

02 October 2019

Banking

BNM Stats. (Aug 19)

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OVERWEIGHT



Loan growth in August was flat at +3.9% YoY; MoM saw a 60bps uptick to +0.6%. While Households were marginally flattish, Business saw another 20bps uptick to +3% YoY. We maintain our view of a pick-up in loans post-budget 2020; at current MoM pace, we anticipate loans growth for 2019 at +5.5% YoY, slightly higher than our previous estimation of ~5%. Our call on the sector remains OVERWEIGHT as valuations are attractive. In fact, most banks under our coverage are rated OUTPERFORM: - AFFIN (TP: RM2.45), ABMB (TP: RM3.45), AMBANK (TP: RM4.75), BIMB (TP: RM4.80), CIMB (TP: RM6.45), MAYBANK (TP: RM9.70), MBSB (TP: RM1.10), PBBANK (TP: RM24.10) and RHBBANK (TP: RM6.05). Only HLBANK (TP: RM17.30) is a MARKET PERFORM.



Flattish, Aug 19 loans were flattish at +3.9% to RM1,755b. On a MoM basis, loans were up by 60bps to +0.6%. While Household loans saw slight downtrend (-20bps to +4.7% YoY, Business picked up by 20bps to +3.1% YoY. The flattish loans can also be attributed to higher pace of disbursements in the system at +1.0% YoY (Jul 19: +1.8%) vs repayment at +0.9% YoY (Jul 19: +4.5% YoY). While business disbursements saw moderation by 110bps to +1.1% YoY, Households continued to be resilient adding another 10bps to +1.0% YoY. On an annualized basis, there was 60bps loans uptick to +2.9%

Up-tick in Business loans growth was driven by demand for *working capital* (+2.1% YoY vs Jul 19: +1.6% YoY) with Households driven by *purchase of residential property* at +7.2% YoY (vs Jul 19: +7.1% YoY). Purchase of *passenger cars* continued to be on a downward trend for the 3rd straight month falling 80bps to -1.6% YoY.

Overall net financing in the system continued to moderate by another 40bps to +4.9% YoY with loans flat at +3.6% YoY but corporate bonds shed 140bps to +8.9% YoY.

Application and approvals weak led by Households. Loan applications in the system were marginally weak, falling 20bps to -0.3% for August dragged by falling applications from Households (-9.7% YoY vs Jul 19: -7.5% YoY) with Business moderating by 110bps to +9.9% YoY. For Business, moderating applications were dragged by *purchase of fixed assets* (-61.9%) and *other purposes* (-42.5%). On the flip side, *construction* saw positive momentum at +32% YoY. Weakness in Households was exacerbated by fall in *purchase of passenger cars* (-24% YoY vs Jul 19: +32% YoY) with *residential property* experiencing a dip (-3.8% YoY) since Dec 18.

Approvals for Aug 19 was still in positive territory but moderated by 9.5ppt to +1.7% YoY as Household approvals fell 3.3% YoY with Business moderating 12.5ppt to +7.3% YoY. The moderation in Business was dragged by fall in approvals for *working capital* (-3% YoY vs Jul 19: +32% YoY) and falling approvals in *purchase of non-residential property* (-21% YoY vs Jul 19: -18% YoY). Household approvals were primarily dragged by falling approvals for *passenger cars* (-29% YoY vs Jul 19: -31% YoY). Approval rate in the system for Aug 19 fell 4.5ppt to 43.5% dragged by moderation in Business approvals (41% vs Jul 19: 50%) while Households showed consistency at 46%.

Excess liquidity remained stable as credit demand moderates. The sombre credit demand saw deposits moderating by 30bps to +4.6% YoY to RM1,972b- but still outpacing loans by 70bps – hence, excess continued to be stable at ~11%. FD growth moderated faster vs CASA (+1.1% YoY vs +5.2 against Jul 19: +1.2% vs +5.3% YoY) indicating that intense deposit competition is tapering – due to: i) credit demand moderating, and ii) NSFR being complied. Loan-to-deposit (LDR) ratio was relatively stable at 89%. Average lending rate was flattish at 4.82% while 3-month deposits saw 2bps uptick to 2.92%.

No major changes in Impaired loans and still looking stable. GIL saw a 1bps uptick MoM in Aug 19 to 1.61% but 1bps lower YoY. NIL (Net Impaired Loans) saw similar trend – 1bps uptick MOM to 1.04% (Aug 18: 1.0%). Business' GIL saw a 1bps uptick in Aug 19 while Households remained flat at 0.57%. Uptick for Business came from deterioration in working capital while the rest remained stable.

