11 September 2019

Strategy | Strategy-Singapore

# Singapore Equity Strategy

## Uncertain Outlook, Stay Defensive!

| | |
|---|---|
| Year-end STI target | 3,250 |
| Ratings (Buy/Neutral/Sell): | 32 / 27 / 3 |
| Last 12m earnings change | Negative |

- **2Q19 results were a tad below expectations,** with c.25% of stocks under our coverage reporting an earnings miss. Along with CPO companies, which reported second consecutive quarter of dismal earnings, there was notable earnings misses by large-cap companies: Dairy Farm International, Wilmar International, ST Engineering, SembCorp Marine, ComfortDelGro, and Singtel. Earnings revisions for the STI have turned negative again, and we foresee risk of further downgrades to consensus estimates if US-China trade tensions escalate or remain unresolved.
- **STI's valuations are reasonable, but do not expect much upside now till year end.** After a 7.4% decline from its 2019 peak, the STI is trading at 12.6x 1-year forward P/E, which is at its -1SD band. The 4.4% forward yield looks attractive and is the highest amongst Asian markets. The index's valuations are looking reasonable relative to its long-term history. However, past trends suggest that the STI's returns follow Singapore's GDP growth closely. As we expect a slower GDP growth in coming quarters, we believe it will be tough for the index to generate strong positive returns from now till end 2019. We lower the STI's year-end target to 3,250, which is based on 13x target P/E.
- **Reiterate our strategy to invest in REITs and defensive stocks.** We maintain that amidst the slowing economic growth in Singapore and an uncertain external environment, investors should continue to stay selective and invest in stocks that offer stable earnings (low volatility), strong balance sheets (lowly geared or preferably net cash position), and sustainable dividends (high confidence on expected dividend payouts). REITs, which should benefit from declining interest rates, along with selective stocks from consumer and industrial sectors, are our preferred picks.
- **Top Picks.** Wilmar and Sheng Siong are our preferred consumer picks, and ST Engineering is our preferred industrial pick. Given its lower exposure to China as compared to other local banks, more reasonable valuation and 5% yield, United Overseas Bank (UOB) remains our preferred financial sector pick. We remove Thai Beverage from our Top Picks, as the share price has reached our TP. Suntec REIT replaces Cache Logistics Trust in REIT Top Picks and CSE Global replaces Silverlake Axis in small & mid (SMID) cap Top Picks.
- **Downside risk to earnings.** 2019 consensus earnings for the STI, which had witnessed a pause in downgrade since March, has been lowered 2% since end June. 2020 consensus earnings were also downgraded 2%. If the trade tensions between the US and China remain unresolved, which seems to be the base case right now, we foresee an accelerated decline in global manufacturing and a sharper slowdown in global trade flows – this could lead to further downgrades to the STI's earnings growth.

| Company | Rating | TP (SGD) | % Upside (Downside) | P/E (x) Dec-19F | P/B (x) Dec-19F | Yield (%) Dec-19F |
|---|---|---|---|---|---|---|
| CDL Hospitality | Buy | 1.79 | 9.8 | 15.5 | 1.1 | 5.7 |
| CSE Global | Buy | 0.69 | 48.4 | 9.7 | 1.3 | 5.9 |
| Fu Yu Corp | Buy | 0.24 | 11.6 | 12.0 | 1.0 | 7.9 |
| Manulife US REIT^ | Buy | 0.98 | 7.1 | 13.7 | 1.1 | 6.5 |
| Oxley Holdings** | Buy | 0.41 | 32.3 | 3.4 | 0.7 | 8.1 |
| Sheng Siong | Buy | 1.32 | 10.0 | 23.3 | 5.8 | 3.1 |
| ST Engineering | Buy | 4.70 | 20.5 | 20.1 | 5.3 | 3.8 |
| Suntec REIT | Buy | 2.08 | 7.2 | 18.0 | 0.9 | 5.2 |
| UOB | Buy | 29.50 | 14.5 | 9.9 | 1.1 | 5.0 |
| Wilmar | Buy | 4.50 | 18.4 | 14.3 | 1.0 | 2.7 |

*Source: Company data, RHB; Note: **FY20 (Jun); ^USD; Data as at 10 Sep 2019*

### Singapore sector ratings:

| | |
|---|---|
| Overweight | Banks, REITs |
| Neutral | Consumer, healthcare, offshore & marine, plantations, real estate, technology, telecom |
| Not rated | Materials |

