

## Banking

### BNM Stats. (June 19): Post-Festive Dip

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## OUTPERFORM



Loan growth in June moderated by 30bps to +4.2% YoY with applications in the negative territory since March 19, which we attributed to the post-festive season. However, QoQ saw loans improving. On a positive note, asset quality remained stable with overall approval rate in the system seeing an uptick. Our call on the sector remains at OUTPERFORM as valuations are attractive. In fact, most banks under our coverage are rated at OUTPERFORM: - AFFIN (TP: RM2.40), ABMB (TP: RM4.25), AMBANK (TP: RM5.10), CIMB (TP: RM6.45), MAYBANK (TP: RM10.35), MBSB (TP: RM1.15) and RHBBANK (TP: RM6.05). Others are NEUTRAL: - BIMB (TP: RM4.80), HLBANK (TP: RM20.05) and PBBANK (TP: RM24.10).



**YoY moderating but improvement on an annualised and QoQ basis.** After stabilizing in the two previous months, June 19 loans growth saw a 30bps drop to +4.2% YoY (vs May 19: +4.5% YoY) to RM1,728b. On a MoM basis, loans were stable at 0.4%, while on a QoQ, there was an uptick of 30bps to +0.8% QoQ. Both Business and Households saw moderation YoY; Business slowing by 40bps to +3.8% YoY (vs May 19: +3.8%), Households moderating by 30bps to +5.0% YoY (vs May 19: +5.3% YoY). On a QoQ basis, both Households and Business improved by 20bps and 30bps, respectively, to +0.4% and +1.2%. On an annualised basis, loans climb by another 40bps to end at +2.7% for June 19.

**Moderation in loans due to post-festive season.** The moderation in Business was primarily due to a slowdown in working capital (June 19: +3.3% vs +May 19: +2.3% YoY). Slowdown in Households was dragged by slowdown in credit card (+2.5% YoY vs May 19: +3.8% YoY), personal use (+3.2% YoY vs May 19: +3.6% YoY) and residential property (+7.1% YoY vs May 19: +7.3% YoY) which point to slowdown in spending post-festive season.

June 19 also saw repayments falling (-9% YoY vs May 19: +8%) vs disbursements (-12% YoY vs May 19: +12% YoY). Falling disbursements was evident in Business (-13% YoY vs May 19: +12% YoY) with Households (-7% YoY vs May 19: +13% YoY)

Overall net financing in the system moderated by 30bps to +5.6% YoY with loans shedding 30bps to +3.9% YoY and corporate bonds sliding 50bps to +11.6% YoY.

**Applications fell post-festive.** Loans applications fell 12% YoY (vs May 19: +13% YoY) to RM65,149m. Both Business and Household shared the same fortune; Business fell 12% YoY (vs May 19: +9% YoY) and Households drop 11% YoY (vs May 19: +17% YoY). Catalyst for the Business downturn were 16% YoY (vs May 19: +6% YoY) drop in working capital applications whilst for Households was the fall in purchase of passenger cars (-48% YoY vs May 19: -7% YoY). Purchase of residential property continued to be on an uptrend, albeit moderating (+8% YoY vs May 19: +37% YoY).

**Approvals fell in June** (-3% YoY vs May 19: +25% YoY) as Households fell 9% YoY (vs May 19: +25% YoY) mitigated by Business, which moderated at +2% YoY (vs May 19: +26% YoY). Business approvals were dragged by fall in approvals in working capital (-16% YoY vs May 19: +39%) with Household approvals were dragged by drop in approval for purchase of passenger cars (-43% YoY vs May 19: +17% YoY). Residential property approvals moderated +14% YoY (vs June 19: +32% YoY).

With fall in applications outpacing fall in approvals, approval rate in the system saw a 3ppts uptick to 53%; both Business and Household approvals rate saw a 3ppts uptick to 59% and 47%, respectively.

