CONSUMER

***Maintain* POSITIVE**

Consumer Sector Set to Thrive in 2025

KEY INVESTMENT HIGHLIGHTS

- **Retail: Strong Domestic Retail Trade and Tourism Boost Drive Growth**
- **F&B: Commodity price declines to boost margins despite cocoa price pressures**
- **Poultry: Declining Feed Costs Fuel Strong Tailwinds**
- **Currency: Stabilization of MYR in Nov 2024**
- **3QCY24 Wrap**
- **Maintain POSITIVE on Consumer Sector with F&N (BUY, TP: RM36.77), and Aeon (BUY, TP: RM1.67) as our top picks**

Retail: Strong Domestic Retail Trade and Tourism Boost Drive Growth

Retail spending maintains momentum. Based on DOSM, Malaysia's retail trade grew +7%yoy in October 2024 to RM64.9b, lifting cumulative 10MCY24 sales to RM634.2b (+6.2%yoy). This robust growth was driven by strong demand in F&B, tobacco, and nonspecialized stores, underpinned by a healthy labor market. The unemployment rate remained at a post-pandemic low of 3.2% in October, with employment growth (+1.9%yoy) outpacing labor force expansion (+1.7%yoy). Moderating inflation at +1.9%yoy further bolstered purchasing power, sustaining domestic consumption.

According to Retail Group Malaysia (RGM), retail sales gained momentum in 3QCY24, expanding +3.8%yoy, led by the minimarket-and-convenience store subsector (+8.7%yoy) and steady growth in department stores, pharmacies, and apparel. Private consumption grew +4.8% during the quarter, reflecting the resilience of the labour market and positive sentiment. For 4QCY24, RGM projects retail sales growth of +4.4%, supported by steady shopping traffic during the year-end holiday season and civil servant salary adjustments. Full-year retail growth for 2024 is expected to reach +3.9%, with steady growth of +4.0% forecasted for 2025, despite rising cost-of-living challenges.

Looking ahead, we expect 2025 to witness further retail sales acceleration, driven by stable employment, increased disposable income, and the implementation of various government measures such as enhanced cash assistance, minimum wage hikes, and civil servant salary adjustments. These measures are anticipated to boost domestic consumption, particularly among low- and middle-income households. Additionally, the gradual recovery in tourism is expected to further fuel retail demand, benefiting consumer staples and general merchandise retailers. **Aeon (BUY, TP: RM1.67)** stands out as well-positioned to capture this growth, leveraging resilient domestic demand to drive strong top-line expansion in CY25.

COMPANY IN FOCUS

Fraser & Neave Holdings Berhad

Maintain **BUY** | Unchanged Target Price: RM36.77

Price @ 11th Dec 2024: RM28.04

- Capitalize on the robust OOH beverages consumption.
- Benefit from the high temperatures prevalent across SEA and the return of tourists' arrivals.
- Integration of Sri Nona and Cocoaland to expand food pillar businesses

Share price chart



Aeon Co. (M) Berhad

Maintain **BUY** | Unchanged Target price: RM1.67

Price @ 11th Dec 2024: RM1.48

- Benefit from sustained consumer spending, bolstered by Budget 2025 cash handouts, EPF Account 3, and the civil servant pay rise, all of which will increase disposable income.
- PMS segment is set for continued growth with

Share price chart



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Table 1: Malaysia's monthly key statistics for Oct 2024

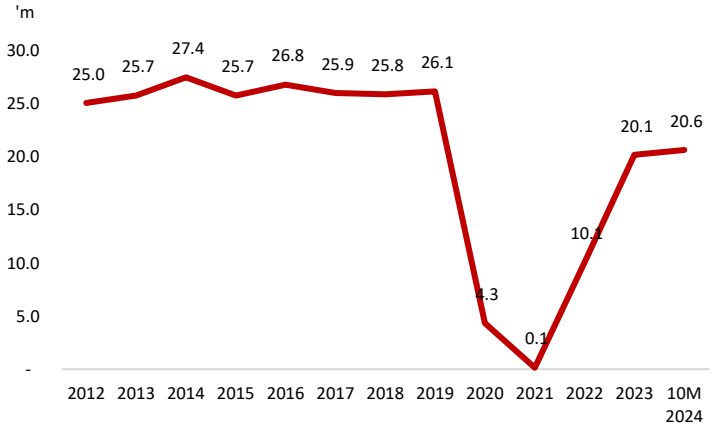
Data	Monthly Data					Cumulative		
	Oct-24	Sep-24	Oct-23	YoY	MoM	10MCY24	10MCY23	YoY
Retail Trade (RM'b)	**64.91**	**64.42**	**60.60**	**7.1%**	**0.8%**	**634.23**	**597.00**	**6.2%**
Non-specialized Stores	24.90	24.65	22.94	8.5%	1.0%	244.12	227.73	7.2%
F&B and Tobacco	4.12	4.10	3.78	9.0%	0.4%	40.11	37.22	7.8%
Household Equipment	7.65	7.44	7.20	6.2%	2.7%	73.17	69.91	4.7%
Others in Specialized Stores	13.64	13.43	12.57	8.4%	1.5%	132.88	122.46	8.5%
Unemployment rate (%)	3.20	3.20	3.40	-0.2ppt	0.0			