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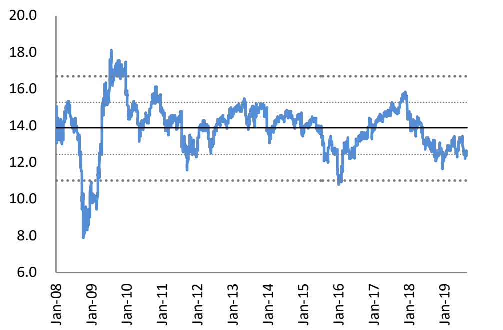
### STI Index's forward P/E




*Source: Bloomberg*

# 2Q19 Earnings Wrap

## 2Q19 results were a tad below expectation

For our coverage universe, about a quarter of the companies reported earnings that were below our estimates. In addition to the palm oil companies, Dairy Farm International, Wilmar International, ST Engineering, SembCorp Marine, ComfortDelGro, and Singtel reported earnings that were below expectations. Amongst key stocks, Silverlake Axis reported earnings that were above our expectations.

**Figure 1: 2Q19 earnings vs RHB estimates**

| | In line | Above | Below |
|---|---|---|---|
| Consumer discretionary | 4 | - | 3 |
| Consumer staples | 3 | 1 | 5 |
| Energy | 1 | - | - |
| Financials | 4 | - | - |
| Healthcare | 4 | - | 1 |
| Industrials (conglomerate) | - | - | 1 |
| Industrials (offshore marine) | 1 | - | 1 |
| Industrials (others) | 2 | - | 1 |
| Industrials (transport) | - | - | 1 |
| Real estate (developer) | 2 | - | 1 |
| Real estate (REIT) | 13 | - | 1 |
| Technology | 7 | 2 | - |
| Telecom | 1 | - | 1 |
| **Total** | **42** | **3** | **16** |
| % of total | 69 | 5 | 26 |

*Note: Based on 61 stocks that were under active coverage during 2Q19*

*Source: RHB*

**Figure 2: 2Q19 earnings vs consensus estimates**

| | In line | Above | Below |
|---|---|---|---|
| Consumer discretionary | 4 | - | 3 |
| Consumer staples | 3 | 1 | 5 |
| Energy | 1 | - | - |
| Financials | 4 | - | - |
| Healthcare | 3 | - | 2 |
| Industrials (conglomerate) | - | - | 1 |
| Industrials (offshore marine) | 1 | - | 1 |
| Industrials (others) | 2 | - | 1 |
| Industrials (transport) | - | - | 1 |
| Real estate (developer) | 2 | - | 1 |
| Real estate (REIT) | 13 | - | 1 |
| Technology | 8 | 1 | - |
| Telecom | 1 | - | 1 |
| **Total** | **42** | **2** | **17** |
| % of total | 69 | 3 | 28 |

*Note: Based on 61 stocks that were under active coverage during 2Q19*

*Source: RHB*

**Figure 3: Number of changes in TP after results**

| | Increase | Decrease | Unchanged |
|---|---|---|---|
| Consumer discretionary | - | 3 | 4 |
| Consumer staples | 3 | 4 | 2 |
| Energy | - | 1 | - |
| Financials | - | 3 | 1 |
| Healthcare | - | 1 | 4 |
| Industrials (conglomerate) | 1 | - | - |
| Industrials (offshore marine) | - | 2 | - |
| Industrials (others) | - | 1 | 2 |
| Industrials (transport) | - | 1 | - |
| Real estate (developer) | 1 | 1 | 1 |
| Real estate (REIT) | 5 | 2 | 7 |
| Technology | 1 | 1 | 7 |
| Telecom | - | 1 | 1 |
| **Total** | **11** | **21** | **29** |
| % of total | 18 | 34 | 48 |

*Note: Based on 61 stocks that were under active coverage during 2Q19*

*Source: RHB*

**Figure 4: Number of changes in rating after results**

| | Upgrade | Downgrade | Unchanged |
|---|---|---|---|
| Consumer discretionary | - | - | 7 |
| Consumer staples | - | 1 | 8 |
| Energy | - | - | 1 |
| Financials | - | 2 | 2 |
| Healthcare | - | - | 5 |
| Industrials (conglomerate) | - | - | 1 |
| Industrials (offshore marine) | - | - | 2 |
| Industrials (others) | - | - | 3 |
| Industrials (transport) | - | - | 1 |
| Real estate (developer) | - | - | 3 |
| Real estate (REIT) | 1 | 1 | 12 |
| Technology | 1 | - | 8 |
| Telecom | - | - | 2 |
| **Total** | **2** | **4** | **55** |
| % of total | 3 | 7 | 90 |

*Note: Based on 61 stocks that were under active coverage during 2Q19*

*Source: RHB*

Amongst stocks under our coverage universe, c.41% witnessed an increase in 1FY revenue estimates, but only c.18% witnessed an increase in 1FY earnings forecasts. Among the key stocks, Suntec REIT, Keppel REIT, and Oversea-Chinese Banking Corp witnessed more than 3% increases in 1FY earnings estimates. Almost 46% of the companies saw a decline in their net profit forecasts, as they guided for a weaker 2H19.

