



MORNING BUZZ



KAF-Seagroatt & Campbell Securities Daily Commentary

Tel : (603) 2059 1717

DAILY TRACKER

| INDEX MOVES | | | |
|-------------|--------|------|-------|
| | Close | Chg | % Chg |
| KLCI | 1,512 | 0 | 0.0 |
| FBM EMAS | 10,322 | (6) | (0.1) |
| DJIA | 11,555 | (18) | (0.2) |
| NASDAQ | 2,667 | 2 | 0.1 |
| FTSE | 6,009 | 13 | 0.2 |
| HSI | 22,834 | (69) | (0.3) |
| NIKKEI | 10,356 | 77 | 0.7 |
| STI | 3,159 | 16 | 0.5 |
| KOSPI | 2,022 | (7) | (0.4) |

| MARKET VALUES | | | |
|----------------|-------|-------|-------|
| | Close | 3MMA | 12MMA |
| Volume (m) | 773 | 1,189 | 940 |
| Value (RM m) | 855 | 1,693 | 1,371 |
| | 2009F | 2010F | 2011F |
| Market PE (x) | 20.7 | 16.7 | 14.0 |
| EPS growth (%) | (4.6) | 24.2 | 19.5 |
| ROE (%) | 11.9 | 13.4 | 14.6 |
| Div Yield (%) | 3.2 | 3.7 | 4.2 |
| EV/EBITDA (x) | 10.1 | 8.4 | 7.4 |
| PB (x) | 2.3 | 2.1 | 1.9 |

| MARKET DATA | | | |
|---------------------|-------|-------|-------|
| Commodities | Close | Prev | % Chg |
| CPO | 3,682 | 3,685 | (0.1) |
| Forex | Close | Prev | % Chg |
| RM/ US\$ | 3.09 | 3.10 | (0.1) |
| Malaysia Govt Bonds | Yield | % Chg | |
| One-Year | 2.80 | (2.6) | |
| Ten-Year | 4.02 | - | |



DAILY NEWSFLOW

- Strong demand for CIMB unit subordinated debt
- MAHB sees challenging year
- AirAsia boss says no plan to buy Virgin
- Maybank's exposure to Vinashin still unclear
- Seoul slaps duties on Malaysian plywood
- Petronas Chemicals down on news of fire at aromatic plant
- IRB looking at salary deduction scheme for PTPTN loan takers
- Proton EV a sure thing in near future
- JCorp has no plans to sell KFC and QSR

| RELATIVE PERFORMANCE (KAF UNIVERSE) | | | |
|-------------------------------------|------|------|-------|
| TOP GAINERS (%) | | | |
| Company | 1mth | 3mth | 12mth |
| PETRA PERDANA BHD | 37 | 10 | (32) |
| MUHIBBAH ENGINEERING | 19 | 64 | 30 |
| UNISEM (M) BHD | 19 | 13 | 57 |
| KENCANA PETROLEUM BHD | 16 | 36 | 37 |
| TANJUNG OFFSHORE BHD | 14 | (13) | 35 |
| DIALOG GROUP BHD | 13 | 49 | 60 |
| AMMB HLDGS BHD | 13 | 16 | 19 |
| TSH RESOURCES BHD | 12 | 27 | 19 |
| SUNRISE BHD | 11 | 29 | 23 |
| ZELAN BHD | 11 | (15) | (26) |

| RELATIVE PERFORMANCE (KAF UNIVERSE) | | | |
|-------------------------------------|------|------|-------|
| TOP LOSERS (%) | | | |
| Company | 1mth | 3mth | 12mth |
| TOP GLOVE CORP BHD | (14) | (8) | (15) |
| ALAM MARITIM RESOURCES | (13) | (11) | (33) |
| JCY INTERNATIONAL BHD | (12) | (21) | na |
| PPB GROUP BHD | (10) | (4) | (6) |
| TAN CHONG MOTOR BHD | (9) | (14) | 45 |
| SCOMI GROUP BHD | (9) | (12) | (32) |
| SHANGRI-LA HOTELS BHD | (7) | (14) | 24 |
| KOSSAN RUBBER INDUSTRIES | (7) | (2) | (1) |
| MASTERSKILL EDUCATION | (7) | (34) | na |
| BURSA MALAYSIA BHD | (7) | (9) | (20) |