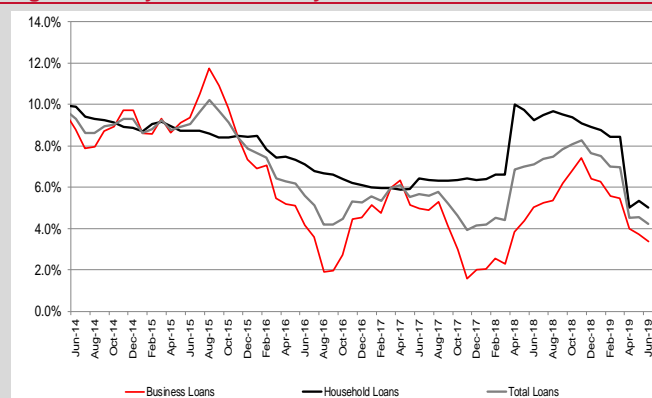
**Liquidity stable and ample.** Deposits continued to outpace loans, moderating +4.7% YoY to RM1,937b (vs May 19: +5.3% YoY) with excess liquidity remaining stable at 11%. The moderation in deposits came mainly from FDs and NIDS (+2% YoY and -13% YoY vs May 19: +3% YoY and -8% YoY). CASA ratio was still stable at 26% and with FDs moderating indicating easing of funding competition ahead as loans in the system moderated. Loan-to-fund (LTF) ratio and loan-to-deposit ratio (LDR) were relatively stable at 83% and 89%, respectively. Average lending rate dipped by another 4bps to 4.89% while 3-month deposits fell 2bps to 2.90%.

**Asset quality continues to improve** YoY as GIL fell 5bps to 1.57% while on MoM basis saw slight uptick by 4bps led by Business uptick by 3bps to 1.0% with Households remained stable at 0.56%.

**The moderation in June** was not expected given the post Raya festive season. We believe 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 Households and stable employment, which spur further approvals from the banks. We expect loans growth in the system at ~5% (vs 2018: +7.1%). However, valuations seem more attractive with most of the banking stocks under our coverage rated at OUTPERFORM: - AFFIN (TP: RM2.40), ABMB (TP: RM4.25), AMBANK (TP: RM5.10), CIMB (TP: RM6.45), MAYBANK (TP: RM10.35), MBSB (TP: RM1.15) and RHBBANK (TP: RM6.05).. Others are NEUTRAL: - BIMB (TP: RM4.80), HLBANK (TP: RM20.05) and PBBANK (TP: RM24.10).

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Fig 1: Industry Loan Growth by Breakdown



Source: BNM, Kenanga Research

Fig 2: Industry Loans Growth by Economic Purpose

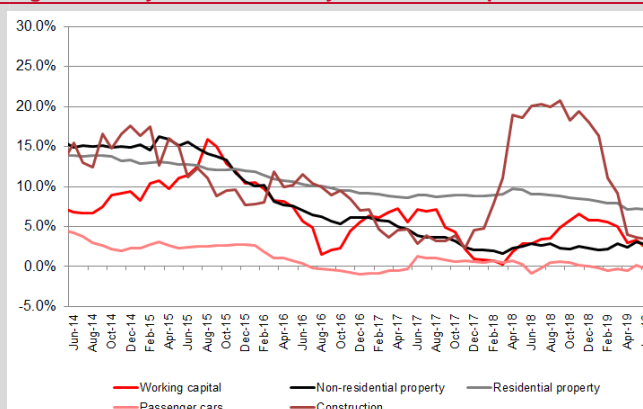
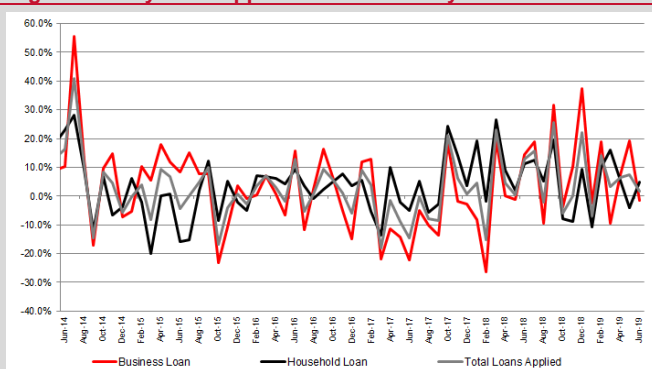


