



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

| 27th September 2022 |

All market data as at previous trading day

Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,413.04	-11.94	-9.86
FBM Emas	10,093.70	-103.68	-10.74
FBM Syariah	10,151.96	-86.24	-17.22
FBM Small Cap	13,938.26	-270.12	-11.56
FBM ACE	4,661.12	-105.51	-27.39
F4G BM	818.27	-8.30	-7.05
F4G BMS	837.72	-6.50	-14.74

Funds Flows

Net Buy (MYR'm)

Local Institutions	224.1
Local Retails	-15.3
Foreign	-208.7

Foreign

Dow Jones	29,260.81	-329.6	-19.48
S&P 500	3,655.04	-38.19	-23.31
Nasdaq	10,802.92	-65	-30.95
FTSE	7,020.95	2.35	-4.92
Hang Seng	17,855.14	-78.13	-23.69
Nikkei	26,431.55	-722.28	-8.20
Shanghai CI	3,051.23	-37.14	-16.17
Strait Times	3,181.97	-45.13	1.87

Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.6010	0.0235	10.47
GBP / MYR	4.9477	-0.1677	-12.13
JPY100 / MYR	3.1988	-0.0052	-11.61
EUR/MYR	4.4561	-0.0083	-5.47
SGD / MYR	3.2095	-0.0045	4.03
CNY / MYR	0.6432	0.0001	-1.76
AUD / MYR	3.0003	-0.0131	-0.87

Bond Yield Movements

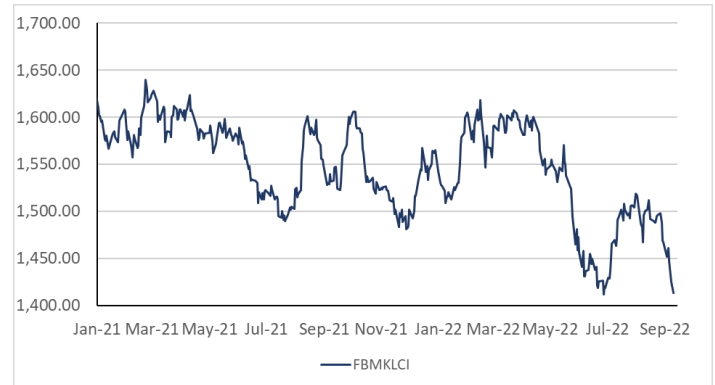
		Yield	Daily Change (bps)
MGS	3- year	3.74	8
	10- year	4.34	7
GII	3- year	3.76	-1
	10- year	4.38	0
UST	2- year	4.27	7
	10- year	3.88	19

Commodities

	Last	Daily chg	Daily chg %
CPO (3 rd month)	3,541.00	-195	-5.22
Brent (1 st month)	83.94	-2.95	-3.40
Gold (spot)	1,622.53	-21.62	-1.31

Source: Treasury.gov, Bursa and BNM

FBMKLCI and statistics



Source: Bloomberg

Market Turnover

Vol (m shrs)	2,120
Value (MYR m)	1,848

Top 5 Value

	Last	Daily chg %	Value (MYR m)
PBBANK	4.280	-1.38	185.544
CIMB	5.300	-1.67	98.965
PCHEM	8.320	-0.36	88.457
MAYBANK	8.590	-1.15	69.603
PMETAL	3.990	-0.50	55.741

Top 5 Gainers

	Last	Daily chg %	Value (MYR m)
VSOLAR	0.010	100.00	0.009
FINTEC	0.010	100.00	0.006
PHB	0.010	100.00	0.004
SCOMIES	0.035	40.00	0.029
FAST	0.030	20.00	0.082

Top 5 Losers

	Last	Daily chg %	Value (MYR m)
TAWIN-PA	0.020	-60.00	0.000
NEXGRAM	0.005	-50.00	0.007
EAH	0.005	-50.00	0.002
MNC	0.010	-33.33	0.027
MLAB	0.010	-33.33	0.023

