

Daily Watch

Malaysia Equity Research

MONDAY, SEPTEMBER 05, 2005

Market Snapshots

	Close	Change
KLCI	909.18	-0.49
EMAS	207.29	-0.09
KLSEB	87.35	-0.36
MESDAQ	90.68	+0.48
Volume	337mil	
Value	RM688mil	

Market Valuation

	FY04	FY05	FY06
PER	14.9x	13.8x	12.3x

Regional Indices

	Close	Change
DJIA	10,447.37	-12.26
Nasdaq	2,141.07	-6.83
S&P 500	1,218.02	-3.57
FTSE	5,326.80	-1.70
STI	2,300.89	+5.35
SET	709.97	-0.31
PSE	1,946.38	+4.97
JCI	1,039.23	-
KOSPI	1,115.83	+9.46
HSI	15,221.89	+78.14
Nikkei	12,600.00	+93.03
TWSE	6,116.05	+82.58

Note : JCI = Market Holiday

KLCI Futures

Contracts	Last	Hi	Lo	O/I
Sep 05	909.5	910.0	901.5	3,264
Oct 05	906.5	906.5	899.5	38

CPO Futures

Contracts	Last	Hi	Lo	O/I
Sep 05	1,369	1,369	1,363	264
Oct 05	1,383	1,383	1,373	644

Commodities

	Close	Change
CPO	RM1,363	+23.00
Soya	US\$5.88	-0.07
Light Crude	US\$67.57	-1.77
SMR 20	RM5.49	+0.07

Foreign Exchange

(per US\$1)	Close	Change
Yen ¥	109.78	-0.15
RM	3.7605	-0.0110
EURO	1.2536	+0.0049
S \$	1.6739	-0.0031

Major Rates

KLIBOR 3-mth	2.890%
KLIBOR 6-mth	2.900%
KLIBOR 12-mth	2.940%
5-yr MGS	3.305%
10-yr MGS	4.000%

STOCK WATCH

D&O VENTURES BHD - Initiating Coverage - BUY
(Fair Value RM0.56)

MEDIA WATCH

- **YTL Cement (RM2.26) to buy stake in Singapore-based Jurong Cement**
- **Proton (RM8.70) steps up efforts to improve sales**
- **Titan (RM1.38) on track to meet financial goals**
- **Move to allow remisiers handle more financial products**
- **Tabung Haji's Bakke offered Felda CEO job**
- **Malaysia to go ahead with "crooked" bridge**
- **Government to ask Highway Concessionaires to defer toll hike**

MEDIA WATCH***YTL Cement to buy stake in Singapore-based Jurong Cement***

YTL Cement Bhd's (YTL Cement) wholly owned subsidiary YTL Cement Singapore Pte Ltd has proposed to acquire a 20.94% stake in Singapore-based Jurong Cement Ltd (JCL) for S\$8.8mil (RM19.76mil) cash. YTL Cement said its subsidiary has entered into two separate share purchase agreements (SPA) with JCL shareholders Kindo Pte Ltd and Andree Halim @ Liem Sien Tjong @ Liem Sien Tjong. It proposed to acquire 6.17mil shares or 13.96% of JCL from Kindo, and 3.09mil shares or 6.98% from Andree Halim, for S\$5.88mil and S\$2.94mil respectively. YTL Cement said the proposed acquisition would make JCL its associated company and allow it to complement the activities of its other subsidiaries. (The Edge Daily, Saturday)

Proton steps up efforts to improve sales

Proton Holdings Bhd plans to export its Savvy model to right-hand drive markets at the end of the year to promote export growth, as part of efforts to improve the group's performance after turning in a loss in the first quarter ended June 30, 2005. It would place greater focus on expanding existing export markets as well as promoting export growth through the recently launched GEN.2 in South Africa and Taiwan. Proton said it would also take steps to stop the erosion of its local market share by introducing various promotional packages and test-drive campaigns, providing more value to respective groups of customers. Besides that, it would also introduce spin-off variants from existing models and launch new models in the market. (The Edge Daily, Saturday)

Titan on track to meet financial goals

Titan Chemicals Corp Bhd, Malaysia's largest petrochemical company, said it remains on track to meet or exceed its financial goals for the full year, allaying concerns over the negative effect of higher oil prices on the company. Titan has been largely unaffected by the surge in oil prices because it is able to pass growing costs to customers. The Group is confident of achieving its 2005 net profit forecast of RM604mil this year, from RM262mil in 2004. (Business Times)

Move to allow remisiers handle more financial products

Bursa Malaysia Bhd is in talks with the Securities Commission (SC) on tweaking the licences of remisiers so that they can handle more financial products. Bursa Malaysia chief executive officer Yusli Mohamed Yusoff said with the adjustment, some 6,000 of Malaysia's share traders would be able to provide services for products such as futures and not just equities. He said Bursa Malaysia had sought clarification from SC regarding the rules imposed on remisiers on other issues. Among them are the mobility of remisiers. Current rules require them to be at their desks from 9am to 5pm. (Business Times)

Tabung Haji's Bakke offered Felda CEO job

Datuk Mohd Bakke Salleh, chief executive officer (CEO) of Tabung Haji, has been offered to lead **Felda Holdings Bhd**, one of the country's biggest plantation companies. Bakke's mandate would probably include preparing Felda for an initial public offering, an exercise that was put on hold after the Government said it wanted to study the impact of the listing on its settlers that comprise some 100,000 families. It is unclear who would succeed Bakke at Tabung Haji. (Business Times)

Malaysia to go ahead with "crooked" bridge

The government has decided to go ahead with plans to build a bridge to replace its half of a causeway linking the country to Singapore, despite objections from its neighbour. The issue could test the current strength of Malaysia-Singapore relations, which have warmed since Malaysia's outspoken ex-premier, Mahathir Mohamad, handed power to Abdullah Ahmad Badawi in late 2003. As talks on the issue have dragged on, Malaysia has gone ahead with a key part of its RM1.1bil project, a customs, immigration and quarantine (CIQ) centre at Johor Baru, the main gateway to Malaysia from Singapore. Singapore's foreign ministry said in a statement on Sunday that talks over the bridge were still underway. (New Sunday Times)

Government to ask Highway Concessionaires to defer toll hike

Highway concessionaires will be asked not to increase toll rates just yet to ensure motorists are not further burdened following the increase in fuel prices, Works Minister Datuk Seri S. Samy Vellu said. He said this was the stand of the government which would be conveyed to the 17 highway concessionaires at a meeting next week. The meeting will also be attended by officials of the Finance Ministry, Economic Planning Unit of the Prime Minister's Department and Malaysian Highway Authority. He added that the government would have to compensate the concessionaires which agreed not to raise their toll rate as provided in their concession agreements. Accordingly Penang Bridge Sdn Bhd (PBSB) would not be allowed to raise the toll on the Penang Bridge until a decision on the matter was made by the Cabinet. So far, only PBSB had applied for a toll increase while the toll rates for several other highways, like Kesas, Sprint and LDP, were not due for any increase until 2007. Compensation to be paid to PBSB, if the toll rate at the Penang Bridge was deferred, would amount to RM19mil this year and RM19.7mil next year. (Bernama)

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