



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

| 30th September 2022 |

All market data as at previous trading day

Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,397.50	-4.39	-10.85
FBM Emas	9,981.44	-28.01	-11.74
FBM Syariah	10,041.85	-31.92	-18.11
FBM Small Cap	13,689.60	-73.58	-13.14
FBM ACE	4,660.05	4.15	-27.41
F4G BM	808.28	-2.93	-8.18
F4G BMS	828.39	-3.03	-15.69
Funds Flows			
		Net Buy (MYR'm)	
Local Institutions		126.9	
Local Retails		22.6	
Foreign		-149.5	
<i>Foreign</i>			
Dow Jones	29,225.61	-458.13	-19.57
S&P 500	3,640.47	-78.57	-23.62
Nasdaq	10,737.51	-314.13	-31.37
FTSE	6,881.59	-123.8	-6.81
Hang Seng	17,165.87	-85.01	-26.63
Nikkei	26,422.05	248.07	-8.23
Shanghai CI	3,041.20	-3.86	-16.45
Strait Times	3,115.08	-1.23	-0.28

Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.6475	0.0210	11.58
GBP / MYR	5.0181	0.0724	-10.88
JPY100 / MYR	3.2104	0.0134	-11.29
EUR/MYR	4.4916	0.0703	-4.72
SGD / MYR	3.2213	0.0254	4.41
CNY / MYR	0.6457	0.0074	-1.37
AUD / MYR	2.9988	0.0436	-0.92

Bond Yield Movements

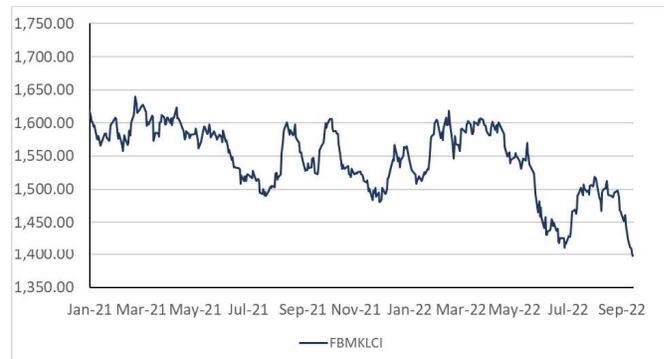
		Yield	Daily Change (bps)
MGS	3- year	3.77	-5
	10- year	4.43	1
GII	3- year	3.77	-4
	10- year	4.53	-8
UST	2- year	4.16	9
	10- year	3.76	4

Commodities

	Last	Daily chg	Daily chg %
CPO (3 rd month)	3,342.00	116	3.60
Brent (1 st month)	88.86	-0.41	-0.46
Gold (spot)	1,662.24	2.80	0.17

Source: Treasury.gov, Bursa and BNM

FBMKLCI and statistics



Source: Bloomberg

Market Turnover

Vol (m shrs)	2,277
Value (MYR m)	1,860

Top 5 Value

	Last	Daily chg %	Value (MYR m)
PBBANK	4.200	-1.41	139.458
PCHEM	8.390	0.24	103.621
MAYBANK	8.560	0.00	93.488
CIMB	5.150	0.78	83.802
TOPGLOV	0.585	-0.85	81.069

Top 5 Gainers

	Last	Daily chg %	Value (MYR m)
CAP	0.010	100.00	0.125
VSOLAR	0.010	100.00	0.023
KGROUP	0.010	100.00	0.007
PHB	0.010	100.00	0.000
COMPUT	0.015	50.00	0.002

Top 5 Losers

	Last	Daily chg %	Value (MYR m)
GOCEAN	0.010	-33.33	0.003
DOLPHIN	0.015	-25.00	0.002
SERBADK	0.020	-20.00	0.176
SANICHI	0.020	-20.00	0.010
TRIVE	0.040	-20.00	0.005

Top 5 DBT

	Value (MYR m)	Volume (m shares)	Price (MYR)
BJCORP	9.998	46.500	0.235
TWL	1.500	30.000	0.05
TM	109.600	20.000	5.57
WIDAD	4.995	18.500	0.36
PBBANK	41.900	10.000	4.2

Market Pulse



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

The KLCI broke the psychological line, closing at 1,397.50 as it lost 4.39 pts (-0.31%) amidst global recession growing concerns. Losers overtaken gainers by 14 to 13 whilst 3 remained unchanged with Tenaga Nasional Bhd (-4.07%) and Hartalega (-3.66%) taking the lead as the worst performers of the day. Similarly, the broad market shared the same negative sentiment with 499 losers overtaking 343 gainers for the day while 412 remain unchanged.