Sources: Department of Statistics Malaysia (DOSM), BNM, MIDFR

**Non-specialized Stores = supermarkets, hypermarkets, and convenience stores.*
**F&B and Tobacco = restaurant, food-related & tobacco related stores.*
**Automotive = Petrol, diesel or alternative fuel at petrol stations*
**Info & Comm Equipment = Computer, Laptops, Mobile devices, printers, hardrives, television, projectors and more*
**Cultural and recreation goods = Books, publication, audios, music, art and more*
**Household Equipment = textiles, hardware, carpets, other consumer electronic appliances, or furniture.*
**Others in Specialized Stores = clothing, footwear, pharmaceuticals, watches, souvenirs, and others.*
**Via stalls and markets = Fresh produce, handmade crafts, and street food*
**Not in stores, stalls or markets = Online purchases, direct-from-manufacturer items, and more*

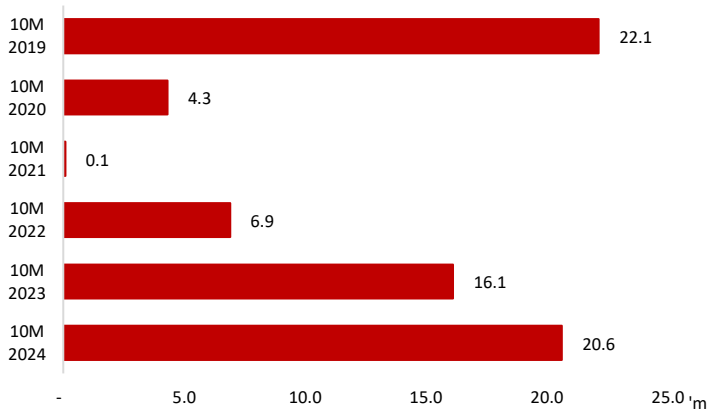
Tourism revival to bolster consumer demand in 2025. Malaysia's tourism sector continues to be a critical catalyst for the consumer market, with international tourist arrivals surging to 20.6m in the first ten months of 2024, compared to 16.1m in the same period of 2023. This marks a significant milestone, as the 10MCY24 figure has already surpassed the total tourist arrivals for 2023 (20.1m). Looking ahead, 2025 promises even greater momentum, fuelled by strategic government initiatives such as global promotions, infrastructure improvements, enhanced accessibility through improved connectivity, and a target of 31.4m visitors with RM125.5b in tourism revenue. Preparations for *Visit Malaysia Year 2026*, aiming to attract 35.6m tourists' arrival and RM147.1b in revenue, further amplify the sector's long-term potential. This resurgence is expected to drive significant growth in travel-related consumer markets, particularly benefiting the F&B and retail sectors. Companies like **Spritzer (BUY, TP: RM3.25)** is well-positioned to capitalize on the increased demand for bottled water, while Family Mart under **QL Resources (NEUTRAL, TP: RM4.83)** stands to gain from the rising demand for convenience food driven by the growing number of tourists. As Malaysia continues to attract tourists, consumer activity tied to travel, and hospitality will continue to provide a solid foundation for sector-wide growth**.**

Chart 1: Tourist Arrivals to Malaysia (2012-10M2024)



Sources: Tourism Malaysia, MIDFR

Chart 2: Tourist Arrivals to Malaysia



Sources: Tourism Malaysia, MIDFR

F&B: Commodity Price Declines to Boost Margins Despite Cocoa Price Pressures

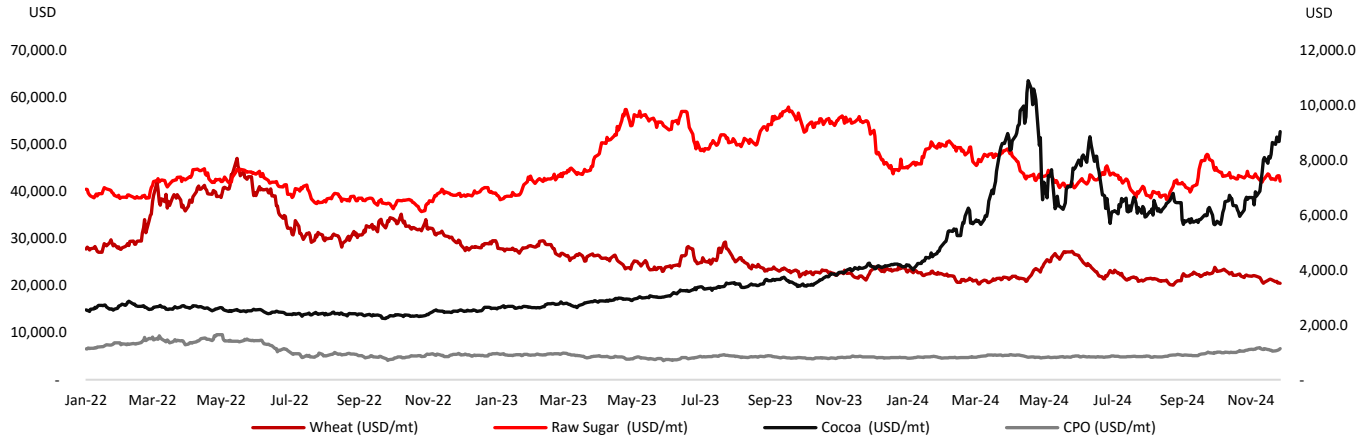
Mixed Trends in F&B Commodity Prices as of November 2024. The latest data reveals varied price movements for key F&B commodities. Cocoa (+92.3%yoy), arabica (+64.3%yoy), and robusta (+94.5%yoy) have seen significant price increases, posing challenges for coffee and chocolate producers. Crude palm oil (CPO) also rose by +32.9%yoy. In contrast, wheat prices declined by -4.4%yoy, alongside raw sugar (-21.9%yoy), white sugar (-13.5%yoy), and PET resin (-11.4%yoy), providing some cost relief for food producers. Despite elevated coffee prices, the overall effect remains manageable due to the broader downward trend in key commodities and strong brand equity enabling market players like **Nestle Malaysia (NEUTRAL, TP: RM101.90)** to effectively pass on costs without significantly affecting demand. Looking ahead to 2025, the operating environment is expected to improve as commodity prices stabilize after a volatile 2024. While cocoa and coffee prices are likely to remain elevated, the continued decline in sugar, wheat, and PET resin costs will ease margin pressures for food and beverage producers, supporting a more balanced cost structure and steady earnings growth across the sector.