DAILY NEWSFLOW

❑ **Strong demand for CIMB unit subordinated debt**

The Indonesian unit of CIMB Group Holdings Bhd, received strong demand for its second subordinated debt, allowing it to raise more than it initially wanted. The bank raised some RM552.3mil after the sub-debt was oversubscribed three times. [NST]

❑ **MAHB sees challenging year**

Malaysia Airports Holdings Bhd (MAHB) is targeting an EBITDA of RM773.4mil and 10.7% growth in ROE, for the year to Dec 31 2011. The company said it would work to keep KLIA's top five ranking in Airport Service Quality Awards. "MAHB expects a challenging year ahead with major ongoing development work in the construction of KLIA2 and Penang International Airport," the company said. [NST]

❑ **AirAsia boss says no plan to buy Virgin**

AirAsia Bhd Group CEO Datuk Seri Tony Fernandes denies there are any plans to buy a stake in British airline Virgin Atlantic. "There are no discussions taking place," he said. It was reported that Fernandes had renewed his interest in the UK airline after previously considering and deciding against a bid. British billionaire Richard Branson has a 51% stake in the airline. [The Star]

❑ **Maybank's exposure to Vinashin still unclear**

It is unclear at this point how Maybank, which participated in state-owned Vietnam Shipbuilding Industry Group's (Vinashin) US\$600mil eight-year funding facility three years ago, would be affected by the latter's failure to make the first loan repayment, which became due on Dec 20. According to industry sources, Maybank could have been a participant along with 25 other banks in the deal instead of as an arranger as previous reports indicated. [NST]

❑ **Seoul slaps duties on Malaysian plywood**

The Korean Trade Commission (KTC) has imposed anti-dumping duties on the import of Malaysian plywood, ranging from 5-38% for three years. The decision was based on the probe by KTC over the complaints by the Korean Wood Panel Association (KWPA) that nine Malaysian plywood exporters eight from Sarawak and one from Sabah were allegedly selling their products below their production costs, thereby hurting many South Korean plywood manufacturers. [The Star]

❑ **Petronas Chemicals down on news of fire at aromatic plant**

Petronas Chemicals Group Bhd announced that a fire incident had occurred last Friday at its naptha hydrotreater in Kertih, Terengganu. "There is no human casualty. As a safety precaution, operation at the plant has been suspended. Apart from the aromatic plant, the operation at other facilities within the complex is not affected," the company said. [The Edge]

❑ **IRB looking at salary deduction scheme for PTPTN loan takers**

The Inland Revenue Board (IRB) is expected to implement an automatic pay deduction scheme by Jan 1, 2012 for those who take loans from the national fund for higher education or PTPTN. IRB Director General and CEO, Tan Sri Hasmah Abdullah, said his department was drafting the laws, systems and operations together with PTPTN to enable it to collect loan repayments more effectively. [Bernama]

❑ **Proton EV a sure thing in near future**

Proton Corporate Planning General Manager Dr Badrulhisham Mohd Ghazali said an EV would be a sure thing based on several studies conducted by the company. As oil prices would increase further due to depleting reserves, EVs would be a need and this would happen in the not too distant future, Badrilhisham said. [Bernama]

❑ **JCorp has no plans to sell KFC and QSR**

Johor Corporation (JCorp) has no plans to sell its prized assets, QSR Brands Bhd and KFC Holdings (M) Bhd, which are held through its subsidiary Kulim (M) Bhd, it said. Its President and CEO, Kamaruzzaman Abu Kassim said that QSR and KFC remained valuable and strategic assets for JCorp. [Bernama]