**Figure 5: Number of changes in 1FY revenue estimates**

| | Increase | Decrease | Unchanged |
|---|---|---|---|
| Consumer discretionary | 2 | 3 | 2 |
| Consumer staples | 1 | 6 | 2 |
| Energy | 1 | - | - |
| Financials | 4 | - | - |
| Healthcare | 2 | - | 3 |
| Industrials (conglomerate) | 1 | - | - |
| Industrials (offshore marine) | 1 | 1 | - |
| Industrials (others) | - | 2 | 1 |
| Industrials (transport) | 1 | - | - |
| Real estate (developer) | 2 | - | 1 |
| Real estate (REIT) | 7 | 5 | 2 |
| Technology | 3 | - | 6 |
| Telecom | - | 1 | 1 |
| **Total** | **25** | **18** | **18** |
| % of total | 41 | 30 | 30 |

*Note: Based on 61 stocks that were under active coverage during 2Q19*
*Source: RHB*

**Figure 6: Number of changes in 1FY profit estimates**

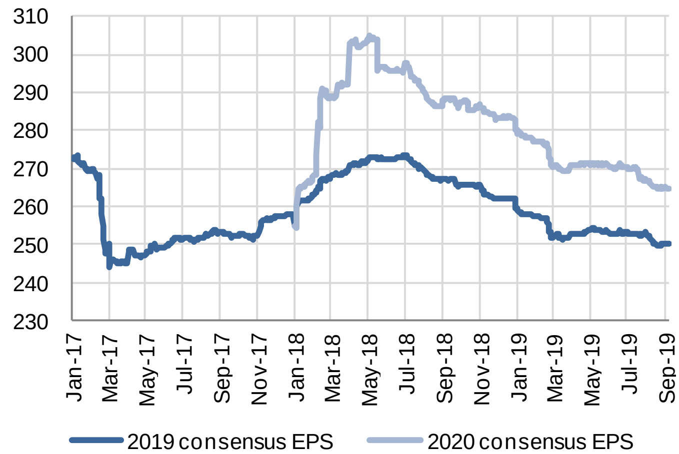
| | Increase | Decrease | Unchanged |
|---|---|---|---|
| Consumer discretionary | - | 4 | 3 |
| Consumer staples | 1 | 6 | 2 |
| Energy | - | 1 | - |
| Financials | 4 | - | - |
| Healthcare | - | 1 | 4 |
| Industrials (conglomerate) | - | 1 | - |
| Industrials (offshore marine) | - | 2 | - |
| Industrials (others) | - | 2 | 1 |
| Industrials (transport) | - | 1 | - |
| Real estate (developer) | 1 | 1 | 1 |
| Real estate (REIT) | 3 | 6 | 5 |
| Technology | 2 | 2 | 5 |
| Telecom | - | 1 | 1 |
| **Total** | **11** | **28** | **22** |
| % of total | 18 | 46 | 36 |

*Note: Based on 61 stocks that were under active coverage during 2Q19*
*Source: RHB*

## Earnings downgrades have started again

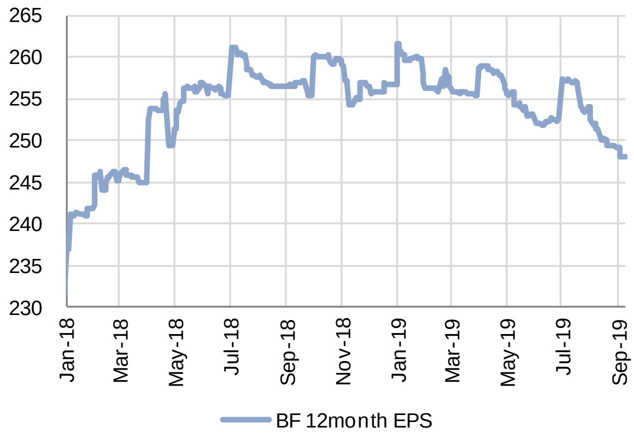
2019 consensus earnings for the STI, which had witnessed a pause in downgrades since March, witnessed a 2% reduction since end June following a weak 2Q19 earnings reporting season. 2020 consensus earnings were also downgraded by a similar magnitude. Most downgrades came from the financial, offshore marine, and transport sectors. Based on Bloomberg estimates, the consensus net profit growth for 2019 now stands at 3.9%.