Table 2: November 2024 Average Commodities Futures Prices for F&B Producers

Commodities	Nov-24	Oct-24	Nov-23	YoY (%)	MoM (%)	Remarks
Wheat (USD/mt)	21,254	22,703	22,229	(4.4)	(6.4)	Year-on-year: Lower prices were due to improved supply conditions from key wheat-producing regions like the EU and North America. The easing of extreme weather conditions and better yields have contributed to higher stockpiles globally. Month-on-month: Lower prices due to to improved supply conditions from key wheat-producing regions.
Cocoa (USD/mt)	7,723	6,186	4,015	92.3	24.9	Year-on-year: Prices soared due to anticipated supply disruptions in Western Africa caused by extreme rainfall and the cocoa swollen shoot virus. Month-on-month: Higher prices was due to the expectation of low production yield ahead due to the reason mentioned above.
Raw Sugar (USD/mt)	42,897	43,541	54,958	(21.9)	(1.5)	Year-on-year: Prices reduced due to record sugarcane crushing in Brazil and better-than-expected sugar production in India and Thailand, despite adverse weather in major producing countries. Month-on-month: Price remains flat as the market anticipates stable weather.
CPO (USD/mt)	1,099	1,010	827	32.9	8.8	Year-on-year: Prices peaked due to near-term tightness in palm oil inventory and concerns over lower supplies. Month-on-month: Prices surge mom due to local and Indonesia supply concerns and increased SBO demand, due to La Niña and biological tree rest.
White Sugar (USD/mt)	815	831	943	(13.5)	(1.9)	Year-on-year: Lower prices aligned with reduced raw sugar prices as the market saw higher sugar production from major producing countries. Month-on-month: Lower prices due to the expectation of higher production ahead due to the reasons mentioned above.
Arabica (USD/mt)	5,716	5,103	3,478	64.3	12.0	Year-on-year: Higher prices due to concerns about global supply shortages in most exporting countries, shrinking inventories, and continuously strong demand for Arabica coffee beans. Month-on-month: Higher price due to due to bad weather in Brazil and Vietnam.
Robusta (USD/mt)	4,645	4,501	2,388	94.5	3.2	Year-on-year: High prices were mainly due to market concerns about supply impacted by drier weather in Vietnam, affecting crops. Month-on-month: Higher price due to due to bad weather in Brazil and Vietnam..
PET Resin (USD/mt)	872	905	984	(11.4)	(3.7)	Year-on-year: Decreased prices reflect stabilized crude oil prices and a recovery in raw material supply chains, which have eased production costs. Month-on-month: Lower price due to lower crude oil prices providing a consistent cost base for producers.

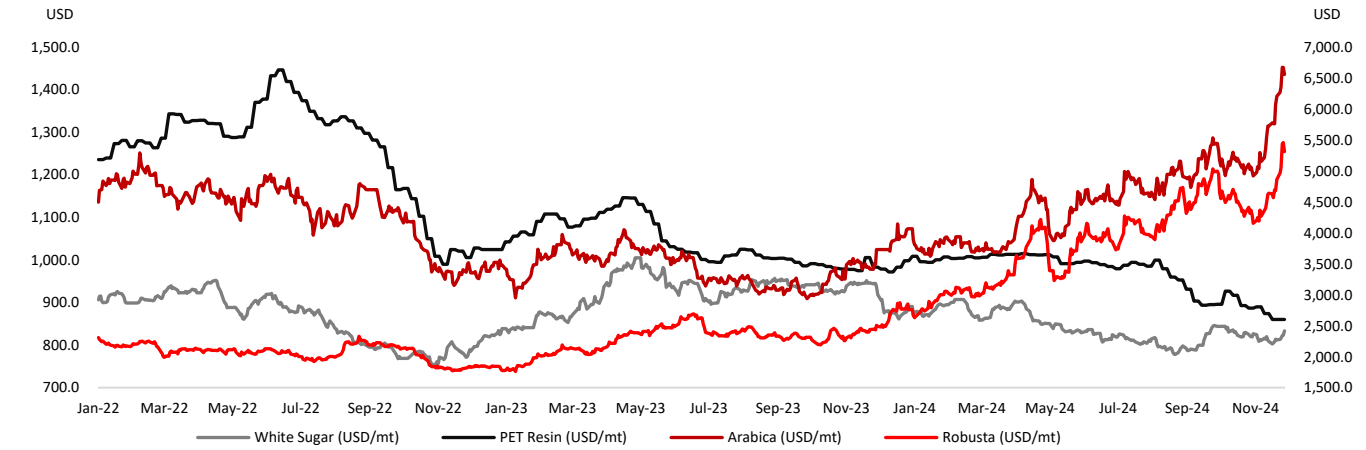
Sources: Bloomberg, USDA, MIDFR
****Pet resin = Polyethylene terephthalate*