Fig 3: Industry Loan Applications Growth by Breakdown



Source: BNM, Kenanga Research

Fig 4: Industry Loan Application Growth by Economic Purpose

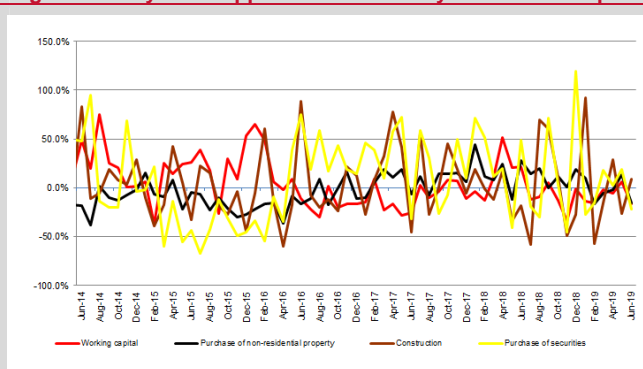
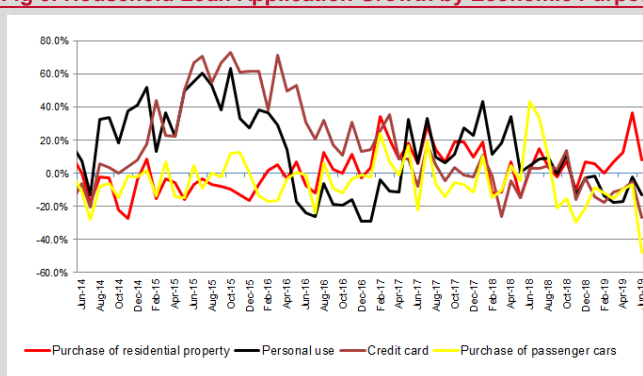


Fig 5: Financing Growth



Source: BNM, Kenanga Research

Fig 6: Household Loan Application Growth by Economic Purpose



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Fig 7: Business Loan Approved Growth

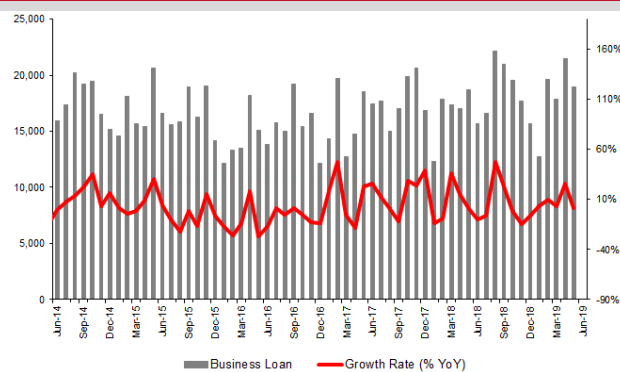
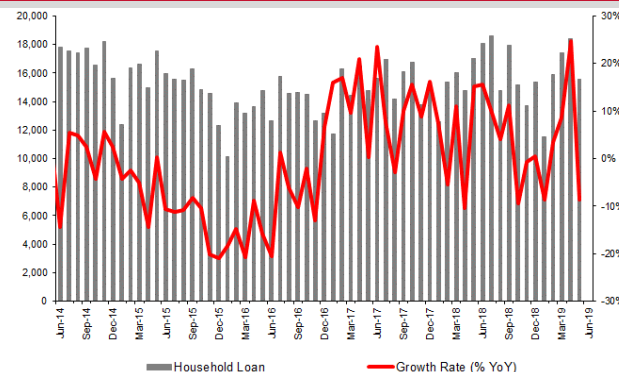


Fig 8: Household Loan Approved Growth



Source: BNM, Kenanga Research

Fig 9: Business Loans Approved by Breakdown

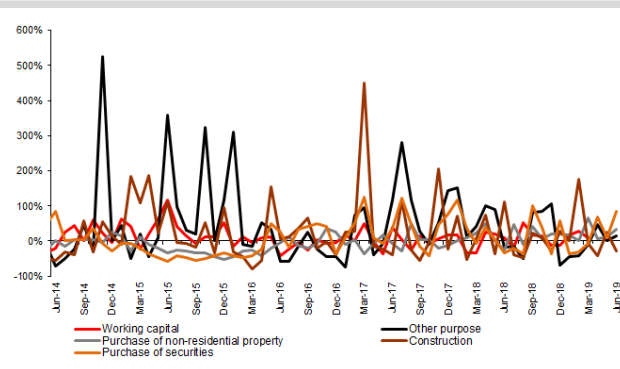
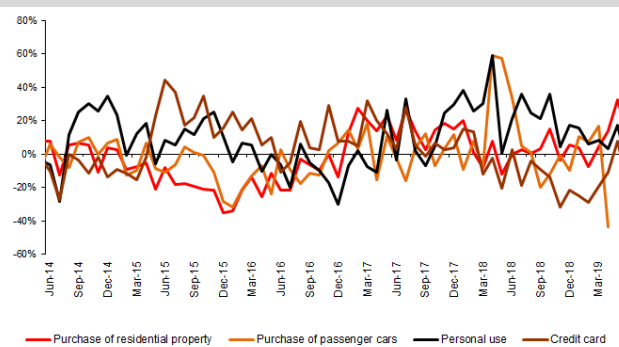