SECTOR STRATEGY

Sector Weighting

| Sector | Mkt Cap | | Norm. EPS (%) | | | PER (X) | | | PEG (X) | ROE (%) | | P/B (X) | | Net Gearing (%) | | Yield (%) | |
|--------------------------|----------------|--------------|---------------|-----------|-----------|-------------|-------------|-------------|------------|-------------|-------------|------------|------------|-----------------|-----------|------------|------------|
| | (RM m) | (%) | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 |
| Overweight | | | | | | | | | | | | | | | | | |
| Banks | 248,715 | 25.3 | 28 | 18 | 14 | 15.0 | 12.7 | 11.1 | 0.7 | 15.8 | 16.4 | 2.2 | 2.0 | na | na | 3.6 | 4.3 |
| Plantations | 157,401 | 16.0 | 10 | 30 | 10 | 20.8 | 18.8 | 14.5 | 1.1 | 14.4 | 16.9 | 2.7 | 2.4 | 5 | 1 | 3.0 | 3.7 |
| Utilities | 88,175 | 9.0 | 19 | 13 | 11 | 14.4 | 12.8 | 11.5 | 0.9 | 12.7 | 13.3 | 1.8 | 1.7 | 47 | 40 | 3.1 | 3.1 |
| Construction & Materials | 29,794 | 3.0 | 53 | 29 | 20 | 17.8 | 13.7 | 11.5 | 0.4 | 9.0 | 10.9 | 1.6 | 1.4 | 27 | 20 | 2.7 | 3.7 |
| Property | 27,066 | 2.8 | 20 | 20 | 17 | 17.9 | 14.9 | 12.7 | 0.9 | 7.4 | 8.2 | 1.3 | 1.2 | 22 | 21 | 3.2 | 3.3 |
| Automotives | 14,783 | 1.5 | 62 | 18 | 14 | 11.1 | 9.4 | 8.2 | 0.3 | 11.1 | 12.1 | 1.2 | 1.1 | (8) | (15) | 4.1 | 5.0 |
| Media | 6,534 | 0.7 | 57 | 6 | 11 | 12.8 | 12.1 | 10.9 | 0.4 | 15.4 | 15.4 | 2.0 | 1.8 | (2) | (9) | 12.2 | 6.7 |
| Oil & Gas | 61,992 | 6.3 | (5) | 28 | 13 | 20.7 | 16.1 | 14.3 | 2.0 | 11.1 | 13.0 | 2.2 | 2.0 | (5) | (7) | 2.6 | 3.6 |
| Timber | 2,622 | 0.3 | 286 | 78 | 39 | 85.6 | 22.2 | 12.4 | 0.5 | 4.7 | 7.9 | 1.0 | 0.9 | 32 | 28 | 2.3 | 3.0 |
| | 637,082 | 64.9 | | | | | | | | | | | | | | | |
| Neutral | | | | | | | | | | | | | | | | | |
| Telcos | 111,612 | 11.4 | 28 | 14 | 8 | 16.8 | 14.7 | 13.6 | 0.8 | 17.9 | 18.8 | 2.9 | 2.7 | 50 | 41 | 4.9 | 5.5 |
| Conglomerates | 64,694 | 6.6 | 70 | 12 | 11 | 17.3 | 15.4 | 13.9 | 0.5 | 12.4 | 12.7 | 2.1 | 1.8 | 79 | 50 | 1.4 | 1.4 |
| Gaming | 25,683 | 2.6 | (8) | 6 | 6 | 15.3 | 14.4 | 13.7 | (15.0) | 15.1 | 14.5 | 2.2 | 2.0 | (31) | (37) | 3.3 | 3.4 |
| Consumer | 33,528 | 3.4 | 8 | 8 | 5 | 18.6 | 17.2 | 16.4 | 2.3 | 39.2 | 37.4 | 6.7 | 6.2 | (1) | (7) | 5.7 | 6.2 |
| REITs | 6,108 | 0.6 | 3 | 3 | 3 | 12.6 | 12.2 | 11.9 | 4.6 | 8.7 | 8.9 | 1.1 | 1.1 | 46 | 46 | 7.6 | 7.8 |
| Technology | 4,360 | 0.4 | 55 | (15) | 21 | 9.6 | 11.3 | 9.4 | 0.7 | 17.3 | 13.5 | 1.6 | 1.5 | 18 | 9 | 5.1 | 6.0 |
| | 245,984 | 25.0 | | | | | | | | | | | | | | | |
| Underweight | | | | | | | | | | | | | | | | | |
| Transport | 83,559 | 8.5 | 57 | 41 | 16 | 22.3 | 15.8 | 13.6 | 0.5 | 9.4 | 12.1 | 2.0 | 1.9 | 54 | 68 | 4.5 | 4.6 |
| Non-Bank Financials | 7,489 | 0.8 | 8 | 23 | 13 | 25.9 | 21.0 | 18.6 | 1.7 | 14.4 | 16.6 | 3.6 | 3.4 | na | na | 4.5 | 5.3 |
| Manufacturing | 5,448 | 0.6 | 24 | (24) | 0 | 10.2 | 13.3 | 13.3 | (3.5) | 25.9 | 16.8 | 2.4 | 2.1 | (3) | (10) | 3.8 | 3.0 |
| Services | 2,631 | 0.3 | 30 | 22 | 14 | 12.0 | 9.8 | 8.6 | 0.5 | 18.0 | 19.0 | 2.0 | 1.8 | (27) | (18) | 6.1 | 7.2 |
| | 99,127 | 10.1 | | | | | | | | | | | | | | | |
| KAF Universe | 982,193 | 100.0 | 24 | 19 | 12 | 16.7 | 14.0 | 12.5 | 0.8 | 13.4 | 14.6 | 2.1 | 1.9 | 29 | 24 | 3.7 | 4.2 |