**Figure 7: Revisions to STI's 2019 & 2020 consensus earnings**




*Source: Bloomberg*

**Figure 8: Revisions to STI's 12 month blended forward consensus earnings**




*Source: Bloomberg*

## There exist risks of further downgrades to estimates

If the trade tensions between the US and China remain unresolved, we foresee an accelerated decline in global manufacturing, a sharper slowdown in global trade flows, and further declines in global investments. All of this could lead to further downgrades to the STI's 2020 consensus earnings. We believe much of these downgrades could come from the financial sector, which could be impacted by falling interest rates. Based on Bloomberg consensus estimates, almost a quarter of 2020 net profit growth is expected to be derived from the financial sector.

In addition to the risks from worsening of the trade war, there exist macroeconomic risks from Brexit, sharp contraction in Global Purchasing Managers' Indices, growth cycles in Europe turning while interest rates are still negative, and geopolitical tensions in the Middle East and Asia.

## Key TP changes after the recent results season

### Figure 9: Key target price changes post 2QCY19 results

| Company | BBG ticker | M cap USDm | Rating | New TP | Old TP | % change | Link to note |
|---|---|---|---|---|---|---|---|
| **Large cap** | | | | | | | |
| CapitaLand Commercial | CCT SP | 5,924 | Neutral | 1.98 | 1.86 | 6% | Acquisition Of MAC Positive But Priced In |
| CapitaLand Mall Trust | CT SP | 7,058 | Neutral | 2.38 | 2.20 | 8% | Stable Performance But Valuations Are Lofty |
| ComfortDelGro | CD SP | 3,846 | Neutral | 2.55 | 2.65 | -4% | 2Q19 Results Below Expectations |
| Dairy Farm International | DFI SP | 9,469 | Neutral | 7.38 | 8.25 | -11% | Nothing To Milk At The Moment |
| DBS Group Holdings | DBS SP | 46,197 | Neutral | 25.30 | 30.30 | -17% | NIM Peaking In 2Q19; D/G To NEUTRAL and NIM Squeeze To Cap Share Price Upside |
| Genting Singapore | GENS SP | 7,734 | Neutral | 0.97 | 1.02 | -5% | High Win Rate Offsets Decline In Mass Gaming |
| Golden Agri | GGR SP | 2,446 | Sell | 0.22 | 0.23 | -4% | Likely To Remain In The Red In FY19 |
| Keppel REIT | KREIT SP | 3,053 | Neutral | 1.20 | 1.12 | 7% | A Mixed Bag; Stay NEUTRAL |
| OCBC | OCBC SP | 33,954 | Neutral | 11.50 | 12.20 | -6% | 2Q19 Strength In NII, But Weak For Insurance and Greater China Potential, But Already Priced In |
| ST Engineering | STE SP | 8,816 | Buy | 4.70 | 4.45 | 6% | Defensive Growth Story; Reiterate BUY |
| Suntec REIT | SUN SP | 3,934 | Buy | 2.08 | 1.90 | 9% | Enhancing Earnings Quality; Upgrade To BUY |
| UOB | UOB SP | 31,159 | Buy | 29.50 | 30.80 | -4% | Strength Across The Board In 2Q19; BUY |
| Wilmar International | WIL SP | 17,446 | Buy | 4.50 | 3.94 | 14% | The Worst Is Over; Maintain BUY |
| **Mid cap** | | | | | | | |
| Bumitama Agri | BAL SP | 712 | Neutral | 0.54 | 0.62 | -13% | Dry Weather Impacts 2Q19 Output |
| China Aviation Oil | CAO SP | 742 | Buy | 1.50 | 1.60 | -6% | Near Term Growth Driver; Reiterate BUY |
| First Resources | FR SP | 1,757 | Neutral | 1.45 | 1.53 | -5% | EU Biodiesel Tax To Hurt Downstream Margins |
| Sembcorp Marine | SMM SP | 1,848 | Buy | 1.63 | 1.99 | -18% | Early Signs Of Order Win Recovery |
| Sheng Siong Group | SSG SP | 1,308 | Buy | 1.32 | 1.23 | 7% | Retail Safe Haven; Still Our Sector Top Pick |
| Silverlake Axis | SILV SP | 872 | Buy | 0.56 | 0.65 | -14% | Strong Quarter, Expecting Better Growth Ahead |
| StarHub | STH SP | 1,632 | Neutral | 1.52 | 1.72 | -12% | Cyber Security Losses Tapering Off |
| **Small cap** | | | | | | | |
| APAC Realty | APAC SP | 129 | Buy | 0.65 | 0.67 | -3% | Volumes Stabilising Post Measures |
| Avi-Tech Electronics | AVIT SP | 38 | Neutral | 0.31 | 0.27 | 15% | Improving Outlook Ahead; Stay NEUTRAL |
| BreadTalk Group | BREAD SP | 264 | Neutral | 0.67 | 0.81 | -17% | A Stale Bread; Try Again Later and The Acquisition Of Food Junction |
| Cache Logistics Trust | CACHE SP | 567 | Buy | 0.80 | 0.83 | -4% | A Disappointing Quarter |
| Centurion Corp | CENT SP | 247 | Neutral | 0.43 | 0.41 | 5% | Adding Beds As It Grows; Stay NEUTRAL |
| EC World REIT | ECWREIT SP | 427 | Buy | 0.82 | 0.85 | -4% | Another Stable Quarter Barring FX Impact; BUY |
| Food Empire Holdings | FEH SP | 198 | Buy | 0.73 | 0.69 | 6% | Better Margins Post Rationalisation; Still BUY |
| Moya Holdings Asia | MHAL SP | 195 | Buy | 0.08 | 0.10 | -13% | 1H Impacted By Absence of One-Offs |
| UG Healthcare | UGHC SP | 23 | Buy | 0.30 | 0.32 | -6% | Capacity Rise Delay, Valuation Attractive; BUY |