Over to the U.S. market, despite jobless claims data decreasing by 16k to 193k (Consensus: 215k) in the week ended September 24, after downward revision in the prior week and higher mortgage rate at 6.7% would drag housing prices, a slew of negative news overwhelmed the market sentiment. The latest update to 2Q GDP figures confirmed that the U.S. economy shrank at an annualized clip of 0.6% in the 2Q kicked off the market session albeit this news came in a bit shocking but still somewhat within our expectation. Since the September FOMC meeting, we are of the view that the U.S. economy would be in recession by 1Q23, while we believe that the policymakers were reluctant to forecast a recession as they may believe there is a longer lag between monetary policy action and economic activity.

Aside from that, Bank of America’s analyst downgrade on Apple sent selling pressure on the tech giant. The analyst cited concerns that the iPhone14 stronger mix of Pro models would not be able to offset declines in revenue or profits if overall unit sales fall, coupled with the incremental risk of deceleration for the company’s services business and concerns on weakness in iPad and Mac business. Nevertheless, according to FactSet, analysts, on the whole, remain overwhelmingly bullish on Apple with 32 out of 41 analysts have Buy ratings while 6 have Hold ratings, and the remaining 3 have sell ratings.

Meta also joined the negative news bandwagon last night when it mentions as part of its effort to reduce budgets in the wake of declining digital ads, Meta is looking to layoffs workers. Earlier, companies like Amazon and FedEx have made similar announcements that they would layoffs workers. We are of the view that this indicates shifting back to normalization of the pre-Covid situation.

Hence on the local front, in the wake of a series of overnight negative news from the U.S. for the local market to digest, we do not think that easing Malaysia's PPI would provide enough cushion for the market. We believe today's market sentiment will remain weak and volatile on top of concerns that the Budget 2023 may need to be retabled if Parliament is dissolved prior to Bill approval. Technically, we anticipate the KLCI to close in red today. Since KLCI has broken the psychological line of 1,400.00 pts, it may rebound to test the psychological line again, but we think the selling pressure would persist today where KLCI may fall further to 0.618 Fibonacci level (1,394.28 pts). We set the support level at 1,378.37 pts. Exhibit 1 shows our current picks.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
Fundamental					
Bermaz Auto	BAUTO MK	Buy	1.88	2.45	30.32
Guan Chong	GUAN MK	Outperform	2.22	2.78	25.23
Technical					
Telekom	T MK	Outperform	5.57	6.28	12.75
QL Resources	QLG MK	Outperform	5.03	5.77	14.71
Opcom Holdings	OHB MK	Buy	0.800	1.24	55.00
KSL Holdings	KSL MK	Buy	0.775	0.96	23.87
Gamuda	GAM MK	Outperform	3.85	4.30	11.69
Chin Well Holdings	CWH MK	Outperform	1.64	2.00	21.95
Supercomnet Technologies	SCT MK	Outperform	1.66	1.73	4.22
Kelington Group	KGRB MK	Buy	1.33	1.71	28.57
Pentamaster Corporation	PENT MK	Buy	4.04	5.26	30.20
AME Elite Consortium	AME MK	Buy	1.44	2.03	40.97
Formosa Prosonic Industries	FOR MK	Buy	2.98	3.92	31.54
Kerjaya Prospek Group	KPG MK	Outperform	1.14	1.39	21.93
MMS Ventures	MMSV MK	Buy	0.685	1.20	75.18
Dialog Group	DLG MK	Buy	2.02	2.95	46.04
FM Global Logistics Holdings	FMH MK	Buy	0.530	0.82	54.72
Solarvest Holdings	SOLAR MK	Buy	0.74	1.12	51.35
Hibiscus Petroleum	HIBI MK	Buy	0.84	1.32	57.14
OSK Holdings	OSK MK	Buy	0.88	1.12	28.00
Malakoff Corporation	MLK MK	Buy	0.62	0.86	38.71
UWC	UWC MK	Buy	3.89	5.03	29.31
Dayang Enterprise	DEHB MK	Buy	1.11	1.44	29.73
Deleum	DLUM MK	Outperform	0.71	0.84	18.31
CTOS Digital	CTOS MK	Buy	1.29	1.78	37.98
Ancom Nylex	ANC MK	Buy	0.96	1.24	29.84
BP Plastics Holdings	BPP MK	Buy	1.38	1.80	30.43
CCK Consolidated Holdings	CCK MK	Outperform	0.63	0.71	13.60
Globetronics Bhd	GTB MK	Outperform	1.16	1.40	20.69
Inari Amertron Bhd	INRI MK	Outperform	2.55	3.11	21.76
Vitrox Corp Bhd	VITRO BHD	Buy	7.24	7.88	8.77
ETF					

