

# Malaysia CPI, June 2015

## GST follow through impact persists

- Headline inflation in Jun 2015 surged +2.5% YoY, pushing inflation in 2Q 2015 higher at +2.1% YoY (1Q 2015: +0.7% YoY).
- The pick-up in inflation was due to GST follow through impact, increase in cigarette prices as well as upward adjustment in domestic fuel prices in June.
- Revised our 2015 inflation forecast to 2.0%-2.5% from 2.5%-3.5% earlier.

**Inflation rate in June 2015 surged +2.5% YoY** (May 2015: +2.1% YoY; Maybank-KE: +2.4% YoY; Consensus: +2.4% YoY) and +0.6% MoM (May 2015: +0.4% MoM) after averaging +0.7% YoY in 1Q 2015. Headline inflation rate in 1H 2015 was +1.4% YoY with +2.1% YoY for 2Q 2015 (post GST) period, suggesting the follow through impact of higher inflation from the introduction of 6.0% Goods and Services Tax (GST) on 1 Apr 2015.

The pick-up in inflation was contributed the most by prices of **“Food and Non-Alcoholic Beverages” (FNAB)** which jumped +3.4% YoY in Jun 2015 (May 2015: +3.5% YoY). This was followed by **“Housing, Water, Electricity, Gas and Other Fuels” (HWEGOF)** which rose +2.5% YoY (May 2015: +2.6% YoY) with the MoM rise at +0.7% MoM (May 2015: +0.7% MoM). Meanwhile, **“Alcoholic Beverages & Tobacco”** maintained its double-digit rise (Jun 2015: +11.3% YoY; May 2015: +11.3% YoY) due to cigarette price hike from the 12% increase in tobacco excise duty effective Nov 2014. Announcement by British American Tobacco (BAT) to raise cigarette prices by MYR0.30/pack starting 29 Jun 2015 after absorbing GST since 1 Apr 2015 would keep **“Alcoholic Beverages & Tobacco”** elevated in 2H 2015.

**“Services”** inflation rate remained elevated at +3.8% YoY in Jun 2015 (May 2015: +3.7% YoY) as key **“Services”** components of CPI maintained higher price increases i.e. **“Recreation Services & Culture”** (Jun 2015: +1.7% YoY; May 2015: +1.6% YoY), **“Restaurants & Hotels”** (Jun 2015: +4.5% YoY; May 2015: +4.5% YoY), **“Health”** (Jun 2015: +5.0% YoY; May 2015: +5.0% YoY) and **“Miscellaneous Goods & Services”** (Jun 2015: +4.6% YoY; May 2015: +4.4% YoY).

**“Transport”** was again the notable exception as it fell -1.4% YoY (May 2015: -4.7% YoY), reflecting the continued pass through of low crude oil prices onto petrol and diesel prices via the **“managed float”** retail fuel price mechanism since Dec 2014. The decline is despite prices raised on 1 Jun 2015 to MYR2.35/litre for RON97 and MYR2.05/litre for both RON95 and diesel. This is followed by another round of price increase on 1 Jul 2015 to MYR2.55/litre for RON97 and MYR2.15/litre for RON95 while prices for diesel remained unchanged.

### Analysts

Suhaimi B Ilias  
(603) 2297 8682  
suhaimi\_iliash@maybank-ib.com

Dr Zamros Dzulkaflī  
(603) 2082 6818  
zamros.d@maybank-ib.com

Ramesh Lankanathan  
(603) 2297 8685  
ramesh@maybank-ib.com

William Poh Chee Keong  
(603) 2297 8683  
william.poh@maybank-ib.com

Malaysia: Consumer price index (CPI, 2010=100)