*Note: Market cap = Small cap: <SGD1bn, Mid cap: <SGD3bn*
*Source: RHB*

## Key rating changes after the recent results season

### Figure 10: Key rating changes post 2QCY19 results

| Company name | BBG ticker | M cap (USDm) | New rating | Old rating | Change | Link to note |
|---|---|---|---|---|---|---|
| **Upgrades** | | | | | | |
| Suntec REIT | SUN SP | 3,934 | Buy | Neutral | Upgrade | Enhancing Earnings Quality; Upgrade To BUY |
| Venture Corp | VMS SP | 3,204 | Buy | Neutral | Upgrade | New Product Ramp-Up In 4Q19; U/G To BUY |
| **Downgrades** | | | | | | |
| DBS Group Holdings | DBS SP | 46,197 | Neutral | Buy | Downgrade | NIM Peaking In 2Q19; D/G To NEUTRAL and NIM Squeeze To Cap Share Price Upside |
| Starhill Global REIT | SGREIT SP | 1,194 | Neutral | Buy | Downgrade | Fair Value Reached; Cut To NEUTRAL |
| Singapore Exchange | SGX SP | 6,575 | Neutral | Buy | Downgrade | Earnings Driven By Derivatives, But Priced In |
| Thai Beverage | THBEV SP | 16,109 | Take Profit | Buy | Downgrade | D/G: High On Alcohol; Drink Again Later |

