



# 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> November 2022 |

All market data as at previous trading day

### Market indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBM KLCI	1,476.96	-9.58	-5.78
FBM Emas	10,544.51	-32.28	-6.76
FBM Syariah	10,662.57	-25.05	-13.05
FBM Small Cap	14,910.86	108.77	-5.39
FBM ACE	5,196.72	5.08	-19.05
F4G BM	855.61	-3.41	-2.80
F4G BMS	884.83	-3.19	-9.95

Funds Flows	Net Buy (MYR'm)
Local Institutions	-10.7
Local Retails	21.4
Foreign	-10.7

<i>Foreign</i>			
Dow Jones	33,852.53	3.07	-6.84
S&P 500	3,957.63	-6.31	-16.96
Nasdaq	10,983.78	-65.72	-29.79
FTSE	7,512.00	37.98	1.73
Hang Seng	18,204.68	906.74	-22.19
Nikkei	28,027.84	-134.99	-2.65
Shanghai CI	3,149.75	71.2	-13.46
Strait Times	3,276.36	36.30	4.89

### Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.5080	0.0325	8.24
GBP / MYR	5.4326	0.0128	-3.52
JPY100 / MYR	3.2644	0.0409	-9.79
EUR/MYR	4.6807	0.0159	-0.71
SGD / MYR	3.2860	0.0266	6.51
CNY / MYR	0.6291	0.0045	-3.91
AUD / MYR	3.0384	0.0183	0.39

### Bond Yield Movements

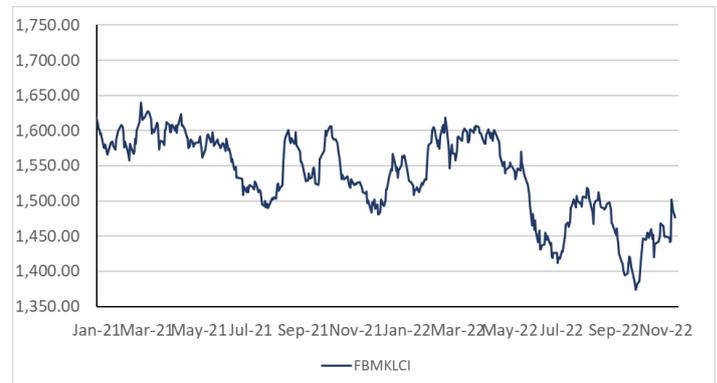
		Yield	Daily Change (bps)
<b>MGS</b>	3- year	3.81	-1
	10- year	4.13	3
<b>GII</b>	3- year	3.95	5
	10- year	4.22	-2
<b>UST</b>	2- year	4.48	2
	10- year	3.75	6

### Commodities

	Last	Daily chg	Daily chg %
CPO (3 <sup>rd</sup> month)	4,219.00	79	1.91
Brent (1 <sup>st</sup> month)	83.70	1.12	1.36
Gold (spot)	1,749.30	7.91	0.45

Source: Treasury.gov, Bursa and BNM

### FBMKLCI and statistics



Source: Bloomberg

### Market Turnover

Vol (m shrs)	3,396
Value (MYR m)	2,472

Top 5 Value	Last	Daily chg %	Value (MYR m)
CIMB	5.820	0.34	182.648
TENAGA	9.020	2.73	122.835
MAYBANK	8.700	0.35	120.033
PBBANK	4.410	-2.43	115.735
PCHEM	8.520	-6.17	99.341

Top 5 Gainers	Last	Daily chg %	Value (MYR m)
PHB	0.010	100.00	0.016
RALCO	0.940	46.88	0.255
MINETEC-PA	0.020	33.33	0.005
ZENTECH	0.045	28.57	1.234
KSSC	0.895	26.95	4.163

Top 5 Losers	Last	Daily chg %	Value (MYR m)
EAH	0.010	-33.33	0.004
JERASIA	0.020	-33.33	0.003
ALAM	0.015	-25.00	0.036
GOCEAN	0.015	-25.00	0.011
FOCUS	0.020	-20.00	0.094

Top 5 DBT	Value (MYR m)	Volume (m shares)	Price (MYR)
WIDAD	13.743	38.400	0.415
CIMB	12.222	2.100	5.82
CHINHIN	10.700	3.625	3.24
KAREX	8.595	15.000	0.565
HEXTECH	6.960	0.600	13.2

## Market Pulse



Source: Chart created using [tradingview.com](https://tradingview.com)'s tools, PRSB

The KLCI lost more than 9.58 points or 0.64% in the day's session to close at 1,476.96, where we reckoned investors do some profit-taking activities due to domestic unrest in China. The KLCI constituents saw 13 gainers and 15 losers with the remaining 2 unchanged. The top gainers were led by Tenaga Nasional and Axiata, which gained 2.73% and 1.98%, respectively, while losers of the day were Petronas Chemical and Top Glove shed 6.17% and 3.85%, respectively. However, the broader market ended with positive sentiment as gainers led losers 564 to 409, while 358 counters were unchanged.