Chart 3: Raw Material Futures Price Trend for Food Producers (USD/mt)



Sources: Bloomberg, MIDFR

Chart 4: Raw Material Futures Price Trend for Beverage Producers (USD/mt)



Sources: Bloomberg, MIDFR

Poultry: Declining Feed Costs Fuel Strong Tailwinds

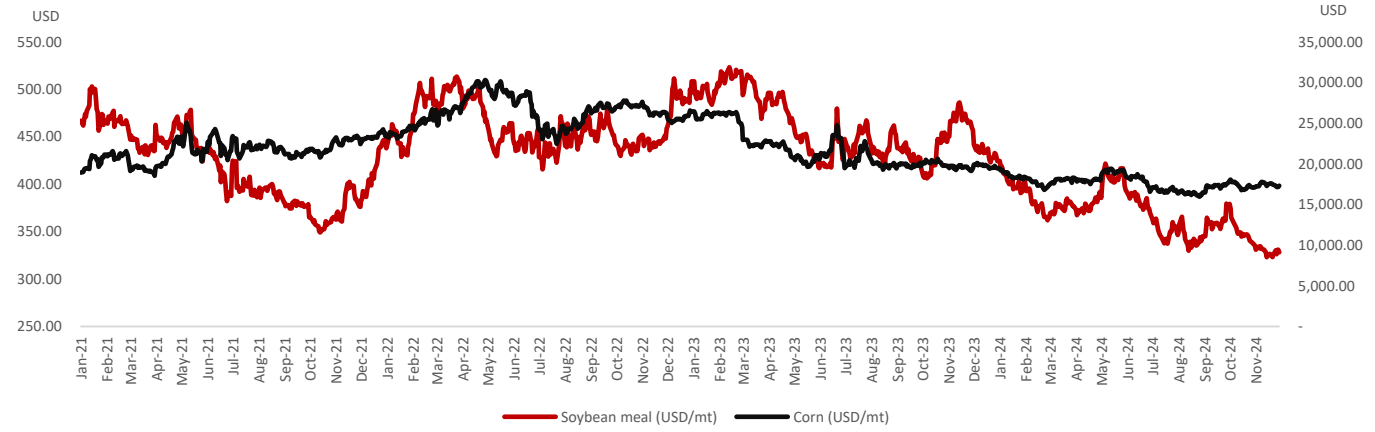
Declining feed costs provide tailwinds for poultry sector. Feed costs, a major component of poultry production expenses, have been steadily falling since early 2024, largely due to stable prices for key ingredients like corn and soybean meal. As of Nov-24, average soybean prices have declined by -29.8%yoy to USD329/mt, while corn prices have dropped by -10.9%yoy to USD17,417/mt. Since feed accounts for 65-75% of poultry production costs, this reduction is a positive for the poultry sector, improving profit margins across the industry. We remain optimistic about continued low feed costs into 2025, supported by stable supply from major exporters. This reduction in input costs will likely boost margins for key industry players such as **QL Resources (NEUTRAL, TP: RM4.83)** and **Leong Hup International (BUY, TP: RM0.90),** positioning them well to capitalize on cost efficiencies in the coming year.

Table 3: Average Monthly Soybean meal, and corn futures prices for November 2024

Commodities	Nov-24	Oct-24	Nov-23	YoY (%)	MoM (%)	Remarks
Soybean Meal (USD/mt)	329	350	469	(29.8)	(6.0)	Year-on-year: Lower prices due to the expectation of higher global soybean supplies as production from key exporters such as Argentina, the U.S., and China improves. This reflects an increase in anticipated yields, which has softened the market. Month-on-month: Lower prices due to the expectation of high production ahead due to the reasons mentioned above.
Corn (USD/mt)	17,417	17,319	19,539	(10.9)	0.6	Year-on-year: Lower prices due to higher global corn stocks driven by increased production in key regions, including the U.S., China, the European Union, and Ukraine. Month-on-month: Prices rose modestly due to adverse weather conditions in Brazil, weakening market sentiment about the possibility of weaker production expectations. Yet overall global market production remained intact.