Top 5 DBT

	Value (MYR m)	Volume (m shares)	Price (MYR)
FIAMMA	225.000	150.000	1.01
BORNOIL	1.215	55.000	0.025
HONGSENG	20.000	50.000	0.365
SAPNRG	2.000	50.000	0.04
CAELY	8.058	32.233	0.29

Market Pulse

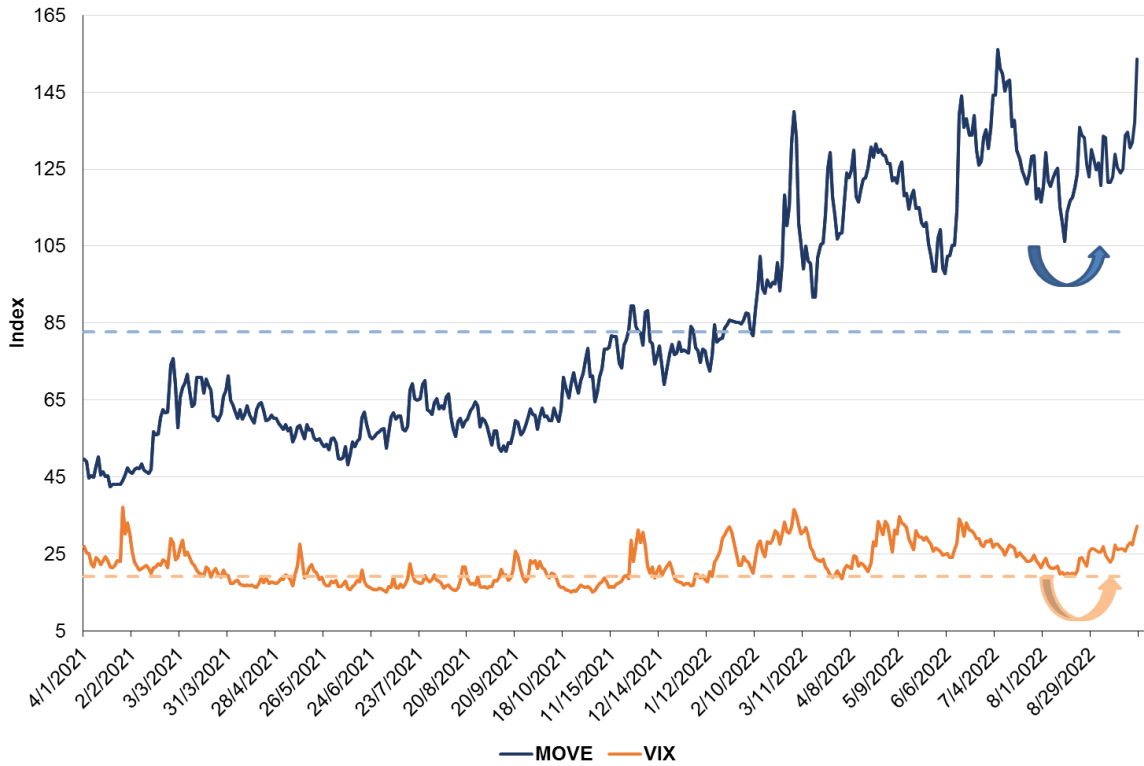


Source: Chart created using tradingview.com's tools, PRSB

The FBMKLCI extended the losses, closing at 1,413.04 pts with -11.94 pts (-0.84%) compared to the previous day's session. It was a sea of red with KLCI saw 21 losers of its 30 constituents. Only a mere 6 gainers with 3 remained unchanged yesterday. The worst losers of the day were Kuala Lumpur Kepong Bhd and Maxis Bhd shredding 5.36% and 2.50%, respectively.