The U.S. market continued its downbeat as investors continue to gauge the chances that Beijing may ease its ZCS policies which provoked widespread protests over the weekend while weighing downbeat data on U.S. consumer confidence, the housing market, and hawkish Fed Official comments. China's National Health Commission said it would ramp up Covid vaccinations for the elderly, a move that is seen as allowing the government would eventually relax Covid restrictions. Looking ahead, investors would shift their attention to Jerome Powell's speech, who will speak at the Brookings Institution about the outlook for the economy tonight while keeping an eye on inflation data that is set to be released on Thursday and labour data on Friday. Consensus expects the Personal Consumption Expenditure index to show prices rising 0.4% in October, compared to the 0.3% increase from September.

As Malaysia is not spared from the weak global market sentiment, although technically KLCI still clearly traded within the uptrend channel, we expect KLCI to close in indecision today and trade within the 0.382 and 0.500 Fibonacci levels of 1,467.74 and 1496.90. Our picks are in Exhibit 1.

Exhibit 1: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
<b>Fundamental</b>					
Bermaz Auto	BAUTO MK	Buy	1.92	2.45	27.60
Guan Chong	GUAN MK	Outperform	2.38	2.78	16.81
<b>Technical</b>					
QL Resources	QLG MK	Outperform	5.53	5.77	4.34
Opcom Holdings	OHB MK	Buy	0.780	1.24	58.97
Gamuda	GAM MK	Outperform	3.84	4.30	11.98
Pentamaster Corporation	PENT MK	Buy	4.30	5.26	22.33
Formosa Prosonic Industries	FOR MK	Buy	3.33	3.92	17.72
Kerjaya Prospek Group	KPG MK	Outperform	1.13	1.39	23.01
MMS Ventures	MMSV MK	Buy	0.640	1.20	87.50
FM Global Logistics Holdings	FMH MK	Buy	0.575	0.82	42.61
Hibiscus Petroleum	HIBI MK	Buy	1.06	1.32	24.53
OSK Holdings	OSK MK	Buy	0.93	1.12	20.43
UWC	UWC MK	Buy	4.06	5.03	23.89
Dayang Enterprise	DEHB MK	Buy	1.34	1.44	7.46
CTOS Digital	CTOS MK	Buy	1.40	1.78	27.14
Ancom Nylex	ANC MK	Buy	0.94	1.24	32.62
CCK Consolidated Holdings	CCK MK	Outperform	0.69	0.71	3.65
Vitrox Corp Bhd	VITRO BHD	Buy	7.26	7.88	8.47
Pecca Group Bhd	PECCA MK	Buy	0.84	1.16	38.32
Nova Wellness Group Bhd	NOVA MK	Outperform	0.89	1.07	19.66
Mega First Corp	MFCB MK	Outperform	3.36	3.63	7.89
Malton Bhd	MALT MK	Buy	0.42	0.44	6.02
MyEG Services Bhd	MYEG MK	Outperform	0.88	0.94	6.82
<b>ETF</b>					
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.81	0.92	13.41
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.68	1.80	7.12
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Strong Buy	1.80	2.44	35.82

*Duopharma Biotech was removed as it hits our target price.*

*Source: Bursa, Bloomberg, PRSB, price as of 29<sup>th</sup> November 2022*

## Malaysian news highlights

---

- **Certification key for smallholders as demand for sustainable palm oil surges — RSPO.**  
Roundtable on Sustainable Palm Oil (RSPO) certification adoption is still very low in Malaysia, at less than 1% or the equivalent of 1,700 smallholder oil palm farmers certified to date. Speaking to the press at the RSPO Annual Roundtable Conference on Sustainable Palm Oil (RT2022), themed Scaling Up the Sustainable Palm Oil Value Chain Through Collective Action, on Tuesday (Nov 29), the organisation's chief executive officer Joseph D'Cruz said that while big and mid-cap plantation companies have adopted RSPO standards, challenges still persist when it comes to onboarding smallholders due to structural issues such as costs, skill and legal requirements, which remain a barrier to meeting certification standards. (Source: [TheEdgeMarkets](#))
- **Malaysia stands out among Asean peers in developing sustainable financing, says World Bank economist.**  
Malaysia stands out when it comes to developing sustainable financing compared to other Asean countries, said World Bank senior economist (finance competitiveness and innovation) Tatiana Didier. "Malaysia is spearheading change among the Asean-5 economies (including Indonesia, the Philippines, Thailand and Vietnam), and among some of the other peer countries that are relatively similar in terms of economic development. "When it comes to developing sustainable finance, a lot of the building blocks are out there. I think Malaysia should be showcased to the rest of the world," she told reporters after the Global Green Finance Leadership Program themed "Scaling-Up Sustainable Finance in Southeast Asia" on Tuesday (Nov 29). (Source: [TheEdgeMarkets](#))
- **Any attempt to withdraw from CPTPP would have grave opportunity costs, shake investor confidence, says FMM.**  
Any attempt by Malaysia to withdraw from the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which entered into force on Tuesday (Nov 29), would have grave opportunity costs and shake up investor confidence in the country. Malaysia submitted its instrument of ratification for the CPTPP to the depository in New Zealand on Sept 30. (Source: [TheEdgeMarkets](#))

