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**CHINA**

*Economics*

**The Big Picture**

Silver lining.

*Sector*

**Property**

Weekly Wrap-up: Policy tightness remains with tendency towards stability.

*Results*

**Baoshan Iron & Steel (600019 CH/BUY/Rmb7.39/Target: Rmb9.53)**

3Q18: Results in line; margins expand on successful cost control.

**China Molybdenum (3993 HK/BUY/HK\$2.63/Target: HK\$3.43)**

3Q18: Results in line; risks to arise from copper and cobalt price weakness.

**Industrial & Commercial Bank of China**

(1398 HK/BUY/HK\$5.28/Target: HK\$7.68)

3Q18: Resilient asset quality despite external pressure.

**INDONESIA**

*Results*

**Adhi Karya (ADHI IJ/BUY/Rp1,105/Target: Rp2,300)**

3Q18: Weak earnings amid doubling of other expenses.

**MALAYSIA**

*Results*

**Globetronics Technology (GTB MK/HOLD/RM2.27/Target: RM2.30)**

3Q18: Net profit up 64% yoy and 153% qoq on production ramp-up of light and gesture sensors. Maintain HOLD with lower target price of RM2.30.

*Update*

**Kerjaya Prospek Group (KPG MK/BUY/RM1.10/Target: RM1.82)**

Fundamentals remain intact, underpinned by strong orderbook backlog and plan to lift property earnings on the back of the newly-formed JV.

**SINGAPORE**

*Small/Mid Cap Highlights*

**Japfa (JAP SP/BUY/S\$0.69/Target: S\$0.98)**

3Q18: Strong beat from Vietnam swine and Indonesia poultry.

**Tianjin Zhongxin Pharmaceutical Group Corporation**

(TIAN SP/BUY/US\$0.895/Target: US\$1.590)

3Q18: Results in line, investment thesis intact.

**THAILAND**

*Results*

**Home Product Center (HMPRO TB/HOLD/Bt14.50/Target: Bt15.50)**

3Q18: Net profit up 15% yoy, mainly on significantly margin improvement.

**Thaicom (THCOM TB/SELL/Bt8.15/Target: Bt8.00)**

3Q18: Results hit qoq by forex loss and more provisions for doubtful debts.

*Update*

**Diamond Building Products (DRT TB/BUY/Bt5.55/Target: Bt7.50)**

Expect earnings to grow 12% next year; annual yield attractive at 7%.

**INDICES**

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	24874.6	1.8	(1.3)	(6.0)	0.6
S&P 500	2682.6	1.6	(2.1)	(7.9)	0.3
FTSE 100	7035.9	0.1	1.2	(6.3)	(8.5)
AS30	5887.9	1.3	(1.0)	(6.9)	(4.5)
CSI 300	3110.3	1.1	(2.3)	(9.6)	(22.8)
FSSTI	2966.5	(0.5)	(2.1)	(8.9)	(12.8)
HSCEI	9999.0	(0.1)	(2.3)	(9.2)	(14.6)
HSI	24585.5	(0.9)	(3.0)	(11.5)	(17.8)
JCI	5789.1	0.6	(0.2)	(3.1)	(8.9)
KLCI	1685.9	0.1	(0.7)	(6.0)	(6.2)
KOSPI	2014.7	0.9	(4.3)	(14.0)	(18.4)
Nikkei 225	21457.3	1.5	(2.5)	(11.0)	(5.7)
SET	1638.5	0.1	(1.2)	(6.7)	(6.6)
TWSE	9526.1	0.1	(2.5)	(13.4)	(10.5)

BDI	1522	0.2	(1.6)	(1.2)	11.4
CPO (RM/mt)	2032	0.2	(2.4)	(2.3)	(15.0)
Brent Crude (US\$/bbl)	76	(1.8)	(0.7)	(8.2)	13.5

Source: Bloomberg

**TOP PICKS**

	Ticker	CP (Icy)	TP (Icy)	Pot. +/-
<b>BUY</b>				
Baoshan Iron & Steel	600019 CH	7.51	9.53	26.9
Astra International	ASII IJ	7,700.00	9,200.00	19.5
Bank Negara Indonesia	BBNI IJ	7,175.00	9,850.00	37.3
PP Persero	PTPP IJ	1,340.00	3,700.00	176.1
CIMB	CIMB MK	5.58	7.00	25.4
OCBC	OCBC SP	10.50	14.05	33.8
SingTel	ST SP	3.12	3.94	26.3
Siam Cement	SCC TB	410.00	570.00	39.0

**SELL**

Hartalega	HART MK	6.23	4.02	(35.5)
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**KEY ASSUMPTIONS**

GDP (% yoy)	2017	2018F	2019F
US	2.2	2.7	2.3
Euro Zone	2.4	2.1	1.8
Japan	1.7	1.2	1.1
Singapore	3.6	3.2	2.8
Malaysia	5.9	4.8	4.8
Thailand	3.9	4.5	4.2
Indonesia	5.1	5.3	5.4
Hong Kong	3.8	3.8	2.8
China	6.9	6.4	6.2

CPO (RM/mt)	2,783	2,400	2,500
Brent (Average) (US\$/bbl)	55.00	71.60	71.00

Source: Bloomberg, UOB ETR, UOB Kay Hian

**CORPORATE EVENTS**

	Venue	Begin	Close
Roadshow with Digi.com (DIGI MK)	Canada	30 Oct	2 Nov
Group Luncheon with Kuala Lumpur	Kuala Lumpur	1 Nov	1 Nov
Globetronics Technology (GTB MK)			
Group Luncheon with Singapore	Singapore	2 Nov	2 Nov
Singapore Post (SPOST SP)			
Group luncheon with Singapore	Singapore	5 Nov	5 Nov
Sembcorp Industries (SCI SP)			
Group Luncheon with Kuala Lumpur	Kuala Lumpur	7 Nov	7 Nov
RGB International (RGB MK)			
UOB Kay Hian Annual Regional 1H2019 Strategy Conference	Kuala Lumpur	13 Nov	13 Nov
Corporate Luncheon on the Development and Outlook of the Onshore Storage Industry	Kuala Lumpur	14 Nov	14 Nov
Roadshow with China Resources Cement Holdings (1313 HK)	Kuala Lumpur	28 Nov	28 Nov
Group Luncheon with China Resources Cement Holdings Limited (1313 HK)	Singapore	30 Nov	30 Nov

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