Maybank Kim Eng

April 16, 2015

The Strategist

STRATEGY RESEARCH | Global

The circle game: a wealth effect by retail, for retail

Strategists

Willie Chan
(852) 2268-0631
williechan@kimeng.com.hk

Sadiq Currimbhoy
(65) 6231 5836
sadiq@maybank-ke.com.sg

China's equity rally and the wealth effect. The A-share rally is spurring more retail investors to open new accounts. The number of new accounts opened each week has already exceeded the peak in 2007. The YoY change in the Shanghai A-share index appears to lead retail sales, although the link has worked for arguably only one cycle. Nevertheless, the likelihood is, without a fall in A-shares, a retail sales pickup is likely in the coming months.

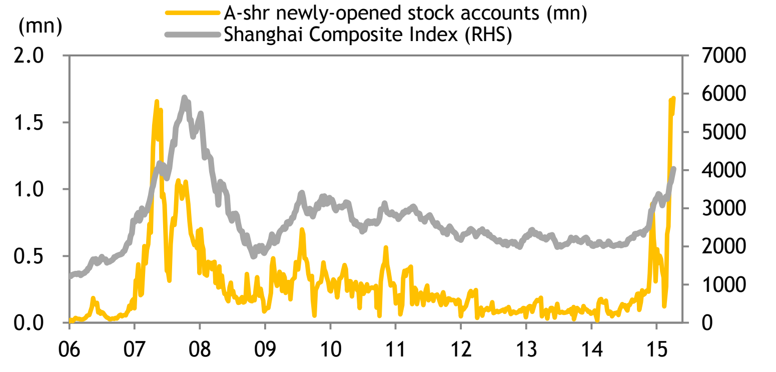
However, there are costs to the equity rally. We see wealth inequality worsening because only those holding equities are likely to be benefitting from this rally. Also, the rally risks making corporates focus on deleveraging rather than restructuring and improving returns on invested capital.

Rising risks in A-shares. Previously, peaks of the A-share market appear to have been triggered by government tightening or massive stock supply. With slow growth, there are no plans by China to tighten. However, if the plan is to deleverage companies through large equity capital raising, at A-share PER of 20x, risks are rising. Capital-raising in the first two months already exceeded the total for all of 2014. The fact that the rising market has coincided with increasing margin financing add to the risks.

Sell instead of chasing the momentum. We believe the current liquidity-driven rally is unsustainable. When the US, Europe and Japan commenced QE and encouraged their equity prices higher, their currencies weakened, sometimes aggressively. We don't see China wanting to depreciate its currency as it may increase capital outflows. Besides, the USD remains strong, and it continues to attract capital.

Sell machinery, materials and energy. Machinery and materials are the two most overbought sectors relative to MSCI China and their three-month earnings revisions also keep getting lowered. Energy is not the most relatively overbought sector. However, its three-month earnings revisions and 2015 EPS growth have had the biggest drop within China.

Shanghai A-share newly opened stock accounts & A-share index



Source: Wind, Bloomberg, Maybank Kim Eng Research

SEE PAGE 18 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

Figure 1: Summary of recent ideas

Theme	Trades	Recent data/updated ideas
USD strength & higher forex volatility	Selective Asia – Sell S&P 500	Are poor earnings finally going to be the catalyst for the S&P500 to roll over? We still have relatively high forex, oil, bond market implied vol, but low equity implied vol. The biggest risk is a USD deleveraging cycle. Still expect Asian forex to weaken, the RMB too.
Structurally positive	Long India	Improving macro fundamentals. Also, beneficiary of falling inflation, which is still happening and we think is needed to maintain rich valuations.
	Long Vietnam	Vietnam came off in March. Low global bond yields mean a preference for duration assets and Vietnam, a frontier market, is enjoying contained inflation.
	Long Philippines	Growth spreading to second and third-tier cities. Need to watch the local money markets as short rates are rising.
Cyclical concerns	Avoid Indonesia	Currency concerns but interest rates have encouragingly remained low. Protectionist sentiment is a long-term worry.
	Long China, Short Taiwan	Relative value of China is bottoming out vs Taiwan; technology sector dominates weighting within MSCI Taiwan.
Relative value in Asia ex Japan	Long financials, short non-financials	Relative P/BV bouncing off historical low. Getting concerned about this trade given the flattening of yield curves. And Chinese banks have run too and we are removing the tactical long.
	Long banks, short tech	Tech has been very strong but we remain negative given valuations and our concerns about global equity markets.
	Long consumer goods, short tech	Another trade impacted by strong tech. Staples are looking interesting vs autos.
	Long Singapore, short Thailand	Thailand, while less owned by foreigners, is still relatively expensive vs Singapore and the baht is finally weakening.
	Long Hong Kong H-index, short Shanghai A index	A-shares now at 20x PER, and the premium is at 25%.
	Long China consumer staples, short China consumer discretionary	Up/downgrade earnings ratio for consumer staples relative to consumer discretionary has hit the bottom. Profit margin for consumer staples has also started to improve because of lower input-costs.
Policy ease	Long Chinese banks, fade property	The PBoC is still behind the curve. We need to see much stronger easing by China for the banks to do much better. We still see little case for property stocks.
	Sell China's machinery, materials and energy	These three sectors have already been overbought with negative earnings revision. Energy's earnings revision and 2015 EPS growth have the biggest drop within China.

Source: Maybank Kim Eng

A wealth effect driven by retail, for retail

This note focuses on four things:

1. **Tracking Chinese retail investors whose activity is now higher than 2007 levels;**
2. **Whether we can see a growth recovery given a wealth effect;**
3. **Assessing what could derail the A-shares; and,**
4. **Sell instead of chasing the momentum. Sector wise, sell machinery, materials and energy sectors.**

Is this what they are thinking?

We continue to think China is behind the curve and needs to ease. However, the encouragement of the A-share driven recovery – rather than lower interest rates – has provided a different perspective.

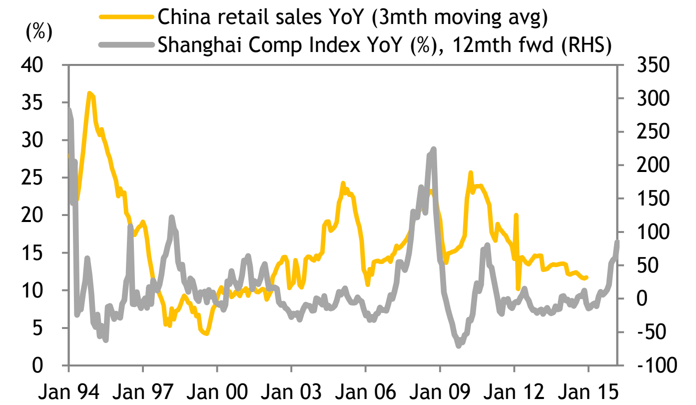
China's equity rally and the wealth effect

There are three reasons why China retail sales have been sluggish in the past three years: 1) anti-corruption; 2) weak property sales and 3) slowing economic growth. Recent corporate earnings have already showed that many consumer companies have recorded negative sales growth.

Can a strong equity market drive growth via a wealth effect? The charts below show the YoY change in the Shanghai A Composite, which when pushed 12 months forward, appears not to be a bad leading indicator of retail sales and imports growth at all.

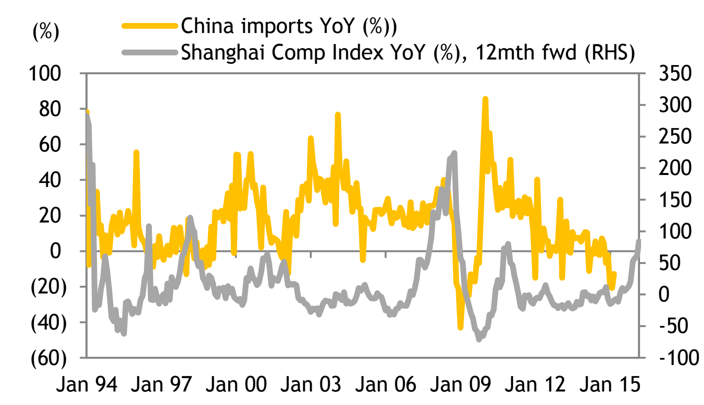
However, it appears to really work over the past 10 years. And in that sense, there has only really been arguably one cycle: the boom, then bust and then the massive 2009 reflation and its aftermath. Still, the odds are both retail sales and imports growth are likely to pick up in the coming months.