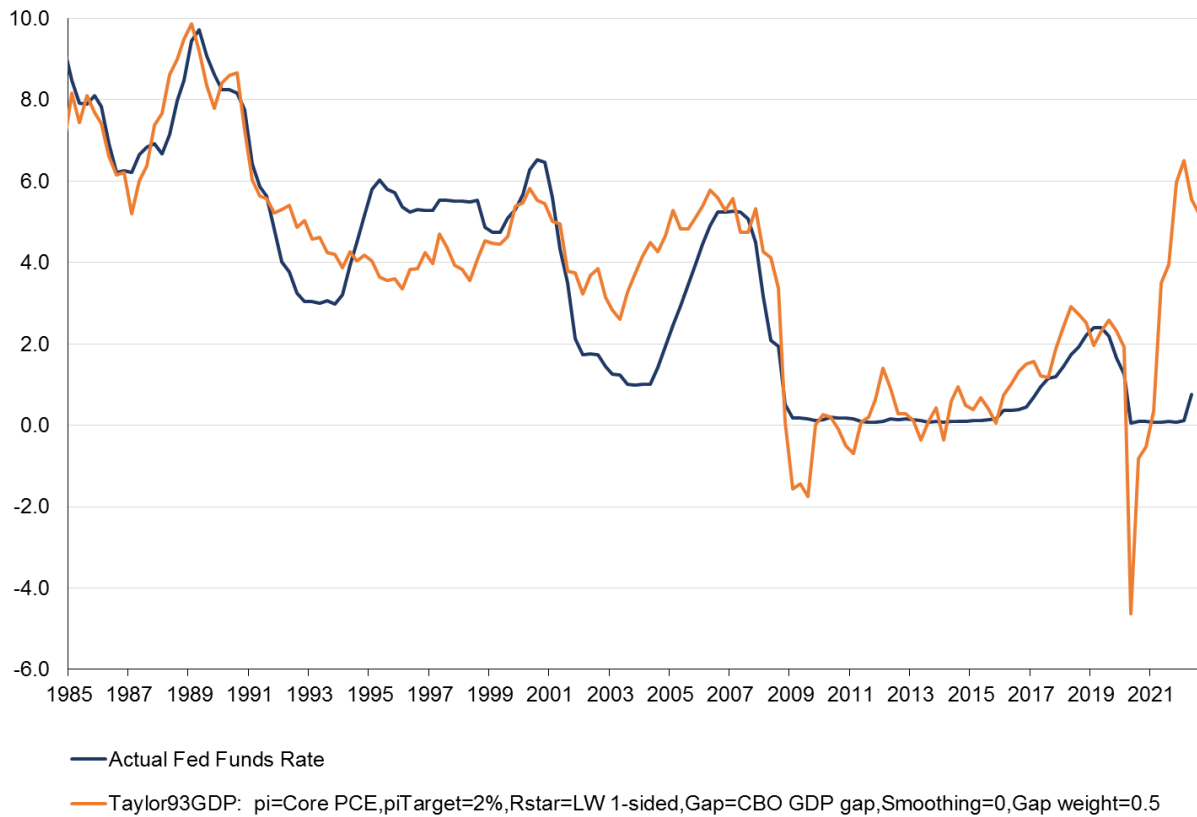
The instability in US equity markets has worsened since last week's FOMC (Exhibit 1) and this "pandemic" has spread across the world. It is primarily because there is no consensus view on the Fed's terminal rate (Exhibit 2) as indicated in Taylor's rule, which theoretically is 5.3%. The Taylor rule is an equation for the federal funds rate based on the values of inflation and economic slack such as the output gap or unemployment gap.

Exhibit 1: MOVE and VIX Indices



Source: Bloomberg, compiled by PRSB

Exhibit 2: Actual FF Rate vs Taylor Rule Forecast



Source: Fed, compiled by PRSB

In fact, guiding policy rates to 4.75% (225bp higher than the neutral rate) is unprecedented, and thus near impossible to predict how much the economy will slow. It should be noted that policy rates and economic activity do not have a linear relationship such as that predicated in Taylor’s Rule, but rather,

economic activity tends to be surprisingly resilient to rate hikes until a certain absolute threshold has been reached (a level that is hard to predict in advance), but once this level has been surpassed, conditions worsen in a clear shift. We believe that the 3m-10yr US yield curve (Exhibit 3) to invert as the market prices in rate hikes at the November FOMC, and around this time, economic sentiment could shift sharply downward, so that as a result, the market's inflation expectations and Fed rate hike forecasts reach their peaks.