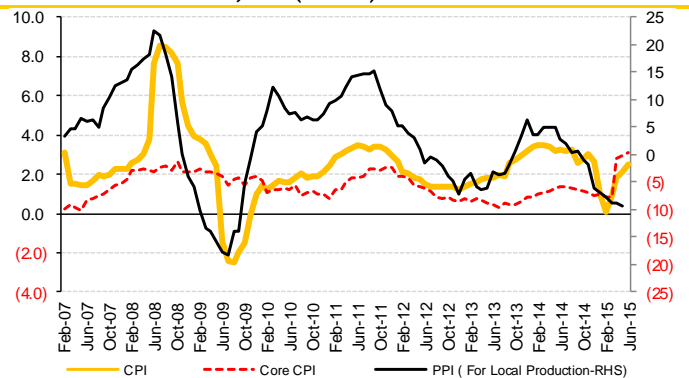
% YoY	Feb 15	Mar 15	Apr 15	May15	Jun15	1Q 2015	2Q 2015 (Post GST)	YTD 2015	2014
Total	0.1	0.9	1.8	2.1	2.5	0.7	2.2	1.4	3.2
Food and Non-Alcoholic Beverages (FNAB)	2.7	2.3	3.1	3.5	3.4	2.6	3.3	3.0	3.3
Alcoholic Beverages & Tobacco	10.6	10.6	13.0	11.3	11.3	10.6	11.9	11.3	11.6
Clothing and Footwear	(0.6)	(0.2)	0.7	0.9	0.7	(0.3)	0.8	0.2	(0.2)
Housing, Water, Electricity, Gas and Other Fuels	2.4	1.9	2.3	2.6	2.5	2.2	2.5	2.3	3.4
Furniture, Household Equipment and Routine Household Maintenance	0.1	0.2	2.3	2.6	3.2	0.3	2.7	1.5	1.0
Health	3.4	3.6	5.0	5.0	5.0	3.4	5.0	4.2	2.9
Transport	(11.8)	(4.9)	(4.8)	(4.7)	(1.4)	(7.6)	(3.6)	(5.6)	4.9
Communication	(0.9)	(0.9)	2.3	2.6	2.6	(1.0)	2.5	0.7	(0.7)
Recreation Services and Culture	0.8	0.6	1.5	1.6	1.7	0.6	1.6	1.1	1.5
Education	2.2	2.2	2.6	2.5	2.6	2.2	2.6	2.4	2.4
Restaurants & Hotels	2.9	2.8	4.3	4.5	4.5	3.1	4.4	3.8	4.7
Miscellaneous Goods & Services	1.6	1.5	4.1	4.4	4.6	1.6	4.3	2.9	0.7

Source: Dept. of Statistics

“Core” higher than headline inflation during post GST

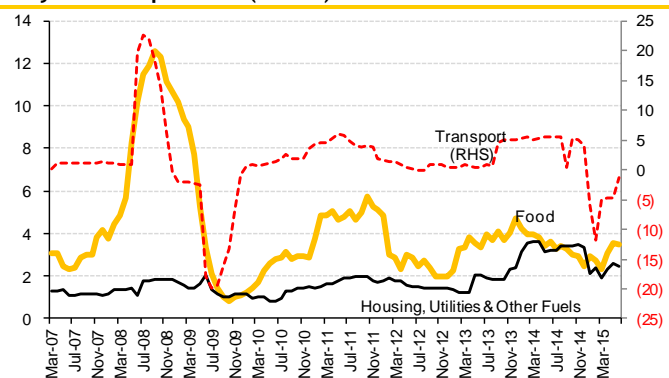
GST-induced surge in “core” CPI. Our measure of core inflation rate (excluding “FNAB”, “Transport” and “HWEGOF” to strip out the subsidised and volatile components of CPI) continued to surge on the direct impact from GST introduction as it jumped to +3.7% YoY in Jun 2015 (May 2015: +3.6% YoY) and +0.2% MoM (May 2015: +0.1% MoM). Excluding the impact of the tax-related cigarette price hike by removing “Alcoholic Beverages & Tobacco” from our core inflation computation, the adjusted core inflation figure were also higher at +3.1% YoY (May 2015: +3.0% YoY) and +0.2% MoM (May 2015: +0.2% MoM).