Sources: Bloomberg, USDA, MIDFR

Chart 5: Raw Material Futures Price Trend for Poultry Producer (USD/mt)



Sources: Bloomberg, MIDFR

Currency: Stabilization of MYR in Nov 2024

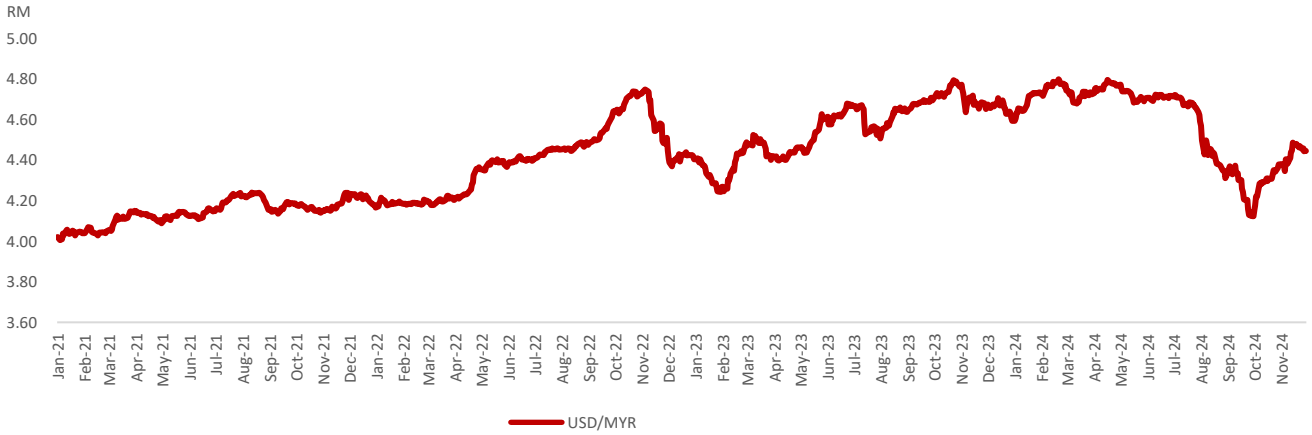
Ringgit's depreciated at a slower pace in Nov-24. In November 2024, the Ringgit showed signs of stabilization, depreciating at a slower pace against the USD, with an average USDMYR exchange rate of 4.44. Although the MYR remains weaker compared to October 2024 (USDMYR: 4.30), it has appreciated by +5.4%yoy from November 2023 (USDMYR: 4.69). This relative stability in the MYR exchange rate is expected to benefit F&B and poultry companies that import commodities priced in USD. Looking ahead to 2025, the ringgit is expected to strengthen further, with our economists projecting an average exchange rate of RM4.23/USD. This anticipated appreciation will likely create a favourable operating environment for domestic players, reducing input costs and improving margins for companies which depend heavily on imported raw materials. On the other hand, a firmer ringgit could challenge export-focused companies like **Asia File (SELL, TP: RM1.44)** and **Rhong Khen International (BUY, TP: RM1.60),** as MYR strength would dampen USD revenue upon conversion.

Table 4: USD/MYR Monthly statistics for November 2024

Data	Average monthly data				
	Nov-24	Oct-24	Nov-23	YoY (%)	MoM (%)
USD/MYR	4.44	4.30	4.69	(5.4)	3.2

Sources: Bloomberg, MIDFR

Chart 6: Price Trend of USD/MYR



Sources: Bloomberg, MIDFR

3QCY24 Wrap

Consumer (Staples): The sector saw mixed performance, with three companies meeting expectations, two exceeding, and one falling short. **F&N (BUY, TP: RM36.77)** delivered earnings within expectations, with FY24 core earnings up +15%yoy on the back of a +4.9%yoy revenue increase, supported by growth in both F&B Malaysia and Thailand. **Nestle (NEUTRAL, TP: RM101.90)** underperformed, with 9MFY24 earnings down -28%yoy due to weaker domestic sales, inflationary pressures as well as changing customer preference. **Hup Seng (NEUTRAL, TP: RM1.04)** met expectations, with 9MFY24 core earnings growing +27.2%yoy to RM40.7m, aided by revenue growth largely driven by production efficiencies from the recent commercial run of a new oven, which has boosted production capacity. **Spritzer (BUY, TP: RM3.25)** exceeded expectations, posting a +54.9%yoy surge in 9MFY24 earnings to RM56.6m, supported by strong sales, lower raw material costs, and efficiency gains. Poultry players performed well, with **Leong Hup (BUY, TP: RM0.90)** surpassing expectations as 9MFY24 core PATANCI rose +27.1%yoy to RM374.2m, driven by effective cost management and lower feed prices. **QL Resources (NEUTRAL, TP: RM4.83)** met expectations, achieving a +9%yoy increase in earnings, supported by contributions from its livestock, palm oil, and convenience store segments, with POCE earnings up +52.5%yoy on improved solar project margins.

Consumer (Discretionary): Performance was mixed, with two companies meeting expectations and two underperforming. **Aeon (BUY, TP: RM1.67)** saw earnings grow +23%yoy, driven by higher gross margins and effective cost management, while **Padini (NEUTRAL, TP: RM3.28)** earnings declined -21%yoy due to higher operating expenses and muted discretionary spending. Revenue fell -13.6%qoq due to the lack of festive promotions**. Asia File (SELL, TP: RM1.44)** struggled, with core PATANCI plunging -13.9%yoy on weaker demand. **Rhong Khen (BUY, TP: RM1.60)** excelled, with core PATANCI surging +112.3%yoy, driven by furniture export demand and better margin management.