Exhibit 3: 10yr-3m Yield Spread



Source: Fed, compiled by PRSB

Today's market sentiment will be weak and volatile, and thus we anticipate the Index to decline today as confirmed by the downtick of the Momentum oscillator. Technically, the Index may test the immediate support at 1,408.83 pts and may fall lower to 1,388.80 pts. We set the resistance level at 1,434.30 pts. Exhibit 4 shows our current picks.

Exhibit 4: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
Fundamental					
Bermaz Auto	BAUTO MK	Buy	1.84	2.45	33.15
Guan Chong	GUAN MK	Outperform	2.31	2.78	20.35
Technical					
Telekom	T MK	Outperform	5.60	6.28	12.14
QL Resources	QLG MK	Outperform	5.01	5.77	15.17
CB Industrial Product Holding	CB MK	Buy	1.24	1.76	41.94
Opcom Holdings	OHB MK	Buy	0.800	1.24	55.00
KSL Holdings	KSL MK	Buy	0.780	0.96	23.08
Gamuda	GAM MK	Outperform	3.96	4.30	8.59
Chin Well Holdings	CWH MK	Outperform	1.64	2.00	21.95
Supercomnet Technologies	SCT MK	Outperform	1.62	1.73	6.79
Kelington Group	KGRB MK	Buy	1.35	1.71	26.67
Pentamaster Corporation	PENT MK	Buy	4.09	5.26	28.61
AME Elite Consortium	AME MK	Buy	1.45	2.03	40.00
Formosa Prosonic Industries	FOR MK	Buy	2.97	3.92	31.99
Kerjaya Prospek Group	KPG MK	Outperform	1.15	1.39	20.87
MMS Ventures	MMSV MK	Buy	0.720	1.20	66.67
Dialog Group	DLG MK	Buy	2.15	2.95	37.21
FM Global Logistics Holdings	FMH MK	Buy	0.600	0.82	36.67
Solarvest Holdings	SOLAR MK	Buy	0.76	1.12	47.37
Hibiscus Petroleum	HIBI MK	Buy	0.86	1.32	53.49
OSK Holdings	OSK MK	Buy	0.88	1.12	27.27
Malakoff Corporation	MLK MK	Buy	0.66	0.86	30.30
UWC	UWC MK	Buy	3.89	5.03	29.31
Dayang Enterprise	DEHB MK	Buy	1.08	1.44	33.33
Deleum	DLUM MK	Outperform	0.71	0.84	18.31
CTOS Digital	CTOS MK	Buy	1.34	1.78	32.84
Ancom Nylex	ANC MK	Buy	0.97	1.24	27.84
BP Plastics Holdings	BPP MK	Buy	1.42	1.80	26.76
CCK Consolidated Holdings	CCK MK	Outperform	0.60	0.71	18.33
ETF					
MyETF Dow Jones U.S. Titans 50	METFUS50 MK	Buy	USD 1.77	USD 1.93	9.18
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.81	0.92	14.11
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.64	1.80	9.73
Principal FTSE China 50 ETF	CIMBC25 MK	Buy	1.23	1.39	13.29
TradePlus DWA Malaysia Momentum Trac	MOMETF MK	Sell	0.91	0.86	-5.96
TradePlus HSCEI Daily (-1x) Inverse Track	HSCEI1XI MK	Sell	2.55	2.18	-14.34
TradePlus HSCEI Daily (2x) Leveraged Tra	HSCEI2XL MK	Strong Buy	0.52	0.85	63.13
TradePlus NYSE FANG+ Daily (-1x) Invers	FANG1XI MK	Buy	1.77	1.86	5.08
TradePlus NYSE FANG+ Daily (2x) Levera	FANG2XL MK	Sell	5.95	5.49	-7.73
TradePlus Shariah Gold Tracker	GOLDETF MK	Sell	2.40	2.17	-9.58

