

Market Focus

Malaysia Equity Research PP 12944/04/2011(029387)

2 December 2010

Charting new frontiers

- Raised DBSV Malaysia universe earnings by 1.7% for 2010 and 4.3% for 2011. Robust earnings growth of 22.8% in 2010 and 20.3% in 2011
- Positive domestic factors such as push to improve public transportation, strong CPO prices, and redevelopment of government land provide excellent stock opportunities
- 2011 year-end KLCI target: 1,650 points (14x forward earnings). High conviction picks: Maybank, Gamuda, Boustead Holdings

Uptrend intact. The absolute 2010 net profit for our universe is set to surpassed pre-financial crisis levels. We expect this to support the KLCI to new highs in 2011. The restructuring of the KLCI in July 2009 – resulting in the 30 stock components from 100 previous – provides an added boost with higher weightings on bigger caps. Foreign ownership at 22%, although off the lows are still below 2007's 27%. We believe the resilient economic growth, interest rate differential and US\$ weakness could see higher levels of foreign ownership. Coupled with impending Sarawak state elections, Prime Minister Najib's ongoing reforms and potentially strong CPO prices, we expect the KLCI to chart new highs in 2011.

Charting new highs. Our 2010 year-end KLCI target is 1,520 points. For 2011, it is 1,650 points (14x forward earnings). In the near term, there should be support from the January effect – the KLCI has chalked up average 2.4% gains in January with 8 out of 10 years registering gains.

Optimistic about transformation program – including push to improve public transportation, which should see award of the RM40bn high impact strategic MRT project by July 2011. Potential beneficiaries are **Gamuda (High Conviction Buy; TP: RM4.40)** and **MMC (Buy; TP: RM3.85)**. We see value-enhancement opportunities from the redevelopment of strategic government land. Potential beneficiaries are **MRCB (Buy; TP: RM2.90)**, **Boustead (High Conviction Buy; TP: RM7.60)**.

Support from CPO prices. Strong CPO prices are positive for the market – palm oil-related stocks account for 19% of the KLCI weighting. **Sime Darby (Buy; TP: RM10.20)** has the highest leverage to strong CPO prices due to its large mature area (largest in our coverage) and recovering yields in Indonesia. **Boustead Holdings** will also benefit from strong CPO prices.

KLCI: 1,485

ANALYSTS

Wong Ming Tek +603 2711 0956
mingtek@hwangdbsvickers.com.my

Malaysia Economic & Research Team
general@hwangdbsvickers.com.my

Key Indices

	Current	% Chng
FBMKLCI	1,485	0.0
FBMEmas	10,080	0.1
FBM100	9,848	0.1
Daily Volume (m shrs)	886	
Daily Turnover (RMm)	1,504	
Daily Turnover (US\$m)	477	

Market Key Data (%)

	EPS Gth	Div Yield
2009A	-8.5	3.0
2010F	22.8	3.2
2011F	20.3	3.2

(x)	PER	EV/EBITDA
2009A	21.3	10.8
2010F	17.3	9.5
2011F	14.4	8.3

Source: HwangDBS Vickers Research

Stock Picks – Large Cap

	Price (RM) 1/12	Target Price
Maybank	8.44	10.80
Sime Darby	8.63	10.20
RHB Capital	7.92	10.00
Gamuda	3.64	4.40

Stock Picks – Small-mid Cap

	Price (RM) 1/12	Target Price
Boustead Holdings	5.38	7.60
SP Setia	5.24	7.00
Jobstreet	2.90	3.30

Source: Bloomberg; HwangDBS Vickers Research

Charting new frontiers

Overview of 3Q10 results

Sequential earnings growth. The proportion of companies with 3Q10 results that beat expectations fell to 20% compared to 23% in 2Q10, while 55% were in line (59% in 2Q10) and 26% disappointed (18% in 2Q10). Our 3Q10 universe earnings grew 6% q-o-q against 2Q10's 12% growth and 1Q10's 1% contraction.

3Q10 Results: Actual versus Expectations

	vs HDBSVR (%)	vs Consensus (%)
Above	20	16
In line	55	52
Below	26	30
	100	100

Source: HwangDBS Vickers Research

Notable positive surprises

- Genting:** Beat expectations on higher local visitations, which was more resilient-than-expected.
- AirAsia:** Strong air travel demand. Load factor jumped 6ppts q-o-q to 79% while yield improved 2%.

