revenue jumped 131.47% to RM52.66 million from RM22.75 million, its Bursa Malaysia filing showed. Earnings per share rose to 0.64 sen from 0.02 sen. No dividend was declared. (Source: [TheEdgeMarkets](#))
- **QL Resources' 1Q earnings surge on improvements in livestock, marine products sectors.**

QL Resources Bhd's net profit almost doubled to RM82.42 million for the first quarter ended June 30, 2022 (1QFY22), from RM42.19 million a year ago, lifted mainly by its integrated livestock farming and marine product manufacturing businesses. Earnings per share rose to 3.39 sen from 1.73 sen. Livestock farming was supported by improved selling price and government cost subsidy, which mitigated the rise in raw material prices, the poultry group said in a stock exchange filing. Sale of its marine products, meanwhile, rose as business activities normalised after Malaysia entered the endemic phase of Covid-19. (Source: [TheEdgeMarkets](#))
- **Sime Darby Property exercises demerger call option to buy land in Kapar for RM618m from Sime Darby Plantation.**

Sime Darby Property Bhd (SDP) will acquire 948.8 acres of land in Kapar, Selangor from Sime Darby Plantation Bhd in accordance with one of the nine call option agreements (COAs) entered into between both parties in the demerger exercise back in 2017. In a filing with Bursa Malaysia on Monday, SDP said it has issued a notice to exercise the call option to acquire the Kapar land for RM618 million. A detailed announcement of the acquisition will be made upon shareholders' agreement in an extraordinary general meeting (EGM) on a date that will be announced later. (Source: [TheEdgeMarkets](#))
- **TIME dotCom records highest quarterly net profit in six years, declares 16.34 sen special dividend.**

TIME dotCom Bhd's net profit for the second quarter ended June 30, 2022 (2QFY22) rose 27.63% to RM118.28 million from RM92.67 million a year ago, propelled by higher revenue growth from both its data and data centre product segments as well as larger net gain on foreign exchange amounting to RM27.1 million. Time dotCom's 2QFY22 net profit of RM118.28 million is also its highest since 2QFY16, when it posted RM199.8 million. Earnings per share rose to 6.48 sen from 5.11 sen previously, its Bursa Malaysia filing on Monday (Aug 29) showed. (Source: [TheEdgeMarkets](#))

- **RHB sees risk of higher provision amid signs of more SME loans turning sour.**  
RHB Bank Bhd may experience an “uptake” in loan loss provisions in the second half of this year as the gross impaired loan (GIL) ratio for its small and medium enterprise (SME) customers is trending upwards. “We see a bit of a high GIL trend in the SMEs, micro-SMEs especially, this is an area that we are closely monitoring,” said RHB group managing director and chief executive officer Mohd Rashid Mohamad. (Source: [TheEdgeMarkets](#))
- **Bursa Malaysia launches two new ESG-themed indices with FTSE Russell.**  
Bursa Malaysia Bhd has launched two new environmental, social and governance (ESG)-themed indices under the FTSE Bursa Malaysia Index Series, namely the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index (FBM100LC) and the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index (FBM100LS). These new indices add to the existing portfolio in the FBM Index Series suite that Bursa Malaysia jointly issues with index partner FTSE Russell. These additions will expand the exchange’s benchmarking offerings in the ESG, low carbon and climate risk index space to cater to evolving investors demand. (Source: [TheEdgeMarkets](#))
- **IHH Healthcare de-risking lira exposure as Türkiye inflation tops 100%.**  
IHH Healthcare Bhd said it has been de-risking its lira-denominated revenue exposure as the hospital operator recognises the potential impact of the hyperinflationary environment in Türkiye where inflation had exceeded 100%. "In Türkiye, cumulative inflation rates over a three-year period had exceeded 100% as at April," IHH said in its latest corporate presentation slides in conjunction with an analyst briefing organised by the company, which has a presence in 10 countries including Malaysia, Singapore, Türkiye and India. (Source: [TheEdgeMarkets](#))