Across the board, consumer companies faced headwinds in 3QCY24, including a seasonal slowdown following a high base in 2QCY24 (Ramadan and school holidays) and weak consumer sentiment. However, outperformers such as **Spritzer** and **Leong Hup** leveraged cost controls, lower input costs, and operational efficiencies to drive margins. Conversely, underperformers were mainly discretionary players affected by muted consumer spending, geopolitical tensions related to the Middle East conflict, and rising operating costs.

Looking ahead, 4QCY24 is expected to bring a recovery in performance. Topline growth is anticipated to improve, driven by festive period demand, while margins should benefit from higher operating leverage, a more profitable sales mix, and ongoing cost-efficiency measures. Additionally, companies like **Leong Hup** and **QL Resources** are likely to gain from a stronger ringgit, which could lower feed costs.

TABLE 5: 3QCY24 Revenue & Earnings Overview

Companies	Dividend (sen/ share)	3QCY24 Revenue Overview			3QCY24 Core PATANCI Overview		
		YoY (%)	QoQ (%)	Ytd (%)	YoY (%)	QoQ (%)	Ytd (%)
Consumer Staples:							
Fraser & Neave Holdings	33sen/share	1.0	(3.7)	4.9	(19.4)	(10.9)	15.1
Leong Hup International	1.45sen/share	(11.4)	(5.4)	(1.9)	4.5	29.5	27.1
QL Resources	NA	10.8	15.6	6.2	4.6	19.4	9.4
Spritzer	NA	10.1	(0.4)	16.9	20.7	3.0	54.9
Hup Seng Industries	3sen/share	10.9	30.2	6.1	30.4	86.5	27.2
Nestle Malaysia	35sen/share	(18.4)	(5.1)	(11.4)	(46.2)	3.6	(28.0)
Consumer Discretionary:							
Aeon Co M	NA	4.9	(1.8)	3.1	28.8	(28.6)	23.0
Padini Holdings	2.5sen/share	1.3	(13.6)	1.3	(21.0)	(5.4)	(21.0)
Asia File Corp	NA	(13.3)	(11.2)	(5.8)	(58.5)	(56.3)	(13.9)
Rhong Khen International	3sen/share	9.5	1.6	9.5	112.3	117.0	112.3

Source: MIDFR

TABLE 6: 3QCY24 Forecast Revisions Summary

Companies	FYE	3QCY24 Results Overview		Revisions		
		Ours	Streets'	Recommendation	Target Price	Earnings Forecast
Consumer Staples:						
Fraser & Neave Holdings	**SEPT**	**Within** 96%	**Below** 94%	**Unchanged** BUY	**Lower** RM36.77	**Revised Downward** FY25F = -9% FY26F = -9% FY27F = -9%
Leong Hup International	**DEC**	**Above** 107%	**Above** 124%	**Unchanged** BUY	**Higher** RM0.90	**Revised Upward** FY24F = +25% FY25F = +20% FY25F =+11%
QL Resources	**MAR**	**Within** 44%	**Within** 50%	**Unchanged** NEUTRAL	**Unchanged** RM4.83	**Unchanged**
Spritzer	**DEC**	**Above** 91%	**Above** 86%	**Upgraded** BUY	**Higher** RM3.25	**Revised Upward** FY24F = +20% FY25F = +14% FY25F =+20%
Hup Seng Industries	**DEC**	**Within** 76%	**Above** 86%	**Unchanged** NEUTRAL	**Unchanged** RM1.04	**Unchanged**
Nestle Malaysia	**DEC** (3QFY24)	**Below** 53%	**Below** 66%	**Unchanged** NEUTRAL	**Lower** RM101.90	**Revised Downward** FY24F = -26% FY25F = -20% FY26F = -19%
Consumer Discretionary:						
Aeon Co M	**DEC**	**Within** 75%	**Below** 69%	**Unchanged** BUY	**Unchanged** RM1.67	**Unchanged**
Padini Holdings	**JUN**	**Below** 11%	**Below** 12%	**Downgraded** NEUTRAL	**Lower** RM3.28	**Revised Downward** FY25F = -23% FY26F = -27% FY27F = -28%
Asia File Corp	**MAR**	**Below** 36%	**NA**	**Downgraded** SELL	**Lower** RM1.44	**Revised Downward** FY25F = -28% FY26F = -30% FY27F = -32%
Rhong Khen International	**JUN**	**Within** 32%	**Within** 35%	**Unchanged** BUY	**Unchanged** RM1.60	**Unchanged**