Headline & Core CPI, PPI (% YoY)



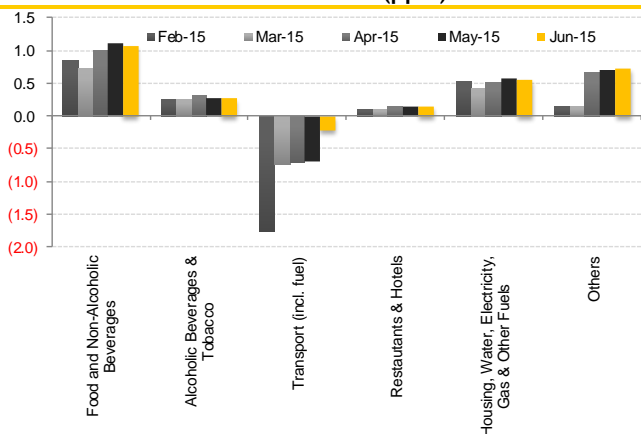
Sources: Dept of Statistics, Maybank KE

Key CPI Components (% YoY)



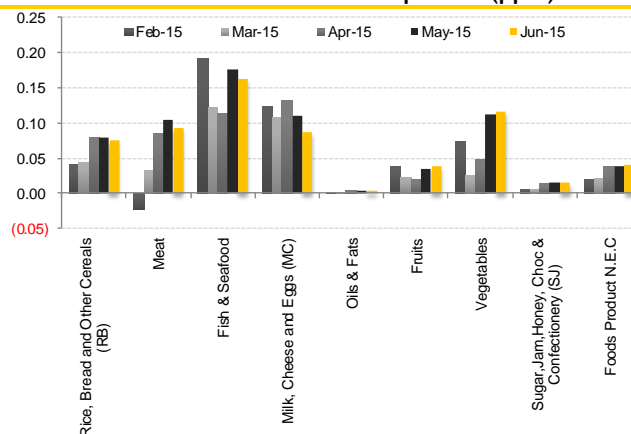
Sources: Dept of Statistics, Maybank KE

CPI: Contributions to YoY Inflation (ppts)



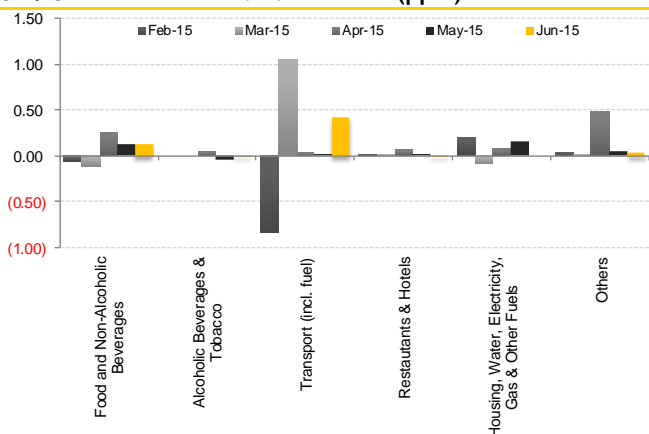
Sources: Dept of Statistics, Maybank KE

CPI: Contributions to YoY Food Component (ppts)



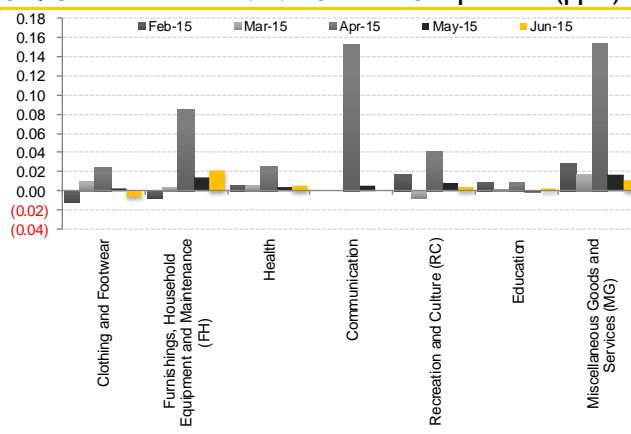
Sources: Dept of Statistics, Maybank KE

CPI: Contributions to MoM Inflation (ppts)