## Global news highlights

---

- **Deep Discounts Lure Record Number of Holiday Weekend Shoppers.**  
Retailers discounted generously on Black Friday and Cyber Monday this year in an effort to clear excess inventory and lure consumers who are increasingly strained by inflation. Those efforts drove foot traffic up: about 123 million customers shopped between Thanksgiving Day and Cyber Monday, a 17% increase from a year ago, the NRF said Tuesday. (Source: [Bloomberg](#))
- **Young Workers Are First to Feel the Impact of US Jobs Slowdown.**  
Since the Fed began raising interest rates early this year, there's been a drop in employment-to-population ratios for Americans in the 20-24 age group who aren't enrolled in school, according to analysis by William Rodgers, director of the St. Louis Fed's Institute for Economic Equity. (Source: [Bloomberg](#))
- **Confidence Among US Consumers Declines to a Four-Month Low.**  
The Conference Board's index decreased to 100.2 this month from a revised 102.2 reading in October, data out Tuesday showed. The median forecast in a Bloomberg survey of economists called for a drop to 100. (Source: [Bloomberg](#))
- **German Inflation Eases, Boosting Calls for Slower ECB Hikes.**  
Germany followed Spain and Belgium in reporting slower inflation, offering ammunition to those who want the European Central Bank to ease the pace of interest-rate increases. Consumer prices in Europe's largest economy rose 11.3% from a year earlier in November, down from October's 11.6% jump, the statistics office said Tuesday, citing factors including energy costs for the deceleration. Analysts surveyed by Bloomberg had expected an advance of 11.3%. (Source: [Bloomberg](#))

- **UK Mortgage Approvals Lowest Since June 2020 in House Market Warning.**  
UK mortgage approvals fell to the lowest since the early stage of the pandemic as rising interest rates dampened demand for property. Banks and building societies authorized 58,997 home loans in October, the fewest since June 2020 and down from 65,967 in September, according to data released on Tuesday by the Bank of England. The drop was larger than economists expected. (Source: [Bloomberg](#))
- **Chinese City Hosting Key iPhone Plant Lifts Covid Lockdown.**  
As of Nov. 30, Zhengzhou will remove so-called mobility controls -- a euphemism for lockdown -- and replace them with normal Covid-combating measures, according to a post on the local government's official WeChat account. Businesses will be allowed to resume operations in an orderly manner, and people outside of designated high-risk areas can skip Covid tests as long as they don't leave home. (Source: [Bloomberg](#))