Figure 2: China retail sales & Shanghai A-share



Source: CEIC, Bloomberg, Maybank Kim Eng Research

Figure 3: China imports growth & Shanghai A-share



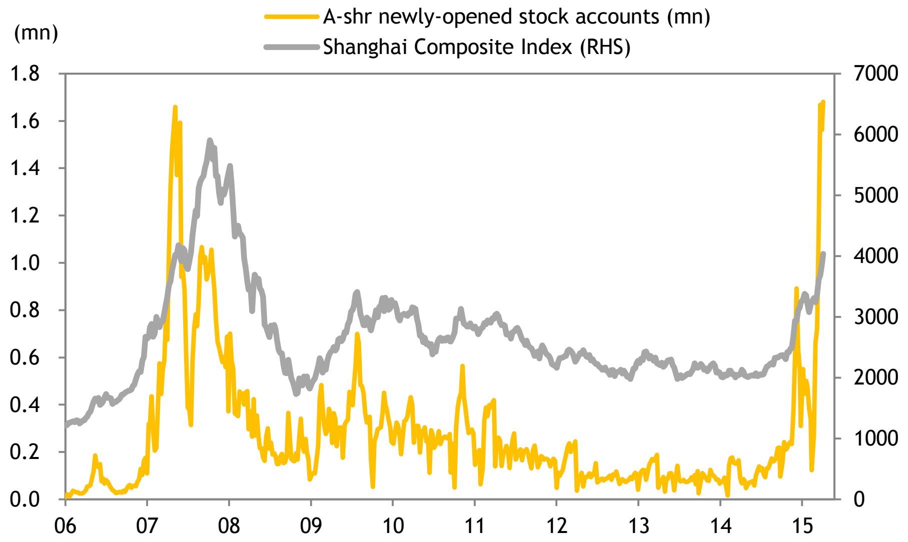
Source: CEIC, Bloomberg, Maybank Kim Eng Research

Retail participation breaks 2007 record

The A-share market rally appears to have been driven by retail investors.

The chart below shows the number of newly opened A-share stock accounts. The last time we saw similar high retail participation rate was in Jun 2007, four months before the market peaked.

Figure 4: Shanghai A-share newly opened stock accounts & A-share index



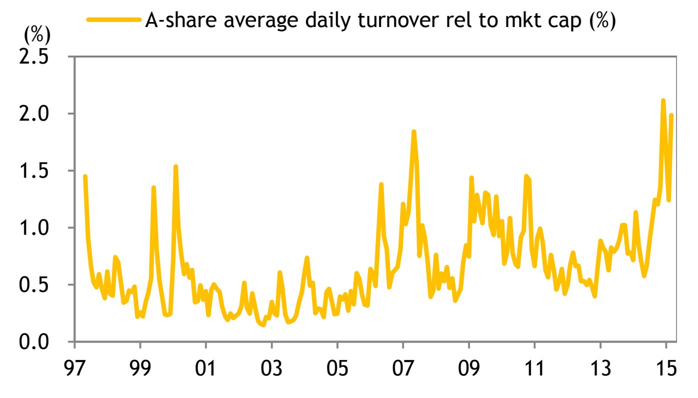
Source: Wind, Bloomberg, Maybank Kim Eng Research

The turnover ratio — the average daily turnover relative to market cap ratio — is now at record highs (Figure 5 below), and higher than the levels in 2007. It means people are only focused on short-term trading activities.

And the rising turnover is also due to rising margin financing. As of April 2015, the amount of margin financing has already accounted for 9.7% of Shanghai A's free float market cap.

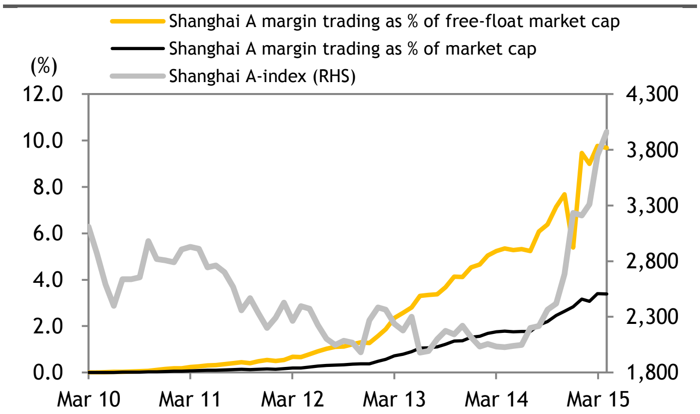
If anything, we reckon the risks to the A-share market continue to rise.

Figure 5: A-share average daily turnover rel market cap



Source: Wind, Bloomberg, *Maybank Kim Eng Research*

Figure 6: % of margin trading in Shanghai



Source: Wind, Bloomberg, *Maybank Kim Eng Research*

Is there a cost to the equity rally?

There are two issues that concern us about the move in Chinese A-share equities:

Shouldn't equity prices respond to restructuring rather than drive it?

We hear a lot from people that you need a buoyant equity market to drive restructuring in China. If "restructuring" means raising large amounts of equity and then paying down debt so as to lower debt-equity ratios, then it is called "balance-sheet deleveraging" rather than restructuring which is to improve corporate returns on invested capital.

One reason why Chinese returns have been so poor is that an inappropriate cost of capital has encouraged over-investment. With corporate transparency still a question mark, encouraging a surge in equity prices runs the risk of further delaying a change in corporate culture that is returns driven.

In short, we would not be surprised if corporate restructuring is pushed back and the "can is kicked down the road."

What about inequality?

The equity rally is really only benefiting those who hold equities and it is unclear what percentage of the population that is.

Looking at the Shanghai and Shenzhen bourses, we estimate there are currently 190m total A-share investment accounts open. At the end of 2007, this number was 110m. We do not know how many are dormant. And multiple accounts are only now possible for an individual, but there will be separate accounts for different people in the same household.

So, it may not be unreasonable to estimate that the number of households with investment accounts is 100m. We can then say that the size of the household is 3-3.5. That means that the number of people who benefit from the stock market rally is between 300 and 350m, or about 25% of the population. These are of course the more affluent parts of the population. Effectively, if China was concerned about income inequality, then this has gotten worse.

What will the trigger be?

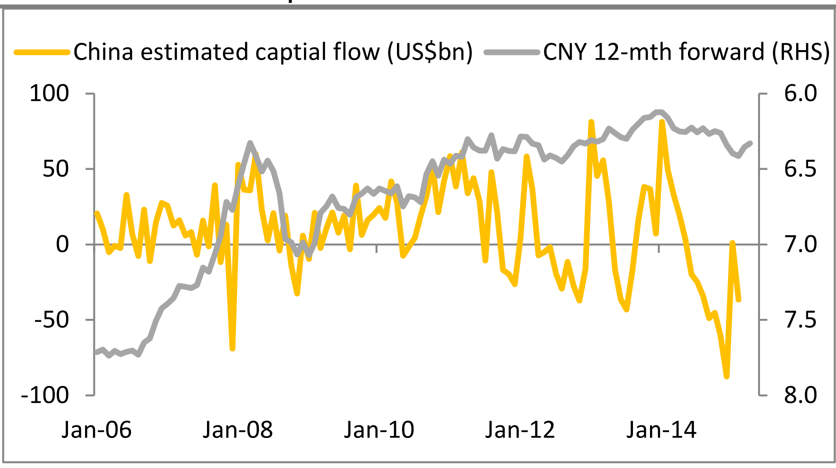
Looking at A-share market history, the peak of previous A-share market was we think either triggered by the government tightening regulations or massive stock supply.

Liquidity outlook:

The market has high expectations liquidity will continue to be pumped into the market because the government will keep easing. And this rally has been driven by expectations of lower interest rates, rather than actual easing.