Sources: Dept of Statistics, Maybank KE

CPI: Contributions to MoM "Others" Components (ppts)



Sources: Dept of Statistics, Maybank KE

## GST, fuel prices and public transport costs are key factors

Revised our 2015 inflation forecast to 2.0%-2.5% from 2.5%-3.5% earlier (official 2015E: 2.0%-3.0%; 2014: 3.2%) on exceptionally low inflation in 1Q 2015 at +0.7% YoY (4Q 2014: +2.8% YoY) amid series of downward adjustments to domestic fuel prices during the period and prospect of crude oil prices to remain at around current level for rest of 2015. The upsides on monthly inflation rate will be due to the follow through impact from introduction of GST, gas tariff hike by Gas Malaysia Bhd for non-power sector effective 1 Jul 2015<sup>1</sup> by average +10.3%, possible toll rates increase as well as pending hikes in other public transportation fares of between 20%-67% - after the taxi fare hikes in Mar 2015 - that was approved by the Land Public Transport Commission (SPAD) postponed. These are in addition to monthly adjustments in domestic fuel prices which would keep prices volatile.

Absence of electricity tariff hike in 2H 2015 helps to keep inflation low as the Government decided to retain the imbalance cost pass through (ICPT) rebate of MYR0.225 /kWh for Peninsula Malaysia and average tariff

<sup>1</sup> Please see our May 2015 CPI note for discussion on the impact of previous gas price hikes on consumer inflation.

reduction of MYR0.120/kWh for Sabah and Labuan during the period. This involves all categories of users except for domestic users consuming less than 300kWh per month.

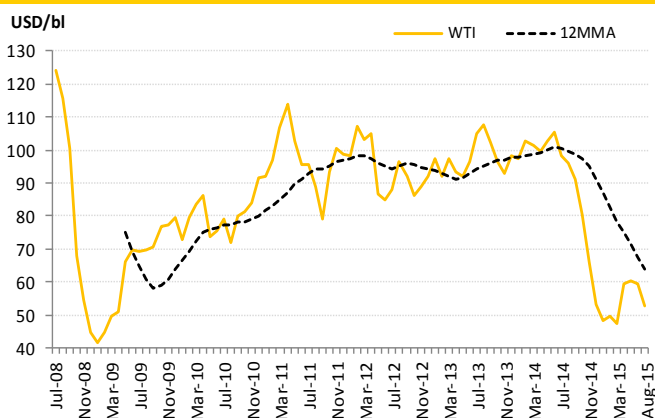
### Steady OPR throughout 2015

No change in our view that OPR will stay at 3.25% throughout 2015. Our “neutral” view on BNM’s monetary policy is evident from the latest Monetary Policy Statement (MPS) which sees steady growth while inflation rate contained amid stable domestic demand conditions. The only notable change in the MPS was that there is no longer the mention on “destabilising risk of financial imbalances”.