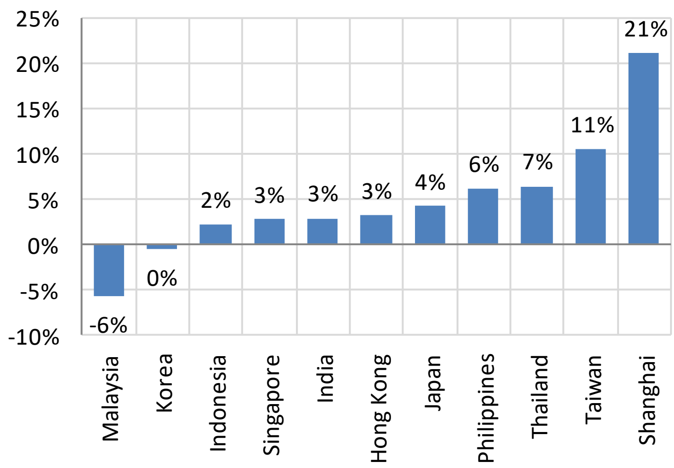
*Source: RHB*

# Market Outlook

## The STI has underperformed other ASEAN markets

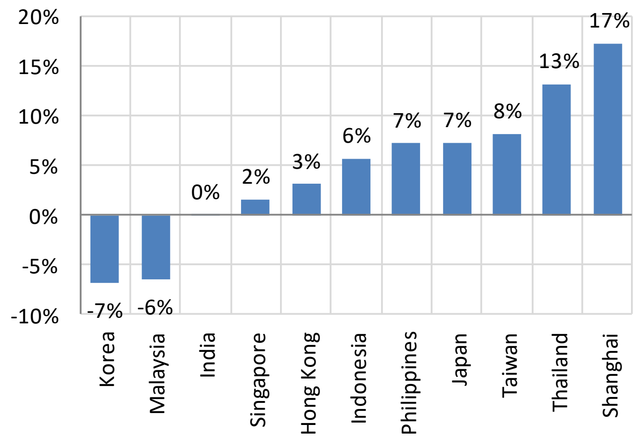
The STI has given up most of its gains from early this year, given moderating profit growth expectations amidst a weakening macro outlook. YTD, in USD terms, the index has outperformed only the FBM KLCI within ASEAN. Thailand, the Philippines, and Indonesia have delivered 6-13% returns vs the STI's 2% during the same period.

**Figure 11: YTD regional market performance in LCY**




*Note: Prices as at 10 Sep 2019*
*Source: Bloomberg*

**Figure 12: YTD regional market performance in USD**

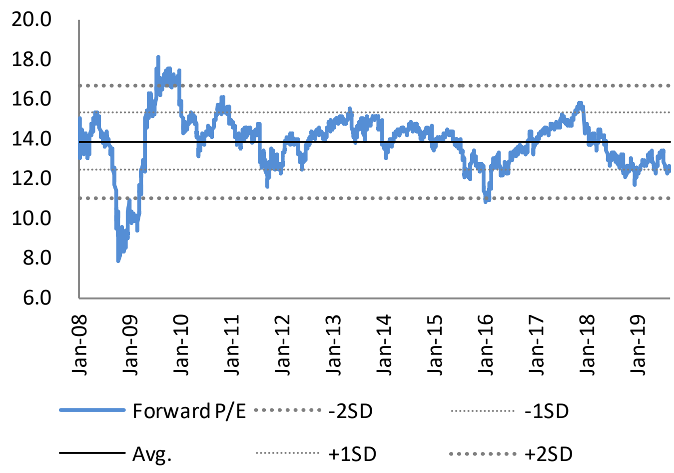



*Note: Prices as at 10 Sep 2019*
*Source: Bloomberg*

## Valuations are looking reasonable

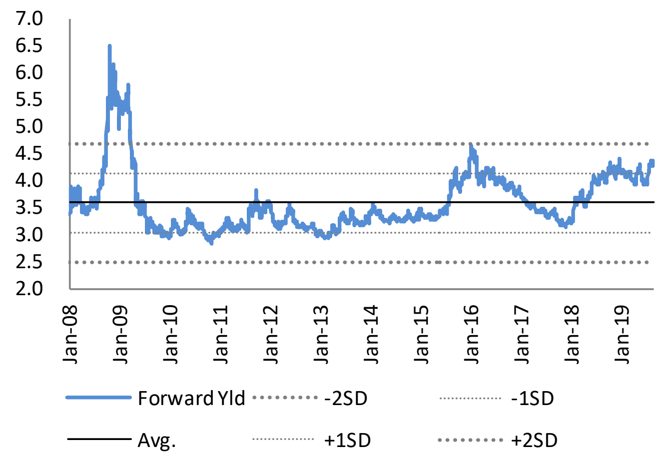
The STI's P/E valuation still looks reasonable relative to its long-term history. It is trading at 12.6x 1-year forward P/E, which lies at -1SD below its historical average of 1-year forward P/E of 13.9x. While the earnings outlook has moderated since early this year, consensus is still estimating the STI's net profit growth for 2019 and 2020 at 3.9% and 6.9%. By contrast to Street estimates, our forecast for 2019 net profit growth – which is based on a combination of RHB and consensus estimates – stands at 2.5%.