However, there is a risk to easing. Currencies are by definition bi-lateral and the USD has continued to appreciate. The risk for China is that the USD continues to attract capital. The government clearly does not want to depreciate the RMB yet. But as the equity market gets further extended, underpinned by market leverage, the risks get bigger. A market melt-down could damage policy credibility and trigger more capital outflows. From a policy perspective, it seems odd that policymakers would want equity market excess. It feels a bit like a game of musical chairs. And as the maestro, the government could stop the music anytime if things get excessive.

Figure 7: China estimated capital flows vs CNY 12-mth fwd



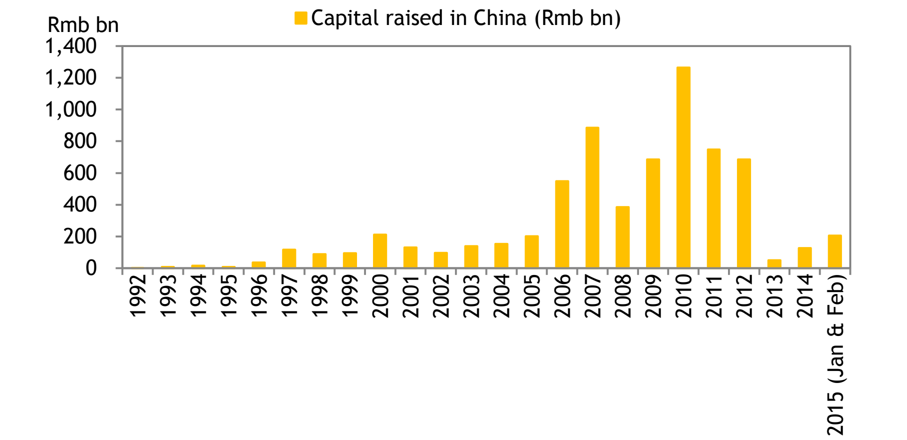
Source: Bloomberg, Maybank Kim Eng Research

Cash calls

In China's history, the first time that massive stock supply marked the market peak began in Feb-93. The amount of capital raised surged from CNY1.7b in 1992 to CNY8.5b in 1993 and 17b in 1994. The A-share market plunged 78% between Feb-93 and Jul-94. The second time was in Red chip fever in 1997. The amount of stock supply increased from CNY36b in 1996 to CNY117b in 97 and the market was down 21% from the peak in May-97 in that year. The third time was in 2000-2001. In those two years, the amount of new issuance absorbed by the market shot up from CNY94b in 1999 to CNY343b. The market peaked in Jun-01 and down was 39% within 7 months. The similar patterns also happened in 2007 and 2010. While it's difficult to dis-entangle global market moves (eg, 2007 and 2000), the point is that sharply higher markets have been met by huge capital raising.

Right now, the amount of capital raised in the first two months of 2015 has already reached to CNY205b, compared with CNY128b in all of 2014. There are reportedly a lot of IPOs in the pipeline this year, so the coming market liquidity will be a concern.

Figure 8: Capital raised in China

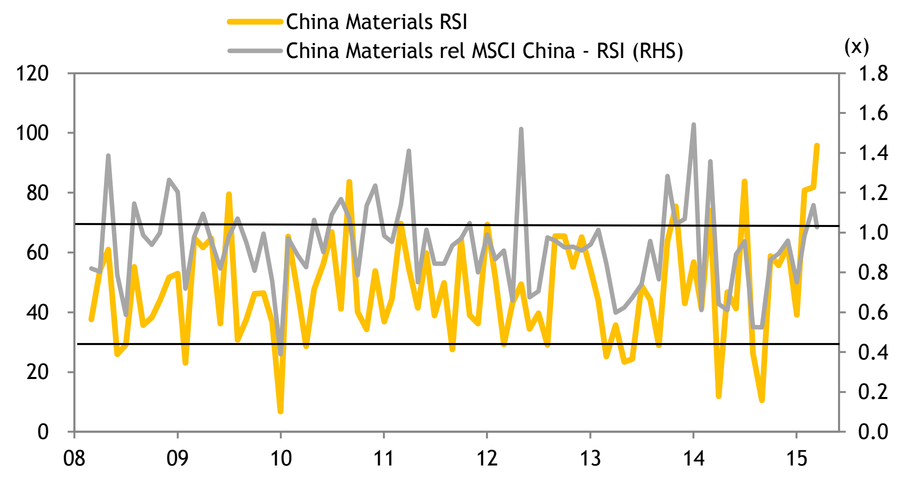


Source: Wind, Bloomberg, Maybank Kim Eng Research

Sell instead of chasing the momentum

The MSCI China is up 17% month-to-date. It should not be a surprise that all sectors have reached overbought territory already. However, in relative terms, even the material sector, the most overbought sector, has not hit its historical highs. Therefore does it mean that investors can still chase this liquidity driven market at the current levels? Our answer is no.

Figure 9: MSCI China Material absolute and relative RSI



Source: MSCI, Factset, Maybank Kim Eng Research

The MSCI China is already overbought in both absolute and relative terms (relative to MSCI Asia ex Japan). The MSCI Asia ex Japan's 2015 EPS growth is 9% but China is only 3%. Both of them are trading at around 12-13x 2015 PER right now. Therefore, in terms of valuation, China is not at a very attractive level. In addition, the latest three-month earnings revision for MSCI China is -6% while the MSCI Asia ex Japan is -2%. Therefore, this is a pure liquidity driven rally but with only low single-digit earnings growth.

We hear investors argue that the US, Europe and Japan have also pushed up their equity markets successfully in the past few years by flushing a lot of liquidity into their markets. China is doing the same thing right now, so the equity market should get re-rated as well. However, when the US, Europe and Japan pushed up their markets, they also depreciated/are depreciating their currencies aggressively. We don't see the Chinese government really wanting to do that. In addition, strong USD continues to attract capital. Therefore we cannot convince ourselves that the current liquidity rally is sustainable. We recommend investors to sell instead of chasing the market.

China's manufacturing exports are also falling in competitiveness because of the appreciating Real Effective Exchange Rate in the past 20 years. We expect manufacturing exports to likely be flat in the coming months. (Asset-class anomalies & unconvincing policy moves, 18 Mar 2015).

Sell machinery, materials and energy

The following table shows that machinery and materials are the two most overbought sectors relative to MSCI China and their three-month earnings revisions are -13% and -7% respectively. Month-to-date performance for the machinery sector is even more than its year-to-date performance, which indicates there has been a lot of short-term momentum focus on this sector in the past two weeks. Also its 2015 EPS growth is only 9% and the chart below shows that P/BV has already hit historical highs.

The market expects 2015 EPS growth for materials will be +75% YoY, however, it is mainly because of falling input costs rather than rising demand. Declining physical metal prices indicate that China's economy remains weak. The chart shows the Street continues to revise down materials' earnings revision.

The similar short-term trading pattern can also be seen in the energy sector. Its month-to-date performance is also more than its year-to-date performance. Even though energy is not the most relatively overbought sector, its three-month earnings revisions had the biggest drop within China and expectations for 2015 EPS growth is -45%.

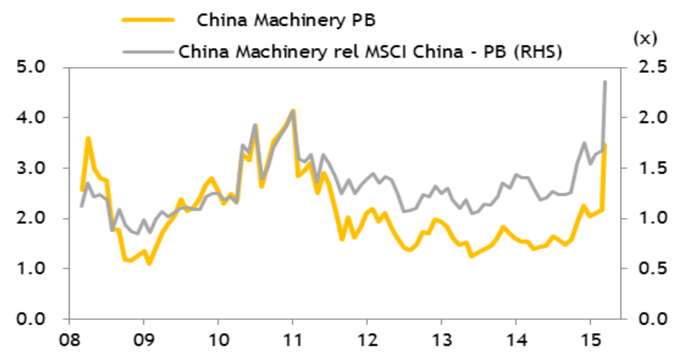
Therefore we recommend investors to sell the machinery, materials and energy sectors.