## Corporate news

---

- **Padini returns to the black in 1Q, declares 2.5 sen.**  
Padini Holdings Bhd recorded a net profit of RM48.86 million for the first quarter ended Sept 30, 2022 (1QFY2023), versus a net loss of RM16.86 million a year ago, as all its outlets were operating at full capacity. Padini's business was affected by the enforcement of the Full Movement Control Order between June 1 and Aug 18, 2021. The group posted earnings per share of 7.43 sen for the quarter, compared with a loss per share of 2.56 sen previously. (Source: [TheEdgeMarkets](#))
- **Cahaya Mata Sarawak posts sharply higher 3Q net profit.**  
Cahaya Mata Sarawak Bhd's (CMS) net profit for the third quarter ended Sept 30, 2022 (3QFY2022) almost trebled to RM154.36 million, from RM53.88 million a year earlier, helped by the recognition of negative goodwill of RM62.47 million arising from the acquisition of Oiltools group. The higher earnings were also due the reversal of impairment of RM37.69 million on investment and loan to an associate, the group said in a Bursa Malaysia filing. Earnings per share for 3QFY2022 swelled to 14.37 sen from 5.02 sen previously. (Source: [TheEdgeMarkets](#))
- **Higher deferred tax, forex losses drag IHH's 3Q net profit down by 54%.**  
IHH Healthcare Bhd registered a 54.2% drop in its net profit for the third quarter ended Sept 30, 2022 (3QFY2022) to RM251.76 million or 2.78 sen per share from RM550 million or 6.01 sen per share in the previous year's corresponding quarter. This was due to a 7% decrease in earnings before interest, taxes, depreciation and amortisation (Ebitda) during the quarter from the corresponding quarter in 2021, to RM1.02 billion, which led to an 11% decrease in profit after tax and minority interest, before exceptional items, to RM315.4 million. (Source: [TheEdgeMarkets](#))
- **PetDag more than doubles net profit to RM276m in 3Q, declares 20 sen dividend.**  
Petronas Dagangan Bhd (PetDag) more than doubled its net profit for the third quarter ended Sept 30, 2022 (3QFY2022) to RM275.97 million from RM119.31 million in the same period last year mainly due to higher gross profit from all segments in line with increase in volume sold during the quarter. Earnings per share surged to 27.8 sen from 12 sen previously, said the retail arm of Malaysian national oil company Petroliaam Nasional Bhd (Petronas). PetDag declared an interim dividend of 20 sen per ordinary share for the quarter. (Source: [TheEdgeMarkets](#))
- **MYEG's 3Q net profit soars 92.1% with full resumption of e-service centres nationwide.**  
MY EG Services Bhd's (MYEG) posted a net profit of RM150.7 million for the third quarter ended Sept 30, 2022 (3QFY2022), almost doubled the RM78.46 million recorded in the previous year, propelled by the resumption of full operations of its e-service centres nationwide. The group also reported a 3.7% growth year-on-year in revenue to RM162.6 million for 3QFY2022 from RM156.8 million, supported by higher contribution from its foreign worker job matching service as well as the sale of Zetrix tokens from MYEG's new venture in the Zetrix blockchain platform. (Source: [TheEdgeMarkets](#))

- Press Metal's 3Q net profit up 11% on increased sales, boosted by strong US dollar, higher output.**  
 Press Metal Aluminium Holdings Bhd's net profit grew 11% year-on-year for the third quarter ended Sept 30, 2022, thanks to increased sales, which were driven by a stronger US dollar and higher production output. The group said higher contribution from its associated companies engaged in alumina, silicon and carbon anode manufacturing also partially supported the increase in earnings. Net profit for the quarter rose to RM315.80 million from RM283.33 million a year ago, while revenue grew 33% to RM3.84 billion from RM2.89 billion. (Source: [TheEdgeMarkets](#))
- AirAsia X seeks to merge with Capital A's aviation arm AirAsia, confirms The Edge report.**  
 AirAsia X Bhd (AAX) has proposed to acquire Capital A Bhd's aviation arm through AirAsia Bhd (AAB) and AirAsia Aviation Group Ltd (AAAGL), as part of its regularisation strategy to uplift itself from Practice Note 17 (PN17) status. This confirmed The Edge weekly report on Nov 7, quoting sources, that the low-cost carrier AirAsia may merge with its medium-haul affiliate AAX as part of the restructuring of Capital A, which is also a PN17 company. (Source: [TheEdgeMarkets](#))
- MAHB seeking out revenue generation after 3Q net loss eases to RM9m.**  
 Malaysia Airports Holdings Bhd (MAHB) said it is pivoting towards a propensity for growth, besides making concerted efforts in seeking out revenue generation and actively unlocking untapped opportunities to strengthen its financial position. This came after the group posted a lower net loss of RM9.04 million for the third quarter ended Sept 30, 2022 (3QFY2022) from RM182.32 million in the same period last year, driven by an 87.2% year-on-year increase in revenue to RM863.6 million. (Source: [TheEdgeMarkets](#))
- Genting Malaysia confirms unsuccessful bid for Macau gaming concession.**  
 Genting Malaysia Bhd (GenM) on Tuesday (Nov 29) confirmed that its bid was unsuccessful for a new 10-year gaming concession for the operation of casino games of fortune in Macau. "Nonetheless, GenM would like to express its appreciation to the Macau SAR (Special Administrative Region) government for the opportunity to participate in the bid process," the group said in a brief filing with Bursa Malaysia. About two months ago, GenM announced the submission of its bid via its indirect subsidiary GMM SA to the Macau government. (Source: [TheEdgeMarkets](#))
- UEM Edgenta's 3Q net profit nearly halved from impairment loss provision.**  
 UEM Edgenta's net profit for the third quarter ended Sept 30, 2022 (3QFY2022) dropped 49.8% year-on-year to RM4.59 million from RM9.15 million due to a one-off provision of impairment loss on inventories amounting to RM12.76 million. The asset management and infrastructure solutions company added that the cost escalation in its business operations, from the impact of the global supply chain disruption and inflationary pressure, also affected its net profit in 3QFY2022. (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.