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At a Glance

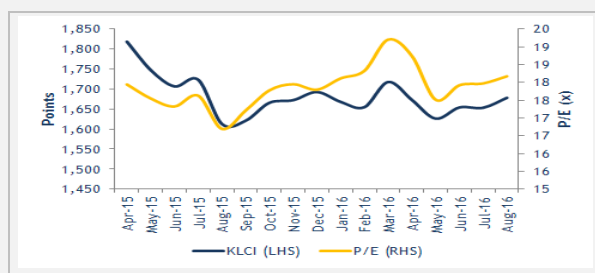
- The FBM KLCI rose 8.29 points to 1,692.22 after the U.S.' Dow Jones Industrial Average breached the 20,000 level for first time, amid crude oil price gains.....(See full report next page)

Corporate Highlights

- Opcom (CP: RM0.605):** Ten million OPCOM Holdings shares traded off-market
- Reach Energy (CP: RM0.64):** Sees 3.63% stake traded off market
- Ekovest (CP: RM2.58):** PM's cousin Haris sells five million shares

Economic Update

- U.S.:** Trade Spat With Japan Offers Lesson as Trump Eyes China
- U.S.:** Wage Disparity Took Another Turn for the Worse Last Year
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Bursa Malaysia

	Close	Change+/-	(+/- %)
FBMKLCI	1,692.22	8.29	0.49
FBMEMAS	11,851.34	68.77	0.58
FBMEMAS SHA	12,326.80	60.14	0.49
FBM100	11,558.76	68.99	0.60
Volume (mn)	1,408.94	106.45	8.17
Value (RMmn)	1,755.23	-54.25	-3.00
FBMKLCI YTD Chg			3.08

Daily Trading Position (RM'mn)

	Participation (%)	Net(RMm)
Institution	66.2	-116.7
Retail	13.0	-56.3
Foreign	20.8	173.0

Top Gainers

	Close	Change+/-	(+/- %)
PETRONAS GAS	20.94	0.64	3.15
BRIT AMER TOBAC	47.00	0.52	1.12
UMW HLDG BHD	5.81	0.39	7.20

Top Losers

	Close	Change+/-	(+/- %)
UNITED PLANTA	27.00	-0.50	-1.82
AJINOMOTO MAL	14.10	-0.18	-1.26
ENG KAH CORP	1.58	-0.14	-8.14

World Indices

	Close	Change+/-	(+/- %)
DJIA	20,100.91	32.40	0.16
NASDAQ	5,655.18	-1.16	-0.02
S&P 500	2,296.68	-1.69	-0.07
FTSE 100	7,161.49	-2.94	-0.04
DAX	11,848.63	42.58	0.36
Nikkei 225	19,402.39	60.20	0.31
HSI	23,374.17	325.05	1.41
KOSPI	2,083.59	16.65	0.81
STI	3,051.78	11.84	0.39
KLCI Futures	1,685.50	2.00	0.00
USDMYR 3M	9.37	(0.01)	(0.00)
USDMYR 6M	9.75	(0.03)	(0.00)
USDMYR 12M	10.24	(0.02)	(0.00)

Other Key Economics Data

	Close	Change+/-	(+/- %)
WTI (USD/bbl)	54	-0.1	-0.1%
Brent (USD/bbl)	56.2	1.2	2.1%
Gold(USD/ounce)	1,188	-0.5	0.0%
Coal (USD/mt)	83.6	-0.1	-0.1%
CPO (RM/mt)	3,087	-38.0	-1.2%
Rubber	282	11.3	4.2%
RM/USD	4.43	-0.014	0.32%
EUR/USD	0.94	-0.0002	-0.02%
YEN/USD	114.50	-0.03	0.03%

What To Expect

U.S. Market

- The Dow Jones Industrials Average maintained the momentum above 20,000 points at 20,100.91 with both S&P 500 and Nasdaq declined 1.69 points and 1.16 points to 2,296.68 and 5,655.18, respectively. Wall Street advanced on Wednesday to push the Dow Jones Industrial Average across the 20,000 mark for the first time ever as solid earnings and optimism over President Donald Trump's pro-growth initiatives reawakened a post-election rally.
- Oil futures on Thursday closed at their highest finish in almost three weeks, as traders showed growing confidence that major oil producers have been cutting back output as promised. March West Texas Intermediate crude CLH7, -0.13% rose \$1.03, or 2%, to settle at \$53.78 a barrel on the New York Mercantile Exchange—the highest settlement since Jan. 6, FactSet data show. Brent crude for March delivery LCOH7, +2.00% added \$1.16, or 2.1%, to \$56.24 a barrel.
- The FBM KLCI rose 8.29 points to 1,692.22 after the U.S.' Dow Jones Industrial Average breached the 20,000 level for first time, amid crude oil price gains. There were 432 gainers and 308 decliners in total value traded of RM1.76 billion.
- Among the advancers on Bursa Malaysia were Petronas Gas which rose 64 cent to RM20.94, BAT ended higher 52 cent to RM47.00 and UMW gained 39 cent to RM5.81.