**Figure 13: The STI's forward P/E**




*Source: Bloomberg*

**Figure 14: The STI's forward dividend yield**

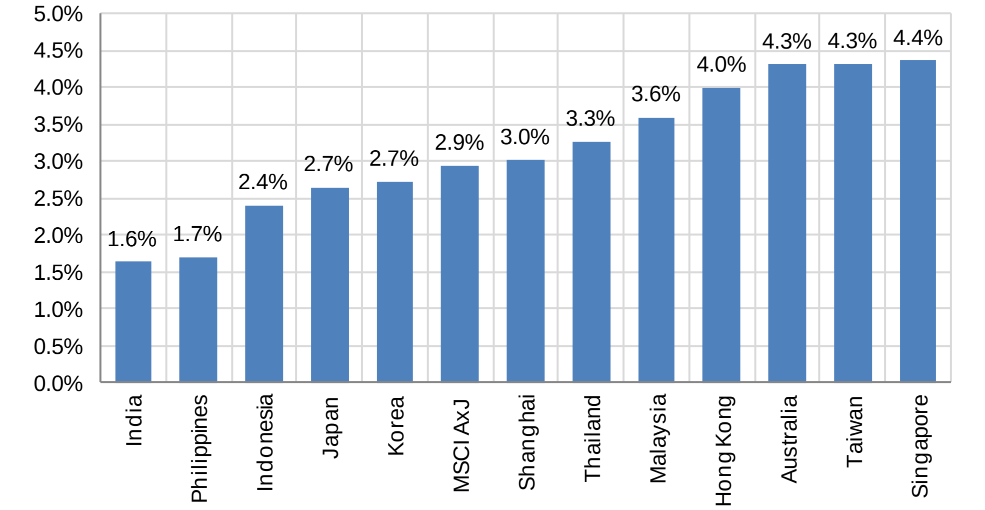



*Source: Bloomberg*

## The STI offers one of the highest yields amongst Asian markets

The STI is currently trading at a forward yield of 4.4% (based on local currency). This is the highest amongst all Asian markets, exceeding Australia and Taiwan's 4.3%. We believe such a relatively high yield should provide downside support amidst a backdrop of weakening growth and macro headwinds.

**Figure 15: The STI offers the highest yield amongst Asian markets**



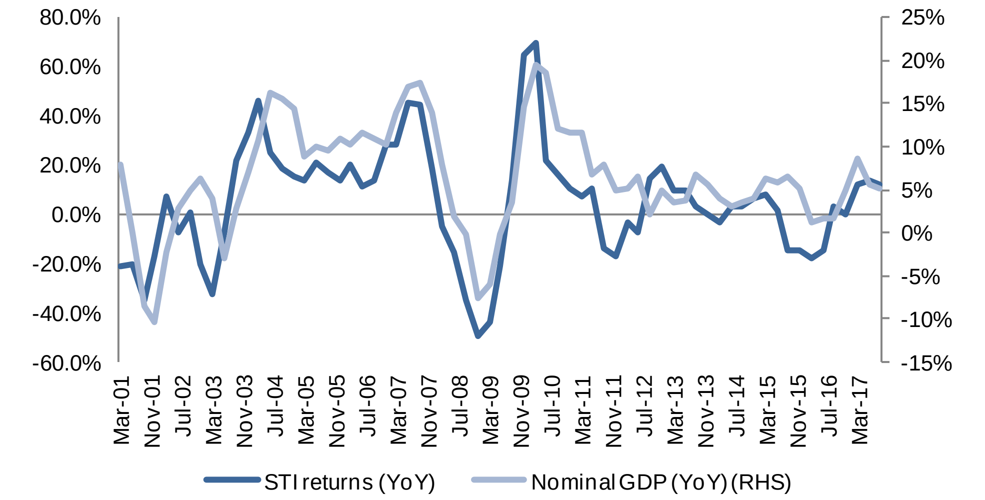

*Source: Bloomberg*

## Tepid upside for the STI from here till year's end

**Lower STI target to 3,250 from 3,300 for end 2019.** We reiterate that historical trends suggest that Singapore's stock index returns follow the country's nominal GDP growth closely. As we expect a slowdown in GDP growth to extend into 2019 and 2020, we believe it will be tough for the STI to generate strong positive returns from now till the end of 2019.

We use a top-down method to derive our STI target, which is based on a P/E multiple on 2019's forecast EPS. The STI's 12.6x forward P/E is at its -1SD band. With a sharp slowdown in Singapore's GDP growth, we believe a strong P/E expansion will be difficult to pencil in. We value the STI based on a 2019 year-end target P/E of 13x, which is below its 1FY average of 13.9x. Applying this to our 2019 EPS estimate, we derive an index target of 3,250 for end 2019.

**Figure 16: The STI's returns are highly correlated to Singapore's GDP growth rate**




*Source: Bloomberg*

# Top Picks

## Stay defensive as macro headwinds persist

Given the uncertain external environment, we continue to recommend investors to stay defensive in their stock picks and focus on buying counters that offer stable earnings, strong balance sheets, and sustainable dividends.