Source: MIDFR

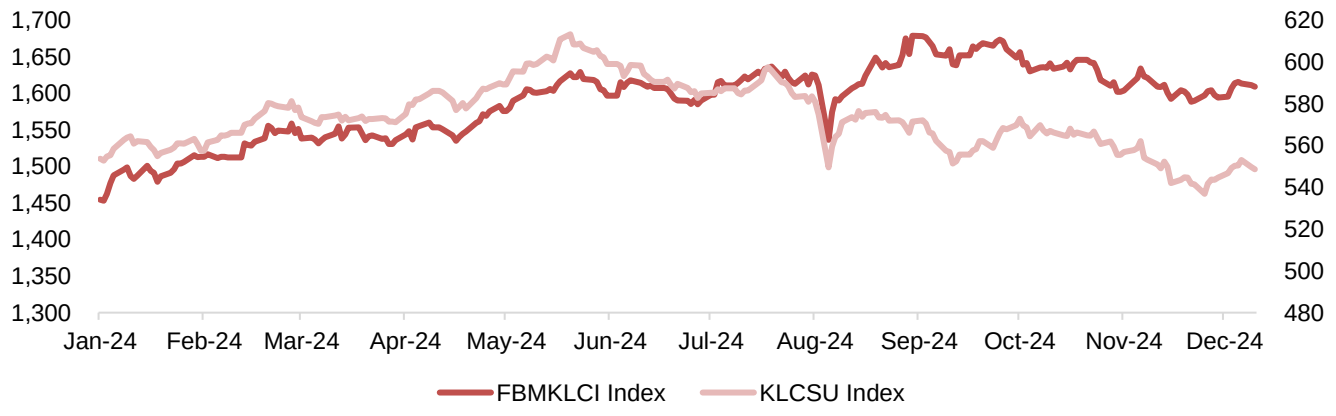
Strong growth prospects for Malaysia's consumer sector in 2025. Looking forward to 2025, Malaysia's consumer sector is well poised for growth, underpinned by favourable economic conditions and strategic government policies. Key growth drivers include a strong labour market fostering positive income prospects and supporting steady consumer spending, continued demand for essential goods, particularly as households benefit from government support measures, targeted initiatives in Budget 2025 designed to support consumer spending, and increased tourist arrivals, which will contribute to sustained demand in both essential and discretionary goods. Retailers such as **Padini (NEUTRAL, TP: RM3.28)** and **Aeon (BUY, TP: RM1.67)** will likely see higher foot traffic and increased sales volumes, thanks to their strong reputations for quality and affordability. At the same time, companies like **QL Resources (NEUTRAL, TP: RM4.83)** and **Leong Hup International (BUY, TP: RM0.90)** will continue to thrive, benefiting from robust demand for everyday necessities. This combination of factors will provide a strong tailwind for the entire consumer sector, driving growth and heightened retail activity throughout 2025.

Laggards and attractive valuation. The consumer sector has trailed behind this year, with the KLCI surging by +10.6% as of 10 Dec 2024, while the consumer index has languished, falling by -0.9%ytd. However, we believe this lag presents an enticing opportunity for investors, as we anticipate as we expect earnings to improve and strong macroeconomic catalysts to drive growth in 2025. With the Malaysian government's proactive policies set to be implemented next year, the sector is well-positioned for revenue and earnings expansion. Consumer staples, in particular, are currently trading at a compelling valuation of 22.4x, significantly below the three-year forward PE average of 28.1x, signalling a rare window of undervaluation. Our top pick**, F&N,** is currently trading at a CY25F PER of 16.2x, notably lower than both its three-year historical average of 21x and the sector's forward three-year PE mean of 28.1x. This undervaluation, coupled with F&N's strong fundamentals, presents a rare investment opportunity. With these appealing valuations, the sector is poised to benefit from a favourable tailwind, making it an attractive prospect for investors in 2025.

Maintain POSITIVE on the Consumer Sector. Overall, we remain optimistic for consumer sector, supported by several key factors: (1) a stable labour market that continues to drive domestic consumption, (2) sustained growth in consumer spending, buoyed by favourable private consumption and GDP growth, (3) a strong domestic consumption outlook, bolstered by various incentives introduced in Budget 2025, and (4) improved margins for food and beverage producers, benefiting from declining global commodity prices and a stronger ringgit.

Our top pick for consumer sector remains **F&N (BUY, TP: RM36.77)** and **Aeon (BUY, TP: RM1.67).** F&N is well-positioned to capitalize on the rising demand for ready-to-go (RTG) beverages, particularly from increasing tourist traffic. The company's expansion into integrated dairy farming could further boost its revenue base. Aeon, with its strong presence in general merchandise and supermarkets, is poised to benefit from robust domestic demand for essential goods. Moreover, Aeon's Property Management Services segment is expected to thrive, driven by optimized tenant mixes and improved rental rates. With the positive economic backdrop, Malaysia's consumer sector is set for a prosperous 2025.