3Q10 Net Profit Growth

(RMm)	2Q09	1Q10	2Q10	% chg y-o-y	% chg q-o-q	Remarks*
Banking	3,210.4	3,767.0	3,898.2	21	3	Largely driven by Maybank due to lower provisions.
Non-bank financial	62.7	50.2	38.1	-39	-24	Dragged down by TA Enterprise as a result of lower average daily trading volume.
Consumer	527.4	572.3	574.3	9	0	Stable performance across the board
Manufacturing/Industrial	213.9	220.2	98.1	-54	-55	Southern Steel and Kinsteel were severely hit by higher raw material prices and weaker sales.
Motor	223.0	369.7	281.2	26	-24	Seasonal factors slowed UMW and Proton.
Oil & Gas	88.5	23.1	85.0	-4	268	Q-o-q boost from KNM and Wah Seong.
Conglomerate	1,456.4	474.7	1,152.4	-21	143	Major turnaround at Sime Darby after losses in 4QFY10.
Construction	296.8	338.3	371.9	25	10	Lifted by IJM.
Concessionaires	334.2	349.1	376.7	13	8	Steady contributions from PLUS and Litrak.
Gaming	874.0	1,194.6	956.9	9	-20	Lower contribution from Genting Bhd due to normalisation of Singapore business.
Plantation	772.7	900.9	899.3	16	0	IJMP surged on higher CPO ASP and FFB production, but dragged down by IOI.
Utility	435.2	1,345.7	1,072.4	146	-20	YTLP power plants' contribution fell.
Property	218.8	247.4	221.0	1	-11	Lower earnings across the board.
Telecommunication	1,144.1	1,482.1	1,698.6	48	15	Higher contributions from Maxis and Axiata.
Transportation/Logistic	(125.8)	233.5	584.0	-564	150	Lower losses at MAS and record earnings from AirAsia.
Technology	13.0	3.0	8.1	-38	170	Notion VTec improved on production efficiency.
Total	9,745.2	11,571.8	12,316.2	26	6	

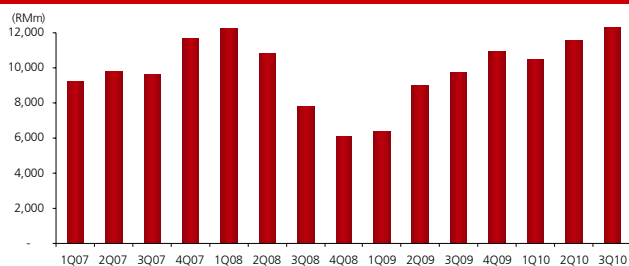
*Refers to q-o-q performance, unless otherwise stated. Source: HwangDBS Vickers Research

- KNM:** Operating margins jumped to 12.8% from 5.6% in 2Q10.

Notable disappointments

- Oil & Gas:** Vessel operators such as Alam Maritim, Petra Perdana and Tanjung Offshore saw low utilization. Wah Seong Corp's pipe coating revenue was weaker-than-expected, while Perisai Petroleum registered a RM15.1m one-off exceptional loss.
- Tenaga:** Higher repair & maintenance costs lifted overall operating expenses.
- PPB Group:** Smaller contribution from Wilmar due to weaker oilseeds, grains merchandising and processing activities.
- Kinsteel:** Sharper-than-expected margin squeeze as iron ore and scrap prices escalated.

Strong q-o-q earnings lift



Source: HwangDBS Vickers Research

Further upgrade of universe earnings. Although the proportion of companies below expectations increased, the

disappointments came largely from the small-mid cap companies. The bigger caps that surprised positively resulted in higher universe earnings. As a result, following the 3Q10 results season, we raised 2010 and 2011 universe earnings by 1.7% and 4.3%, respectively. This is stronger than upgrades in 2Q10 of 4.0% and 1Q10's 1.4% for 2010.

Strong growth in 2010 and 2011. Following our earnings upgrade, we now expect 2010 and 2011 earnings to grow 22.8% and 20.3%, respectively, largely on lower provisions and higher non-interest income (recovery of capital markets) for banks, Axiata's strong growth, and projected earnings rebound for MISC (reduced container losses).

