

19 February 2018 | Strategy-Quant

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ERP5 (modified)

FBM KLCI: 1,838.28 points

ERP5 vs. FBM100 during Global Market Turmoil

2018 Year-end Target: 1,900 points

Performance update... Pursuant to our Strategy-Quant report titled "[ERP5 \(modified\): Revisit with Top 100 companies](#)" on 6 December 2017, we are pleased to hereby update the relative performance of our recommended ERP5 Portfolio (20 stocks; equal-weighted) vis-à-vis the benchmark FBM100 Index for the ensuing 1-month, 2-month, and inception-to-date (ITD) periods.

...including impact of recent market turmoil. Additionally, in view of the recent world's February Selloff (FS) which reached the local bourse on 5 February 2018, we also include the relative performance of ERP5 portfolio against FBM100 from inception to pre-FS (2-Feb), inception to FS+1d (6-Feb), inception to FS+2d (7-Feb), and inception to FS+3d (8-Feb).

ERP5 Stocks - Dec 5th 2017 recommended Performance to date																
		% Change Price Since Inception														
ERP5		12.91%	11.07%	8.91%	6.54%	6.35%	6.77%	8.01%								
FBM100 Index		6.13%	8.30%	7.09%	4.74%	6.10%	6.24%	6.29%								
FBMKLCI Index		5.40%	8.44%	7.43%	5.08%	6.48%	6.64%	6.38%								
Dow Jones Index		4.61%	5.54%	0.68%	3.03%	2.95%	(1.32%)	2.95%*								
Note * DJI based 14th Feb Closing																
Relative Performance of ERP5 Portfolio versus FBM100 - Recent Global Market Turmoil (Robustness)																
		% Change Price 1 Day														
FBM100 Index		0.07%	(1.12%)	(2.19%)	1.30%	0.14%	0.31%									
FBMKLCI Index		0.10%	(0.93%)	(2.19%)	1.34%	0.15%	0.18%									
Dow Jones Index		(2.87%)	(4.34%)	2.78%	(0.31%)	(2.80%)	0.02%*									
No. Stocks	Name	Stock Price	End Stock Price	Gain / (Loss)	End Stock Price	Gain / (Loss)	End Stock Price	Gain / (Loss)	End Stock Price	Gain / (Loss)	End Stock Price	Gain / (Loss)	End Stock Price	Gain / (Loss)	End Stock Price	Gain / (Loss)
0	FTSE BURSA MAL TOP 100	12,070.30	12,809.68	6.13%	13,071.72	8.30%	12,925.73	7.09%	12,642.04	4.74%	12,806.61	6.10%	12,824.06	6.24%	12,829.58	6.29%
1	HENGYUAN REFINING CO BHD	11.18	17.14	53.31%	13.62	21.82%	13.04	16.64%	12.96	15.92%	12.68	13.42%	13.20	18.07%	13.04	16.64%
2	PETRON MALAYSIA REFINING & M	11.54	13.54	17.33%	11.82	2.43%	11.34	(1.73%)	11.22	11.26	(2.77%)	(2.43%)	11.22	(2.77%)	10.98	(4.85%)
3	SKP RESOURCES BHD	1.97	2.28	15.74%	1.95	(1.02%)	1.90	(3.55%)	1.87	(5.08%)	1.90	(3.55%)	1.85	(6.09%)	1.87	(5.08%)
4	ANN JOO RESOURCES BHD	3.63	3.89	7.16%	3.43	(5.51%)	3.43	(5.51%)	3.41	(6.06%)	3.30	(9.09%)	3.41	(6.06%)	3.66	0.83%
5	KSL HOLDINGS BHD	1.19	1.09	(8.40%)	1.04	(12.61%)	1.05	(11.76%)	1.04	(12.61%)	1.03	(13.45%)	1.03	(13.45%)	1.00	(15.97%)
6	GEORGE KENT (MALAYSIA) BHD	3.37	3.64	7.98%	3.86	14.51%	3.85	14.21%	3.83	13.62%	3.88	15.10%	3.88	15.10%	3.94	16.88%
7	PADINI HOLDINGS BERHAD	5.10	5.36	5.18%	5.19	1.84%	5.17	1.45%	5.00	(1.88%)	5.08	(0.31%)	5.05	(0.90%)	5.25	3.02%
8	TA ENTERPRISE BERHAD	0.62	0.65	5.69%	0.65	5.69%	0.64	4.07%	0.62	0.00%	0.61	(0.81%)	0.61	(0.81%)	0.62	0.00%
9	ALLIANCE BANK MALAYSIA BHD	3.72	4.10	10.22%	4.33	16.40%	4.29	15.32%	4.12	10.75%	4.16	11.83%	4.21	13.17%	4.09	9.95%
10	ECONPILE HOLDINGS BHD	1.25	1.24	(1.12%)	1.23	(1.91%)	1.24	(1.12%)	1.20	(4.31%)	1.19	(5.10%)	1.17	(6.70%)	1.16	(7.50%)
11	AIRASIA BHD	3.20	3.59	12.19%	4.30	34.38%	4.15	29.69%	4.01	25.31%	4.11	28.44%	4.12	28.75%	4.32	35.00%
12	SERBA DINAMIK HOLDINGS BHD	3.14	3.45	9.87%	3.51	11.78%	3.52	12.10%	3.40	8.28%	3.36	7.01%	3.41	8.60%	3.50	11.46%
13	MALAYSIA BUILDING SOCIETY	1.08	1.21	12.04%	1.24	14.81%	1.21	12.04%	1.18	9.26%	1.18	9.26%	1.19	10.19%	1.19	10.19%
14	HIBISCUS PETROLEUM BHD	0.72	0.95	31.94%	0.95	31.94%	0.88	21.53%	0.85	18.06%	0.83	15.28%	0.86	18.75%	0.95	31.25%
15	CAHYA MATA SARAWAK BHD	3.78	3.95	4.50%	4.32	14.29%	4.18	10.58%	4.03	6.61%	3.99	5.56%	4.01	6.08%	4.27	12.96%
16	SIME DARBY PLANTATION BHD	4.75	5.61	18.11%	5.55	16.84%	5.49	15.58%	5.46	14.95%	5.50	15.79%	5.50	15.79%	5.49	15.58%
17	POS MALAYSIA BERHAD	5.29	5.38	1.70%	4.92	(6.99%)	4.90	(7.37%)	4.84	(8.51%)	4.88	(7.75%)	4.80	(9.26%)	4.66	(11.91%)
18	SIME DARBY PROPERTY BHD	1.11	1.66	49.55%	1.55	39.64%	1.53	37.84%	1.52	36.94%	1.47	32.43%	1.49	34.23%	1.44	29.73%
19	LOTTE CHEMICAL TITAN HOLDING	4.77	5.07	6.29%	5.50	15.30%	5.36	12.37%	5.26	10.27%	5.22	9.43%	5.24	9.85%	5.16	8.18%
20	ECO WORLD INTERNATIONAL BHD	1.02	1.01	(0.98%)	1.10	7.84%	1.08	5.88%	1.04	1.96%	1.08	5.88%	1.05	2.94%	1.06	3.92%
Total				12.91%		11.07%		8.91%		6.54%		6.35%		6.77%		8.01%
Out-Perform Index ?				YES		YES		YES		YES		YES		YES		YES
No. Stks Performed				17		15		14		12		12		12		14