Figure 10: Absolute & relative RSI with 3-mth earnings revision, performance and valuations

	14-day	14-D RSI rel	3-mth	Performance (%)		PER (x)		EPS growth YoY (%)		RoE(%)		P/BV (x)	
	RSI	MSCI China	earnings revision	YTD	MTD	2014F	2015F	2014F	2015F	2014F	2015F	2014F	2015F
MSCI Asia x Japan	89		-2%	12	7	13.4	13.3	8	9	12	11	1.6	1.5
MSCI China	93	1.05*	-6%	27	17	10.9	12.3	6	3	14	13	1.5	1.6
Machinery	96	1.03	-13%	47	52	15.7	24.1	32	9	13	13	2.1	3.1
Materials	96	1.03	-7%	32	23	13.1	13.7	(19)	75	8	10	1.1	1.3
Capital Goods	95	1.02	-2%	46	36	11.6	14.2	16	8	12	12	1.4	1.7
Industrials	95	1.02	0%	41	31	13.4	15.2	10	13	10	11	1.4	1.7
Consumer Discretionary	95	1.02	3%	41	18	13.1	12.9	16	21	16	17	2.1	2.2
Financials	91	0.98	-3%	23	19	7.5	8.1	12	5	16	15	1.2	1.2
Health Care	91	0.97	-1%	21	17	22.4	22.0	39	15	13	14	2.9	3.1
Banks	90	0.96	-3%	19	19	5.8	6.2	8	5	18	16	1.0	1.0
IT	90	0.96	-2%	53	15	34.8	33.2	39	26	19	19	6.5	6.4
Real Estate	89	0.95	-8%	24	17	7.4	8.5	5	(3)	13	12	1.0	1.0
Auto	88	0.95	2%	36	11	12.4	11.3	16	27	17	18	2.1	2.1
Insurance	87	0.93	4%	29	17	17.7	17.7	58	15	14	13	2.5	2.4
Energy	86	0.92	-39%	14	15	9.7	19.1	(11)	(45)	11	6	1.0	1.1
Utilities	83	0.89	-4%	13	13	13.1	14.0	20	14	14	14	1.9	2.0
Consumer Staple	77	0.83	-6%	10	9	26.9	24.7	(6)	32	11	11	2.8	2.8
Telecom	76	0.82	-2%	24	11	16.2	16.7	(6)	2	11	10	1.7	1.7
Food/Beverage/Tobacco	73	0.78	-5%	7	10	24.5	23.1	3	30	14	12	2.9	2.9

*Source: MSCI, Factset, Maybank Kim Eng * it is relative to MSCI Asia x Japan*

Figure 11: MSCI China Machinery PB absolute & relative



Source: MSCI, Factset, Maybank Kim Eng Research

Figure 12: MSCI China Material earnings revision in 2015

Source: MSCI, Factset, Maybank Kim Eng Research

We reiterate our Long H-shares and Short A-shares relative trade under the current pure liquidity driven environment.

Performance and valuation summary

Figure 13: Equity performance by country (in local currency terms)

Name	Index level	FX rate	--- Absolute performance (local currency) ---							
			-1w	-1m	-3m	-6m	-1y	MTD	QTD	YTD
MSCI All Country World	436		1	4	7	10	8	3	3	5
MSCI Emerging Market	1,037		3	10	8	5	2	6	6	8
MSCI Asia Pac (inc JP)	153		3	6	11	13	12	5	5	11
MSCI Asia Pac x JP	512		4	8	9	10	6	5	5	10
MSCI Asia x JP	630		5	10	11	14	12	7	7	12
MSCI Far East x JP	592		5	11	11	14	11	7	7	12
MSCI Emerging Asia	512		4	10	11	14	13	7	7	12
MSCI EM Latin America	2,608		0	11	(1)	(20)	(21)	6	6	(4)
MSCI EMMEA	289		1	11	7	(2)	(9)	5	5	7
MSCI Frontie	599		0	1	1	(11)	(8)	3	3	(2)
MSCI Asia x JP Small Cap	1,159		5	11	13	11	9	8	8	14
China - Shanghai Composite	4,136	6.2	4	23	28	75	94	10	10	28
China - H-shares	14,265	7.8	13	22	19	39	39	16	16	19
Hong Kong - HSI	27,561	7.8	9	16	14	20	20	11	11	17
Taiwan - TAIEX	9,642	31.3	0	1	5	10	9	1	1	4
Korea - KOSPI	2,112	1,094	3	6	10	9	6	3	3	10
Singapore - STI	3,521	1.4	2	5	6	10	10	2	2	5
Malaysia - KLCI	1,840	3.7	(1)	3	6	2	(1)	0	0	4
Thailand - SET	1,548	32.6	(0)	0	2	0	11	3	3	3
Indonesia - JCI	5,419	12,981	(2)	(0)	5	10	11	(2)	(2)	4
Philippines - PSEi	8,056	44.6	(1)	3	8	16	22	1	1	11
India - Sensex	29,044	62.5	2	2	6	10	28	4	4	6
Vietnam - Ho Chi Minh	559	21,600	2	(5)	(3)	(8)	(6)	1	1	2
Australia ASX 200	5,947	1.3	0	2	11	14	11	1	1	10
New Zealand - NZX50	5,882	1.3	0	(0)	4	14	16	1	1	6
Japan - Nikkei 225	19,909	119.1	1	3	19	33	43	4	4	14
Japan - TOPIX	1,591	119.1	1	2	17	31	40	3	3	13
S&P 500	2,096	1.0	1	2	4	12	14	1	1	2
Russell 2000	1,265	1.0	1	3	8	19	13	1	1	5
FTSE 100	7,075	1.5	2	5	11	11	7	4	4	8
Euro Stoxx	3,785	1.1	0	4	22	26	21	2	2	20

Source: Maybank Kim Eng, Factset, MSCI, data as of 14 April 2015

Figure 14: Equity performance by country (in USD terms)

			--- Absolute performance (USD) ---							
Name	Index level	FX rate	-1w	-1m	-3m	-6m	-1y	MTD	QTD	YTD
MSCI All Country World	436		1	4	7	10	8	3	3	5
MSCI Emerging Market	1,037		3	10	8	5	2	6	6	8
MSCI Asia Pac (inc JP)	153		3	6	11	13	12	5	5	11
MSCI Asia Pac x JP	512		4	8	9	10	6	5	5	10
MSCI Asia x JP	630		5	10	11	14	12	7	7	12
MSCI Far East x JP	592		5	11	11	14	11	7	7	12
MSCI Emerging Asia	512		4	10	11	14	13	7	7	12
MSCI EM Latin America	2,608		0	11	(1)	(20)	(21)	6	6	(4)
MSCI EMMEA	289		1	11	7	(2)	(9)	5	5	7
MSCI Frontie	599		0	1	1	(11)	(8)	3	3	(2)
MSCI Asia x JP Small Cap	1,159		5	11	13	11	9	8	8	14
China - Shanghai Composite	4,136	6.2	4	24	28	73	94	10	10	28
China - H-shares	14,265	7.8	13	22	19	39	39	16	16	19
Hong Kong - HSI	27,561	7.8	9	16	14	20	20	11	11	17
Taiwan - TAIEX	9,642	31.3	(1)	2	7	7	5	1	1	5
Korea - KOSPI	2,112	1,094	3	10	9	7	0	5	5	11
Singapore - STI	3,521	1.4	1	6	4	3	1	3	3	1
Malaysia - KLCI	1,840	3.7	(3)	3	3	(10)	(13)	1	1	(1)
Thailand - SET	1,548	32.6	(0)	1	2	(0)	10	3	3	4
Indonesia - JCI	5,419	12,981	(2)	2	2	4	(2)	(1)	(1)	(1)
Philippines - PSEi	8,056	44.6	(1)	3	8	17	22	2	2	12
India - Sensex	29,044	62.5	2	3	6	8	24	4	4	7
Vietnam - Ho Chi Minh	559	21,600	2	(6)	(4)	(9)	(8)	1	1	1
Australia ASX 200	5,947	1.3	0	2	4	0	(10)	1	1	3
New Zealand - NZX50	5,882	1.3	1	3	2	10	1	1	1	2
Japan - Nikkei 225	19,909	119.1	2	5	16	20	22	4	4	15
Japan - TOPIX	1,591	119.1	2	4	15	18	20	4	4	14
S&P 500	2,096	1.0	1	2	4	12	14	1	1	2
Russell 2000	1,265	1.0	1	3	8	19	13	1	1	5
FTSE 100	7,075	1.5	1	5	8	3	(5)	4	4	2
Euro Stoxx	3,785	1.1	(1)	5	11	6	(6)	2	2	6