## **Regional company reports**

---

### **Singapore Telecommunications Ltd – Currency drag this quarter.**

- 1Q23 results were within expectations. 1Q23 revenue and EBITDA were 24%/24% of our FY23e estimates. We removed Amobee from our forecast. It has been classified as a subsidiary for sale. There was a 4% headwind from Optus due to weaker AUD.
- 1Q23 underlying EBITDA expanded 3% YoY (or up 5% in constant currency) to S\$977mn, excluding NBN migration revenue and Amobee. Regional associates’ earnings rose 12% YoY to S\$411mn. The 6% depreciation in the Thai Baht and Philippine Peso also impacted earnings.
- Our FY23e PATMI is raised 5% to S\$2.15bn to account for the S\$129mn exceptional gain from dilution of stake in Australia Tower Network and share of Airtel revaluation of foreign currency convertible bonds. Revenue and EBITDA forecasts were modestly impacted by the removal of Amobee.

### **Hyphens Pharma International Ltd – Franchise expands with acquisitions.**

- 1H22 revenue and PATMI were 54%/67% of our FY22e forecast. Earnings were above expectations due to a then higher-than-expected earnings contribution from newly acquired Novem Ltd and associates.
- Underlying organic growth was an 11% YoY rise in PATMI to S\$4.8mn. Growth was broad-based across specialty pharma and proprietary brands.

### **TDCX INC. – Triples client additions.**

- H22 revenue was in line, at 47% of our FY22e forecasts. PATMI was above expectations, at 56% of our FY22e forecasts due to lower-than-expected expenses.
- Tripled 1H22 client additions compared with 1H21, adding a leading regional airline and a leading car e-commerce platform. Benefitting from travel & hospitality rebound, only 16% shy of pre-pandemic peak.

**Technical pulse: Ford Motor Co.**

- **Ford Motor Co (NYSE: F)** Price is likely to head lower after hitting the downtrend channel resistance.
- The bearish crossover of the faster 5 & 10-day moving averages (MAs) over the slower 20-day moving average (MA) at the downtrend channel resistance area points towards a bearish downside.
- Bearish divergence was also observed where price made a higher high at the resistance area while the Relative Strength Index (RSI) technical indicator made a lower high. This discrepancy points towards a bearish downside as momentum is slowing despite the bullish price action.
- Price could reach support zone 1 at 13.20-14.00 before heading towards support zone 2 at 10.60-11.70 thereafter.

## DISCLAIMER

Legal and Regulatory Notices (Electronic Communications)  
© 2018 PRSB.

### Important disclosures

This research report is strictly confidential and has been prepared for information purposes only by Phillip Research Sdn Bhd ("PRSB"), a subsidiary of Phillip Capital Holdings Sdn Bhd ("PCH") and is meant for circulation to its clients and clients of other subsidiaries companies of PCH particularly Phillip Mutual Berhad ("PMB"), Phillip Capital Management Sdn Bhd ("PCM"), Phillip Wealth Planners Sdn Bhd ("PWP") and Phillip Capital Sdn Bhd ("PCSB") (collectively refer to as Phillip Group other licensed intermediaries ("PGOLI")) only or such other persons as may be deemed eligible to receive such research report, information or opinion contained herein. Neither the publication/communication nor any portion hereof may be reprinted, distributed, sold, resold, redistributed, copied, reproduced, published, republished, displayed, posted or transmitted in any form or media or by any means without the written consent of PRSB.

The policy of PRSB is to only publish research that is impartial, independent, clear, fair, and not misleading. Analysts never receive compensation from companies they cover. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to a research report as below. This research disclosure is for your information only and does not constitute any recommendation, representation or warranty. Absence of a disclosable position should not be taken as endorsement on the validity or quality of the research report or recommendation.

To maintain the independence and integrity of PRSB's research, PGOLI activities such as fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, financial planning and research business lines are distinct from one another. This means that PRSB is not part of and does not report to any of PGOLI. Accordingly, PGOLI does not supervise nor control the activities of PRSB's research analysts. PRSB's research analysts report to the Head of Research, who in turn report to PRSB's senior management.