Fig 10: Household Loans Approved by Breakdown



Source: BNM, Kenanga Research

Fig 11: Impaired loans ratio breakdown

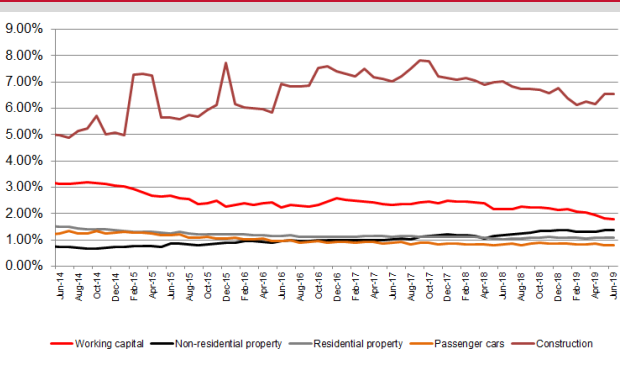
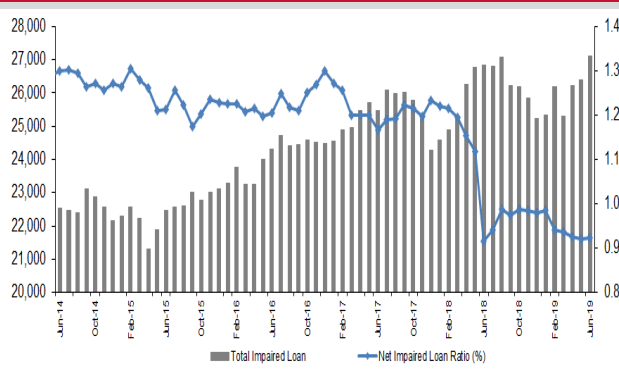


Fig 12: Industry Net Impaired Loan Ratio



Source: BNM, Kenanga Research

Table 1: Breakdown of Industry Loans

RM'm	Jun-19	May-19	% MoM	Jun-18	% YoY	Dec-18	% Ytd
Working capital	391,257.5	389,061.3	0.6%	382,343.4	2.3%	393,308.6	-0.5%
Purchase of fixed assets other than land and building	11,166.0	10,898.1	2.5%	9,896.4	12.8%	10,448.4	6.9%
Purchase of securities	82,969.9	82,878.2	0.1%	77,869.2	6.6%	80,424.8	3.2%
Purchase of transport vehicles	8,574.8	8,694.8	-1.4%	8,889.5	-3.5%	8,947.5	-4.2%
Other purpose	79,302.5	77,691.0	2.1%	74,145.9	7.0%	80,346.8	-1.3%
Purchase of non-residential property	223,121.4	223,168.3	0.0%	217,152.6	2.7%	218,415.6	2.2%
Construction	56,635.8	56,430.4	0.4%	54,764.1	3.4%	56,319.1	0.6%
<b>Business Loan</b>	<b>853,027.9</b>	<b>848,822.1</b>	<b>0.5%</b>	<b>825,061.0</b>	<b>3.4%</b>	<b>848,211.0</b>	<b>0.6%</b>
Purchase of residential property	581,745.9	579,343.5	0.4%	543,275.7	7.1%	562,983.8	3.3%
Purchase of passenger cars	159,338.9	159,606.0	-0.2%	159,856.4	-0.3%	160,107.1	-0.5%
Personal use	96,074.7	96,022.3	0.1%	93,074.3	3.2%	95,471.1	0.6%
Credit card	38,152.9	37,966.2	0.5%	37,240.2	2.5%	38,867.9	-1.8%
Purchase of consumer durables	96.5	97.4	-0.8%	126.3	-23.6%	107.8	-10.4%
<b>Household Loan</b>	<b>875,408.9</b>	<b>873,035.4</b>	<b>0.3%</b>	<b>833,572.9</b>	<b>5.0%</b>	<b>857,537.7</b>	<b>2.1%</b>
<b>Total Loans Outstanding</b>	<b>1,728,437</b>	<b>1,721,857</b>	<b>0.4%</b>	<b>1,658,634</b>	<b>4.2%</b>	<b>1,705,749</b>	<b>1.3%</b>