Earnings change by sector: Stronger upgrades

	After			Before			% chg		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Financial	11,589	15,073	17,366	11,589	14,831	17,059	-	1.6	1.8
Consumer	2,123	2,246	2,390	2,109	2,246	2,414	0.7	(0.0)	(1.0)
Manufacturing/Industrial	409	697	773	408	714	800	0.2	(2.4)	(3.3)
Motor	828	1,261	1,434	794	1,254	1,424	4.3	0.6	0.7
Oil & Gas	576	317	523	576	449	664	-	(29.4)	(21.2)
Conglomerate	4,474	2,472	5,599	4,475	2,637	5,388	-	(6.3)	3.9
Construction	1,257	1,395	1,684	1,257	1,372	1,630	-	1.6	3.3
Concessionaires	1,272	1,346	1,656	1,272	1,337	1,651	-	0.7	0.3
Gaming	2,276	3,578	4,100	2,276	2,974	3,360	-	20.3	22.0
Plantation	2,054	3,479	4,051	2,059	3,409	3,554	(0.3)	2.0	14.0
Power	4,188	5,139	5,478	4,864	6,245	6,588	(13.9)	(17.7)	(16.8)
Property	927	979	1,191	927	1,016	1,203	-	(3.6)	(1.0)
Telecommunication	4,635	6,398	7,208	4,635	6,307	7,033	-	1.5	2.5
Technology	63	71	98	63	71	98	-	-	-
Transportation/Logistic	1,648	2,604	3,073	1,648	2,321	2,786	-	12.2	10.3
	38,319	47,055	56,624	38,195	46,276	54,304	0.3	1.7	4.3