Source: Bloomberg, PRSB, compiled by PRSB

Malaysian news highlights

- **Malaysia bags RM67.05 mil sales from trade mission to Manila — Matrade.**
Malaysia bagged RM67.05 million worth of export sales from its Export Acceleration Mission (EAM) to Manila, the Philippines from Aug 22 to 26. The EAM was organised by Malaysia External Trade Development Corp (Matrade) together with the Ministry of Entrepreneur and Cooperatives Development and SME Bank. In a statement on Monday (Sept 26), Matrade said more than 140 business meetings had been arranged between 12 Malaysian companies with potential partners from the Philippines. (Source: [TheEdgeMarkets](#))
- **China, Malaysia economic and trade cooperation reach new highs.**
Economic and trade cooperation between China and Malaysia have hit new highs, with bilateral trade volume for the first eight months of this year reaching US\$131.2 billion (RM603.9 billion). China's Ambassador to Malaysia Ouyang Yujing said this constituted an increase of 21.2% year-on-year. Speaking at China's 73rd National Day celebration on Monday, he said that of the RM87.4 billion foreign direct investment (FDI) approved by Malaysia in the first half of this year, China's share amounted to RM48.6 billion or 55.6% of the total FDI. (Source: [TheEdgeMarkets](#))

Global news highlights

- **US Would Trade Reserve Oil for Profit, Invest in EVs Under Democrats' Bill.**
The measure would give the Energy Department the power to purchase oil for the economic reserve when prices dip below \$60 a barrel and sell when prices climb above \$90. Proceeds would be steered to electric vehicle initiatives and a new technical assistance program designed to increase crude throughput at foreign allies' refineries. (Source: [Bloomberg](#))
- **Fed's Collins Says Further Tightening Needed to Cool Inflation.**
Federal Reserve Bank of Boston President Susan Collins, in her first public speech since taking office, said additional tightening is needed to rein in stubbornly high inflation and cautioned the process will require some job losses. (Source: [Bloomberg](#))
- **Consumer Debt Hits Record for Most Americans, Except the Wealthy.**
Consumer debt, including credit cards, rose to an all-time high for the 118 million US households among the bottom 90%, according to the Federal Reserve's latest data on the distribution of household wealth. The group's debt soared by \$300 billion over the last year -- the largest annual gain on record -- as households deal with higher prices for everything from food to clothing and rents. (Source: [Bloomberg](#))
- **EU to Discuss Feasibility of Gas Price Caps Before Energy Talks.**
The European Union's executive arm plans to discuss the feasibility of imposing a price cap on natural gas in a document to be presented to member states Wednesday, postponing the publication of a broader action plan on how to deal with soaring costs of the fuel. (Source: [Bloomberg](#))
- **BOE's Limited Options as Pound Caught in Crisis of Confidence.**
With the UK having gone from an economy with a massive inflation problem to one facing a huge crisis of confidence, policy makers face a narrow set of options to dig themselves out of the morass they are in. (Source: [Bloomberg](#))
- **RBNZ's Tightening Cycle Is 'Well Advanced,' Governor Orr Says.**
New Zealand's central bank still has some work to do to tame inflation but the bulk of the heavy lifting is behind it, Governor Adrian Orr said. The Reserve Bank has "a little bit more to do before we can drop to our normal happy place, which is to watch, worry and wait for signs of inflation up or down," he said. (Source: [Bloomberg](#))

- **Yuan Plunge Nears 14-Year Low Inviting Aggressive PBOC Pushback.**
Traders are embracing more pushback from China's central bank as the yuan approaches the lowest level in 14 years. The yuan has lost about 4% over the past month, trading within 1% from 7.2 per dollar, a level it hasn't reached since 2008. The People's Bank of China has already stepped up its currency defense, but it did little to stop the depreciation. (Source: [Bloomberg](#))
- **Weaker Demand for Chinese Goods Spells End of Shipping Boom.**
While the value of Chinese exports was still rising through August, it's expected to continue to slow down. That's a symptom of multiple headwinds hitting developed and developing economies alike, from soaring inflation and a surging dollar to central bank interest-rate hikes and trade disruptions blamed on Russia's war in Ukraine. (Source: [Bloomberg](#))
- **Bank India Used for Iran Payments Plans Rupee Trade With Russia.**
India's state-run UCO Bank will soon open a special rupee account with Russia's Gazprombank to facilitate growing trade between the two countries, a top official said. The bank has received the necessary approval from the regulator-- the Reserve Bank of India -- to open a special rupee vostro account, Soma Sankara Prasad, managing director and chief executive officer at UCO Bank, told Bloomberg News in a phone interview. (Source: [Bloomberg](#))