Source: BNM

Table 3: Breakdown of Industry Loan Approvals

RM'm	Jun-19	May-19	% MoM	Jun-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	8,443.9	9,703.5	-13.0%	10,030.4	-15.8%	44,629.5	41,929.0	6.4%
Purchase of fixed assets other than land and building	570.2	1,566.0	-63.6%	591.0	-3.5%	3,347.9	2,908.2	15.1%
Purchase of securities	2,959.5	2,119.8	39.6%	1,602.5	84.7%	15,579.5	15,087.0	3.3%
Purchase of transport vehicles	137.5	243.7	-43.6%	127.9	7.5%	1,143.6	863.1	32.5%
Other purpose	2,428.6	3,286.1	-26.1%	2,125.9	14.2%	14,307.1	15,565.1	-8.1%
Purchase of non-residential property	3,113.9	3,070.3	1.4%	2,317.3	34.4%	18,678.3	15,215.8	22.8%
Construction	1,325.9	1,477.7	-10.3%	1,875.5	-29.3%	8,644.9	8,531.5	1.3%
<b>Business Loan</b>	<b>18,979.6</b>	<b>21,467.1</b>	<b>-11.6%</b>	<b>18,670.6</b>	<b>1.7%</b>	<b>106,330.6</b>	<b>100,099.7</b>	<b>6.2%</b>
Purchase of residential property	9,637.1	10,881.0	-11.4%	8,475.1	13.7%	53,936.7	48,688.1	10.8%
Purchase of passenger cars	2,957.0	4,008.6	-26.2%	5,238.9	-43.6%	21,288.5	22,750.3	-6.4%
Personal use	1,630.2	2,052.5	-20.6%	1,731.1	-5.8%	11,000.2	10,255.2	7.3%
Credit card	1,330.5	1,429.3	-6.9%	1,588.5	-16.2%	7,857.2	9,338.8	-15.9%
Purchase of consumer durables	0.0	0.0	-58.3%	0.0	-73.7%	0.1	4.6	-98.7%
<b>Household Loan</b>	<b>15,554.8</b>	<b>18,371.4</b>	<b>-15.3%</b>	<b>17,033.6</b>	<b>-8.7%</b>	<b>94,082.6</b>	<b>91,037.0</b>	<b>3.3%</b>
<b>Total Loans Approved</b>	<b>34,534.4</b>	<b>39,838.6</b>	<b>-13.3%</b>	<b>35,704.1</b>	<b>-3.3%</b>	<b>200,413.2</b>	<b>191,136.7</b>	<b>4.9%</b>

Source: BNM

Table 4: Breakdown of Industry Loan Approvals Rate

RM'm	Jun-19	May-19	Ytd-19	Ytd-18
Working capital	58.5%	193.4%	58.2%	58.1%
Purchase of fixed assets other than land and building	109.8%	66.8%	72.2%	66.8%
Purchase of securities	59.0%	94.6%	73.2%	75.7%
Purchase of transport vehicles	59.1%	61.9%	52.4%	51.2%
Other purpose	43.7%	36.3%	39.6%	38.8%
Purchase of non-residential property	42.0%	61.6%	45.6%	46.3%
Construction	<b>59.0%</b>	<b>56.4%</b>	<b>50.5%</b>	<b>49.0%</b>
<b>Business Loan</b>				
	45.8%	42.2%	42.5%	41.8%
Purchase of residential property	65.0%	62.1%	62.6%	62.3%
Purchase of passenger cars	35.9%	35.0%	34.8%	34.6%
Personal use	46.5%	39.4%	40.2%	39.1%
Credit card	100.0%	2.5%	11.3%	10.4%
Purchase of consumer durables	<b>47.1%</b>	<b>44.0%</b>	<b>44.4%</b>	<b>43.8%</b>
<b>Household Loan</b>	<b>53.0%</b>	<b>49.9%</b>	<b>47.4%</b>	<b>46.4%</b>
<b>Total Loans Approved Rate</b>	58.5%	193.4%	58.2%	58.1%