Continued dampener in credit demand is a surprise, 2 months into the post-festive season given the current accommodative interest rates which has raised the prospect of another rate cut in later this year. We, however, maintained that pick-up in loans will materialise post-budget, with the resilient households remaining as the driver with the low interest rate environment boosted by stable asset quality from Household and stable employment, which will spur further approvals from the banks. Households' GIL are stable raising the prospect of banks raising their appetite for further loans from Households. At current pace, MoM, we expect loans growth in the system at 5%-5.5% (vs 2018: +7.1%). Valuations of our banking universe are attractive and undemanding with the exception of HLBANK which is rated OUTPERFORM: - AFFIN (TP: RM2.45), ABMB (TP: RM3.45), AMBANK (TP: RM4.75), BIMB (TP: RM4.80), CIMB (TP: RM6.45), MAYBANK (TP: RM9.70), MBSB (TP: RM1.10), PBBANK (TP: RM24.10) and RHBBANK (TP: RM6.05). HLBANK (TP: RM17.30) is rated as a MARKET PERFORM, as we put a higher discount on concerns over its Chinese associate.

Fig 1: Industry Loan Growth by Breakdown

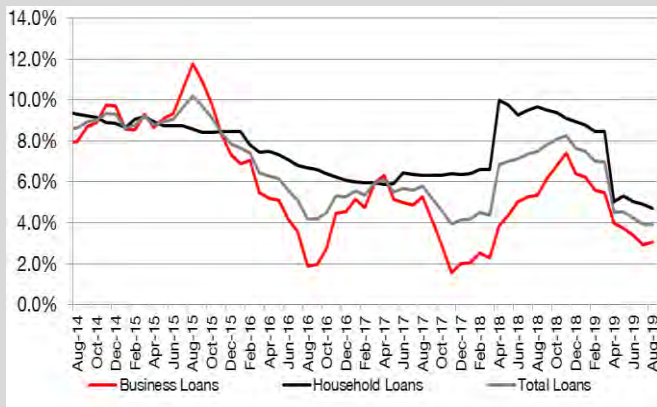
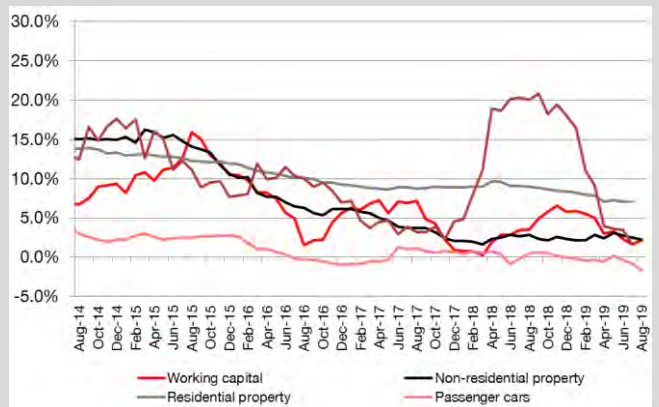


Fig 2: Industry Loans Growth by Economic Purpose



Source: BNM, Kenanga Research

Fig 3: Industry Loan Applications Growth by Breakdown

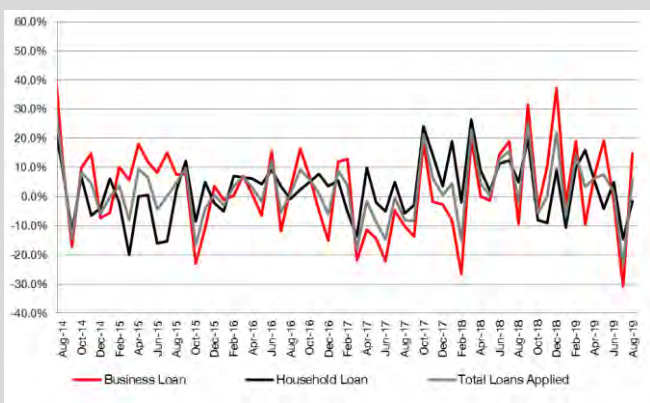
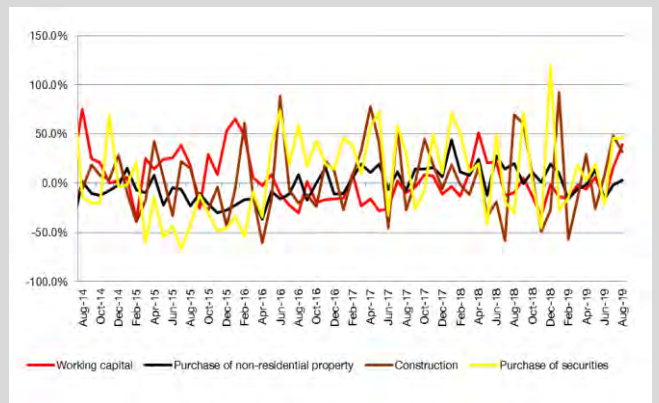


