

Malaysia Budget 2024

Fixed Income Views

The government aims to reduce deficit to MYR85.4b/4.3% of GDP in 2024, insufficient to cut debt ratio but remains committed to medium-term fiscal consolidation. On bond supply, we revise up gross/net MGS+GII supply forecast markedly to MYR186b/MYR105b in 2023 due to the planned run-down in T-bills at a rather sharp pace, which could weigh on MGS curve if UST weakness persists. For 2024, we forecast gross/net supply of MYR178b/MYR85b. We also update views on sovereign rating and the FRA.

Budget Deficit: For 2023, the budget deficit is expected to come in line with the official target at MYR93.2b/5.0% of GDP. For 2024, the government plans to reduce the deficit further to MYR85.4b/4.3% of GDP. While the planned reduction matches the path outlined in the last Medium-term Fiscal Framework, the amount of cut is not significant considering that Budget 2023 included some allocation to the 1MDB USD3b bond repayment. Between supporting growth and fiscal consolidation, the priority still skews slightly to the former, in our view. On economic outlook, the government sets a real GDP growth target of 4-5% for 2024 vs. an estimated 4% in 2023 (Maybank: 2023F 4.0%, 2024F 4.4%). With nominal growth assumption of 6.7%, the 4.3% deficit ratio is insufficient to reduce the government debt ratio.

Revenue & Expenditure: Both government revenue and operating expenditure are expected to rise slightly by about 1% YoY in 2024. Government revenue is projected to increase to MYR307.6b (2023E: MYR303.2b) largely due to higher contributions from CITA (+MYR8b), individual income tax (+MYR3b) and SST (+MYR2b), offsetting the decline in investment income (-MYR8b) due to lower Petronas dividend of MYR32b (2023E: MYR40b). Government opex is budgeted to increase to MYR303.8b (2023E: MYR300.1b) primarily due to the continued rise in emoluments (+MYR4b), higher debt service charges (+MYR4b) and supplies and services (+MYR4b), taking away all the savings from lower subsidies & social assistance (-MYR11b) on implementation of subsidy rationalisation. Recognising upside risks from retirement charges, the government is considering a shift to defined contribution pension scheme in future.

Analysts

Winson Phoon, FCA
(65) 6340 1079
winsonphoon@maybank.com

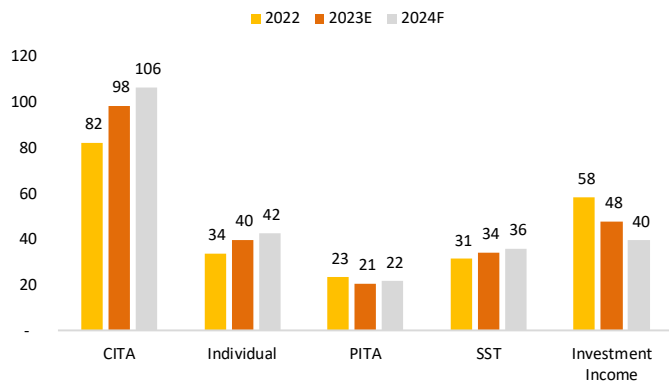
Se Tho Mun Yi, CFA
(603) 2074 7606
munyi.st@maybank-ib.com

Figure 1: Fiscal Deficit and Funding Profile, 2020 to 2024F (MYR'b)

	2020	2021	2022	2023E	2024F
Federal Government Revenue	225.1	233.8	294.4	303.2	307.6
Operating Expenditures	224.6	231.5	292.7	300.1	303.8
Current Account Balance	0.5	2.2	1.7	3.1	3.8
Gross Development Expenditure	51.4	64.3	71.6	97.0	90.0
Less: loan recoveries	1.3	1.0	1.4	0.7	0.8
Net Development Expenditure	50.1	63.3	70.2	96.3	89.2
Covid-19 Fund	38.0	37.7	31.0	-	-
Budget Deficit	(87.6)	(98.7)	(99.5)	(93.2)	(85.4)
% of GDP	-6.2%	-6.4%	-5.6%	-5.0%	-4.3%
Total Expenditure	314.0	333.5	395.2	397.1	
Funded By:					
Net Domestic Debt Issuances	86.9	98.6	99.7	93.6	-
Net External Debt Issuances	(0.3)	1.7	(0.3)	(0.3)	-
Other Debt/Change in Assets	1.1	(1.6)	0.1	(0.0)	-
Total	87.6	98.7	99.5	93.2	-
YoY Change:					
Federal Government Revenue	(15%)	4%	26%	3%	1%
Operating Expenditures	(15%)	3%	26%	3%	1%
Gross Development Expenditure	(5%)	25%	11%	36%	(7%)
Budget Deficit	(70%)	(13%)	(1%)	6%	8%

