

## Maybank Investment Bank Sees More Mergers and Acquisitions Opportunities in 2H2019

**Kuala Lumpur, 17 August 2019** - Maybank Investment Bank Bhd (Maybank IB) said today at its 2H2019 Market Outlook session for its Retail Brokerage clients that mergers and acquisitions (M&A) activity will be a recurring theme for Malaysian corporates in the second half of the year.

M&As and privatisations have moved at a fast pace with a total of ten attempts during the first half of the year (1H2019) as the broad market weakness has unlocked values. Companies in the Property, Steel, Plantation and Technology sectors are among those that may see further M&A activity as these sectors are in the midst of a down cycle.

“Valuations have come to an optimum level where corporates are actively looking to consolidate and acquire new assets and capacity. In this regard, the current down cycle in some sectors have revealed long term investment opportunities that can weather the current short term volatility,” said Fad’l Mohamed, Chief Executive Officer of Maybank IB.

Maybank IB Research forecast Malaysia equities to continue showing resilience amid a weak broader market environment caused by the expected moderation in global GDP growth as well as the intensifying US-China trade dispute. The market remains supported by sizeable holdings of strategic and long term investors, while at the same time policy risks are dissipating. Malaysia is also well-placed to benefit from rising manufacturing investments from overseas as a result of China’s diversion of its supply chain into ASEAN.

Additionally, the restarting of major infrastructure projects such as the East Coast Rail Link may provide the impetus for an improvement in investors’ sentiment going forward.

Maybank IB Research reiterates a defensive core equity strategy for 2H2019 with a year-end target of 1,680 points for the FBM KLCI, valued at 16 times twelve months forward earnings. While periods of volatility are expected, there are also pockets of opportunities for investors to trade on news flow and thematic.

Its top ‘Buy’ picks are Tenaga Nasional Bhd, Genting Bhd, RHB Bank Bhd, BIMB Holdings Bhd, UMW Holdings Bhd, Kossan Rubber Industries Bhd, YTL Hospitality REIT, MBM Resources Bhd, and Mynews Holdings Bhd.

Maybank IB held its 2H2019 Market Outlook session in Kuala Lumpur today, the main event in a series of roadshows in 11 cities across Peninsular Malaysia and East Malaysia to share its views and investment strategies. The event featured Maybank’s leading experts discussing investment opportunities in a fluctuating market as well as educational workshops covering new investment products.

-End-

### About Maybank Investment Bank Berhad

Maybank Investment Bank Berhad (“Maybank IB”) is Malaysia’s leading investment bank. It has been in operation for more than 40 years and offers a suite of financial solutions, which include debt advisory and arrangement via bonds/sukuk, project financing, leveraged financing and loan syndication, corporate finance, equity capital markets, merger and acquisition advisory, sector advisory, strategic advisory, equities derivatives, retail and institutional securities broking and research. Known globally as Maybank Kim Eng, it has presence in 10 countries namely Malaysia, Singapore, Hong Kong, Thailand, Indonesia, Philippines, India, Vietnam, Great Britain and the United States of America.

Maybank Kim Eng is the fully-owned investment banking arm of Maybank, one of Asia’s leading banking groups and South East Asia’s fourth largest bank by assets. The Maybank Group has an international network of over 2,200 offices in Malaysia, Singapore, Indonesia, Philippines, Brunei Darussalam, Vietnam, Cambodia, Thailand, People’s Republic of China, Bahrain, Uzbekistan, Myanmar, Laos, Pakistan, India, Saudi Arabia, Great Britain and the United States of America. The Group offers an extensive range of products and services, which includes consumer and corporate banking, investment banking, Islamic banking, stock broking, insurance and takaful and asset management. It has over 43,000 employees worldwide.

For more information, please contact:

Afiq Isa : +603 2059 1575

Amir Hamidi : +603 2059 1980

E-mail: [mkestratcomms@maybank-ib.com](mailto:mkestratcomms@maybank-ib.com)