FORTHCOMING EVENTS

| Date | Event |
|-----------|---|
| 30-Dec-11 | Release of Monthly Statistical Bulletin November 2010 |
| 26-Jan-11 | FOMC Meeting |

ENTITLEMENTS

| Date | Name | Details |
|-------------|--------------------------------------|--|
| 29-Dec-10 | CCK Consolidated Holdings Bhd | Regular Cash Dividend of 3 sen per share Tax-Exempt |
| 29-Dec-10 | FACB Industries Inc Bhd | Regular Cash Dividend of 4 sen gross per share less 25% Income Tax |
| 29-Dec-10 | Freight Management Holdings Bhd | Final Dividend of 2.5 sen gross per share less 25% Income Tax |
| 29-Dec-10 | KPJ Healthcare Bhd | Interim Dividend of 3.5 sen gross per share less 25% Income Tax |
| 29-Dec-10 | KrisAssets Holdings Bhd | Final Dividend of 7.5 sen per share Tax-Exempt |
| 29-Dec-10 | Latitude Tree Holdings Bhd | Final Dividend of 7 sen per share Tax-Exempt |
| 29-Dec-10 | Lii Hen Industries Bhd | 3rd Interim Dividend of 2 sen per share Tax-Exempt |
| 29-Dec-10 | Malton Bhd | Regular Cash Dividend of 1.5 sen gross per share less 25% Income Tax |
| 29-Dec-10 | Notion VTEC Bhd | Interim Dividend of 4.5 sen per share Tax-Exempt |
| 29-Dec-10 | Oriental Holdings Bhd | Interim Dividend of 3 sen per share Tax-Exempt |
| 29-Dec-10 | Panasonic Manufacturing Malaysia Bhd | Interim Dividend of 15 sen gross per share less 25% Income Tax |
| 29-Dec-10 | Protasco Bhd | Interim Dividend of 5 sen per share Tax-Exempt |
| 29-Dec-10 | Scanwolf Corp Bhd | Interim Dividend of 1 sen per share Tax-Exempt |
| 29-Dec-10 | Uchi Technologies Bhd | Interim Dividend of 5 sen per share Tax-Exempt |
| 30-Dec-10 | PJ Development Holdings Bhd | Regular Cash Dividend of 5 sen gross per share less 25% Income Tax |
| 30-Dec-10 | Rubberex Corp Bhd | Interim Dividend of 2.5 sen gross per share less 25% Income Tax |
| 31-Dec-10 | Chin Teck Plantations Bhd | Interim Dividend of 18 sen gross per share less 25% Income Tax |
| 31-Dec-10 | Hunza Properties Bhd | Regular Cash Dividend of 5.6 sen per share Tax-Exempt |
| 03-Jan-11 | Texchem Resources Bhd | Regular Cash Dividend of 5.6 sen gross per share less 25% Income Tax |
| 03-Jan-11 | United Malacca Bhd | Interim Dividend of 7.5 sen per share Tax-Exempt |
| 03-Jan-11 | United Plantations Bhd | Interim Dividend of 20 sen gross per share less 25% Income Tax |
| 03-Jan-11 | White Horse Bhd | Interim Dividend of 7 sen per share Tax-Exempt |
| 03-Jan-11 | JCY International Bhd | Interim Dividend of 0.75 sen per share Tax-Exempt |
| 04-Jan-11 | Kulim Malaysia Bhd | Interim Dividend of 7.5 sen gross per share less 25% Income Tax |
| 04-Jan-11 | YTL Cement Bhd | Interim Dividend of 3.75 sen per share Tax-Exempt |
| 04-Jan-11 | YTL Power International Bhd | Interim Dividend of 3.75 sen per share Tax-Exempt |