Source: HwangDBS Vickers Research

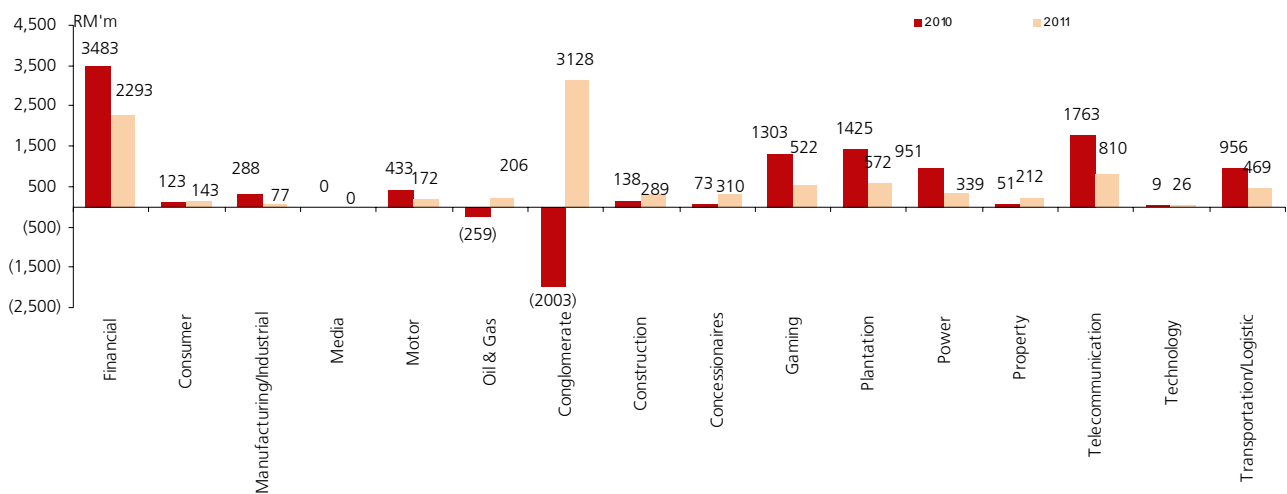
Charting new frontiers

Malaysia Universe: Earnings Growth by Sector

	Earnings Growth %				PE (x)			
	2009	2010	2011	2012	2009	2010	2011	2012
Financial	8.5	30.1	15.2	15.6	20.1	15.4	13.4	11.6
Consumer	10.7	5.8	6.4	3.1	15.8	15.0	14.1	13.7
Manufacturing/Industrial	(28.9)	70.4	11.0	11.8	18.7	10.9	9.9	8.8
Motor	15.7	52.3	13.7	6.2	15.1	9.9	8.7	8.2
Oil & Gas	(16.2)	- 45.0	65.0	29.2	11.1	20.1	12.2	9.4
Conglomerate	(24.6)	- 44.8	126.6	5.4	19.4	35.1	15.5	14.7
Construction	8.3	11.0	20.7	8.0	22.5	20.3	16.8	15.6
Concessionaires	7.7	5.8	23.0	- 0.9	18.6	17.6	14.3	14.4
Gaming	(19.7)	57.2	14.6	14.7	23.3	14.8	13.0	11.3
Plantation	(48.6)	69.4	16.4	- 0.7	34.4	20.3	17.4	17.6
Power	(7.5)	22.7	6.6	7.7	18.4	15.0	14.1	13.1
Property	20.0	5.5	21.7	28.2	16.4	15.5	12.8	10.0
Telecommunication	(2.9)	38.0	12.7	19.3	23.8	17.2	15.3	12.8
Technology	(6.5)	13.7	36.8	17.7	18.8	16.5	12.1	10.3
Transportation/Logistic	(19.5)	58.0	18.0	11.2	33.9	21.5	18.2	16.4
HDBSVR universe	(8.5)	22.8	20.3	11.7	21.3	17.3	14.4	12.9

Notes: (1) Companies with financial year ending Jan – Mar as classified as preceding year's results.
Source: HwangDBS Vickers Research

Net Profit Change by Sector (y-o-y)



Source: HwangDBS Vickers Research

Outlook

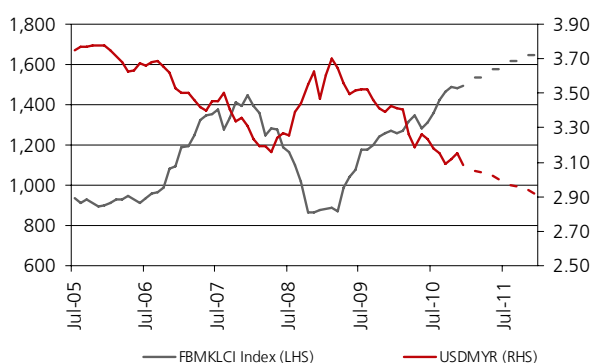
Resilient growth supported by domestic demand

We project 7.2% GDP growth for 2010. This is supported by firm domestic demand, with private consumption growing on better employment outlook and positive wealth effects from higher asset prices. Investments should remain sustainable in anticipation of positive government reforms and rollout of development projects. For 4Q10, we expect 4.5% y-o-y growth. On a q-o-q saar basis, this implies about 8% rebound from the dip in 3Q.

For 2011, we foresee a moderation in GDP growth to 5.5% largely on weaker exports and the higher base in 2010. Imports have continued to outpace exports, resulting in a drag on overall GDP growth. The manufacturing sector and some externally driven services industries (i.e. transportation services) could be in for a soft patch as external demand softens.

In terms of the currency, we expect quantitative easing and interest rate differential to drive US\$ weakness next year. Relative to the US\$, we expect the Ringgit at RM3.04 by end-1Q11 and RM2.92 by end-4Q11, in line with the performance of most Asia ex Japan currencies.

RM appreciation negatively correlated to KLCI



Source: DBS

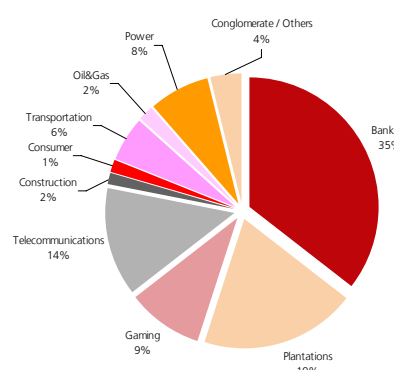
Strong CPO prices

We expect CPO prices to remain strong in 1QCY11. Lagged impact of Jan – Feb 10 drought in Malaysia may cause steeper-than-normal seasonal drop in FFB yields. Malaysian palm oil inventories are hence forecast to gradually decline through Apr 11 - barring significant imports from Indonesia. There is also a risk that current dry conditions in South America could adversely impact soybean yields there (due to be harvested in Feb-May 11). Demand, on the other hand, should be supported by Chinese New Year requirements as well as replenishment of Chinese state reserves. In our view,

a price range of RM3,000 – RM3,500/MT is possible in 1HCY11. We expect this to moderate thereafter to average RM2,750/MT for full year 2011.