Source: Maybank Kim Eng, Factset, MSCI, data as of 14 April 2015

Figure 15: Equity performance by country – relative performance

Name	Index level	FX rate	--- Relative performance to MSCI Asia x Japan ---							
			-1w	-1m	-3m	-6m	-1y	MTD	QTD	YTD
MSCI All Country World	436		(4)	(6)	(4)	(4)	(5)	(4)	(4)	(7)
MSCI Emerging Market	1,037		(2)	0	(2)	(9)	(10)	(0)	(0)	(3)
MSCI Asia Pac (inc JP)	153		(2)	(4)	1	(0)	(1)	(2)	(2)	(1)
MSCI Asia Pac x JP	512		(1)	(2)	(2)	(3)	(6)	(1)	(1)	(2)
MSCI Asia x JP	630									
MSCI Far East x JP	592		0	1	0	0	(1)	0	0	0
MSCI Emerging Asia	512		(0)	(0)	0	1	1	(0)	(0)	0
MSCI EM Latin America	2,608		(4)	1	(12)	(34)	(33)	(0)	(0)	(16)
MSCI EMMEA	289		(4)	1	(4)	(16)	(21)	(1)	(1)	(5)
MSCI Frontie	599		(4)	(10)	(10)	(25)	(20)	(4)	(4)	(14)
MSCI Asia x JP Small Cap	1,159		(0)	1	2	(3)	(3)	1	1	2
China - Shanghai Composite	4,136	6.2	(0)	13	17	59	82	3	3	16
China - H-shares	14,265	7.8	8	12	8	26	27	9	9	7
Hong Kong - HSI	27,561	7.8	4	6	3	6	7	4	4	5
Taiwan - TAIEX	9,642	31.3	(5)	(8)	(4)	(7)	(7)	(6)	(6)	(7)
Korea - KOSPI	2,112	1,094	(2)	(1)	(2)	(7)	(12)	(2)	(2)	(1)
Singapore - STI	3,521	1.4	(3)	(3)	(7)	(10)	(11)	(4)	(4)	(10)
Malaysia - KLCI	1,840	3.7	(7)	(7)	(8)	(23)	(25)	(6)	(6)	(13)
Thailand - SET	1,548	32.6	(5)	(9)	(9)	(14)	(2)	(4)	(4)	(7)
Indonesia - JCI	5,419	12,981	(6)	(9)	(9)	(10)	(14)	(8)	(8)	(13)
Philippines - PSEi	8,056	44.6	(5)	(8)	(3)	3	10	(5)	(5)	0
India - Sensex	29,044	62.5	(3)	(8)	(5)	(5)	11	(3)	(3)	(5)
Vietnam - Ho Chi Minh	559	21,600	(3)	(16)	(15)	(23)	(21)	(6)	(6)	(10)
Australia ASX 200	5,947	1.3	(4)	(8)	(7)	(13)	(22)	(6)	(6)	(9)
New Zealand - NZX50	5,882	1.3	(4)	(8)	(9)	(4)	(11)	(5)	(5)	(10)
Japan - Nikkei 225	19,909	119.1	(2)	(5)	5	6	10	(2)	(2)	3
Japan - TOPIX	1,591	119.1	(3)	(7)	4	4	8	(3)	(3)	2
S&P 500	2,096	1.0	(4)	(8)	(7)	(2)	2	(5)	(5)	(10)
Russell 2000	1,265	1.0	(4)	(8)	(3)	6	1	(6)	(6)	(7)
FTSE 100	7,075	1.5	(4)	(5)	(3)	(11)	(17)	(3)	(3)	(9)
Euro Stoxx	3,785	1.1	(6)	(5)	0	(7)	(19)	(5)	(5)	(5)

Source: Maybank Kim Eng, Factset, MSCI, data as of 14 April 2015

Figure 16: Equity performance by MSCI Asia ex Japan sector

		--- Absolute performance ---							
Name	**Index**	**-1w**	**-1m**	**-3m**	**-6m**	**-1y**	**MTD**	**QTD**	**YTD**
MSCI Asia ex Japan	**630**	**5**	**10**	**11**	**14**	**12**	**7**	**7**	**12**
Energy	**612**	**8**	**14**	**12**	**(2)**	**(6)**	**11**	**11**	**10**
Materials	**316**	**4**	**10**	**11**	**6**	**(2)**	**7**	**7**	**11**
Industrials	**194**	**7**	**15**	**16**	**16**	**10**	**10**	**10**	**17**
Capital goods	180	8	16	18	13	6	11	11	18
Transportation	242	5	11	8	21	23	7	7	11
Consumer discretionary	**527**	**3**	**7**	**4**	**(0)**	**(14)**	**5**	**5**	**4**
Automobiles & Components	853	2	5	1	1	(13)	3	3	4
Retailing	317	9	18	16	8	2	11	11	12
Consumer staples	**463**	**2**	**9**	**9**	**8**	**6**	**4**	**4**	**10**
Food/staples retail	117	3	10	3	(2)	(11)	4	4	3
Food/beverage/tobacco	391	0	7	4	1	(6)	4	4	4
Health care	**907**	**4**	**15**	**22**	**25**	**45**	**10**	**10**	**25**
Financials	**368**	**7**	**14**	**13**	**21**	**25**	**9**	**9**	**13**
Banks	293	6	11	10	16	18	8	8	8
Diversified financials	749	19	32	31	39	53	23	23	32
Insurance	350	9	16	18	37	43	10	10	20
Real estate	215	4	12	8	15	16	6	6	12
Technology	**397**	**1**	**5**	**10**	**16**	**15**	**3**	**3**	**12**
Software services	2,008	5	11	14	17	28	6	6	23
Tech hardware	202	1	5	9	17	22	3	3	10
Semiconductors/equipment	380	(1)	(1)	8	15	8	(1)	(1)	4
Telecoms	**167**	**3**	**7**	**9**	**11**	**24**	**5**	**5**	**12**
Utilities	**245**	**3**	**7**	**4**	**3**	**8**	**4**	**4**	**4**

Source: Maybank Kim Eng, Factset, MSCI, data as of 14 April 2015

Figure 17: Equity performance by MSCI Asia ex Japan sector – relative performance

		--- Relative performance MSCI Asia ex Japan ---							
Name	**Index**	**-1w**	**-1m**	**-3m**	**-6m**	**-1y**	**MTD**	**QTD**	**YTD**
MSCI Asia ex Japan	**630**								
Energy	**612**	**3**	**4**	**1**	**(15)**	**(18)**	**4**	**4**	**(1)**
Materials	**316**	**(0)**	**(0)**	**0**	**(7)**	**(14)**	**1**	**1**	**(1)**
Industrials	**194**	**2**	**5**	**5**	**2**	**(3)**	**4**	**4**	**5**
Capital goods	180	3	6	7	(0)	(7)	5	5	7
Transportation	242	0	1	(3)	8	11	0	0	(1)
Consumer discretionary	**527**	**(1)**	**(3)**	**(7)**	**(14)**	**(27)**	**(2)**	**(2)**	**(7)**
Automobiles & Components	853	(2)	(6)	(10)	(12)	(25)	(4)	(4)	(8)
Retailing	317	5	8	5	(6)	(11)	5	5	1
Consumer staples	**463**	**(3)**	**(1)**	**(2)**	**(5)**	**(7)**	**(3)**	**(3)**	**(1)**
Food/staples retail	117	(1)	(1)	(8)	(16)	(23)	(2)	(2)	(8)
Food/beverage/tobacco	391	(4)	(3)	(7)	(13)	(18)	(3)	(3)	(8)
Health care	**907**	**(1)**	**5**	**11**	**12**	**33**	**3**	**3**	**13**
Financials	**368**	**3**	**4**	**2**	**8**	**12**	**2**	**2**	**1**
Banks	293	1	1	(1)	2	6	1	1	(3)
Diversified financials	749	14	22	20	26	41	16	16	20
Insurance	350	4	6	7	23	31	3	3	8
Real estate	215	(0)	1	(3)	2	4	(0)	(0)	0
Technology	**397**	**(3)**	**(6)**	**(1)**	**3**	**2**	**(4)**	**(4)**	**0**
Software services	2,008	1	1	3	3	16	(1)	(1)	11
Tech hardware	202	(4)	(6)	(2)	3	10	(3)	(3)	(1)
Semiconductors/equipment	380	(6)	(11)	(2)	1	(5)	(7)	(7)	(7)
Telecoms	**167**	**(2)**	**(3)**	**(2)**	**(3)**	**11**	**(1)**	**(1)**	**0**
Utilities	**245**	**(2)**	**(3)**	**(7)**	**(10)**	**(4)**	**(3)**	**(3)**	**(8)**