Source: BNM

Table 5: Breakdown of Industry Loan Disbursements

RM'm	Jun-19	May-19	% MoM	Jun-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	55,619.2	58,383.1	-4.7%	66,172.4	-15.9%	348,067.0	341,382.8	2.0%
Purchase of fixed assets other than land and building	633.3	288.8	119.3%	529.5	19.6%	2,932.5	2,550.4	15.0%
Purchase of securities	2,354.4	3,522.5	-33.2%	3,147.6	-25.2%	20,868.3	21,054.6	-0.9%
Purchase of transport vehicles	566.1	469.3	20.6%	460.4	23.0%	2,999.6	2,896.5	3.6%
Other purpose	6,238.8	5,509.0	13.2%	4,791.4	30.2%	34,776.4	22,979.5	51.3%
Purchase of non-residential property	3,405.7	4,733.6	-28.1%	3,873.6	-12.1%	24,415.4	22,722.2	7.5%
Construction	2,118.6	2,636.9	-19.7%	2,821.5	-24.9%	14,671.0	18,756.3	-21.8%
<b>Business Loan</b>	<b>70,936.1</b>	<b>75,543.2</b>	<b>-6.1%</b>	<b>81,796.3</b>	<b>-13.3%</b>	<b>448,730.3</b>	<b>432,342.3</b>	<b>3.8%</b>
Purchase of residential property	6,482.0	7,167.2	-9.6%	7,140.9	-9.2%	43,934.1	44,928.7	-2.2%
Purchase of passenger cars	3,180.0	3,951.0	-19.5%	4,228.1	-24.8%	20,984.7	21,450.5	-2.2%
Personal use	2,586.5	3,036.4	-14.8%	2,813.0	-8.1%	16,776.4	16,712.6	0.4%
Credit card	11,655.3	12,575.2	-7.3%	11,504.6	1.3%	71,965.9	69,329.0	3.8%
Purchase of consumer durables	2.2	3.3	-35.7%	2.2	-1.8%	13.5	16.6	-18.9%
<b>Household Loan</b>	<b>23,905.9</b>	<b>26,733.2</b>	<b>-10.6%</b>	<b>25,688.8</b>	<b>-6.9%</b>	<b>153,674.5</b>	<b>152,437.4</b>	<b>0.8%</b>
<b>Total Loans Disbursed</b>	<b>94,842.0</b>	<b>102,276.4</b>	<b>-7.3%</b>	<b>107,485.1</b>	<b>-11.8%</b>	<b>602,404.8</b>	<b>584,779.8</b>	<b>3.0%</b>

Source: BNM

Table 6: Breakdown of Total Deposits by Holder

RM'm	Jun-19	May-19	% MoM	Jun-18	% YoY	Dec-18	% Ytd
Federal Government	5,121.4	4,091.0	25.2%	6,354.2	-19.4%	3,554.6	44.1%
State Government	3,640.5	3,725.9	-2.3%	2,821.6	29.0%	2,996.9	21.5%
Statutory authorities	8,830.8	9,983.6	-11.5%	6,876.2	28.4%	9,061.7	-2.5%
Financial institutions	14,085.1	16,505.4	-14.7%	12,050.2	16.9%	12,925.8	9.0%
Business enterprises	217,541.2	215,582.0	0.9%	208,209.7	4.5%	221,102.0	-1.6%
Individuals	68,153.0	67,616.6	0.8%	69,035.1	-1.3%	68,318.2	-0.2%
Others	24,331.9	23,968.7	1.5%	23,454.8	3.7%	21,921.6	11.0%
<b>Total Deposits (&amp; Repurchase) by Holder (RM'm)</b>	<b>1,960,210.5</b>	<b>1,962,366.5</b>	<b>-0.1%</b>	<b>1,865,195.1</b>	<b>5.1%</b>	<b>1,944,896.9</b>	<b>0.8%</b>