Strong CPO prices will be positive for the market – palm oil related stocks account for 19% of the KLCI weighting. Sime Darby has the highest leverage to strong CPO prices due to its large mature area (largest in our coverage) and recovering yields in Indonesia. Our picks: Genting Plantations (Buy; TP: RM11.00), Sime Darby (Buy; TP: RM10.20), TSH Resources (Buy; TP: RM2.95). Conglomerate Boustead Holdings (High Conviction Buy; TP: RM7.60) will also benefit from strong CPO prices.

KLCI by sector weighting



Source: HwangDBS Vickers Research

Newsflow on transformation program

We are optimistic on the transformation initiatives by the Prime Minister. If implemented successfully, the projects should generate greater economic activity. Already, we are seeing signs of positive momentum with the award of the LRT extensions. On Tuesday, the PM announced new tax incentives for the oil & gas industry including investment tax allowance, reduced tax rates and accelerated capital allowance. We are encouraged by the measures to boost the local oil & gas sector.

For 2011, the RM40bn MRT project is a high impact strategic project, which the PM targets to start by July 2011. In our view, the construction sector has more upside with the award of this project. Potential beneficiaries are Gamuda (High Conviction Buy; TP: RM4.40) and MMC (Buy; TP: RM3.85). In addition, we are optimistic over the value-enhancement opportunities resulting from the redevelopment of strategic government land. Potential beneficiaries: MRCB (Buy; TP: RM2.90), Boustead (High Conviction Buy; TP: RM7.60).

Charting new frontiers

Impending Sarawak State elections

The Sarawak State elections need to be held by May 2011. Although there is no strong correlation between state elections and the market's performance, selected stocks might do well. Our pick: Dayang Enterprise (Buy; TP: RM3.40), supported by a strong RM1bn order book and superior margins. We believe it is in a good position to secure maintenance projects next year. TRC Synergy (Buy; TP: RM1.85) could be a contender for upcoming construction-related projects in Sarawak. The stock is the cheapest in our construction universe, trading at 1-year forward 9x PE and 0.8x P/NTA.

In view of the positive domestic factors such as the resilient economic growth, strong CPO prices, newsflow on transformation program, roll out of infrastructure project, impending Sarawak state elections, we believe the market's uptrend is intact. Our 2010 year-end KLCI target is 1,520 points, and for 2011, it is 1,650 (14x forward earnings). In 2008's peak, the KLCI was trading at 18x forward earnings.

Positive January effect

January has generally been a positive month for the market. Over the last 10 years, the KLCI has chalked up average of 2.4% gains in January with 8 out of 10 years registering gains, compared to December's average gains of 1.3%.

KLCI performance in January: Generally positive month

	December	January
2009	1.1%	-1.1%
2008	1.2%	0.9%
2007	3.4%	-3.6%
2006	1.4%	8.5%
2005	0.4%	1.6%
2004	-1.1%	1.0%
2003	1.9%	3.1%
2002	2.7%	2.9%
2001	9.1%	3.3%
2000	-6.9%	7.1%
Average	1.3%	2.4%