Sources: MOF

Figure 2: Key Govt Revenue: 2022-2024F (MYR'b)

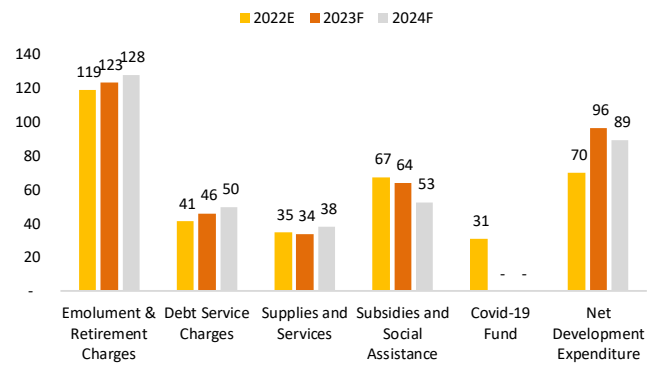


Sources: MOF

*CITA = Company Income Tax, PITA = Petroleum Income Tax, SST = Sales and Services Tax

**Crude oil price assumption for 2024: USD85/bbl (2023: USD80/bbl)

Figure 3: Key Govt Expenditure: 2022-2024F (MYR'b)

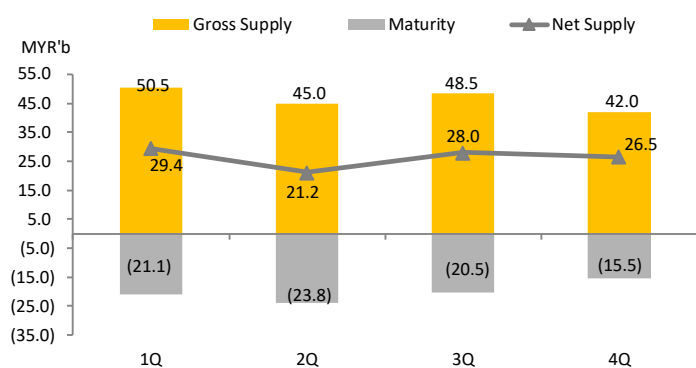


Sources: MOF

Government Bond Supply: Negative Surprise for 4Q23, Then Reduces in 2024

2023: Heavier 4Q Supply. We revise up gross MGS+GII supply markedly to MYR186b from MYR172b for 2023 partly due to the absence of positive fiscal surprise but mostly because of more MGS+GII issuances to fund a big run-down in outstanding T-bills by an estimated MYR11.5b this year, as the government intends to reduce refinancing risk by reducing funding via short-term papers, even though T-bills only account for <3% of the total outstanding Ringgit government debts. Net MGS+GII supply is expected to total MYR105b, also a record. While the larger-than-expected auction sizes recently did raise question on upside risk to MGS+GII supply, the pace of the planned reduction in T-bills is rather sharp. The outstanding T-bills has only dropped by -MYR1b YTD, meaning an additional MYR10.5b cut should come in the remaining 2.5 months. We expect gross/net MGS+GII supply of MYR42b/MYR26.5b in 4Q23 (3Q23: MYR48.5b/MYR28b) Figure 4. We estimate issuance size of MYR5.0-5.5b in the remaining auctions (Figure 5). On a positive note, most T-bills are likely held by banks, therefore the net redemptions will be channeled to banks which could help partially alleviate the current tightness in interbank liquidity, or support reinvestment demand for short-tenor MGS and GII in 4Q23.

Figure 4: MGS+GII: Quarterly Supply Profile



Sources: MOF, CEIC, Maybank IBG Research

*Government bond maturity included SPK

Figure 5: MGS+GII: Monthly Supply Profile in 4Q23

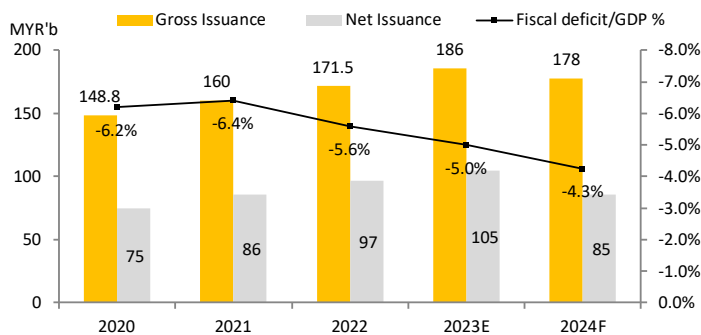
Month /Date	Stock Name	Gross Supply	Maturity Amount	Net
Oct	20-yr Reopening of MGS 10/42 4.696%	5,500		
Oct	10-yr Reopening of MGII 08/33 4.582%	5,500		12,500
Oct	7-yr Reopening of MGS 04/30 4.498%	5,500		
31-Oct	PROFIT-BASED GII 2/2013 31.10.2023		(4,000)	
Nov	30-yr Reopening of MGII 05/52 5.357%	5,500		
Nov	5-yr Reopening of MGS (Mat on 04/28)	5,500		4,500
Nov	7-yr Reopening of MGII 09/30 4.245%	5,000		
30-Nov	GII MURABAHAH 3/2018 4.094%		(11,500)	
Dec	3-yr Reopening of MGII 09/26 4.070%	4,500		9,500
Dec	10-yr Reopening of MGS 11/33 4.642%	5,000		
Total		42,000	(15,500)	26,500

Sources: BPAM, BNM, Maybank IBG Research's estimate for gross supply

2024: Lower Gross and Net Supply YoY. We forecast gross MGS+GII issuance of MYR178b in 2024 to fund MYR85b budget deficit and MYR93b maturities. Net supply is expected to fall to MYR85b (2023E: MYR105b) - Figure 6. Issuance currency is likely to be fully in Ringgit and there will be no USD bond maturities in 2024. BNM debt switch, if any, could reduce the gross supply next year and we will update accordingly. Like 2023, a key upside risk to our bond supply forecast next year is

whether the outstanding T-bills will be reduced further. We expect outstanding T-bills to be trimmed to MYR20b by end-2023, small (<2%) relative to the outstanding government debts but still higher than the <MYR10b level pre-Covid (Figure 8).

Figure 6: Government Bond Issuance: 2020-2024F



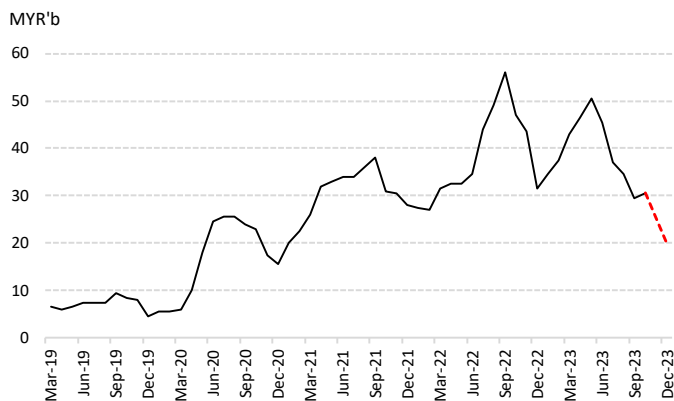
Sources: CEIC, BPAM, Maybank IBG Research

Figure 7: Government Bond Maturity Profile 2024

Maturity	Stock	MYR'b
21-Feb-24	SPK 1/2014 4.731% 21.02.2024	5.5
22-May-24	GII MURABAHAH 8/2013 22.05.2024	12.5
14-Jun-24	MGS 3/2019 3.478% 14.06.2024	21.5
15-Jul-24	MGS 1/2014 4.181% 15.07.2024	11.0
15-Aug-24	GII MURABAHAH 2/2017 4.045% 15.08.2024	12.0
30-Sep-24	MGS 2/2017 4.059% 30.09.2024	11.0
15-Oct-24	GII MURABAHAH 4/2019 3.655% 15.10.2024	19.5
Subtotal - MGS		43.5
Subtotal - GII		44.0
Subtotal - SPK		5.5
Total Maturity		93.0

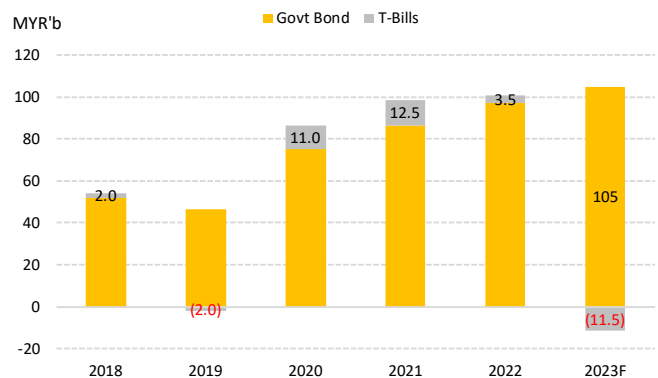
Sources: BPAM, Maybank IBG Research

Figure 8: Outstanding Treasury Bills



Sources: CEIC, BPAM, Maybank IBG Research
*Dotted line = Estimate

Figure 9: Net Issuance: Govt Bonds and Treasury Bills



Sources: BPAM, Maybank IBG Research
*Government bond included SPK

Views on Public Finance and Fiscal Responsibility Bill 2023

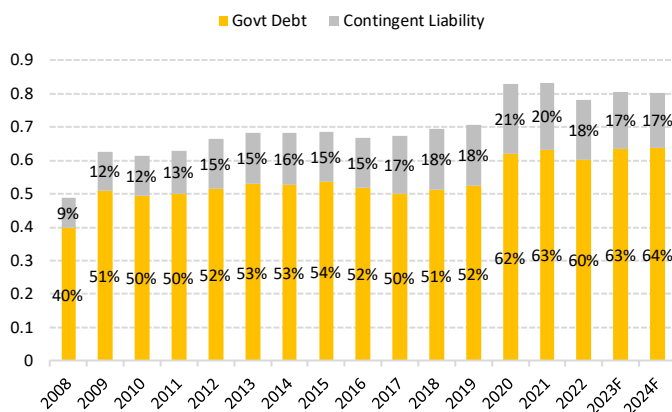
The Public Finance and Fiscal Responsibility Bill 2023 was passed by the parliament on 11 Oct 2023. It sets out the following fiscal objectives with quantitative limits/thresholds but the key targets on government debts ($\leq 60\%$ of GDP) and fiscal deficit ($\leq 3\%$ of GDP) are both medium-term (3-5 years) and perhaps moving targets without exact year like what Indonesia set for its post-Covid consolidation.

- Government Debt: $\leq 60\%$ of GDP in the medium term (3-5 years).** The 60% limit likely refers to total government debts that include all debt instruments both MYR and non-MYR. Government debt ratio was 61.9% at end-Jun 2023, and we estimate it to reach slightly above 63% by end-2023. For 2024, assuming nominal GDP growth of 6.5% and deficit ratio of 4.3%, the government debt is projected to increase further to about 64% of GDP by end-2024. At 6.5% nominal GDP growth, it requires a deficit ratio of $\leq 4\%$ to start trimming the debt ratio, and a deficit ratio of $\leq 3\%$ to reduce the debt ratio meaningfully.
- Government Guarantee: $\leq 25\%$ of GDP:** Total government guarantee (GG)/contingent liability stood at MYR318b/17.2% of GDP as of Jun 2023, already well within the limit. While there is a need to leave some buffer, setting the GG limit at 25% instead of 20% does raise some concerns among bond investors on the possibility of larger GG issuances going forward. The 25% limit allows >MYR160b GG debt headroom. On a positive note,

since 2018 the government has taken a more prudent approach on the use of GG. New GG names have fallen significantly and net GG bond issuances turned negative in 2022 (although total GG that loans still increased moderately) for the first time since 2006. Net GG bond issuances remained negative in 9M23.

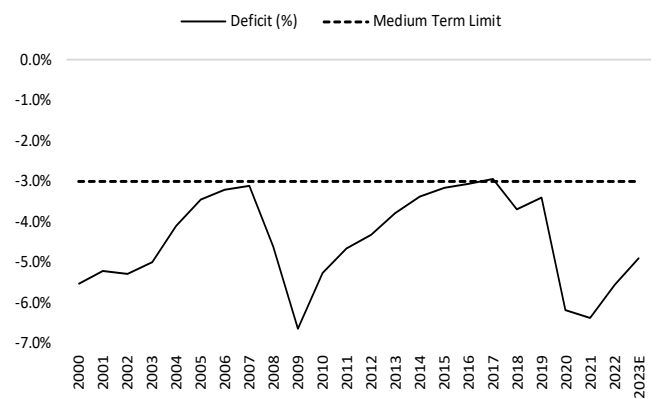
- Fiscal Deficit $\leq 3\%$ of GDP in the medium term (3-5 years).** Only once in the past >20 years the deficit came inside 3% of GDP i.e. -2.9% in 2017, which actually coincided with a record surge in GG debt/off-balance sheet funding that year. Keeping the deficit ratio at <3% on a sustained basis is crucial in order to rebuild debt headroom for unexpected event in future such as a recession to avoid additional strains on public indebtedness: about 10ppt was added to the headline debt ratio after each of the last two crises: Global Financial Crisis (c.40% \rightarrow >50%) and Covid Crisis (c.50% \rightarrow >60%).
- Development Expenditure $\geq 3\%$ of GDP:** This aims to ensure a minimum DE is used in generating economic growth. Malaysia's annual DE averaged 3.8% in 2018-2022. Reading together with the $\leq 3\%$ deficit limit, it means the government will need to maintain a surplus on current balance (revenue - opex), in line with the existing fiscal administrative rule.

Figure 10: Govt Debt and Contingent Liability (% of GDP)



Sources: CEIC, MOF, Maybank IBG Research

Figure 11: Fiscal Deficit (% of GDP): Only Came Below -3% Once Since 2000 i.e. -2.9% in 2017



Sources: Sources: CEIC, MOF, Maybank IBG Research

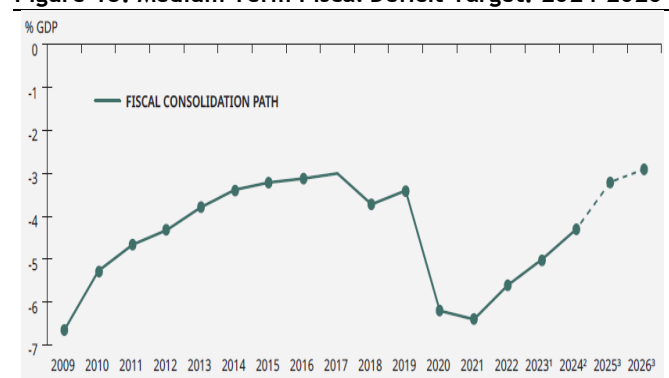
Figure 12: Medium-term Fiscal Framework: 2024-2026

	2024-2026 (MYR'b)	Share of GDP
Revenue	986.9	15.6%
Non-petroleum	816.2	12.9%
Petroleum-related	170.7	2.7%
Operating Expenditure	927.2	14.7%
Current Balance	59.7	0.9%
Gross development expenditure	279.0	4.4%
Less: Loan recovery	1.8	0.0%
Net development expenditure	277.2	4.4%
Overall Balance	(217.5)	-3.5%

Sources: MOF

*Assumptions: 1) Real GDP growth: 4.8%, 2) Nominal GDP growth: 6.7%, 3) Crude oil price: USD80/bbl, 4) Oil production: 530,000 barrels per day

Figure 13: Medium Term Fiscal Deficit Target: 2024-2026



Sources: MOF

2024 = Budget estimate, 2025-2026 = Forecast

Sovereign Rating: Likely Status Quo

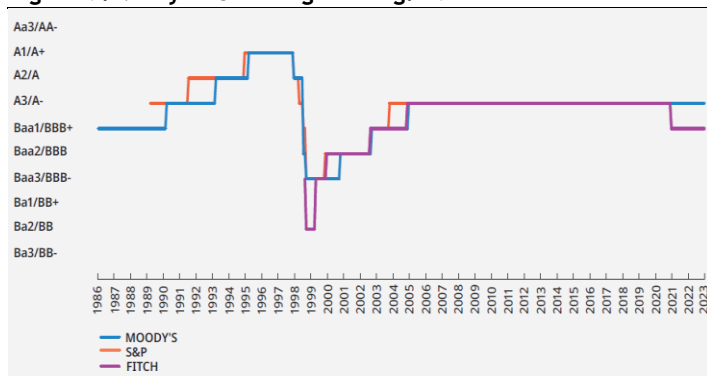
Currently both S&P and Moody’s rate Malaysia at A-/A3, while Fitch assigns one notch lower at BBB+. All three agencies have a stable outlook on Malaysia during the last rating updates in Feb-Jun 2023 and both the positive and negative rating triggers were little changed (Figure 14). We think Budget 2024 reaffirms the government’s commitment to fiscal consolidation at an gradual pace targeting additional reduction in the deficit-to-GDP ratio, but insufficient to build a strong case for rating upgrade yet from the debt metrics angle, unless one or more of the rating agencies decide to upgrade the institutional strength of Malaysia which can be very subjective, unless tangible progresses are made toward achieving some of the targets set under the Madani framework on e.g. competitiveness, growth and governance. We expect no change to both the rating and outlook in the next 3-6 months. Malaysia’s public indebtedness has been higher than single-A median that is closer to 40% of GDP. Debt affordability measured by the interest expense/revenue ratio is projected to deteriorate to 16.2% in 2024 (2023E: 15.2%, 2022: 14%) as borrowing costs continue to rise while revenue growth plateaus.

Figure 14: Malaysia Sovereign Rating: Current Rating and Triggers

	Fitch	Moody’s	S&P
Rating/Outlook	BBB+/Stable	A3/Stable	A-/Stable
Last Update	15 Feb 2023	14 Apr 2023	27 Jun 2023
Last Action	Reaffirmed	Reaffirmed	Reaffirmed
Positive Triggers	<ul style="list-style-type: none"> Downward trend in general government debt/GDP closer to peer medians due to e.g. implementation of a strong fiscal consolidation strategy. Improvement in governance standards relative to A-rated peers, e.g. through greater transparency and corruption control. 	<ul style="list-style-type: none"> If fiscal consolidation prospects improve significantly, e.g. broader revenue base, sustained decline in government debt burden and improvement in debt affordability. Institutional enhancements e.g. higher governance standards, policy credibility & effectiveness, including public finance management, boosting growth potential. 	<ul style="list-style-type: none"> If fiscal outcomes outperform S&P’s forecasts, e.g. net debt/GDP below 60% or interest payments less than 10% of general government revenues.
Negative Triggers	<ul style="list-style-type: none"> An increase in government debt ratio over the medium term due to e.g. insufficient fiscal consolidation or a crystallisation of contingent liabilities. Deterioration in medium-term growth prospects due to e.g. subdued investment in manufacturing sector. 	<ul style="list-style-type: none"> Weaker debt metrics, sharp rise in contingent liabilities, and/or softer commitment to medium-term fiscal consolidation. Political volatility that undermine credibility and effectiveness of institution, and capital flow stability. Weaker medium-term growth prospects e.g. structurally lower investment. 	<ul style="list-style-type: none"> If economic growth suffers a prolonged downturn that lowers the trend growth in real GDP per capita to levels in line with peers. Deterioration in political stability such that policymaking becomes materially less predictable.

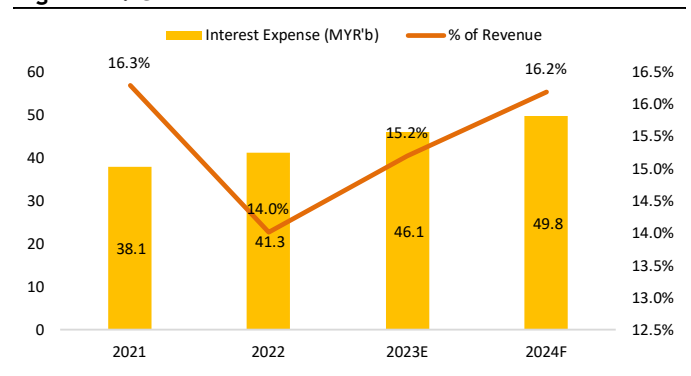
Sources: Rating Agencies, Maybank IBG Research

Figure 9: Malaysia Sovereign Rating: 1986-2023



Sources: MOF

Figure 10: Government Interest/Revenue Ratio



Sources: MOF

PDS: Budget Updates on Infrastructure Spending, Power, Residential Property, Sustainability Financing, Healthcare & Plantation

Infrastructure Spending

- Rail:
 - LRT3: The previously cancelled five stations i.e. Tropicana, Raja Muda, Temasya, Bukit Raja, Bandar Botanik will be resumed at MYR4.7b cost.
 - Construction of Penang LRT and the estimated cost of MYR10b will be funded through PPP.
 - MRT3 was not mentioned although our construction analyst believes it would still likely proceed.
- Highway:
 - Pan Borneo Highway (PBH) Sabah at MYR15.7b cost: Tender for 19 work packages should finish by November.
 - Sarawak-Sabah Link Road project (SSLR) Phase 2 at MYR7.4b cost: Expect to be implemented by year end.
 - North-South Expressway (PLUS): Widening from 4 to 6 lanes extended from Sedenak to Simpang Renggam at MYR931m cost.
 - PBH Sarawak is expected to complete in 2024.
- Flood mitigation: Allocation totaled MYR22b under the Twelfth Malaysia Plan (12MP). In 2024, 33 projects amounting to MYR11.8b will be implemented and of this, MYR5.1b works are expected to be awarded starting October 2023 while the remainder will be in 1Q2024.
- Building: MYR2.4b to build, maintain and repair quarters for civil servants, teachers, hospital staff, policemen, soldiers and firefighters. Development of Universiti Sains Malaysia Teaching Hospital Complex Phase 1 in Kota Tinggi, Johor at a cost of MYR938m.
- Water: MYR1.1b to implement water supply solutions in Kelantan, Sabah and Labuan.

Power

- Sabah: Federal government to transfer regulatory powers regarding electricity supply in Sabah state to the state government effective 3 Jan 2024. Nonetheless, the federal government will continue to provide subsidies to Sabah Electricity SB (SESB) until Transformation Plan SESB completes by end-2030. SESB is the offtaker for power producers like Kimanis (AA) and Tadau Energy (AA3); no immediate rating impact expected given the federal government will remain supportive of SESB in the medium term and future likelihood of support from Sabah state government with SIS of AAA.

Residential Property

- Special guarantee fund of MYR1b to encourage competent developers to revive abandoned projects that have been identified.
- The government has taken over the Bandar Malaysia development.
- Housing credit guarantee scheme (SJKP) for borrowers without stable income increased to up to MYR10b (previously: MYR5b).
- MYR2.47b for Program Perumahan Rakyat (PPR) in 2024. In addition, is another MYR546m for the continuation of 36 PPR projects, including a new one in Kluang, Johor.
- 4% flat rate stamp duty on Memorandum of Transfer (MOT) by non-citizens and foreign-owned companies, with the exemption of permanent residents. This is not expected to have significant impact on the sector, according to our property analyst.

Sustainable Finance

- Biodiversity Sukuk: In collaboration with state governments, Federal government will pioneer the issuance of biodiversity sukuk of up to MYR1b for the replanting of degraded forests that will generate carbon credits. We don't rule out the use of GG for such issuances.
- Tax exemption for fund management companies managing SRI funds and tax deductions on SRI sukuk issuance costs until assessment year 2027.
- Sabah to implement hybrid solar generation in the eastern region.
- Government to provide MYR2b fund as per the National Energy Transition Roadmap (NETR).

Plantation

- Tax incentives for automation will be expanded to the commodity sector, including plantation, under Ministry of Plantation and Commodities to help reduce dependence on foreign labor and improve productivity.

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank.com

Dr Zamros DZULKAFI
Malaysia | Philippines
(603) 2082 6818
zamros.d@maybank-ib.com

Erica TAY
China | Thailand
(65) 6231 5844
erica.tay@maybank.com

Brian LEE Shun Rong
Indonesia | Singapore | Vietnam
(65) 6231 5846
brian.lee1@maybank.com

Fatin Nabila MOHD ZAINI
(603) 2297 8685
fatinnabila.mohdzaini@maybank-ib.com

Luong Thu Huong
(65) 6231 8467
hana.thuhoang@maybank.com

FX

Saktiandi SUPAAT
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com

Fiona LIM
(65) 6320 1374
fionallim@maybank.com

Alan LAU
(65) 6320 1378
alanlau@maybank.com

Shaun LIM
(65) 6320 1371
shaunlim@maybank.com

STRATEGY

Anand PATHMAKANTHAN
ASEAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, FCA
Head of Fixed Income
(65) 6340 1079
winsonphoon@maybank.com

SE THO Mun Yi, CFA
(603) 2074 7606
munyi.st@maybank-ib.com

PORTFOLIO STRATEGY

ONG Seng Yeow
(65) 6231 5839
ongsengyeow@maybank.com

MIBG SUSTAINABILITY RESEARCH

Jigar SHAH
Head of Sustainability Research
(91) 22 4223 2632
jigars@maybank.com

Neerav DALAL
(91) 22 4223 2606
neerav@maybank.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN
Head of Regional Equity Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA
Head of ASEAN Equity Research
(603) 2297 8686
wchewh@maybank-ib.com

MALAYSIA

Anand PATHMAKANTHAN *Head of Research*
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com
• Strategy

WONG Chew Hann, CA
(603) 2297 8686
wchewh@maybank-ib.com
• Equity Strategy
• Non-Bank Financials (stock exchange)
• Construction & Infrastructure

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

ONG Chee Ting, CA
(603) 2297 8678
ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA
(603) 2297 8916
samuel.y@maybank-ib.com
• Gaming - Regional
• Media • Aviation • Non-Bank Financials

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 • Glove

Jade TAM
(603) 2297 8687
jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Nur Farah SYIFAA
(603) 2297 8675
nurfarahsyifaa.mohamadfuad@maybank-ib.com
• Renewable Energy • REITs

LOH Yan Jin
(603) 2297 8687
lohyanjin.loh@maybank-ib.com
• Ports • Automotive • Technology (EMS)

Arvind JAYARATNAM
(603) 2297 8692
arvind.jayaratnam@maybank.com
• Technology (Semicon & Software)

Jeremie YAP
(603) 2297 8688
jeremie.yap@maybank-ib.com
• Oil & Gas • Petrochemicals

TEE Sze Chiah *Head of Retail Research*
(603) 2082 6858
szechiah.t@maybank-ib.com
• Retail Research

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com
• Chartist

Amirah AZMI
(603) 2082 8769
amirah.azmi@maybank-ib.com
• Retail Research

SINGAPORE

Thilan WICKRAMASINGHE *Head of Research*
(65) 6231 5840
thilanw@maybank.com
• Banking & Finance - Regional
• Consumer

Eric ONG
(65) 6231 5849
ericong@maybank.com
• Healthcare • Transport • SMIDs

Kelvin TAN
(65) 6231 5837
kelvin.tan1@maybank.com
• Telcos • Industrials

LI Jialin
(65) 6231 5845
jialin.li@maybank.com
• REITs

Jarick SEET
(65) 6231 5848
jarick.seet@maybank.com
• Technology

Krishna GUHA
(65) 6231 5842
krishna.guha@maybank.com
• REITs

PHILIPPINES

Rachelleen RODRIGUEZ, CFA
(63) 2 8849 8843
rachelleen.rodriguez@maybank.com
• Banking & Finance • Transport • Telcos
• Utilities

Daphne SZE
(63) 2 8849 8847
daphne.sze@maybank.com
• Consumer

Alexa Mae CARVAJAL
(63) 2 8849 8838
alexamae.carvajal@maybank.com
• Consumer • Gaming • Property • REITs

THAILAND

Chak REUNGSINPINYA *Head of Research*
(66) 2658 5000 ext 1399
chak.reungsinpinya@maybank.com
• Strategy • Energy

Jesada TECHAHUSDIN, CFA
(66) 2658 5000 ext 1395
jesada.t@maybank.com
• Banking & Finance

Wasu MATTANAPOTCHANART
(66) 2658 5000 ext 1392
wasu.m@maybank.com
• Telcos • Technology • REITs
• Consumer Discretionary

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
surachai.p@maybank.com
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank.com
• Food & Beverage • Commerce

Natchaphon RODJANAROWAN
(66) 2658 5000 ext 1393
natchaphon.rodjanarowan@maybank.com
• Utilities

INDONESIA

Jeffrosenberg CHENLIM *Head of Research*
(62) 21 8066 8680
jeffrosenberg.lim@maybank.com
• Strategy • Banking & Finance • Property

Willy GOUTAMA
(62) 21 8066 8500
willy.goutama@maybank.com
• Consumer

Etta Rusdiana PUTRA
(62) 21 8066 8683
etta.putra@maybank.com
• Telcos • Internet • Construction

William Jefferson W
(62) 21 8066 8563
william.jefferson@maybank.com
• Property

Adi WICAKSONO
(62) 21 8066 8686
adi.wicaksono@maybank.com
• Plantations

Satriawan HARYONO, CEWA, CTA
(62) 21 8066 8682
satriawan@maybank.com
• Chartist

VIETNAM

Quan Trong Thanh *Head of Research*
(84 28) 44 555 888 ext 8184
thanh.quan@maybank.com
• Strategy • Banks

Hoang Huy, CFA
(84 28) 44 555 888 ext 8181
hoanghuy@maybank.com
• Strategy • Technology

Le Nguyen Nhat Chuyen
(84 28) 44 555 888 ext 8082
chuyen.le@maybank.com
• Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi
(84 28) 44 555 888 ext 8084
trami.nguyen@maybank.com
• Consumer Discretionary

Tran Thi Thanh Nhan
(84 28) 44 555 888 ext 8088
nhan.tran@maybank.com
• Consumer Staples

Nguyen Le Tuan Loi
(84 28) 44 555 888 ext 8182
loi.nguyen@maybank.com
• Property

Nguyen Thanh Hai
(84 28) 44 555 888 ext 8081
thanhhai.nguyen@maybank.com
• Industrials

Nguyen Thanh Lam
(84 28) 44 555 888 ext 8086
thanhlam.nguyen@maybank.com
• Retail Research

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, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG 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. Maybank IBG 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.

Maybank IBG 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. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG'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 Maybank IBG and Maybank IBG 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 Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL 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), MRPL 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

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

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. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report 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 Wedbush Securities Inc. ("Wedbush"), 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 Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush 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 Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd (“MSUK”) which is authorized and regulated, by the Financial Conduct 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 report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia (“PTMSI”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (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 Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited (“MIBSI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG 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 14 October 2023, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST 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. MST, 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: As of 14 October 2023, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 14 October 2023, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG 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 Maybank IBG.

Definition of Ratings

Maybank IBG Research uses the following rating system

BUY	Return is expected to be above 10% in the next 12 months (including dividends)
HOLD	Return is expected to be between 0% to 10% in the next 12 months (including dividends)
SELL	Return is expected to be below 0% in the next 12 months (including 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

 **Singapore**

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

Tel: (65) 6336 9090

 **Indonesia**

PT Maybank Sekuritas Indonesia
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

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

 **Thailand**

Maybank Securities (Thailand) PCL
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

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

 **London**

Maybank Securities (London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

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

 **India**

MIB Securities India Pte Ltd
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604

 **Vietnam**

Maybank Securities Limited
Floor 10, Pearl 5 Tower,
5 Le Quy Don Street,
Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888
Fax : (84) 28 38 271 030

 **Hong Kong**

MIB Securities (Hong Kong)
Limited
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104

 **Philippines**

Maybank Securities Inc
17/F, Tower One & Exchange
Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 8849 8888
Fax: (63) 2 8848 5738

 **Sales Trading**
Indonesia

Helen Widjaja
helen.widjaja@maybank.com
(62) 21 2557 1188

Philippines

Keith Roy
keith_roy@maybank.com
Tel: (63) 2 848-5288

London

Greg Smith
gsmith@maybank.com
Tel: (44) 207-332-0221

India

Sanjay Makhija
sanjaymakhija@maybank.com
Tel: (91)-22-6623-2629

www.maybank.com/investment-banking
www.maybank-keresearch.com