Source: Maybank Kim Eng, Factset, MSCI, data as of 14 April 2015

Figure 18: MSCI country valuation

	PER (x)			EPS growth YoY (%)			RoE(%)			P/BV (x)			DY (%)		
	2014F	2015F	2016F	2014F	2015F	2016F	2014F	2015F	2016F	2014F	2015F	2016F	2014F	2015F	2016F
Asia-ex-Japan	13.4	13.5	12.3	8	9	10	12	11	12	1.6	1.5	1.4	2.6	2.4	2.7
China	10.9	12.8	11.3	6	3	14	14	13	13	1.5	1.6	1.5	3.0	2.4	2.7
Hong Kong	13.5	17.7	16.4	30	(16)	8	10	8	8	1.3	1.4	1.3	3.3	2.6	2.8
Taiwan	14.6	12.9	12.1	28	13	6	13	14	13	1.9	1.8	1.6	2.9	3.4	3.8
Korea	12.3	10.3	9.6	(8)	29	7	9	10	10	1.1	1.0	0.9	1.4	1.5	1.6
Singapore	13.9	14.2	13.0	15	1	9	10	10	10	1.4	1.4	1.3	3.5	3.6	3.8
Malaysia	17.3	16.3	15.1	4	11	8	12	11	12	2.0	1.9	1.8	3.0	3.1	3.3
Thailand	17.2	14.7	12.8	(19)	27	14	13	14	15	2.2	2.1	1.9	2.8	3.0	3.3
Indonesia	17.3	16.2	14.3	11	10	13	20	19	19	3.5	3.1	2.7	2.2	2.3	2.6
Philippines	22.7	21.3	18.6	23	13	15	14	14	15	3.3	3.1	2.8	2.0	1.9	2.1
India	21.3	19.3	16.3	9	15	18	15	15	16	3.2	3.0	2.6	1.4	1.4	1.6
	17.2	16.1	14.5	19	12	11	9	9	9	1.5	1.4	1.3	1.7	1.8	2.0
Japan															
	18.3	17.8	15.8	5	5	13	14	15	15	2.8	2.7	2.5	2.0	2.0	2.2
US	18.8	16.3	14.5	14	39	13	9	8	9	1.5	1.6	1.6	3.7	3.2	3.5
	13.4	13.5	12.3	8	9	10	12	11	12	1.6	1.5	1.4	2.6	2.4	2.7
Europe															

Source: Maybank Kim Eng, Factset, MSCI, Bloomberg data as of 14 April 2015

Figure 19: MSCI Asia ex-Japan sector valuation

	PER (x)			EPS growth YoY (%)			RoE(%)			P/BV (x)			DY (%)		
	2014F	2015F	2016F	2014F	2015F	2016F	2014F	2015F	2016F	2014F	2015F	2016F	2014F	2015F	2016F
Asia-ex-Japan	**13.4**	**13.5**	**12.3**	**8**	**9**	**10**	**12**	**11**	**12**	**1.6**	**1.5**	**1.4**	**2.6**	**2.4**	**2.7**
Energy	**12.3**	**15.9**	**11.9**	**(20)**	**(14)**	**34**	**9**	**7**	**9**	**1.1**	**1.2**	**1.1**	**3.1**	**2.2**	**2.9**
Materials	**18.9**	**14.8**	**12.9**	**(13)**	**47**	**15**	**6**	**8**	**9**	**1.1**	**1.2**	**1.1**	**2.5**	**2.5**	**2.6**
Industrials	**20.1**	**16.3**	**14.4**	**14**	**45**	**13**	**7**	**9**	**9**	**1.3**	**1.4**	**1.3**	**2.8**	**2.0**	**2.2**
Capital goods	18.3	15.6	13.6	15	40	14	7	9	9	1.3	1.3	1.2	3.0	1.9	2.1
Transportation	25.2	28.0	18.0	16.7	10	67	8	6	9	9	1.6	1.6	1.5	2.1	2.3
Consumer discretionary	**11.1**	**12.0**	**11.7**	**10.5**	**(5)**	**9**	**12**	**14**	**14**	**14**	**1.7**	**1.6**	**1.4**	**2.3**	**2.2**
Automobiles & Components	8.3	8.7	8.5	7.6	(5)	10	11	15	14	14	1.3	1.2	1.1	1.7	1.8
Retailing	18.0	17.5	15.5	(2)	22	13	8	9	10	1.5	1.6	1.5	1.8	1.6	1.8
Consumer staples	**25.3**	**26.5**	**24.5**	**21.2**	**5**	**20**	**16**	**12**	**12**	**13**	**3.1**	**3.1**	**2.8**	**1.8**	**1.8**
Food/staples retail	25.3	26.7	24.7	20.2	(16)	37	22	7	8	9	2.0	1.9	1.8	1.8	1.8
Food/beverage/tobacco	22.5	23.1	21.1	18.5	6	17	14	12	12	13	2.6	2.5	2.3	2.1	2.1
Health care	**29.3**	**29.4**	**24.4**	**28**	**20**	**21**	**14**	**15**	**16**	**4.2**	**4.6**	**4.0**	**0.8**	**0.8**	**0.9**
Financials	**10.8**	**11.6**	**10.6**	**14**	**5**	**9**	**11**	**11**	**11**	**1.2**	**1.3**	**1.2**	**3.1**	**2.9**	**3.1**
Banks	8.8	9.1	8.5	9	6	8	14	13	13	1.2	1.2	1.1	3.9	3.6	3.9
Diversified financials	15.3	15.9	19.1	17.1	51	7	12	12	12	13	2.0	2.3	2.2	2.3	2.2
Insurance	17.1	18.1	16.1	41	9	12	12	11	11	2.0	2.0	1.8	1.3	1.3	1.5
Real estate	12.5	13.4	12.4	7	(0)	9	7	6	7	0.9	0.9	0.8	3.1	3.0	3.2
Technology	**14.3**	**13.5**	**12.3**	**6**	**11**	**10**	**16**	**16**	**15**	**2.3**	**2.1**	**1.9**	**1.8**	**2.0**	**2.2**
Software services	29.3	32.0	29.1	23.9	28	22	21	25	25	24	7.9	7.2	5.8	0.8	0.8
Tech hardware	10.8	10.8	10.7	9.9	37	6	8	13	13	13	1.4	1.4	1.2	2.1	2.2
Semiconductors/equipment	13.2	13.8	11.7	10.9	48	17	7	20	21	19	2.8	2.4	2.1	2.2	2.9
Telecoms	**18.8**	**18.0**	**16.6**	**0**	**8**	**8**	**12**	**12**	**13**	**2.3**	**2.2**	**2.1**	**3.2**	**3.3**	**3.5**
Utilities	**9.4**	**11.6**	**13.3**	**100**	**(14)**	**(12)**	**16**	**13**	**11**	**1.6**	**1.5**	**1.4**	**2.8**	**2.9**	**3.1**

Source: Maybank Kim Eng, Factset, MSCI, Bloomberg data as of 14 April 2015

Research Offices

REGIONAL

WONG Chew Hann, CA
Regional Head of Institutional Research
(603) 2297 8686 wchewh@maybank-ib.com