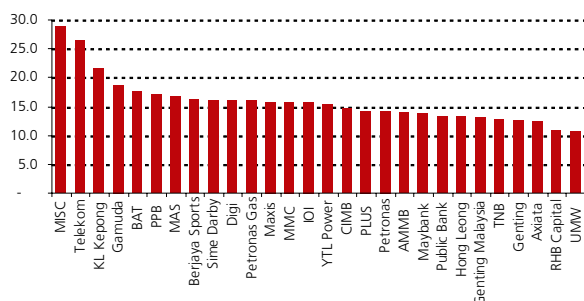
Source: HwangDBS Vickers Research

KLCI forward PE



Source: HwangDBS Vickers Research

Large Caps sorted by 2011 PE



Source: Bloomberg, HwangDBS Vickers Research

Malaysia Picks

Stocks	Key Buy reasons
Maybank	<p>(1) Domestic economic recovery play. Strong domestic franchise for consumer and business loans, placing it in a solid position to ride on the economic recovery. Largest market share (22%) in domestic deposits.</p> <p>(2) Indonesia growth story. Indonesian operation poised for robust loans and earnings growth. Sharp improvements emerging.</p> <p>(3) Potential book value boost. Potential one-off RM2bn gain if Maybank places out 17.5% of BII at Rp600/share. This could lift Maybank's book value by 28sen/share and our target price by 70sen. High conviction pick; RM10.80 TP.</p>
Sime Darby	<p>(1) Promising growth prospects - strong performances in Motor, Industrial, Power & Port facilities would more than offset slightly weaker Plantations this year. All conceivable losses for Bakun, Qatar Petroleum, MQP, and Marine Projects have been provided for. Depending on ongoing negotiations, Sime may even write back successful claims.</p> <p>(2) Attractive valuations – Sime is currently trading at 15.9x, a discount to its peer average of 17.7x CY11F earnings while having the highest leverage to strong CPO prices due to its large mature areas (largest in our coverage) and recovering yields in Indonesia.</p> <p>(3) Low foreign ownership – Current foreign shareholding of 14.8% (as of Oct10 – up from 14.3% in May10 – but down from 22% in Jan08), is considered low. Potential interest in the Sime from foreign investors should add momentum for the stock, in our view. RM10.20 SOP-based TP.</p>
RHB Capital	<p>(1) Niche 'banking-made-easy' outlets. "Easy by RHB" concept highly scalable and is expected to tap into new demographic markets, expand customer base, and raise net interest income. This would differentiate RHB Cap from its peers while steering away competitive pressure.</p> <p>(2) Potential M&A candidate. Attractive valuations position it as a prime M&A candidate, in our opinion.</p> <p>(3) Attractive valuations. RHB Cap remains one of the cheapest large cap banks in Malaysia, and is currently trading at 1.6x BV against sector average of 2.1x. TP: RM10.00.</p>
Gamuda	<p>(1) MRT kicker. RM40bn MRT project, a key milestone catalyst easily doubling orderbook with another 10 years earnings visibility.</p> <p>(2) Leveraged proxy to Vietnam. We are bullish on Vietnam and the long term structural change in its property market. Gamuda is Malaysia's best proxy to the Vietnam story given the long term duration of its development projects (7-10 years) with a combined GDV of RM16bn. Despite delays, potential RM700m sales for FY11 (RM300m Tan Thang, RM400m Yenso Park).</p> <p>(3) Buy, SOP-derived TP of RM4.40. High conviction pick.</p>
Boustead Holdings	<p>(1) Good value. GLC-linked conglomerate trades at attractive multiples and offers decent dividend yield.</p> <p>(2) Multiple catalysts. Proactive management, morphing into GLC property proxy, and surging contract flows for BHIC.</p> <p>(3) Beneficiary of upswing in crude palm oil (CPO) prices. High conviction pick; RM7.60 TP.</p>
SP Setia	<p>(1) RM6b KL Eco-City (future transportation hub) seeing strong interest, RM5b Setia City to further boost Setia Alam's vibrancy.</p> <p>(2) Biggest beneficiary of strong residential demand - sales could hit RM3b in 2011F.</p> <p>(3) MRT winner. KL landlords are winners of MRT, government land redevelopment projects & open tenders. RM7.00 TP, based on 5% premium to RNAV of RM6.66.</p>
JobStreet	<p>(1) Proxy to economic recovery. The employment market is expected to improve along with the economic recovery.</p> <p>(2) Migration from print to online recruitment advertising offers long term prospects. JobStreet offers more effective cost per ad due to its extensive reach of >6m jobseekers in the Asia-Pacific region. It is poised to gain market share from the traditional print media as the market becomes more educated and aware of the benefits of online advertising. Greater online advertising and utilisation of internet as a business avenue would also be realised with higher internet penetration rate.</p> <p>(3) Synergistic collaboration through SEEK Ltd and 104 Corp. There are potential synergies with SEEK Ltd (new major shareholder) and 104 Corp (20%-owned associate company), which are market leaders in their respective home countries and have strong presence in other countries.</p> <p>(4) Buy, RM3.30 TP. TP based on 1x PEG.</p>