MyETF Dow Jones U.S. Titans 50	METFUS50 MK	Buy	USD 1.67	USD 1.93	15.72
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.81	0.92	14.11
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.62	1.80	11.09
Principal FTSE China 50 ETF	CIMBC25 MK	Buy	1.26	1.39	10.60
TradePlus HSCEI Daily (2x) Leveraged Tracker	HSCEI2XL MK	Strong Buy	0.51	0.85	67.33
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Buy	1.77	1.86	5.08

Source: Bursa, Bloomberg, PRSB, price as of 29th September 2022

Malaysian news highlights

- **Don't 'rush' to pass Control of Tobacco Product and Smoking Bill 2022 in current parliamentary session, say cigarette manufacturers d.**

The Confederation of Malaysian Tobacco Manufacturers (CMTM) has described the expected move to re-table the Control of Tobacco Product and Smoking Bill 2022 in the coming session of Parliament, which starts next Monday (Oct 3), as an "undue rush". "The fundamental issues in the Bill should not be brushed aside, in favour of rushing to pass it in the upcoming parliamentary session. Stakeholder consensus is critical to ensure that the Bill is constitutional, implementable, enforceable and will achieve its intended health outcomes without unintended consequences," CMTM said in a statement. (Source: [TheEdgeMarkets](#))

Global news highlights

- **Key Gauge of US Economic Activity Paints Picture of Weakness.**

Inflation-adjusted gross domestic income -- one of the government's main measures of economic activity -- rose at just a 0.1% annualized rate in the second quarter, Commerce Department figures showed Thursday. That represents a sharp downward revision from the previously reported 1.4% gain. The average of real gross domestic product and GDI, an equally weighted supplemental measure of economic activity, decreased 0.3% in the second quarter after falling 0.4% in the first. Those figures stand in contrast to the previously reported positive readings for both quarters. (Source: [Bloomberg](#))

- **US Jobless Claims Fall Unexpectedly to Lowest Since Late April.**

Initial unemployment claims decreased by 16,000 to 193,000 in the week ended Sept. 24, after downward revision in the prior week, Labor Department data showed Thursday. The median estimate in a Bloomberg survey of economists called for 215,000 new applications. (Source: [Bloomberg](#))

- **Recession or Not, Consumer Fear May Disrupt 2022 Holiday Shopping.**

Data provided by market research firm NPD Group shows 29% of US consumers are considering a tighter spending budget this holiday season, due to increased negativity about the economy and personal finances. (Source: [Bloomberg](#))

- **US Mortgage Rates Jump to 6.7%, Hitting Highest Level Since 2007.**

The average for a 30-year, fixed loan was 6.7%, up from 6.29% last week, Freddie Mac said in a statement Thursday. Rates tracked a surge in 10-year Treasury yields, which approached 4% earlier this week. Historically low mortgage rates fueled the pandemic housing rally, but borrowing costs have more than doubled since starting the year near 3%. The rapid jump has undermined buying power for house hunters and dragged down real estate prices as the Federal Reserve tries to tackle inflation. (Source: [Bloomberg](#))

- **German Inflation Hits Double Digits for First Time in Euro Era.**

German inflation reached double digits for the first time since the euro was introduced more than 20 years ago, surging more than anticipated after temporary government-relief measures ended and Europe's energy crisis worsened. Consumer prices jumped 10.9% from a year ago in September, topping August's 8.8% advance, the Federal Statistics Office said Thursday. That's more than the 10.2% economists in a Bloomberg survey had estimated. (Source: [Bloomberg](#))

- **China Allows Some Cities to Lower First Home Mortgage Rates.**

Until the end of this year, qualified cities can maintain, lower or remove the minimum interest rate on a first home loan, according to the statement from the central bank and banking regulator late on Thursday evening Beijing time. The new rates can be negotiated between banks and their customers, the statement said. (Source: [Bloomberg](#))