Fig 4: Industry Loan Application Growth by Economic Purpose



Source: BNM, Kenanga Research

Fig 5: Financing Growth

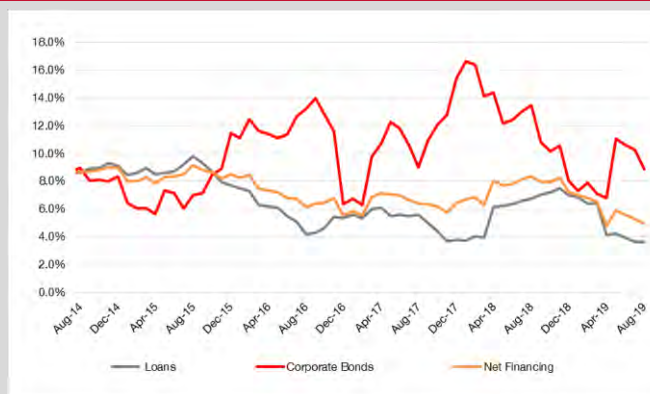
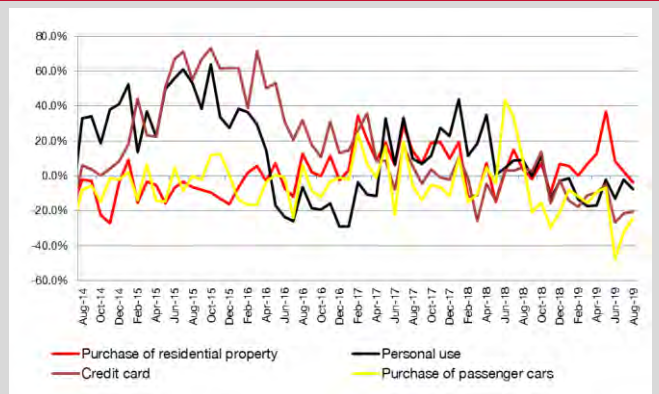


Fig 6: Household Loan Application Growth by Economic Purpose



Source: BNM, Kenanga Research

Fig 7: Business Loan Approved Growth

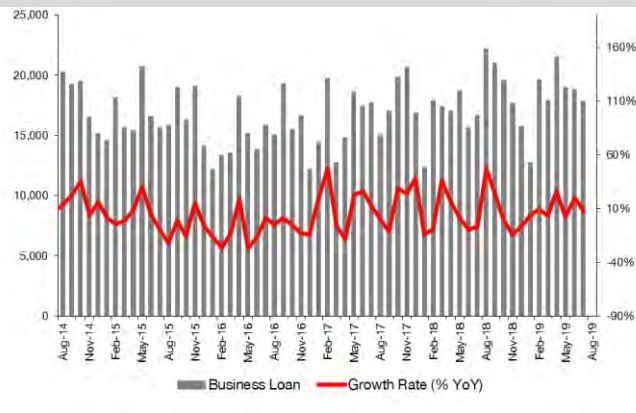
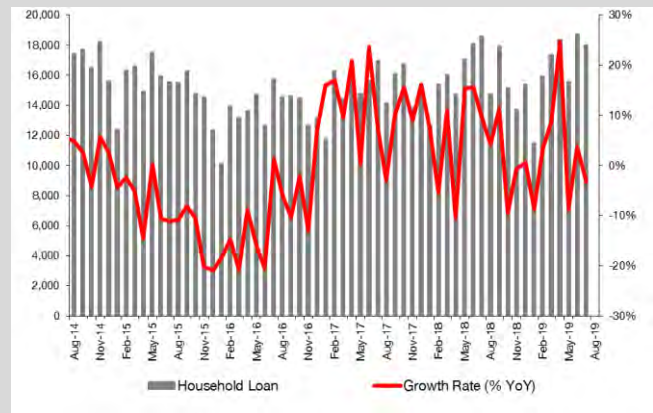


Fig 8: Household Loan Approved Growth



Source: BNM, Kenanga Research

Fig 7: Business Loan Approved Growth

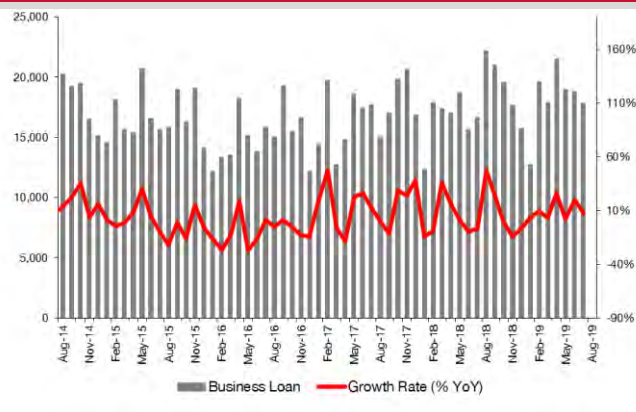
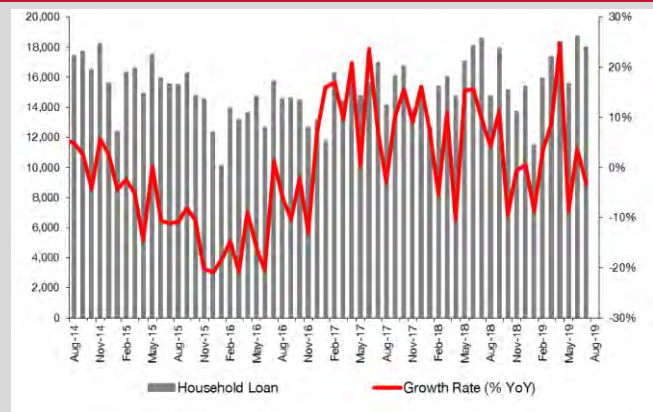