PRSB and PGOLI have in place internal controls designed to manage conflicts of interest that may arise as a result of PGOLI engaging in fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, financial planning and PRSB activities. Some examples of these controls include: the use of information barriers and other information controls designed to ensure that confidential information is only shared on a "need to know" basis and in compliance with PRSB and PGOLI's Chinese Wall policies and procedures; measures designed to ensure that interactions that may occur among PRSB's research personnel, fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, and financial planning, PGOLI's financial product issuers and PRSB's research analysts do not compromise the integrity and independence of PRSB's research.

Neither analysts nor their household members/associates/may have a financial interest in, or be an officer, director or advisory board member of companies covered by the analyst unless disclosed herein. In circumstances where an analyst has a pre-existing holding in any securities under coverage, those holdings are grandfathered and the analyst is prohibited from trading such securities up to the date of the publication of this research report.

Unless specified otherwise, PRSB did not receive investment banking/non-investment banking income from, and did not manage/co-manage a public offering for, the listed company during the past 12 months, and it does not expect to receive investment banking compensation from the listed company within the coming three months. Unless mentioned otherwise, PRSB does not own a material disclosable position, and does not make a market, in the securities.

We hereby certify that the views expressed in this research report accurately reflect our views about the securities and/or the issuers and that no part of our compensation were or will be directly or indirectly related to the specific recommendation or views contained in this report or to any investment banking relationship with the subject company covered in this report (for the past one year) or otherwise any other relationship with such company which leads to receipt of fees from the company except in ordinary course of business of the company. We hereby confirm that our analyst(s) has/have not been placed under any undue influence, intervention or pressure by any person(s) in compiling this research report. This report is prepared without any intention to raise, lower or maintaining the price of the securities covered or to induce the recipient to buy or sell the securities covered. In addition, our analyst(s) included herein attest that he/she/they was/were not in possession of any material, non-public price sensitive information regarding the subject company at the time of publication of the report. Save from the disclosure below (if any), we are not aware of any material conflict of interest.

Key to PRSB investment ratings:

Equity:

BUY: Total stock return (including dividends) expected to exceed 20% annually;

O-PF: Total expected return below 20% annually but exceeding market return;

U-PF: Total expected return positive but below market return;

SELL: Total return expected to be negative.

For relative performance, we benchmark the 12-month total forecast return (including dividends) for the stock against the 12-month forecast return (including dividends) for the market on which the stock trades.

ETFs (Criteria applies to rating assignments from 16th December 2019):

STRONG BUY: Total return (including dividends) expected to exceed 20% annually;

BUY: Total expected return below 20% but exceed 5% or then 1-year rate, whichever is higher;

SELL: Total return of not more than 5% or then 1-year rate, whichever is higher.

The ratings are based on the forecast total return (including dividends) over the next 12 months.

Funds:

The rating a mathematical scoring system that include risks (standard deviation, Sharpe Ratio) and returns (1-year, 3-year, 5-year and consistency)BUY: Total return (including income distribution) is positive and above peers' average while risk factors are low;

O-PF: Total return is positive and above peers' average but has higher risk factors; SELL: Total return is negative.

For a history of the recommendations and price targets for companies mentioned in this report, as well as company specific disclosures, please write to: Phillip Research Sdn Bhd, B-18-6, Block B Level 18, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Malaysia.

The information, opinions and estimates herein are not directed at, or intended for distribution to or use by, any person or entity in any jurisdiction where doing so would be contrary to law or regulation or which would subject PRSB and/or its associate companies to any additional registration or licensing requirement within such jurisdiction. The information and statistical data herein have been obtained from sources we believe to be reliable. Such information has not been independently verified and we make no representation or warranty as to its accuracy, completeness or correctness. Any opinions or estimates herein reflect the judgment of PRSB at the date of this publication/communication and are subject to change at any time without notice. Where any part of the information, opinions or estimates contained herein reflects the views and opinions of a sales person (include but not limited to Financial Planners and Marketing Representative or a non-analyst), such views and opinions may not correspond to the published view of PRSB. This is not a solicitation or any offer to buy or sell. This publication/communication is for information purposes only and does not constitute any recommendation, representation, warranty or guarantee of performance. Any price target given in the report may be projected from one or more valuation models and hence any price target may be subject to the inherent risk of the selected model as well as other external risk factors. This is not intended to provide professional, investment or any other type of advice or recommendation and does not take into account the particular investment objectives, financial situation or needs of individual recipients. Before acting on any information in this publication/communication, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice, including tax advice. PRSB, and PGOLI do not accept any responsibility and cannot be held liable for any person's use of, or reliance on the information and opinions contained herein. To the extent permitted by applicable securities laws and regulations, PRSB accepts no liability whatsoever for any direct or consequential loss arising from the use of this publication/communication or its contents. Where the publication does not contain ratings, the material should not be construed as research but is offered as factual commentary. It is not intended to, nor should it be used to form an investment opinion about the non-rated companies.