Source: BNM

Table 7: Breakdown of Total Deposits by Type

RM'm	Jun-19	May-19	% MoM	Jun-18	% YoY	Dec-18	% Ytd
Demand deposits	341,703.9	341,473.1	0.1%	328,801.7	3.9%	339,880.9	0.5%
Fixed Deposits, Special Investment Deposit and General Investment Deposit	597,095.4	599,362.0	-0.4%	582,790.3	2.5%	602,608.6	-0.9%
Saving deposits	164,853.9	166,481.7	-1.0%	156,474.5	5.4%	157,386.5	4.7%
Negotiable instruments of deposits	38,562.7	39,068.1	-1.3%	44,268.8	-12.9%	45,704.6	-15.6%
Foreign currency deposits	142,528.3	146,488.3	-2.7%	137,737.2	3.5%	142,418.6	0.1%
Other deposits accepted	249,562.4	252,271.1	-1.1%	254,112.7	-1.8%	251,651.9	-0.8%
<b>Total Deposit</b>	<b>1,937,509.4</b>	<b>1,943,041.9</b>	<b>-0.3%</b>	<b>1,849,998.0</b>	<b>4.7%</b>	<b>1,912,171.5</b>	<b>1.3%</b>
Repurchase agreements	22,701.1	19,324.6	17.5%	15,197.1	49.4%	32,725.4	-30.6%
<b>Total Deposits (RM'm) &amp; Repurchase Agreements</b>	<b>1,960,210.5</b>	<b>1,962,366.5</b>	<b>-0.1%</b>	<b>1,865,195.1</b>	<b>5.1%</b>	<b>1,944,896.9</b>	<b>0.8%</b>

Source: BNM

Table 8: Breakdown of Industry Loan Repayments

RM'm	Jun-19	May-19	% MoM	Jun-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	53,826.0	58,064.4	-7.3%	61,126.1	-11.9%	356,377.2	335,306.7	6.3%
Purchase of fixed assets other than land and building	386.9	334.8	15.6%	526.4	-26.5%	2,453.9	2,469.0	-0.6%
Purchase of securities	2,542.2	3,092.8	-17.8%	2,965.1	-14.3%	20,655.7	20,750.7	-0.5%
Purchase of transport vehicles	714.7	541.3	32.0%	584.6	22.3%	3,596.3	3,354.2	7.2%
Other purpose	4,311.5	5,135.5	-16.0%	5,462.0	-21.1%	30,752.3	22,543.0	36.4%
Purchase of non-residential property	4,119.7	3,905.9	5.5%	3,873.9	6.3%	24,775.0	24,248.6	2.2%
Construction	2,284.4	3,218.9	-29.0%	2,749.2	-16.9%	14,720.9	17,074.3	-13.8%
<b>Business Loan</b>	<b>68,185.5</b>	<b>74,293.5</b>	<b>-8.2%</b>	<b>77,287.3</b>	<b>-11.8%</b>	<b>453,331.4</b>	<b>425,746.6</b>	<b>6.5%</b>
Purchase of residential property	5,505.2	5,950.6	-7.5%	5,544.0	-0.7%	35,278.4	34,737.5	1.6%
Purchase of passenger cars	3,790.8	4,184.8	-9.4%	3,897.1	-2.7%	24,096.2	24,082.6	0.1%
Personal use	2,866.4	3,036.1	-5.6%	2,820.7	1.6%	18,360.0	16,511.9	11.2%
Credit card	11,709.8	12,799.4	-8.5%	11,206.6	4.5%	74,485.4	72,278.5	3.1%
Purchase of consumer durables	3.1	2.9	8.8%	3.1	-0.9%	20.7	23.1	-10.6%
<b>Household Loan</b>	<b>23,875</b>	<b>25,974</b>	<b>-8.1%</b>	<b>23,471</b>	<b>1.7%</b>	<b>152,241</b>	<b>147,634</b>	<b>3.1%</b>
<b>Total Loans Repaid (RM'm)</b>	<b>92,061</b>	<b>100,267</b>	<b>-8.2%</b>	<b>100,759</b>	<b>-8.6%</b>	<b>605,572</b>	<b>573,380</b>	<b>5.6%</b>