| 05-Jan-11 | Chin Well Holdings Bhd | 3rd Interim Dividend of 1 sen per share Tax-Exempt |
| 05-Jan-11 | Far East Holdings Bhd | Interim Dividend of 10 sen per share Tax-Exempt |
| 05-Jan-11 | Greenyield Bhd | Regular Cash Dividend of 2 sen per share Tax-Exempt |
| 05-Jan-11 | Scientex Bhd | Final Dividend of 6 sen per share Tax-Exempt |
| 05-Jan-11 | Yoong Onn Corp Bhd | Final Dividend of 2 sen per share Tax-Exempt |
| 06-Jan-11 | Hiap Teck Venture Bhd | Regular Cash Dividend of 1.5 sen per share Tax-Exempt |
| 06-Jan-11 | Shin Yang Shipping Corp Bhd | Regular Cash Dividend of 2.5 sen per share Tax-Exempt |
| 07-Jan-11 | Imaspro Corp Bhd | Regular Cash Dividend of 3.5 sen per share Tax-Exempt |
| 07-Jan-11 | My EG Services Bhd | Final Dividend of 0.6 sen per share Tax-Exempt |
| 10-Jan-11 | Kesm Industries Bhd | Regular Cash Dividend of 3 sen per share Tax-Exempt |
| 10-Jan-11 | Mutiara Goodyear Development Bhd | Regular Cash Dividend of 3.5 sen per share Tax-Exempt |
| 11-Jan-11 | Khee San Bhd | Regular Cash Dividend of 2 sen gross per share less 25% Income Tax |
| 12-Jan-11 | VS Industry Bhd | Final Dividend of 5 sen per share Tax-Exempt |
| 13-Jan-11 | Gamuda Bhd | Interim Dividend of 6 sen per share Tax-Exempt |
| 13-Jan-11 | Signature International Bhd | Regular Cash Dividend of 4 sen per share Tax-Exempt |
| 14-Jan-11 | Berjaya Sports Toto Bhd | 2nd Interim Dividend of 4 sen per share Tax-Exempt |
| 18-Jan-11 | Eng Kah Corp Bhd | 3rd Interim Dividend of 3.75 sen per share Tax-Exempt |
| 18-Jan-11 | Khind Holdings Bhd | Regular Cash Dividend of 9 sen gross per share less 25% Income Tax |
| 18-Jan-11 | Sindora Bhd | Interim Dividend of 5 sen gross per share less 25% Income Tax |
| 19-Jan-11 | Kamdar Group M Bhd | Regular Cash Dividend of 2 sen per share Tax-Exempt |
| 27-Jan-11 | Kobay Technology Bhd | Regular Cash Dividend of 1.5 sen per share Tax-Exempt |
| 27-Jan-11 | Malaysian AE Models Holdings Bhd | Regular Cash Dividend of 1 sen gross per share less 25% Income Tax |
| 04-Feb-11 | Ranhill Bhd | Regular Cash Dividend of 1 sen per share Tax-Exempt |
| 09-Feb-11 | Hing Yiap Group Bhd | Regular Cash Dividend of 10 sen gross per share less 25% Income Tax |
| 14-Feb-11 | Subur Tiasa Holdings Bhd | Regular Cash Dividend of 4 sen gross per share less 25% Income Tax |
| 22-Feb-11 | Batu Kawan Bhd | Final Dividend of 50 sen per share Tax-Exempt |
| 22-Feb-11 | Kuala Lumpur Kepong Bhd | Final Dividend of 45 sen per share Tax-Exempt |
| 23-Feb-11 | PLB Engineering Bhd | Regular Cash Dividend of 1.5 sen gross per share less 25% Income Tax |
| 24-Feb-11 | Ekovest Bhd | Regular Cash Dividend of 5 sen gross per share less 25% Income Tax |
| 24-Feb-11 | Mahajaya Bhd | Regular Cash Dividend of 0.5 sen per share Tax-Exempt |