Fig 8: Household Loan Approved Growth



Source: BNM, Kenanga Research

Fig 9: Business Loans Approved by Breakdown

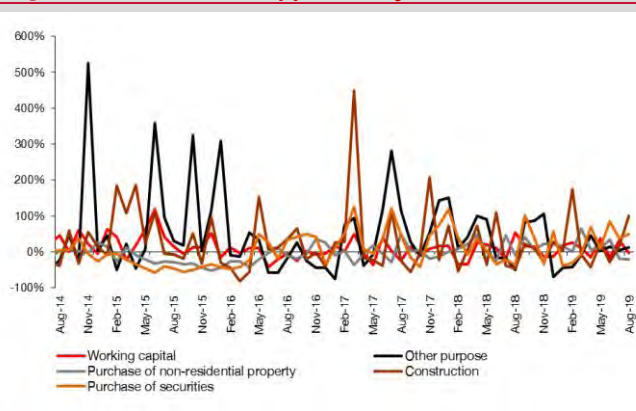
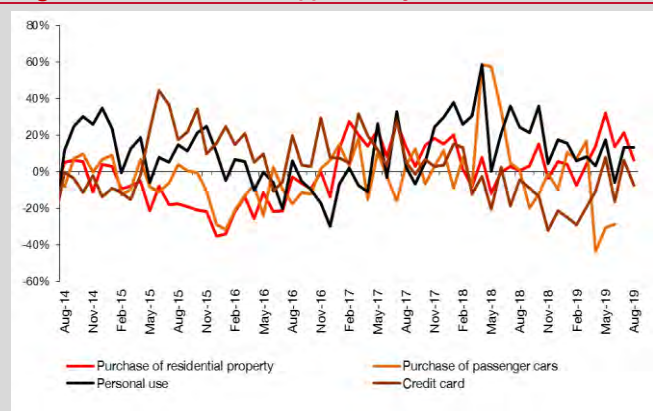


Fig 10: Household Loans Approved by Breakdown



Source: BNM, Kenanga Research

Fig 11: Impaired loans ratio breakdown

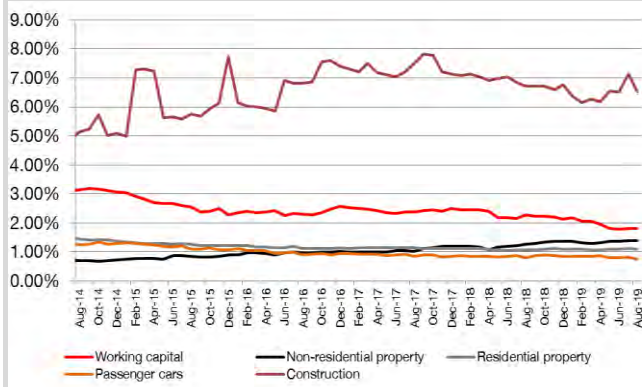
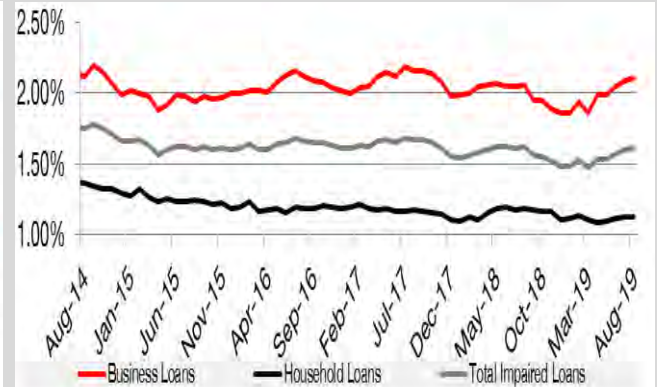


Fig 12: Gross non-performing impaired loans ratio



Source: BNM, Kenanga Research

Fig 16: Industry Deposits

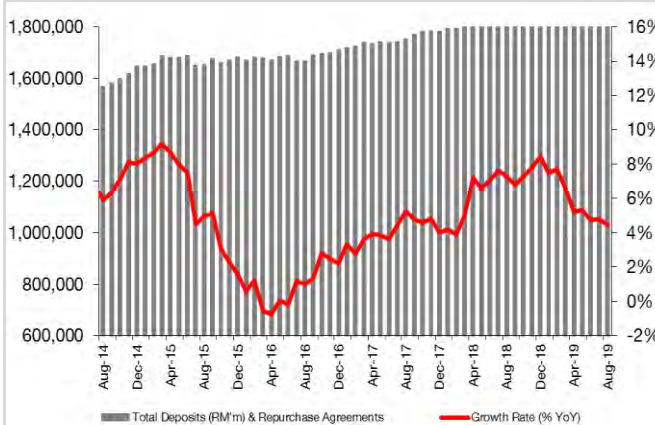
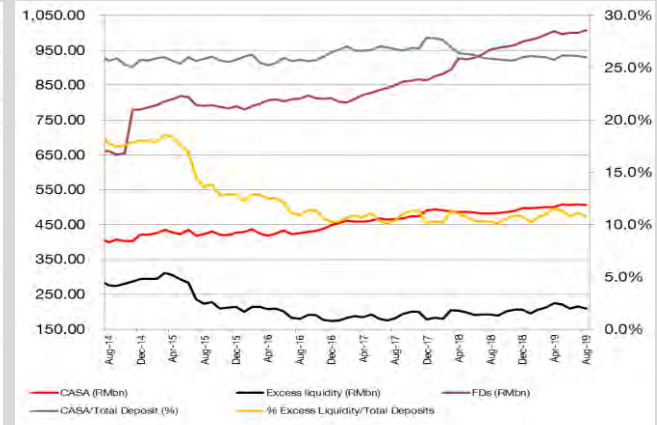