Source: BNM



Table 9: Breakdown of Impaired Loans

RM'm	Jun-19	May-19	% MoM	Jun-18	% YoY	Dec-18	% Ytd
Working capital	8,510.1	7,897.3	7.8%	8,389.0	1.4%	7,139.4	19.2%
Purchase of fixed assets other than land and building	299.2	255.1	17.3%	196.6	52.1%	255.2	17.2%
Purchase of securities	238.8	301.0	-20.7%	316.0	-24.4%	282.0	-15.3%
Purchase of transport vehicles	201.1	345.1	-41.7%	362.1	-44.5%	350.9	-42.7%
Other purpose	1,430.8	1,118.4	27.9%	1,076.5	32.9%	1,056.8	35.4%
Purchase of non-residential property	3,207.7	3,255.0	-1.5%	2,952.1	8.7%	2,989.9	7.3%
Construction	3,523.5	3,663.4	-3.8%	3,610.2	-2.4%	3,690.1	-4.5%
<b>Business Loan</b>	<b>17,411.2</b>	<b>16,835.3</b>	<b>3.4%</b>	<b>16,902.4</b>	<b>3.0%</b>	<b>15,764.3</b>	<b>10.4%</b>
Purchase of residential property	6,511.5	6,329.1	2.9%	6,118.0	6.4%	6,185.0	5.3%
Purchase of passenger cars	1,200.0	1,219.2	-1.6%	1,387.7	-13.5%	1,261.2	-4.9%
Personal use	1,660.7	1,665.2	-0.3%	2,036.8	-18.5%	1,688.8	-1.7%
Credit card	339.1	342.4	-1.0%	388.2	-12.6%	337.9	0.4%
Purchase of consumer durables	1.8	7.3	-75.5%	1.6	9.6%	7.9	-77.4%
<b>Household Loan</b>	<b>9,713.1</b>	<b>9,563.1</b>	<b>1.6%</b>	<b>9,932.4</b>	<b>-2.2%</b>	<b>9,480.7</b>	<b>2.5%</b>
<b>Total Non-Performing Loans</b>	<b>27,124.3</b>	<b>26,398.4</b>	<b>2.7%</b>	<b>26,834.8</b>	<b>1.1%</b>	<b>25,245.0</b>	<b>7.4%</b>

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.				
<b>BANKING</b>																		
AFFIN BANK BHD	2.02	4,011.8	N	12/2019	8.2%	5.3%	9.3%	15.9%	8.0	7.3	6.3	0.5	0.4	6.2%	2.7%	2.40	OP	
ALLIANCE BANK MALAYSIA BHD	3.59	5,557.7	N	03/2020	9.4%	8.0%	7.2%	9.2%	10.3	9.6	8.8	1.0	0.9	9.8%	5.0%	4.25	OP	
AMMB HOLDINGS BHD	4.13	12,448.6	N	03/2020	9.7%	4.8%	-4.4%	2.8%	8.3	8.6	8.4	0.7	0.6	7.5%	4.8%	5.10	OP	
BIMB HOLDINGS BHD	4.20	7,410.0	Y	12/2019	7.8%	8.5%	7.6%	13.6%	10.8	10.4	9.6	1.5	1.4	14.0%	3.8%	4.80	MP	
CIMB GROUP HOLDINGS BHD	5.08	49,415.3	N	12/2019	4.6%	5.0%	-16.2%	2.6%	8.5	10.5	10.6	0.9	0.9	8.5%	4.4%	6.45	OP	
HONG LEONG BANK BERHAD	17.74	38,455.3	N	06/2019	5.8%	5.7%	2.0%	9.0%	13.8	13.5	12.4	1.5	1.5	11.0%	2.7%	20.05	MP	
MALAYAN BANKING BHD	8.65	97,237.8	N	12/2019	4.2%	4.3%	-0.5%	3.2%	11.8	11.8	11.5	1.2	1.1	9.9%	6.6%	10.35	OP	
MALAYSIA BUILDING SOCIETY	0.87	5,840.7	N	12/2019	-1.0%	5.3%	-10.7%	10.2%	8.7	9.7	9.2	0.7	0.7	7.2%	5.7%	1.15	OP	
PUBLIC BANK BERHAD	21.78	84,553.0	N	12/2019	3.9%	5.2%	-0.1%	3.5%	15.0	15.1	14.6	2.1	2.1	13.7%	3.1%	24.10	MP	
RHB BANK BHD	5.50	22,055.3	N	12/2019	6.0%	4.8%	3.7%	3.6%	9.6	9.2	8.9	0.9	0.9	9.9%	3.8%	6.05	OP	
Simple Average							5.9%	5.7%	-0.2%	7.4%	10.5	10.6	10.0	1.1	1.0	9.8%	4.3%	

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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