### Global commodity price trend are still mixed

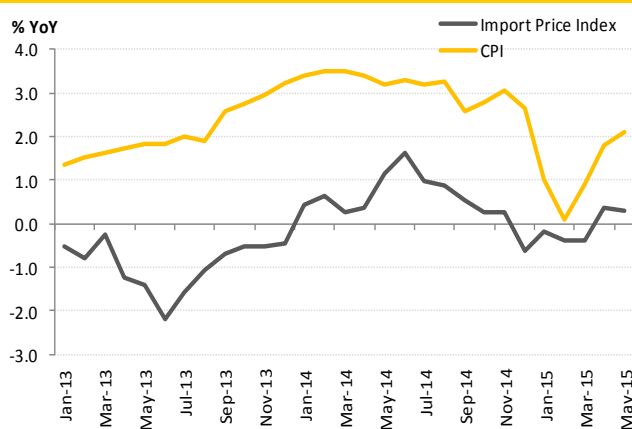
The FAO Food Price Index<sup>2</sup> continues its declining trend, fell by -0.9% MoM in Jun 2015 (May 2015: -1.4% MoM), pulled down this time by lower prices for sugar and dairy products, despite firm oils and cereal prices supported by stable meat prices. Sugar prices fell -6.6% MoM in Jun 2015 (May 2015: +2.0% MoM) on higher than expected production in India, Thailand and Brazil. Dairy products prices were down -4.1% MoM (May 2015: -2.9% MoM) reflecting large unsold stocks in New Zealand and build-up of export supplies in Europe together with the end of the EU milk quotas which was lifted on 31 Mar 2015 as well as import prohibition by Russia. Vegetable oil prices were up by +1.3% MoM (May 2015: +2.6% MoM) driven by concern of possible El Nino developments and improved palm oil import demand by China and India. Unfavourable weather in major producing countries is also affecting soy oil and rapeseed production, causing firming of prices.

Global: Crude Oil Price Recent Upward Lift Losing Momentum



Sources: Bloomberg

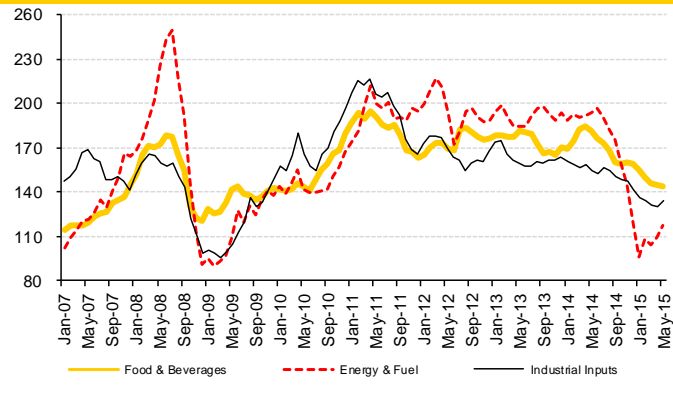
Import Price Index Growth Leaving Sub Zero Territory but Remains Subdued



Sources: Dept of Statistics, Maybank KE

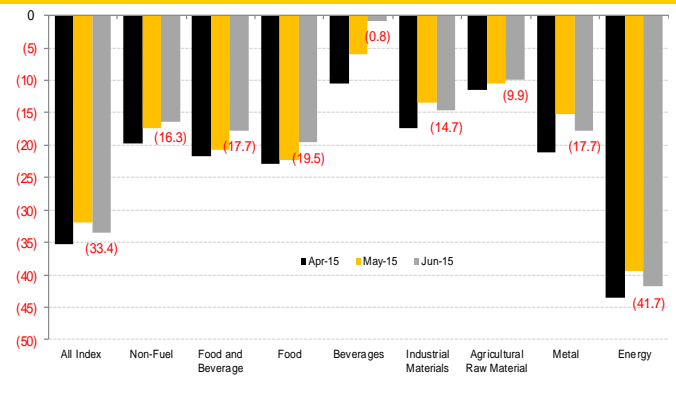
<sup>2</sup> FAO Food Price Index comprise average of five commodity food price indices; meat, dairy, cereals, oils and sugar.