REITs should continue to perform well amidst expectations of further cuts in interest rates. Among other sectors, we selectively prefer stocks that meet the abovementioned criteria. CSE Global, Fu Yu Corp, Oxley Holdings, Sheng Siong Group, ST Engineering, UOB, and Wilmar International are our preferred non-REIT picks.

Within the REIT sector, Suntec REIT replaces Cache Logistics Trust in our Top Picks. The latter reported a weak 2Q19 results amidst a decline in committed occupancy rates. This led us to lowering forecast DPU 4-7%. In contrast, we upgraded Suntec REIT to BUY from Neutral amidst attractive below book valuations and higher-than-sector yields.

In the SMID cap space, we replace Silverlake Axis with CSE Global. Although the former was one of the key stocks that reported above expectation earnings, we had to lower earnings forecast 7% to account for potential higher taxes. In contrast, we have lifted CSE Global's earnings forecast 15-17% following its recently-announced acquisition of Volta – a custom-engineering electrical equipment centre solutions provider.

We remove Thai Beverage from our Top Picks, as the stock was downgraded to TAKE PROFIT from Buy after its share price reached our TP. We still like the growth prospects for Thai Beverage and recommend investors to accumulate if the share price goes below SGD0.83.

**Figure 17: Top Picks**

| | M cap | | Target | Upside/ | 1FY | P/E (x) | | P/BV (x) | | Yield (%) | | ROE (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **(USDm)** | **Rating** | **price** | **down. (%)** | **year** | **1FY** | **2FY** | **1FY** | **2FY** | **1FY** | **2FY** | **1FY** | **2FY** |
| **Large Cap** | | | | | | | | | | | | | |
| ST Engineering | 8,816 | Buy | 4.70 | 20.5 | Dec-19 | 20.1 | 18.3 | 5.3 | 5.0 | 3.8 | 4.0 | 25.5 | 26.9 |
| Suntec REIT | 3,934 | Buy | 2.08 | 7.2 | Dec-19 | 18.0 | 14.3 | 0.9 | 0.9 | 5.2 | 5.3 | 5.4 | 6.7 |
| UOB | 31,159 | Buy | 29.50 | 14.5 | Dec-19 | 9.9 | 10.1 | 1.1 | 1.1 | 5.0 | 5.4 | 11.7 | 11.4 |
| Wilmar International | 17,446 | Buy | 4.50 | 18.4 | Dec-19 | 14.3 | 13.4 | 1.0 | 1.0 | 2.7 | 2.9 | 7.2 | 7.4 |
| **SMID Cap** | | | | | | | | | | | | | |
| CDL Hospitality | 1,431 | Buy | 1.79 | 9.8 | Dec-19 | 15.5 | 15.0 | 1.1 | 1.0 | 5.7 | 5.9 | 6.7 | 6.9 |
| CSE Global | 171 | Buy | 0.69 | 48.4 | Dec-19 | 9.7 | 8.0 | 1.3 | 1.2 | 5.9 | 5.9 | 13.9 | 15.4 |
| Fu Yu Corp | 117 | Buy | 0.24 | 11.6 | Dec-19 | 12.0 | 11.3 | 1.0 | 1.0 | 7.9 | 7.9 | 8.2 | 8.6 |
| Manulife US REIT | 1,282 | Buy | 0.98 | 7.1 | Dec-19 | 13.7 | 13.4 | 1.1 | 1.1 | 6.5 | 6.8 | 7.7 | 8.1 |
| Oxley Holdings | 934 | Buy | 0.41 | 32.3 | Jun-20 | 3.4 | 4.9 | 0.7 | 0.6 | 8.1 | 8.1 | 25.0 | 10.5 |
| Sheng Siong Group | 1,308 | Buy | 1.32 | 10.0 | Dec-19 | 23.3 | 21.2 | 5.8 | 5.4 | 3.1 | 3.4 | 24.7 | 25.3 |

*Note: Prices are as at 10 Sep 2019*
*Source: Bloomberg, RHB*

### RHB Guide to Investment Ratings

| | |
|---|---|
| **Buy:** | Share price may exceed 10% over the next 12 months |
| **Trading Buy:** | Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain |
| **Neutral:** | Share price may fall within the range of +/- 10% over the next 12 months |
| **Take Profit:** | Target price has been attained. Look to accumulate at lower levels |
| **Sell:** | Share price may fall by more than 10% over the next 12 months |
| **Not Rated:** | Stock is not within regular research coverage |

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