- Indonesia to cut dollar reliance with rupiah near two-year low.**
 Bank Indonesia seeks to reduce the country's reliance on the US dollar, with plans to allow domestic transactions of non-deliverable forwards in other currencies and to strike more agreements on local-currency settlement. The central bank could offer non-US dollar-denominated domestic NDFs next year, Edi Susianto, executive director for monetary management, said in interview on Thursday. The monetary authority is also seeking local-currency settlement deals with South Korea and Australia, while pushing to conclude talks for an agreement with China, its largest trading partner. (Source: [TheEdgeMarkets](#))
- Indonesia's Parliament Approves 2023 Budget Amid Price Pressure.**
 Indonesian lawmakers gave the official nod to the 2023 state budget that seeks to shrink the deficit to less than 3% of gross domestic product despite rising threat of inflation. Parliament passed the budget into law in a plenary meeting on Thursday, endorsing a record spending of 3.06 quadrillion rupiah (\$200 billion) next year to sustain growth set at 5.3%. Budget shortfall is set to narrow to 2.84% of GDP, lower than a projected 3.9% this year. (Source: [Bloomberg](#))

Corporate news

- KNM bags RM26 mil job from PetGas in Terengganu.**
 KNM Group Bhd has bagged an engineering, procurement, construction and commissioning (EPCC) contract worth RM25.69 million from Petronas Gas Bhd (PetGas). The job involves "packed bed modification for special scheme inspection" at PetGas' Santong gas processing plant in Dungun, Terengganu. In a bourse filing, KNM said the contract awarded to its wholly owned subsidiary KNM Process Systems Sdn Bhd is for two years. (Source: [TheEdgeMarkets](#))
- MISC-owned AET signs MOU with Thai national energy company to build zero-emission oil tankers.**
 AET, the Singapore-based maritime transport operator wholly owned by MISC Bhd, has signed a memorandum of understanding (MOU) with Thailand's national energy company PTT for the construction of two Aframax oil tankers that will be powered by green ammonia. "AET will select a suitable shipyard and the two zero-emission dual-fuel tankers are to be delivered to PTT for long-term charters in [the fourth quarter of 2025] and [the first quarter of 2026]," the two companies said in a joint statement. "This MOU sets another clear signal of PTT's and AET's commitment to reducing greenhouse gas (GHG) emissions from international shipping as energy efficiency improvements alone will not be sufficient." (Source: [TheEdgeMarkets](#))
- Berjaya Corp's JV firm plans RM1 bil bond sale — MARC.**
 Chailease Berjaya Credit Sdn Bhd (CBC), a joint venture (JV) between Taiwan-based Chailease Holding Co Ltd (CHC) and Berjaya Corp Bhd (BCorp), is planning a RM1 billion bond sale as CBC expands its financing operations for new motorcycles, Malaysian Rating Corp Bhd (MARC) said on Thursday (Sept 29). "[MARC] has assigned a preliminary rating of AA-(cg) on CBC's proposed RM1 billion medium-term notes (MTN) programme. The rating outlook is stable. The programme carries an unconditional and irrevocable guarantee from CBC's ultimate holding company CHC," MARC analysts wrote in a note. (Source: [TheEdgeMarkets](#))

Scientex Packaging Berhad 4QFY2022 Result update.

- Scientex's quarterly revenue jumped the highest on record in 4QFY22, breaching the MYR1 billion mark and higher than 14.5% YoY but PATMI, on the other, fell by 12.4% YoY, totaling MYR125 million compared to MYR142.7 million in the corresponding quarter. The topline robust result was underpinned by higher ASPs and higher demand in both domestic and export sales for its packaging division. The Group's performance compared to the previous quarter saw its revenue and PATMI higher by 11.8% and 41.5% QoQ, respectively.
- The full-year revenue has climbed by 9% YoY to MYR3.99 billion, but the higher raw materials prices and freight charges, affecting both the consumer packaging and property segment much more prevalent in 1HFY22, bringing the PATMI down by 10.4% YoY to MYR409.9 million. This resulted in the operating profit margin declining to 14.1% from 16.4% in FY21. Overall, the bottom line was in line with the consensus earnings estimates.
- Against improving raw material prices since July 2022, (resin prices declined about 33% to USD1,000/tonne), thus the management expects plastic profitability margin to hover at about 8-10% level while property division about 28-30% margin.

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.