Global: Commodity Price Index (% change YoY)



Source: IMF

Global: Commodity Price by Key Sub-Components (% YoY)



Source: IMF

Global Commodity Prices (% YoY)

Type of Commodity	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD 2015	2014
All index	(34.0)	(36.1)	(35.3)	(32.0)	(33.4)	(34.5)	(6.2)
Non-fuel index	(14.6)	(18.2)	(19.7)	(17.3)	(16.3)	(16.3)	(4.0)
Food and beverage index	(14.1)	(20.2)	(21.6)	(20.6)	(17.7)	(17.1)	(2.1)
Food index	(15.8)	(21.3)	(22.8)	(22.2)	(19.5)	(18.7)	(4.2)
Beverages index	2.3	(9.7)	(10.5)	(6.0)	(0.8)	(1.8)	20.9
Industrial materials index	(15.2)	(15.8)	(17.4)	(13.4)	(14.7)	(15.3)	(5.9)
Agricultural raw material Index	(6.8)	(11.6)	(11.4)	(10.5)	(9.9)	(9.5)	2.0
Metal index	(20.2)	(18.4)	(21.1)	(15.2)	(17.7)	(18.8)	(10.1)
Energy index	(43.9)	(45.4)	(43.4)	(39.5)	(41.7)	(43.8)	(7.3)

Source: IMF

Global Commodity Prices (% MoM)

Type of Commodity	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
All index	(11.9)	(12.2)	5.3	(3.2)	2.1	4.9	(1.6)
Non-fuel index	(2.1)	(3.3)	(2.3)	(2.4)	(0.7)	1.0	(1.2)
Food and beverage index	(0.4)	(2.7)	(3.2)	(2.8)	(0.7)	(0.4)	0.4
Food index	(0.3)	(2.9)	(3.7)	(2.6)	(0.8)	(0.7)	(0.2)
Beverages index	(1.9)	(1.0)	0.4	(4.7)	0.0	2.4	4.6
Industrial materials index	(3.8)	(3.9)	(1.2)	(2.0)	(0.7)	2.6	(3.0)
Agricultural raw material Index	(2.1)	(1.2)	0.3	(2.1)	(0.8)	0.2	(0.5)
Metal index	(4.9)	(5.7)	(2.2)	(1.9)	(0.6)	4.3	(4.6)
Energy index	(18.0)	(18.9)	12.0	(3.8)	4.3	7.7	(1.9)

Source: IMF

Global: Consumer Price Index (YoY, %)

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD 2015	2014
Global	2.9	2.8	2.5	2.7	2.7	2.6	2.5	-	2.6	3.2
US	1.3	0.8	(0.1)	0.0	(0.1)	(0.2)	0.0	-	(0.1)	1.6
Eurozone	0.3	(0.2)	(0.6)	(0.3)	(0.1)	0.0	0.3	0.2	(0.1)	0.4
Japan	2.4	2.4	2.4	2.2	2.3	0.6	0.5	-	1.6	2.7
Germany	0.6	0.2	(0.3)	0.1	0.3	0.4	0.7	0.5	0.3	0.9
UK	1.0	0.5	0.3	0.0	0.0	(0.1)	0.1	-	0.1	1.5
OECD	1.5	1.1	0.6	0.6	0.6	0.5	0.6	-	0.6	1.7
China	1.4	1.5	0.8	1.4	1.4	1.5	1.2	1.4	1.3	2.0
India	3.3	4.3	5.2	5.4	5.3	4.9	5.0	5.4	5.2	7.2
Russia	9.1	11.4	15.0	16.7	16.9	16.4	15.8	15.3	16.0	7.8
Brazil	6.6	6.4	7.1	7.7	8.1	8.2	8.5	8.9	8.1	6.3
S. Korea	1.0	0.8	0.8	0.5	0.4	0.4	0.5	0.7	0.5	1.3
Taiwan	1.1	0.7	(0.5)	(0.6)	(0.7)	(0.9)	(0.9)	(0.8)	(0.7)	1.4
Hong Kong	5.1	4.9	4.5	4.2	4.5	2.9	3.1	-	3.8	4.4
Singapore	(0.3)	(0.1)	0.0	(0.5)	(0.2)	(1.0)	(0.3)	-	(0.4)	1.0
Indonesia	6.2	8.4	7.0	6.3	6.4	6.8	7.1	7.3	6.8	6.4
Thailand	1.3	0.6	(0.4)	(0.5)	(0.6)	(1.0)	(1.3)	(1.1)	(0.8)	1.9
Malaysia	3.0	2.7	1.0	0.1	0.9	1.8	2.1	2.5	1.4	3.2
Philippines	3.7	2.7	2.4	2.5	2.4	2.2	1.6	1.2	2.0	4.2
Vietnam	2.6	1.8	0.9	0.3	0.9	1.0	1.0	-	0.8	4.1