| Analyst | Designation | Sectors | Telephone | Email |
|------------------------------|-------------------------|---|-----------------|---------------------|
| Chehan Perera, CFA | Head of Research | Strategy, Banks | (603) 2168 8090 | chehan@kaf.com.my |
| Chue Kwok Yan | Deputy Head of Research | Construction, Conglomerates, Telecoms, Gaming | (603) 2168 8091 | kwokyan@kaf.com.my |
| Vince Ng, CFA | Investment Analyst | Plantations, Transport, Timber, Miscellaneous | (603) 2168 8093 | vince@kaf.com.my |
| Mabel Tan, CFA | Investment Analyst | Autos, Oil & Gas, Utilities | (603) 2168 8095 | mabel@kaf.com.my |
| Dharmini Thuraisingam | Investment Analyst | Property, REITs, Media, Technology | (603) 2168 8096 | dharmini@kaf.com.my |
| Annur Rahman | Investment Analyst | Consumer, Toll Roads, Services | (603) 2168 8089 | annuar@kaf.com.my |
| Diana Teo | Investment Analyst | Building Materials, Manufacturing, Non-Bank Financials | (603) 2168 8092 | diana@kaf.com.my |

Disclaimer

This report has been prepared solely for the information of clients of KAF Group of companies. It is meant for private circulation only, and shall not be reproduced, distributed or published either in part or otherwise without the prior written consent of KAF-Seagroatt & Campbell Securities Sdn Bhd.

The information and opinions contained in this report have been compiled and arrived at based on information obtained from sources believed to be reliable and made in good faith. Such information has not been independently verified and no guarantee, representation or warranty, express or implied, is made by KAF-Seagroatt & Campbell Securities Sdn Bhd as to the accuracy, completeness or correctness of such information and opinion.

Any recommendations referred to herein may involve significant risk and may not be suitable for all investors, who are expected to make their own investment decisions at their own risk. Descriptions of any company or companies or their securities are not intended to be complete and this report is not, and should not, be construed as an offer, or a solicitation of an offer, to buy or sell any securities or any other financial instruments. KAF-Seagroatt & Campbell Securities Sdn Bhd, their Directors, Representatives or Officers may have positions or an interest in any of the securities or any other financial instruments mentioned in this report. All opinions are solely of the author, and subject to change without notice.



Dato' Ahmad Bin Kadis
Managing Director

KAF-Seagroatt & Campbell Securities Sdn Bhd (134631-U)
Level 14, Chulan Tower, No. 3, Jalan Conlay, 50450 Kuala Lumpur, Malaysia
General : (603) 2168 8800 Research : (603) 2168 8095 / 96
Fax : (603) 2168 8087 Email : research@kaf.com.my
Website : www.kaf.com.my