CORPORATE HIGHLIGHTS

Opcom (CP: RM0.605): Ten million OPCOM Holdings shares traded off-market

A total of 10 million shares representing an interest of 6.2% in OPCOM Holdings Bhd were traded off-market on Thursday. At 60 sen apiece, the off-market transaction was valued at RM6 million. Parties involved in the transaction are not known at press time. On the open market, the counter saw 57,000 shares change hands to close 1.63% or one sen lower at 60.5 sen. OPCOM's shares hit a three-month high of 63.5 sen earlier this year before paring gains. Year-to-date, the counter traded unchanged. In its second quarter ended Sept 30, 2016 (2QFY16), profit for the technology hardware and equipment supplier slid 3.59% to RM1.91 million from RM1.98 million last year, while revenue dropped 12.52% to RM23.41 million from RM26.77 million previously. (Source: *The Edge*)

Reach Energy (CP: RM0.64): Sees 3.63% stake traded off market

Reach Energy Bhd saw a total of 46.74 million shares, representing an equity stake of 3.63%, traded off market today for total value of RM29.72 million. According to Bloomberg data, the shares were traded in four blocks at a price of 62.5 sen apiece, representing a 2.3% discount to the counter's closing price of 64 sen today. It is not immediately known who the parties involved in the

transactions were. Yesterday, Reach Energy announced its appointment of low-profile corporate player Tan Sri Dr Azmil Khalili Khalid as the company's executive chairman, a day after he was appointed to the company's board as a non-independent and non-executive director. *(Source: The Edge)*

Ekovest (CP: RM2.58): PM's cousin Haris sells five million shares

Datuk Haris Onn Hussein, the brother of Defence Minister Datuk Seri Hishammuddin Hussein and cousin to Prime Minister Datuk Seri Najib Razak, has disposed of five million shares held indirectly in construction firm Ekovest Bhd at RM2.60 apiece. Filings with Bursa Malaysia showed that Haris offloaded his shares in Ekovest via his flagship vehicle Kota Jayasama Sdn Bhd. The disposal, according to the filing, was done on Jan 20, 2017 via "a private arrangement". The transacted price was at a three sen or 1.14% discount to the day's closing price of RM2.63. *(Source: The Edge)*

IHH Healthcare (CP: RM6.33): To buy property from YNH Property for RM63 mil

IHH Healthcare Bhd will acquire a parcel of freehold land with a five-storey purpose-built private hospital from YNH Property Bhd for a total consideration of RM63 million. Pantai Medical Centre Sdn Bhd, an indirect wholly-owned subsidiary of IHH, has entered into a sale and purchase agreement (SPA) with YNH Hospitality Sdn Bhd and Kar Sin Bhd, a wholly-owned subsidiary of YNH Property, for the proposed acquisition. It added that the proposed acquisition is expected to result in rental savings in the long run and will enable Pantai Medical Centre to enjoy appreciation in the value of the property in the future. The land is held under the title no. HSD 33527, Lot No. PT 17283, Mukim of Lumut, District of Manjung, Perak and measures approximately 19,986 square metres. *(Source: The Edge)*

Sime Darby (CP: RM8.82): Property pilots D3 concept at RM155m Harmoni 1 project

Sime Darby Property Bhd will be piloting the Sime Darby Property Divergent Dwelling Design (D3) Sustainable Homes concept in its upcoming RM155 million gross development value (GDV) affordable housing project Harmoni 1 in its City of Elmina township. The D3 concept — developed by Construction Research Institute of Malaysia (CREAM) and G&A Architects — aims to deliver quality homes at a lower cost and within a much shorter timeframe of between 24 and 30 months via the usage of industrialised building systems (IBS) components. In comparison, conventional construction methods can take up to 42 months to complete. *(Source: The Edge)*

Kawan Food (CP: RM3.82): To expand into food truck business

Kawan Food Bhd, which sells frozen food products such as "Kawan Paratha" and "Kawan Chapatti", is expanding its activities to include the food truck business. In a filing with Bursa Malaysia this evening, the company said it is acquiring a 51% stake in Dikawani Foods Sdn Bhd, which is in the business of food trucks, from Gan Thiam Chai and Kwan Sok Kay for RM51. Subsequent to the Acquisition, Dikawani becomes subsidiary of Kawan. *(Source: The Edge)*