For the **1-month period** from 5 December 2017 (date of purchase) to 5 January 2018, the **ERP5 Portfolio** was up by **12.91%** versus **FBM100 Index** which registered a **6.13%** gain.

For the **2-month period** from 5 December 2017 (date of purchase) to 5 February 2018, the **ERP5 Portfolio** was still up albeit by a lower **8.91%** versus **FBM100 Index** which registered a **7.09%** gain.

For the **ITD period** from 5 December 2017 (date of purchase) to 15 February 2018, the **ERP5 Portfolio** maintained its relative outperformance at **8.01%** versus **FBM100 Index** which registered a **6.29%** gain.

The February selloff on Wall Street started on Friday 2 February and the local bourse began to feel the impact only on Monday 5 February 2018. In immediate aftermath the market sell down, the ERP5 portfolio proved quite robust as it was able to withstand the impact of the turmoil hence retaining its outperformance vis-à-vis FBM100 Index.

For **the inception to pre-FS period** from 5 December 2017 (date of purchase) to 2 February 2018, the **ERP5 Portfolio** maintained its relative outperformance at **11.07%** versus **FBM100 Index** which registered a **8.30%** gain.

For **the inception to FS+1d period** from 5 December 2017 (date of purchase) to 6 February 2018, the **ERP5 Portfolio** maintained its relative outperformance at **6.54%** versus **FBM100 Index** which registered a **4.74%** gain.

For **the inception to FS+2d period** from 5 December 2017 (date of purchase) to 7 February 2018, the **ERP5 Portfolio** maintained its relative outperformance at **6.35%** versus **FBM100 Index** which registered a **6.10%** gain.

For **the inception to FS+3d period** from 5 December 2017 (date of purchase) to 8 February 2018, the **ERP5 Portfolio** maintained its relative outperformance at **6.77%** versus **FBM100 Index** which registered a **6.24%** gain.



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MIDF AMANAH INVESTMENT BANK : GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >+10% over the next 12 months.
TRADING BUY	Stock price is expected to <i>rise</i> by >+10% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	Stock price is expected to <i>fall</i> by >-10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.