Fig 19: Liquidity in the System



Source: BNM, Kenanga Research

Table 1: Breakdown of Industry Loans

RM'm	Aug-19	Jul-19	% MoM	Aug-18	% YoY	Dec-18	% Ytd
Working capital	392,918.9	389,303.6	0.9%	384,763.3	2.1%	393,308.6	-0.1%
Purchase of fixed assets other than land and building	12,226.1	12,133.9	0.8%	10,288.6	18.8%	10,448.4	17.0%
Purchase of securities	83,238.5	82,616.2	0.8%	79,001.6	5.4%	80,424.8	3.5%
Purchase of transport vehicles	8,900.0	8,864.4	0.4%	8,935.4	-0.4%	8,947.5	-0.5%
Other purpose	79,088.8	77,980.6	1.4%	74,091.2	6.7%	80,346.8	-1.6%
Purchase of non-residential property	222,557.1	222,352.5	0.1%	217,748.2	2.2%	218,415.6	1.9%
Construction	56,612.3	56,338.3	0.5%	55,264.1	2.4%	56,319.1	0.5%
Business Loan	855,541.8	849,589.5	0.7%	830,092.5	3.1%	848,211.0	0.9%
Purchase of residential property	588,759.8	585,166.5	0.6%	549,449.4	7.2%	562,983.8	4.6%
Purchase of passenger cars	159,264.3	159,341.2	0.0%	161,925.4	-1.6%	160,107.1	-0.5%
Personal use	95,851.5	95,381.3	0.5%	94,136.1	1.8%	95,471.1	0.4%
Credit card	39,489.4	39,209.9	0.7%	38,003.1	3.9%	38,867.9	1.6%
Purchase of consumer durables	94.3	95.5	-1.2%	117.1	-19.5%	107.8	-12.5%
Household Loan	883,459.3	879,194.3	0.5%	843,631.1	4.7%	857,537.7	3.0%
Total Loans Outstanding	1,739,001	1,728,784	0.6%	1,673,724	3.9%	1,705,749	1.9%

Source: BNM



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Table 2: Breakdown of Industry Loan Applications

RM'm	Aug-19	Jul-19	% MoM	Aug-18	% YoY	Dec-18	% Ytd
Working capital	19,745.6	16,709.9	18.2%	14,226.3	38.8%	124,433.5	123,635.9
Purchase of fixed assets other than land and building	651.4	1,143.7	-43.0%	1,710.3	-61.9%	7,552.2	9,747.1
Purchase of securities	3,882.6	3,702.1	4.9%	2,649.2	46.6%	29,176.8	28,793.0
Purchase of transport vehicles	554.6	286.6	93.5%	419.5	32.2%	2,403.4	2,228.9
Other purpose	4,546.0	3,675.1	23.7%	7,900.6	-42.5%	35,513.2	36,821.7
Purchase of non-residential property	9,159.7	8,627.3	6.2%	8,885.4	3.1%	64,984.8	66,107.2
Construction	4,787.8	3,210.2	49.1%	3,615.6	32.4%	26,967.4	25,025.4
Business Loan	43,327.7	37,354.9	16.0%	39,406.9	9.9%	291,031.3	292,359.3
Purchase of residential property	23,496.2	25,071.6	-6.3%	24,412.2	-3.8%	175,539.8	162,078.9
Purchase of passenger cars	5,511.9	5,919.9	-6.9%	7,286.2	-24.4%	45,420.8	57,502.7
Personal use	6,152.5	6,194.2	-0.7%	6,669.4	-7.8%	43,964.3	48,445.9
Credit card	3,767.0	3,593.7	4.8%	4,736.6	-20.5%	26,899.9	32,028.2
Purchase of consumer durables	0.0	0.0	0.0%	0.0	-50.0%	0.5	5.9
Household Loan	38,927.6	40,779.4	-4.5%	43,104.4	-9.7%	291,825.4	300,061.7
Total Loans Applied	82,255.3	78,134.3	5.3%	82,511.4	-0.3%	582,856.7	592,420.9