ECONOMIC UPDATES

U.S.: Trade Spat With Japan Offers Lesson as Trump Eyes China

Heightened trade tensions between the world's two biggest economies. Threats of tariffs and retaliation over a bulging trade deficit. A new U.S. president demanding concessions. Donald Trump isn't the first U.S. president to take aim at the country's biggest trade rival. Bill Clinton unleashed a long verbal assault on Japan, accusing the Asian nation of unfair practices and of keeping its markets shut to U.S. goods. Though the U.S. and Japan had butted heads over trade in the 1980s, Clinton took on the country more aggressively than his predecessors had. He sought Japanese concessions in areas such as car parts, microchips and access to Japan's markets, and demanded that Japan rein in its current-account surplus. The U.S. at one stage threatened 100 percent tariffs on 13 Japanese car models. *(Source: Bloomberg)*

U.S.: Wage Disparity Took Another Turn for the Worse Last Year

Top wage earners last year made 5.05 times what their lowest-income counterparts took home, the widest gap in data going back to 1979, according to the Labor Department. What's worse, it shows the most recent improvement -- in 2014 -- was just a blip, and the trend is again moving in the wrong direction seen over almost four decades. Resilient economic growth and a solid stretch of hiring the past few years had raised expectations that the gap between rich and lower-income workers would shrink in a sustained manner. The reality was disappointing. The growing divide underscores the angst that helped land President Donald Trump in the White House, with his appeal to working-class voters feeling left behind in the economy. *(Source: Bloomberg)*

China: Premier Li Keqiang: 'Economic Openness Serves Everyone Better'

Almost a decade on, the world is still reeling from the fallout of the global financial crisis. China faces its fair share of challenges, but we choose to confront them head on. Above all, we remain convinced that economic openness serves everyone better, at home and abroad. The world is a community of shared destiny. It's far preferable for countries to trade goods and services and bond through investment partnerships than to trade barbs and build barriers. Should differences arise, it behooves us all to discuss them with respect and a keen sense of equality. *(Source: Bloomberg)*

U.K.: Brexit Boom Still Sees Economy Plagued by Old Problems

The U.K. economy is maintaining its stellar performance since the Brexit vote, but the reasons may be cause for concern. Growth beat expectations again in the fourth quarter, coming in at 0.6 percent, but the make-up of the performance hints at ongoing weak links. The expansion is still being almost entirely driven by services and consumer spending, continuing a trend of lopsided growth in seen in recent years. *(Source: Bloomberg)*

South Korea: To boost economic cooperation with China amid THAAD concerns

Worried that Beijing is punishing it over plans to deploy a U.S. anti-missile system, South Korea on Thursday said it will look to improve communication and cooperation with China to resolve difficulties faced by South Korean

companies there. The South Korean government will expand meetings with local businesses doing trade with or in China and engage Chinese officials more frequently in international meetings, South Korea's finance ministry said in a statement released after a regular government meeting on external economic conditions. Beijing strongly objects to South Korea's decision last year to allow the United States to base a Terminal High Altitude Area Defense (THAAD) anti-missile battery in the country, worried that the system's powerful radar can penetrate its territory. (Source: Reuters)

Greece: Economy seen surging this year, but not as much as government, creditors say

Greece's economy will accelerate at a far faster rate this year than last, ending an eight-year nightmare of recession or stagnation but still performing less well than the government and its creditors project, the IOBE think tank said on Thursday. In a quarterly economic review, the Foundation for Economic and Industrial Research said Greek gross domestic product would grow by 1.5 to 1.8 percent in 2017. While this is slightly less than a previous 1.5 to 2.0 percent forecast, it is far higher than IOBE's new estimate of 0.4 percent growth last year, a significant upward revision from October's estimate of a 0.5 percent contraction. (Source: Reuters)

Singapore: Q4 jobless rate hits 6-year high as economy slows

Singapore's jobless rate hit a six-year high in the fourth quarter, while total employment in 2016 grew at the weakest pace in over a decade, as labour market conditions softened amid a slowdown in economic growth. The total unemployment rate rose to 2.2 percent in the fourth quarter from 2.1 percent in the third quarter, rising to a level last seen in the fourth quarter of 2010, preliminary data from the Ministry of Manpower showed. While the rise in the unemployment rate is milder than what was recorded during economic recessions in the past, it raises concerns on the economy's outlook, analysts said. (Source: Reuters)

M&A Securities

STOCK RECOMMENDATIONS

BUY	Share price is expected to be $\geq +10\%$ over the next 12 months.
TRADING BUY	Share price is expected to be $\geq +10\%$ within 3-months due to positive newsflow.
HOLD	Share price is expected to be between -10% and $+10\%$ over the next 12 months.
SELL	Share price is expected to be $\geq -10\%$ over the next 12 months.

SECTOR RECOMMENDATIONS

OVERWEIGHT	The sector is expected to outperform the FBM KLCI over the next 12 months.
NEUTRAL	The sector is expected to perform in line with the FBM KLCI over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform the FBM KLCI over the next 12 months.

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