Subject to any applicable laws and regulations at any given time, PRSB, PGOLI and their respective affiliates or companies or individuals connected with PRSB may have used the information contained herein before publication and may have positions in, may from time to time purchase or sell or have a material interest in any of the securities mentioned or related securities, or may currently or in future have or have had a business or financial relationship with, or may provide or have provided investment banking, capital markets and/or other services to, the entities referred to herein, their advisors and/or any other connected parties. As a result, investors should be aware that PRSB, PGOLI and/or their respective affiliates or companies or such individuals may have one or more conflicts of interest. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to research reports. Details of the disclosable interest can be found in certain reports as required by the relevant rules and regulation. Disclosures therein include the position of PRSB and PGOLI only. Unless specified otherwise, PRSB did not receive any compensation or other benefits from the subject company covered in this publication/communication.

The analysts/contributors to this publication/communication may be employed by any relevant PGOLI entity, which is different from the entity that distributes the publication/communication in the respective jurisdictions.

PRSB, PGOLI and/or its officers, directors and employees, may, to the extent permitted by applicable law and/or regulation, deal as principal, agent, or otherwise, or have long or short positions in, or buy or sell, the securities, commodities or instruments, or options or other derivative instruments based thereon, of issuers or securities mentioned herein. PGOLI may also act as market maker or liquidity provider (within the meaning of applicable regulations in the UK) in the financial instruments of the issuer. Where the activity of market maker is carried out in accordance with the definition given to it by specific laws and regulations of the US or other jurisdictions, this will be separately disclosed within the specific issuer disclosures.

Investors should not consider this report as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. PRSB produces a number of different types of research product including, among others, fundamental analysis and quantitative analysis; recommendations contained in one type of research product may differ from recommendations contained in other types of research product, whether as a result of differing time horizons, methodologies or otherwise. PRSB and PGOLI publishes research product in a number of different ways including the posting of product on the PGOLI portals and/or distribution directly to clients. Different groups of clients may receive different products and services from the research department depending on their individual requirements.

Figures presented herein may refer to past performance or simulations based on past performance which are not reliable indicators of future performance. Where the information contains an indication of future performance, such forecasts may not be a reliable indicator of future performance. Moreover, simulations are based on models and simplifying assumptions which may oversimplify and not reflect the future distribution of returns. Any figure, strategy or index created and published for illustrative purposes within this report is not intended for “use” as a “benchmark”.

Certain securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment.

With respect to Fixed Income Research: Recommendations fall into two categories: tactical, which typically last up to three months; or strategic, which typically last from 6-12 months. However, trade recommendations may be reviewed at any time as circumstances change. ‘Stop loss’ levels for trades are also provided; which, if hit, closes the trade recommendation automatically. Prices and yields shown in recommendations are taken at the time of submission for publication and are based on either indicative Bloomberg, Reuters or PGOLI prices or yields at that time. The prices and yields shown are not necessarily those at which the trade recommendation can be implemented.

The securities described herein may not have been registered under the US Securities Act of 1933 (the ‘1933 Act’), and, in such case, may not be offered or sold in the US or to US persons unless they have been registered under the 1933 Act, or except in compliance with an exemption from the registration requirements of the 1933 Act. Unless governing law permits otherwise, any transaction should be executed via PhillipCapital Group entity in your home jurisdiction.