Source: BNM

Table 3: Breakdown of Industry Loan Approvals

RM'm	Aug-19	Jul-19	% MoM	Aug-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	8,125.6	7,956.5	2.1%	8,350.4	-2.7%	60,711.7	56,292.2	7.9%
Purchase of fixed assets other than land and building	713.9	1,455.7	-51.0%	369.0	93.5%	5,517.5	3,885.2	42.0%
Purchase of securities	2,339.9	2,284.3	2.4%	1,556.1	50.4%	20,203.7	18,312.5	10.3%
Purchase of transport vehicles	187.7	157.3	19.4%	204.2	-8.1%	1,488.5	1,224.0	21.6%
Other purpose	1,865.1	2,280.6	-18.2%	1,661.2	12.3%	18,452.7	19,400.4	-4.9%
Purchase of non-residential property	2,806.1	2,864.2	-2.0%	3,567.3	-21.3%	24,348.6	22,310.9	9.1%
Construction	1,776.4	1,786.3	-0.5%	888.5	99.9%	12,207.6	10,945.2	11.5%
Business Loan	17,814.8	18,784.9	-5.2%	16,596.7	7.3%	142,930.3	132,370.4	8.0%
Purchase of residential property	10,492.0	11,118.8	-5.6%	9,854.6	6.5%	75,547.5	67,717.7	11.6%
Purchase of passenger cars	3,507.7	3,745.1	-6.3%	4,911.3	-28.6%	28,541.3	33,057.4	-13.7%
Personal use	2,410.1	2,324.1	3.7%	2,124.7	13.4%	15,734.4	14,433.4	9.0%
Credit card	1,571.1	1,539.0	2.1%	1,701.8	-7.7%	10,967.3	12,485.6	-12.2%
Purchase of consumer durables	0.0	0.0	0.0%	0.0	-77.3%	0.1	4.7	-98.5%
Household Loan	17,981.0	18,727.0	-4.0%	18,592.4	-3.3%	130,790.6	127,698.7	2.4%
Total Loans Approved	35,795.8	37,511.9	-4.6%	35,189.1	1.7%	273,720.9	260,069.1	5.2%

Source: BNM

Table 4: Breakdown of Industry Loan Approvals Rate

RM'm	Jul-19	Jun-19	Ytd-19	Ytd-18
Working capital	41.2%	47.6%	48.8%	50.2%
Purchase of fixed assets other than land and building	109.6%	127.3%	73.1%	69.6%
Purchase of securities	60.3%	61.7%	69.2%	70.6%
Purchase of transport vehicles	33.8%	54.9%	61.9%	70.4%
Other purpose	41.0%	62.1%	52.0%	53.6%
Purchase of non-residential property	30.6%	33.2%	37.5%	38.6%
Construction	37.1%	55.6%	45.3%	47.0%
Business Loan	41.1%	50.3%	49.1%	50.5%
Purchase of residential property	44.7%	44.3%	43.0%	42.8%
Purchase of passenger cars	63.6%	63.3%	62.8%	62.7%
Personal use	39.2%	37.5%	35.8%	35.2%
Credit card	41.7%	42.8%	40.8%	40.6%
Purchase of consumer durables	100.0%	100.0%	13.0%	12.1%
Household Loan	46.2%	45.9%	44.8%	44.6%
Total Loans Approved Rate	43.5%	48.0%	47.0%	47.5%

Source: BNM

Table 5: Breakdown of Industry Loan Disbursements

RM'm	Aug-19	Jul-19	% MoM	Aug-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	60,316.9	60,809.1	-0.8%	57,701.7	4.5%	469,193.1	459,106.5	2.2%
Purchase of fixed assets other than land and building	348.5	1,428.7	-75.6%	696.2	-49.9%	4,709.7	3,534.1	33.3%
Purchase of securities	2,471.2	3,223.2	-23.3%	2,403.9	2.8%	26,562.7	26,755.5	-0.7%
Purchase of transport vehicles	575.8	542.8	6.1%	426.1	35.1%	4,118.1	3,761.1	9.5%
Other purpose	3,874.8	2,903.4	33.5%	5,603.5	-30.8%	41,554.7	31,110.1	33.6%
Purchase of non-residential property	3,241.9	3,225.3	0.5%	3,438.2	-5.7%	30,882.6	29,309.2	5.4%
Construction	2,911.9	2,696.8	8.0%	2,686.4	8.4%	20,279.7	24,942.6	-18.7%
Business Loan	73,741.0	74,829.4	-1.5%	72,955.9	1.1%	597,300.7	578,519.0	3.2%
Purchase of residential property	7,993.5	7,807.9	2.4%	6,750.6	18.4%	59,735.5	59,454.8	0.5%
Purchase of passenger cars	3,651.5	3,866.7	-5.6%	4,981.6	-26.7%	28,502.9	31,124.9	-8.4%
Personal use	3,216.9	3,184.5	1.0%	3,155.5	1.9%	23,177.8	23,016.8	0.7%
Credit card	12,753.2	12,670.6	0.7%	12,459.9	2.4%	97,389.7	93,467.4	4.2%
Purchase of consumer durables	2.3	2.7	-13.5%	2.7	-14.6%	18.4	22.3	-17.4%
Household Loan	27,617.5	27,532.4	0.3%	27,350.4	1.0%	208,824.4	207,086.2	0.8%
Total Loans Disbursed	101,358.5	102,361.8	-1.0%	100,306.3	1.0%	806,125.1	785,605.2	2.6%