Corporate news

- **Pharmaniaga launches EVs to deliver medicine.**
Pharmaniaga Bhd, through its wholly owned subsidiary Pharmaniaga Logistics Sdn Bhd (PLSB), has launched the use of electric vehicles (EVs) for the delivery of medicine in several areas around the Klang Valley. The launch ceremony was officiated by Chief of Defence Force Gen Tan Sri Affendi Buang in conjunction with the 50th anniversary celebration of the Armed Forces Fund Board at the Air Base on Monday, with the delivery of medicine to health clinics and government hospitals via two EVs scheduled to begin in October. (Source: [TheEdgeMarkets](#))
- **Sapura Energy 2Q loss narrows amid sustained activities, progress in claims and settlements.**
Sapura Energy Bhd's net loss narrowed by 99.8% to RM2.59 million for the second quarter ended July 31, 2022 (2QFY23) from RM1.52 billion a year ago, thanks to progress in its claims and settlements coupled with higher rig utilisation and construction project completions. Loss per share declined to 0.02 sen in 2QFY23 from 9.5 sen last year, Sapura Energy said in its results filing. (Source: [TheEdgeMarkets](#))
- **Omesti bags RM20 mil mobile services contract from TM.**
Omesti Bhd has bagged a one-year contract from Telekom Malaysia Bhd (TM) relating to mobile services valued at RM20 million. In a Bursa Malaysia filing on Monday (Sept 26), Omesti said it accepted a letter of award (LOA) on Sept 23 from TM. (Source: [TheEdgeMarkets](#))
- **CTOS raises stake in RAM to 57.7% via purchase of MUFG Bank's 2.1% stake.**
CTOS Digital Bhd further raised its equity interest in RAM Holdings Bhd to 57.68% after buying out MUFG Bank (Malaysia) Bhd's 2.1% stake in the credit reporting firm for RM5.99 million. The increase in CTOS's stake in RAM "will allow both companies to leverage each company's expertise in credit assessment, data and analytics to further extend their product offering and value proposition to their existing customer base", CTOS said in a bourse filing. The acquisition will be fully funded by bank financing, the group said. (Source: [TheEdgeMarkets](#))

- **Perak Transit signs 20-year deal with TNB, GSPARX to source solar energy.**
Public transportation terminals operator Perak Transit Bhd has entered into 20-year agreements with Tenaga Nasional Bhd (TNB) and GSPARX Sdn Bhd to source solar energy. Under the deal, GSPARX will install solar photovoltaic (PV) energy generating systems with a total installed capacity of 422kWp at Perak Transit's Terminal Meru Raya in Ipoh, Kampar Putra Sentral in Kampar, and at three petrol stations. Perak Transit, which also provides public bus services, said its subsidiaries — namely CKS Bumi Sdn Bhd, CKS Labur Sdn Bhd, Star Kensington Sdn Bhd and The Combined Bus Services Sdn Bhd — will make payments based on monthly billings issued by TNB, the group said in a bourse filing. (Source: [TheEdgeMarkets](#))
- **Bursa Malaysia adds climate change reporting to sustainability reporting framework for companies on Main, ACE Markets.**
Bursa Malaysia Securities Bhd has enhanced sustainability reporting requirements in the listing requirements on the Main Market and ACE Market to elevate the sustainability practices and disclosures of listed issuers. In a statement on Monday (Sept 26), the exchange holding company said this will propel listed issuers to adopt international best practices, as there have been recent significant developments in the sustainability landscape, particularly on the climate change front. (Source: [TheEdgeMarkets](#))

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.