Chart 7: Relative performance of KLCSU and KLCI index



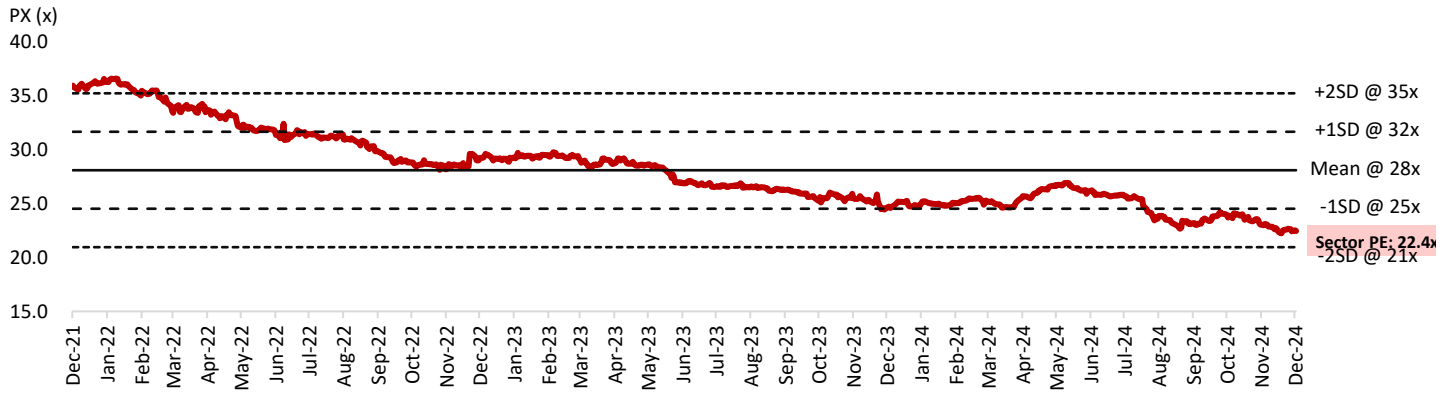
Source: MIDFR

Table 7: Peer comparison table

Stocks	Rec.	Price (RM) @ 11-Dec-24	TP (RM)	Mkt. Cap (RM'm)	Core EPS (sen)		PER (x)		Div. Yield (%)		Net Gearing
					CY24F	CY25F	CY24F	CY25F	CY24F	CY25F	
Consumer Staples:											
Fraser & Neave Holdings	BUY	28.04	36.77	10,284.5	160.8	172.9	17.4	16.2	2.6	2.7	Net Cash
Leong Hup International	BUY	0.62	0.90	2,244.8	12.3	13.1	5.0	4.7	6.0	6.4	0.6
QL Resources	NEUTRAL	4.72	4.83	17,230.3	16.5	18.8	28.7	25.1	1.3	1.4	0.2
Spritzer	BUY	3.01	3.25	961.1	21.9	23.7	13.7	12.7	2.3	2.2	0
Hup Seng Industries	NEUTRAL	1.25	1.04	1,000.0	7.8	8.1	16.0	15.4	5.0	5.2	Net Cash
Nestle Malaysia	NEUTRAL	98.78	101.90	23,163.9	281.8	306.4	35.1	32.2	2.7	2.9	0.8
Weighted Avg.					**155.2**	**168.7**	**27.8**	**25.2**	**2.4**	**2.6**	
Consumer Discretionary:											
Aeon Co M	BUY	1.48	1.67	2,078	10.8	11.2	13.7	13.2	2.9	3.0	0.2
Padini Holdings	NEUTRAL	3.28	3.28	2,158	22.8	23.4	14.4	14.0	3.6	3.7	Net Cash
Asia File Corp	SELL	1.74	1.44	341	15.2	15.5	11.4	11.2	3.4	3.5	Net Cash
Rhong Khen International	BUY	1.20	1.60	234	9.3	12.3	12.8	9.7	2.3	3.1	Net Cash
Weighted Avg.					**16.4**	**17.1**	**13.8**	**13.2**	**3.2**	**3.3**	

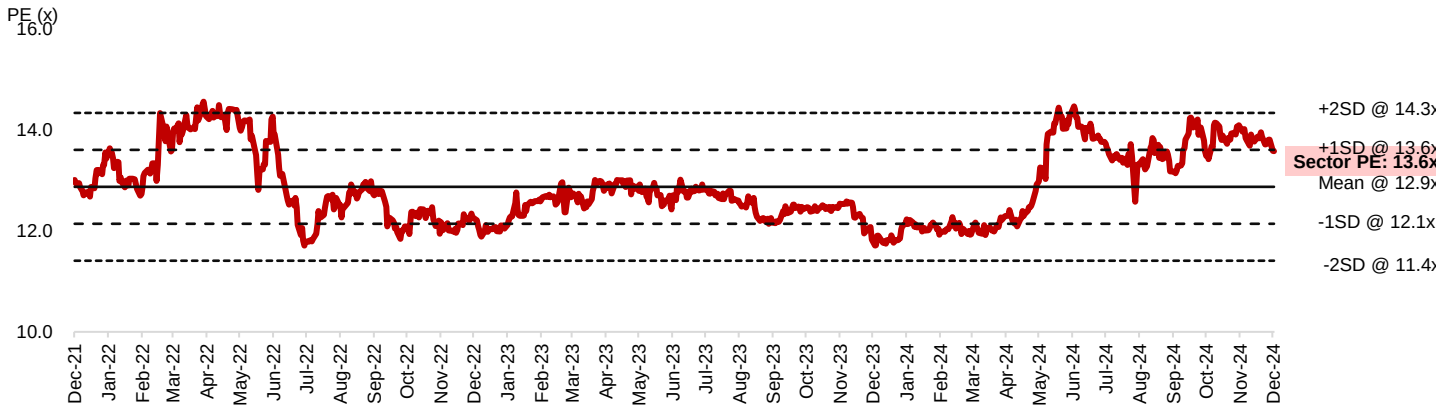
Sources: Bloomberg, MIDFR

Chart 8: 3-Year Forward P/E Band – Consumer Staple



Source: MIDFR

Chart 9: 3-Year Forward P/E Band – Consumer Discretionary



Source: MIDFR

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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 *rise* by >10% within 3-months after a Trading Buy rating has been assigned due to positive news flow.
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 *fall* 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.
ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell	
☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology