

Malaysia Equity Market – 31 March 2012

Indices	30-Mar-12	29-Feb-12	% Chg
FBM KLCI	1,596.3	1,569.7	1.70%
FBM Emas Index	10,939.6	10,862.8	0.71%
FBM 100 Index	10,746.4	10,647.4	0.93%
FBM Syariah Index	10,816.2	10,814.0	0.02%
FBM 70 Index	12,026.0	12,271.1	-2.00%
FBM Fledgling Index	9,389.5	9,509.3	-1.26%
FBM Small Cap Index	12,364.4	12,766.2	-3.15%

Global Equity Markets

Indices	30-Mar-12	29-Feb-12	% Chg
Dow Jones	13,212.0	12,952.1	2.01%
Nasdaq	1,408.5	1,365.7	3.13%
Nikkei	3,091.6	2,966.9	4.20%
Korea	5,768.5	5,871.5	-1.76%
China (Shanghai A)	6,946.8	6,856.1	1.32%
China (Shenzhen A)	3,423.8	3,452.5	-0.83%
India	10,083.6	9,723.2	3.71%
Hong Kong	2,014.0	2,030.3	-0.80%
Singapore	2,262.8	2,428.5	-6.82%
Thailand	891.8	957.0	-6.81%
Indonesia	17,404.2	17,752.7	-1.96%
Philippines	20,555.6	21,680.1	-5.19%

Regional Market Valuation

Indices	PE 12 (X)	Div Yield (%)
FBM KLCI	16.6	3.3
STI	10.0	3.6
SET	15.9	3.6
JCI	21.3	1.8
HSI	9.7	3.4
SHBSHR	11.7	2.2
KOSPI	21.8	1.2
NKY	26.4	1.8
INDU	13.6	2.5

Market Review – March 2012

- The FBM KLCI increased by 1.7% from 1,569.7 as at end Feb'12 to 1,596.3 as at end Mar'12. Average value traded on Bursa in March decreased by 6% to RM1.52 billion per day from RM1.62 billion. All regional equity markets underperformed except for Japan, Shanghai A-Shares and India.
- Fund raising approved by the **Securities Commission (SC)** rose 54.4% to RM118.9bn in 2011 from RM77bn in 2010, with private debt securities (PDS) accounting for the bulk of the fund raising. The Malaysian capital market continued to grow in 2011, with IPOs accounting for RM6.6bn and PDS RM112.3bn.
- Malaysia Airlines (MAS)** denied claims by an in-house union that it was forcing employees to quit in order to 'bulk transfer' staff to a new sister airline.
- Wah Seong** is believed to have secured a **Petronas Carigali** contract to coat about 90km of gas pipes in Turkmenistan.
- Ananda Krishnan is considering an IPO of **Astro**, according to a company official.
- Tenaga Nasional Bhd** which is expected to pay RM300m a year to the Sustainable Energy Development Authority (Seda) for the feed-in-tariff (FiT) will make its first payment in April.
- YTL Corp** may buy power, cement or property assets in Asia in the next six months to expand its business in the region said its representative.
- UMW Toyota** is maintaining its year-end sales target of 93,000 units, despite the stricter lending guidelines imposed by Bank Negara Malaysia (BNM).
- Cahaya Mata Sarawak (CMS)** has scrapped plans for a US\$2bn aluminium smelter in Sarawak that was part of a collaboration with **Rio Tinto**.
- MMC Corp** said the listing of its associate **Gas Malaysia** on the Main Market of Bursa Malaysia will likely take place in the second-quarter.
- Mah Sing Group** has entered into a joint development agreement with Paduan Hebat Sdn Bhd to build shop offices in Kota Kinabalu, Sabah. The proposed multi-storey niche commercial development, to be completed by end-2016, has an estimated GDV of approximately RM830m.
- CIMB Group Holdings** announced a joint venture between CIMB Strategic Assets, a wholly-owned subsidiary of CIMB Group and **The Rohatyn Group**.
- Supercomnet Technologies** has struck a deal with Mohd Nazifuddin Mohd Najib, where he has the option to buy an 18.66% stake in the ACE Market-listed company for about RM10.2m.

## Market Outlook

- In the near term, we expect the world markets to continue its volatility, underpinned by the prevailing Europe debt crisis and the upswing in crude oil prices. On the flip side, there are encouraging leads that could keep sentiment buoyant especially the positive news on the US economic outlook as well as favourable outcomes in Europe.
- For the local market, the election factor will continue to ensure the FBM KLCI upholds its upward bias trend, expected to be held before 3Q 2012. Should there be pullbacks on the stock market; the support level is seen at the 1545 level.
- We continue to take a defensive approach preferring sectors such as telco, healthcare, consumer, and potential sectors like oil & gas, plantation and construction.
- We revised our FY2012 valuation lower for FBM KLCI to 1,630 points due to slower corporate earnings growth for the period ended FY2011.

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