Sources: Bloomberg, CEIC, Maybank KE, IMF

Global: Core Consumer Price Index (YoY, %)

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD 2015	2014
US	1.7	1.6	1.6	1.7	1.8	1.8	1.7	-	1.7	1.8
Eurozone	0.7	0.7	0.6	0.7	0.6	0.6	0.9	0.8	0.7	0.8
Japan	2.1	2.1	2.0	2.0	2.1	0.4	0.4	-	1.4	1.8
UK	1.2	1.3	1.4	1.2	1.0	0.8	0.9	0.8	1.0	1.6
OECD	1.7	1.7	1.8	1.8	1.7	1.6	1.7	-	1.7	1.8
China	1.0	0.8	0.6	0.9	0.9	0.9	1.0	1.2	0.9	1.5
S. Korea	1.6	1.6	2.4	2.3	2.1	2.0	2.1	2.0	2.2	2.0
Taiwan	1.4	1.4	0.6	1.8	1.0	0.7	0.6	0.6	0.9	1.3
Indonesia	11.4	17.6	12.3	10.9	11.5	13.3	13.4	13.1	12.4	13.0
Thailand	1.6	1.7	1.6	1.5	1.3	1.0	0.9	0.9	1.2	1.6
Malaysia	1.0	0.9	1.0	0.9	0.9	2.8	3.0	3.1	1.9	1.2

Sources: Bloomberg, CEIC, Maybank KE

\*Malaysia's weighted core inflation rate by our estimates has been adjusted to exclude "Alcoholic Beverages & Tobacco".

## Research Offices

### REGIONAL

**Sadiq CURRIMBHOY**  
Regional Head, Research & Economics  
(65) 6231 5836 sadiq@maybank-ke.com.sg

**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

### 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, BI  
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

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

**LIAW Thong Jung**  
(603) 2297 8688 tjl@maybank-ib.com  
• Oil & Gas Services - Regional

**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

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

**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 • Semiconductor • Technology

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

**LIEW Wei Han**  
(603) 2297 8676 weihan.l@maybank-ib.com  
• Consumer Staples

**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

**Cheah Chong Ling**  
(603) 2297 8767 chongling.c@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 kll@kimeng.com.hk  
• Consumer Discretionary & Auto

**Mitchell KIM**  
(852) 2268 0631 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  
warrentau@kimeng.com.hk  
• Technology - Regional

### INDIA

**Jigar SHAH Head of Research**  
(91) 22 6623 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

**Neerav DALAL**  
(91) 22 6623 2606 neerav@maybank-ke.co.in  
• Software Technology • Telcos

### SINGAPORE

**Gregory YAP**  
(65) 6231 5848 gyap@maybank-ke.com.sg  
• SMID Caps  
• 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

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

**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

**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

**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 CHOWVIKARAN**  
(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

### VIETNAM

**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

**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

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



## 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 15 July 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 15 July 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.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.

### Definition of Ratings

Maybank Kim Eng Research uses the following rating system

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

 **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

 **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

 **Singapore**

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

Tel: (65) 6336 9090

 **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

 **Thailand**

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

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

 **North Asia Sales Trading**

Andrew Lee  
andrewlee@kimeng.com.hk  
Tel: (852) 2268 0283  
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

 **London**

Maybank Kim Eng Securities  
(London) Ltd  
5<sup>th</sup> Floor, Aldermay House  
10-15 Queen Street  
London EC4N 1TX, UK

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

 **Indonesia**

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

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

 **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

 **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

 **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

 **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