Source: BNM

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Table 6: Breakdown of Total Deposits by Holder

RM'm	Aug-19	Jul-19	% MoM	Aug-18	% YoY	Dec-18	% Ytd
Federal Government	47,976.1	44,647.5	7.5%	30,054.6	59.6%	24,357.4	97.0%
State Government	34,655.3	33,548.3	3.3%	38,334.4	-9.6%	33,307.3	4.0%
Statutory authorities	78,669.7	80,994.4	-2.9%	63,544.1	23.8%	75,310.9	4.5%
Financial institutions	336,753.4	325,266.7	3.5%	327,485.1	2.8%	349,539.4	-3.7%
Business enterprises	624,960.4	633,526.6	-1.4%	625,369.8	-0.1%	652,155.6	-4.2%
Individuals	737,262.1	735,728.6	0.2%	697,773.9	5.7%	706,712.3	4.3%
Others	112,589.4	111,942.3	0.6%	104,373.8	7.9%	103,514.0	8.8%
Total Deposits (& Repurchase) by Holder (RM'm)	1,972,866.4	1,965,654.4	0.4%	1,886,935.6	4.6%	1,944,896.9	1.4%

Source: BNM

Table 7: Breakdown of Total Deposits by Type

RM'm	Aug-19	Jul-19	% MoM	Aug-18	% YoY	Dec-18	% Ytd
Demand deposits	339,600.3	341,525.1	-0.6%	325,980.1	4.2%	339,880.9	-0.1%
Fixed Deposits, Special Investment Deposit and General Investment Deposit	594,161.8	592,514.5	0.3%	587,887.7	1.1%	602,608.6	-1.4%
Saving deposits	167,132.0	165,834.5	0.8%	155,899.0	7.2%	157,386.5	6.2%
Negotiable instruments of deposits	39,237.8	37,708.3	4.1%	43,095.9	-9.0%	45,704.6	-14.1%
Foreign currency deposits	146,048.0	151,423.8	-3.6%	130,802.5	11.7%	142,418.6	2.5%
Other deposits accepted	249,986.0	248,797.6	0.5%	258,719.9	-3.4%	251,651.9	-0.7%
Total Deposit	1,948,849.8	1,944,457.6	0.2%	1,865,676.2	4.5%	1,912,171.5	1.9%
Repurchase agreements	24,016.6	21,196.8	13.3%	21,259.4	13.0%	32,725.4	-26.6%
Total Deposits (RM'm) & Repurchase Agreements	1,972,866.4	1,965,654.4	0.4%	1,886,935.6	4.6%	1,944,896.9	1.4%

Source: BNM

Table 8: Breakdown of Industry Loan Repayments

RM'm	Aug-19	Jul-19	% MoM	Aug-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	57,829.6	63,716.3	-9.2%	56,028.6	3.2%	477,923.1	452,692.9	5.6%
Purchase of fixed assets other than land and building	385.2	499.0	-22.8%	265.9	44.9%	3,338.2	3,183.5	4.9%
Purchase of securities	2,367.4	3,893.4	-39.2%	2,513.7	-5.8%	26,916.5	26,297.8	2.4%
Purchase of transport vehicles	609.2	592.6	2.8%	429.4	41.9%	4,798.0	4,282.7	12.0%
Other purpose	3,207.5	3,982.8	-19.5%	5,104.3	-37.2%	37,942.5	31,670.6	19.8%
Purchase of non-residential property	3,830.2	4,463.0	-14.2%	3,889.0	-1.5%	33,068.3	32,475.6	1.8%
Construction	2,749.9	3,260.7	-15.7%	2,824.7	-2.6%	20,731.6	22,997.1	-9.9%
Business Loan	70,979.0	80,407.8	-11.7%	71,055.5	-0.1%	604,718.1	573,600.3	5.4%
Purchase of residential property	5,953.2	6,134.1	-3.0%	5,834.8	2.0%	47,365.7	46,719.4	1.4%
Purchase of passenger cars	4,075.7	4,188.7	-2.7%	4,046.4	0.7%	32,360.6	32,291.3	0.2%
Personal use	3,152.0	3,136.1	0.5%	2,971.7	6.1%	24,648.1	22,498.3	9.6%
Credit card	12,728.6	13,078.2	-2.7%	12,081.4	5.4%	100,292.2	96,598.4	3.8%
Purchase of consumer durables	3.6	4.1	-9.9%	6.7	-45.7%	28.4	38.0	-25.4%
Household Loan	25,913	26,541	-2.4%	24,941	3.9%	204,695	198,145	3.3%
Total Loans Repaid (RM'm)	96,892	106,949	-9.4%	95,996	0.9%	809,413	771,746	4.9%