ONG Seng Yeow
Regional Head of Retail Research
(65) 6432 1453
ongsengyeow@maybank-ke.com.sg

Alexander GARTHOFF
Institutional Product Manager
(852) 2268 0638
alexgarthoff@kimeng.com.hk

ECONOMICS

Suhaimi ILIAS
Chief Economist
Singapore | Malaysia
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

Luz LORENZO
Philippines
(63) 2 849 8836
luz_lorenzo@maybank-atrke.com

Tim LEELAHAPHAN
Thailand
(66) 2658 6300 ext 1420
tim.l@maybank-ke.co.th

JUNIMAN
Chief Economist, BII
Indonesia
(62) 21 29228888 ext 29682
Juniman@bankbii.com

STRATEGY

Sadiq CURRIMBHOY
Global Strategist
(65) 6231 5836 sadiq@maybank-ke.com.sg

Willie CHAN
Hong Kong / Regional
(852) 2268 0631 williechan@kimeng.com.hk

MALAYSIA

WONG Chew Hann, ***CA*** *Head of Research*
(603) 2297 8686 wchewh@maybank-ib.com
• Strategy • Construction & Infrastructure

Desmond CH'NG, ***ACA***
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

LIAW Thong Jung
(603) 2297 8688 tjliaw@maybank-ib.com
• Oil & Gas - Regional • Shipping

ONG Chee Ting, ***CA***
(603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

Mohshin AZIZ
(603) 2297 8692 mohshin.aziz@maybank-ib.com
• Aviation - Regional • Petrochem

YIN Shao Yang, ***CPA***
(603) 2297 8916 samuel.y@maybank-ib.com
• Gaming – Regional • Media

TAN Chi Wei, ***CFA***
(603) 2297 8690 chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, ***CFA***
(603) 2297 8679 weisum@maybank-ib.com
• Property & REITs

LEE Yen Ling
(603) 2297 8691 lee.yl@maybank-ib.com
• Building Materials • Glove Producers

CHAI Li Shin, ***CFA***
(603) 2297 8684 lishin.c@maybank-ib.com
• Plantation • Construction & Infrastructure

Ivan YAP
(603) 2297 8612 ivan.yap@maybank-ib.com
• Automotive

Kevin WONG
(603) 2082 6824 kevin.wong@maybank-ib.com
• REITs

LEE Cheng Hooi *Regional Chartist*
(603) 2297 8694
chenghooi.lee@maybank-ib.com

Tee Sze Chiah *Head of Retail Research*
(603) 2297 6858 szechiah.t@maybank-ib.com

HONG KONG / CHINA

Howard WONG *Head of Research*
(852) 2268 0648
howardwong@kimeng.com.hk
• Oil & Gas - *Regional*

Alexander LATZER
(852) 2268 0647
alexanderlatzer@kimeng.com.hk
• Metals & Mining – *Regional*

Benjamin HO
(852) 2268 0632 benjaminho@kimeng.com.hk
• Consumer & Auto

Jacqueline KO, CFA
(852) 2268 0633 jacquelineko@kimeng.com.hk
• Consumer Staples & Durables

Ka Leong LO, CFA
(852) 2268 0630 kllo@kimeng.com.hk
• Consumer Discretionary & Auto

Karen KWAN
(852) 2268 0640 karenkwan@kimeng.com.hk
• Property & REITs

Mitchell KIM
(852) 2268 0634 mitchellkim@kimeng.com.hk
• Internet & Telcos

Osbert TANG, CFA
(86) 21 5096 8370
osberttang@kimeng.com.hk
• Transport & Industrials

Ricky WK NG, CFA
(852) 2268 0689 rickyng@kimeng.com.hk
• Utilities & Renewable Energy

Steven ST CHAN
(852) 2268 0645 stevenchan@kimeng.com.hk
• Banking & Financials - *Regional*

Warren LAU
(852) 2268 0644
warrenlau@kimeng.com.hk
• Technology – *Regional*

INDIA

Jigar SHAH *Head of Research*
(91) 22 6632 2632
jigar@maybank-ke.co.in
• Oil & Gas • Automobile • Cement

Anubhav GUPTA
(91) 22 6623 2605
anubhav@maybank-ke.co.in
• Metal & Mining • Capital Goods • Property

Vishal MODI
(91) 22 6623 2607 vishal@maybank-ke.co.in
• Banking & Financials

Abhijeet Kundu
(91) 22 6623 2628 Abhijeet@maybank-ke.co.in
• Consumer

SINGAPORE

NG Wee Siang *Head of Research*
(65) 6231 5838 ngweesiang@maybank-ke.com.sg
• Banking & Finance

Gregory YAP
(65) 6231 5848 gyap@maybank-ke.com.sg
• SMID Caps – *Regional*
• Technology & Manufacturing • Telcos

YEAK Chee Keong, CFA
(65) 6231 5842
yeakcheekeong@maybank-ke.com.sg
• Offshore & Marine

Derrick HENG, CFA
(65) 6231 5843 derrickheng@maybank-ke.com.sg
• Transport • Property • REITs (Office)

Joshua TAN
(65) 6231 5850 joshuatan@maybank-ke.com.sg
• REITs (Retail, Industrial)

WEI Bin
(65) 6231 5844 weibin@maybank-ke.com.sg
• Commodity • Logistics • S-chips

John CHEONG
(65) 6231 5845 johncheong@maybank-ke.com.sg
• Small & Mid Caps • Healthcare

TRUONG Thanh Hang
(65) 6231 5847 hang.truong@maybank-ke.com.sg
• Small & Mid Caps

INDONESIA

Wilianto IE *Head of Research*
(62) 21 2557 1125
wilianto.ie@maybank-ke.co.id
• Strategy

Rahmi MARINA
(62) 21 2557 1128
rahmi.marina@maybank-ke.co.id
• Banking & Finance

Aurellia SETIABUDI
(62) 21 2953 0785
aurellia.setiabudi@maybank-ke.co.id
• Property

Isnaputra ISKANDAR
(62) 21 2557 1129
isnaputra.iskandar@maybank-ke.co.id
• Metals & Mining • Cement

Pandu ANUGRAH
(62) 21 2557 1137
pandu.anugrah@maybank-ke.co.id
• Infra • Construction • Transport• Telcos

Janni ASMAN
(62) 21 2953 0784
janni.asman@maybank-ke.co.id
• Cigarette • Healthcare • Retail

Adhi TASMIN
(62) 21 2557 1209
adhi.tasmin@maybank-ke.co.id
• Plantations

PHILIPPINES

Luz LORENZO *Head of Research*
(63) 2 849 8836
luz_lorenzo@maybank-atrke.com
• Strategy
• Utilities • Conglomerates • Telcos

Lovell SARREAL
(63) 2 849 8841
lovell_sarreal@maybank-atrke.com
• Consumer • Media • Cement

Rommel RODRIGO
(63) 2 849 8839
rommel_rodrigo@maybank-atrke.com
• Conglomerates • Property • Gaming
• Ports/ Logistics

Katherine TAN
(63) 2 849 8843
kat_tan@maybank-atrke.com
• Banks • Construction

Ramon ADVIENTO
(63) 2 849 8845
ramon_adviento@maybank-atrke.com
• Mining

Michael BENGSON
(63) 2 849 8840
michael_bengson@maybank-atrke.com
• Conglomerates

Jaclyn JIMENEZ
(63) 2 849 8842
jaclyn_jimenez@maybank-atrke.com
• Consumer

Arabelle MAGHIRANG
(63) 2 849 8838
arabelle_maghirang@maybank-atrke.com
• Banks

THAILAND

Maria LAPIZ *Head of Institutional Research*
Dir (66) 2257 0250 | (66) 2658 6300 ext 1399
Maria.L@maybank-ke.co.th
• Consumer • Materials • Ind.Estates

Jesada TECHAHUSDIN, CFA
(66) 2658 6300 ext 1394
Jesada.T@maybank-ke.co.th
• Financial Services

Kittisorn PRUITIPAT, CFA, FRM
(66) 2658 6300 ext 1395
Kittisorn.P@maybank-ke.co.th
• Real Estate • Telcos