Source: BNM

02 October 2019

Table 9: Breakdown of Impaired Loans

RM'm	Aug-19	Jul-19	% MoM	Aug-18	% YoY	Dec-18	% Ytd
Working capital	8,991.6	8,783.5	2.4%	8,392.5	7.1%	7,139.4	25.9%
Purchase of fixed assets other than land and building	317.7	309.2	2.7%	199.7	59.1%	255.2	24.5%
Purchase of securities	228.8	233.2	-1.9%	340.1	-32.7%	282.0	-18.9%
Purchase of transport vehicles	515.5	520.4	-1.0%	386.9	33.2%	350.9	46.9%
Other purpose	1,172.4	1,124.8	4.2%	1,281.9	-8.5%	1,056.8	10.9%
Purchase of non-residential property	3,157.0	3,189.5	-1.0%	2,989.6	5.6%	2,989.9	5.6%
Construction	3,622.9	3,567.4	1.6%	3,522.7	2.8%	3,690.1	-1.8%
Business Loan	18,005.9	17,728.0	1.6%	17,113.3	5.2%	15,764.3	14.2%
Purchase of residential property	6,603.1	6,554.7	0.7%	6,031.4	9.5%	6,185.0	6.8%
Purchase of passenger cars	1,200.8	1,218.2	-1.4%	1,384.4	-13.3%	1,261.2	-4.8%
Personal use	1,765.4	1,727.5	2.2%	2,157.5	-18.2%	1,688.8	4.5%
Credit card	356.9	365.8	-2.4%	379.6	-6.0%	337.9	5.6%
Purchase of consumer durables	1.4	2.3	-38.8%	1.3	11.0%	7.9	-82.3%
Household Loan	9,927.6	9,868.6	0.6%	9,954.2	-0.3%	9,480.7	4.7%
Total Non-Performing Loans	27,933.5	27,596.6	1.2%	27,067.6	3.2%	25,245.0	10.6%

Source: BNM



Peer Comparison

Name	Last Price (RM)	Market Cap (RM'm)	Shariah Compliant	Current FYE	Revenue Growth		Core Earnings Growth		PER (x) - Core Earnings			PBV (x)		ROE (%)	Net Div Yld (%)	Target Price (RM)	Rating
					1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	Hist.	1-Yr. Fwd.	2-Yr. Fwd.	Hist.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.		
BANKING																	
AFFIN BANK BHD	1.98	3,932.3	N	12/2019	4.1%	2.9%	15.0%	15.8%	7.8	6.8	5.8	0.5	0.4	6.5%	2.8%	2.45	OP
ALLIANCE BANK MALAYSIA BHD	2.87	4,443.1	N	03/2020	5.9%	7.2%	-1.5%	10.9%	8.3	8.4	7.6	0.8	0.7	9.0%	5.7%	3.45	OP
AMMB HOLDINGS BHD	4.14	12,478.7	N	03/2020	10.4%	4.5%	-0.4%	2.8%	8.3	8.3	8.1	0.7	0.6	7.8%	4.8%	4.75	OP
BIMB HOLDINGS BHD	3.98	7,021.8	Y	12/2019	10.0%	6.6%	7.6%	13.6%	10.2	9.9	9.1	1.4	1.3	14.0%	4.0%	4.80	OP
CIMB GROUP HOLDINGS BHD	5.05	49,123.5	N	12/2019	4.6%	5.0%	-16.2%	2.6%	8.5	10.4	10.5	0.9	0.8	8.5%	4.5%	6.45	OP
HONG LEONG BANK BERHAD	16.40	35,550.6	N	06/2020	4.1%	5.1%	1.0%	0.5%	12.7	12.6	12.5	1.4	1.3	10.8%	3.0%	17.30	MP
MALAYAN BANKING BHD	8.59	96,563.3	N	12/2019	3.8%	4.3%	-2.2%	4.7%	11.7	12.0	11.4	1.2	1.1	9.7%	6.5%	9.70	OP
MALAYSIA BUILDING SOCIETY	0.83	5,538.6	N	12/2019	-4.2%	4.5%	-17.8%	8.6%	8.2	10.0	9.6	0.7	0.7	6.7%	6.1%	1.10	OP
PUBLIC BANK BERHAD	20.00	77,642.8	N	12/2019	3.9%	5.2%	-0.1%	3.5%	13.8	13.8	13.4	1.9	1.9	13.7%	3.4%	25.20	OP
RHB BANK BHD	5.71	22,897.4	N	12/2019	6.0%	4.8%	3.7%	5.7%	9.9	9.6	9.1	1.0	0.9	9.9%	3.7%	6.05	OP
Simple Average					4.9%	5.0%	-1.1%	6.9%	9.9	10.2	9.7	1.0	1.0	9.7%	4.5%		

Source: Bloomberg, Kenanga Research

Stock Ratings are defined as follows:**Stock Recommendations**

OUTPERFORM	: A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM	: A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM	: A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT	: A particular sector's Expected Total Return is MORE than 10%
NEUTRAL	: A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT	: A particular sector's Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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