Sittichai DUANGRATTANACHAYA
(66) 2658 6300 ext 1393
Sittichai.D@maybank-ke.co.th
• Services Sector • Transport

Sukit UDOMSIRIKUL *Head of Retail Research*
(66) 2658 6300 ext 5090
Sukit.u@maybank-ke.co.th

Mayuree CHOWVIKRAN
(66) 2658 6300 ext 1440
mayuree.c@maybank-ke.co.th
• Strategy

Padon VANNARAT
(66) 2658 6300 ext 1450
Padon.v@maybank-ke.co.th
• Strategy

Surachai PRAMUALCHAROENKIT
(66) 2658 6300 ext 1470
Surachai.p@maybank-ke.co.th
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 6300 ext 1430
suttatip.p@maybank-ke.co.th
• Media • Commerce

Sutthichai KUMWORACHAI
(66) 2658 6300 ext 1400
sutthichai.k@maybank-ke.co.th
• Energy • Petrochem

Termporn TANTIVIVAT
(66) 2658 6300 ext 1520
termporn.t@maybank-ke.co.th
• Property

Jaroonpan WATTANAWONG
(66) 2658 6300 ext 1404
jaroonpan.w@maybank-ke.co.th
• Transportation • Small cap

Chatchai JINDARAT
(66) 2658 6300 ext 1401
chatchai.j@maybank-ke.co.th
• Electronics

VIETNAM

LE Hong Lien, ACCA
Head of Institutional Research
(84) 8 44 555 888 x 8181
lien.le@maybank-kimeng.com.vn
• Strategy • Consumer • Diversified • Utilities

THAI Quang Trung, CFA, *Deputy Manager, Institutional Research*
(84) 8 44 555 888 x 8180
trung.thai@maybank-kimeng.com.vn
• Real Estate • Construction • Materials

Le Nguyen Nhat Chuyen
(84) 8 44 555 888 x 8082
chuyen.le@maybank-kimeng.com.vn
• Oil & Gas

NGUYEN Thi Ngan Tuyen, *Head of Retail Research*
(84) 8 44 555 888 x 8081
tuyen.nguyen@maybank-kimeng.com.vn
• Food & Beverage • Oil&Gas • Banking

TRINH Thi Ngoc Diep
(84) 4 44 555 888 x 8208
diep.trinh@maybank-kimeng.com.vn
• Technology • Utilities • Construction

TRUONG Quang Binh
(84) 4 44 555 888 x 8087
binh.truong@maybank-kimeng.com.vn
• Rubber plantation • Tyres and Tubes • Oil&Gas

PHAM Nhat Bich
(84) 8 44 555 888 x 8083
bich.pham@maybank-kimeng.com.vn
• Consumer • Manufacturing • Fishery

NGUYEN Thi Sony Tra Mi
(84) 8 44 555 888 x 8084
mi.nguyen@maybank-kimeng.com.vn
• Port operation • Pharmaceutical
• Food & Beverage

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be relied upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. MKE may, to the extent permitted by law, act upon or use the information presented herein, or the research or analysis on which they are based, before the material is published. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. Maybank Kim Eng Securities (Thailand) Public Company Limited ("MBKET") does not confirm nor certify the accuracy of such survey result.

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of MBKET. MBKET accepts no liability whatsoever for the actions of third parties in this respect.

US

This research report prepared by MKE is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. All resulting transactions by a US person or entity should be effected through a registered broker-dealer in the US. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations.

UK

This document is being distributed by Maybank Kim Eng Securities (London) Ltd ("Maybank KESL") which is authorized and regulated, by the Financial Services Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938-H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This material is issued and distributed in Singapore by Maybank KERPL (Co. Reg No 197201256N) which is regulated by the Monetary Authority of Singapore. **Indonesia**: PT Kim Eng Securities ("PTKES") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the BAPEPAM LK. **Thailand:** MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Kim Eng Securities JSC (License Number: 71/UBCK-GP) is licensed under the State Securities Commission of Vietnam.**Hong Kong**: KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** Kim Eng Securities India Private Limited ("KESI") is a participant of the National Stock Exchange of India Limited (Reg No: INF/INB 231452435) and the Bombay Stock Exchange (Reg. No. INF/INB 011452431) and is regulated by Securities and Exchange Board of India. KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) **US:** Maybank KESUSA is a member of/ and is authorized and regulated by the FINRA – Broker ID 27861. **UK:** Maybank KESL (Reg No 2377538) is authorized and regulated by the Financial Services Authority.

Disclosure of Interest

Malaysia: MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 16 April 2015, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: KESHK may have financial interests in relation to an issuer or a new listing applicant referred to as defined by the requirements under Paragraph 16.5(a) of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

As of 16 April 2015, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

Definition of Ratings

Maybank Kim Eng Research uses the following rating system

BUY	Return is expected to be above 10% in the next 12 months (excluding dividends)
HOLD	Return is expected to be between - 10% to +10% in the next 12 months (excluding dividends)
SELL	Return is expected to be below -10% in the next 12 months (excluding dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

Malaysia
Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

Singapore
Maybank Kim Eng Securities Pte Ltd
Maybank Kim Eng Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

London
Maybank Kim Eng Securities (London) Ltd
5th Floor, Aldermary House
10-15 Queen Street
London EC4N 1TX, UK

Tel: (44) 20 7332 0221
Fax: (44) 20 7332 0302

New York
Maybank Kim Eng Securities USA Inc
777 Third Avenue, 21st Floor
New York, NY 10017, U.S.A.

Tel: (212) 688 8886
Fax: (212) 688 3500

Hong Kong
Kim Eng Securities (HK) Ltd
Level 30,
Three Pacific Place,
1 Queen's Road East,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104

Indonesia
PT Maybank Kim Eng Securities
Plaza Bapindo
Citibank Tower 17th Floor
Jl Jend. Sudirman Kav. 54-55
Jakarta 12190, Indonesia

Tel: (62) 21 2557 1188
Fax: (62) 21 2557 1189

India
Kim Eng Securities India Pvt Ltd
2nd Floor, The International 16,
Maharishi Karve Road,
Churchgate Station,
Mumbai City - 400 020, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604

Philippines
Maybank ATR Kim Eng Securities Inc.
17/F, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 849 8888
Fax: (63) 2 848 5738

Thailand
Maybank Kim Eng Securities (Thailand) Public Company Limited
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)
Tel: (66) 2 658 6801 (research)

Vietnam
Maybank Kim Eng Securities Limited
4A-15+16 Floor Vincom Center Dong
Khoi, 72 Le Thanh Ton St. District 1
Ho Chi Minh City, Vietnam

Tel : (84) 844 555 888
Fax : (84) 8 38 271 030

Saudi Arabia
In association with
Anfaal Capital
Villa 47, Tujjar Jeddah
Prince Mohammed bin Abdulaziz
Street P.O. Box 126575
Jeddah 21352

Tel: (966) 2 6068686
Fax: (966) 26068787

South Asia Sales Trading
Kevin Foy
Regional Head Sales Trading
kevinfoy@maybank-ke.com.sg
Tel: (65) 6336-5157
US Toll Free: 1-866-406-7447

Malaysia
Rommel Jacob
rommeljacob@maybank-ib.com
Tel: (603) 2717 5152

Indonesia
Harianto Liong
harianto.liong@maybank-ke.co.id
Tel: (62) 21 2557 1177

New York
Andrew Dacey
adacey@maybank-keusa.com
Tel: (212) 688 2956

Vietnam
Tien Nguyen
thuytien.nguyen@maybank-kimeng.com.vn
Tel: (84) 44 555 888 x8079

North Asia Sales Trading
Alex Tsun
alextsun@kimeng.com.hk
Tel: (852) 2268 0228
US Toll Free: 1 877 837 7635

Thailand
Tanasak Krishnasreni
Tanasak.K@maybank-ke.co.th
Tel: (66)2 658 6820

India
Manish Modi
manish@maybank-ke.co.in
Tel: (91)-22-6623-2601

Philippines
Keith Roy
keith_roy@maybank-atrke.com
Tel: (63) 2 848-5288

www.maybank-ke.com | www.maybank-keresearch.com