Source: HwangDBS Vickers Research

Charting new frontiers

Large Cap Buys

Company	Mkt Cap (RMm)	Price (RM)	TP (RM)	PE(x)		P/BV (x)		Div Yield (%)	
				10F	11F	10F	11F	10F	11F
CIMB	62,733	8.44	10.10	16.8	13.9	2.6	2.3	2.7%	2.5%
Maybank	60,234	8.51	10.80	15.8	13.9	2.2	2.0	4.8%	4.3%
Sime Darby	52,162	8.68	10.20	71.8	16.1	2.6	2.2	0.3%	3.1%
Axiata	38,679	4.58	5.10	14.7	12.5	1.9	1.7	2.0%	2.4%
Genting	37,501	10.10	14.60	15.2	12.5	2.4	2.0	1.2%	1.5%
Tenaga Nasional	37,061	8.50	10.10	14.5	12.8	1.3	1.2	1.7%	1.7%
RHB Capital	17,099	7.94	10.00	12.4	10.8	1.8	1.6	2.4%	2.8%
Hong Leong Bank	14,490	9.17	10.50	14.7	13.3	2.3	2.0	2.0%	2.0%
MMC Corp	8,343	2.74	3.85	24.9	15.8	1.3	1.2	1.3%	1.5%
UMW Holdings	8,041	6.98	7.40	11.4	10.3	1.9	1.7	3.2%	3.2%
IJM Corp	7,755	5.74	6.75	22.9	18.1	1.5	1.4	1.4%	1.4%
Gamuda	7,544	3.69	4.40	26.6	18.5	2.3	2.1	2.4%	2.4%
AirAsia	7,344	2.65	3.20	10.8	9.2	2.0	1.6	0.0%	0.0%
Malaysia Airports	6,787	6.17	7.60	18.6	16.0	1.9	1.8	2.7%	3.1%
Genting Plantations	6,450	8.50	11.00	21.5	20.6	2.3	2.1	1.0%	1.1%

Source: HwangDBS Vickers Research

Small-mid cap Buys

Company	Mkt Cap (RMm)	Price (RM)	TP (RM)	PE(x)		P/BV (x)		Div Yield (%)	
				10F	11F	10F	11F	10F	11F
Parkson Holdings Bhd	6,015	5.50	6.60	20.0	17.2	3.0	2.9	2.2%	2.3%
SP Setia	5,328	5.24	7.00	28.0	19.9	2.5	2.4	2.6%	3.0%
Boustead Holdings	5,020	5.34	7.60	13.3	8.4	1.2	1.2	5.0%	6.0%
AFG	4,877	3.15	3.85	16.2	12.2	1.7	1.6	2.0%	2.9%
Bursa Malaysia	4,166	7.84	9.60	32.0	27.3	4.8	4.7	2.8%	3.3%
Proton	2,691	4.90	6.60	12.3	8.4	0.5	0.5	4.1%	4.1%
MRCB	2,637	1.91	2.90	65.6	36.6	2.3	2.2	0.4%	0.7%
WCT	2,359	3.00	3.60	18.2	15.6	1.7	1.6	2.5%	2.5%
KNM Group	2,122	0.53	0.60	12.3	11.4	1.0	0.9	0.0%	0.0%
Sunway Holdings	1,381	2.28	2.60	8.7	8.3	1.5	1.3	1.0%	1.0%
TA Enterprise	1,224	0.72	1.30	12.9	12.0	0.8	0.8	2.6%	4.2%
Eastern & Oriental	957	1.16	1.40	23.5	18.9	0.8	0.8	0.0%	0.0%
TSH Resources	945	2.28	2.95	15.7	11.3	1.2	1.1	2.2%	2.2%
Masterskill	926	2.26	4.89	9.4	8.0	1.9	1.7	5.3%	6.2%
Jobstreet	925	2.91	3.30	25.6	21.2	6.4	5.5	2.0%	2.4%
Dayang	905	2.57	3.00	13.4	9.4	2.4	2.0	1.9%	1.9%
Kinsteel	846	0.89	1.25	28.9	9.0	1.0	0.9	0.7%	2.2%
MBM Resources	726	2.99	4.70	5.0	4.0	0.7	0.6	2.8%	2.8%
Wing Tai Malaysia	587	1.82	2.20	12.0	10.7	0.8	0.7	3.3%	3.3%
Perisai	331	0.50	0.70	13.4	12.5	1.2	1.1	0.0%	0.0%
Bolton	324	1.01	1.50	11.7	10.9	0.8	0.7	2.2%	2.4%
TRC Synergy	266	1.40	1.85	13.4	7.6	0.9	0.8	1.9%	3.3%

Source: HwangDBS Vickers Research

Top Fully Valued Calls

Company	Mkt Cap (RMm)	Price (RM)	TP (RM)	PE(x)		P/BV (x)		Div Yield (%)	
				10F	11F	10F	11F	10F	11F
PPB Group	21,197	17.88	15.75	20.6	17.2	1.4	1.3	5.2%	1.7%
BAT	12,638	44.26	40.00	17.5	17.6	24.3	21.0	5.2%	5.1%
Lafarge M Cement	6,390	7.52	5.40	19.8	17.0	1.9	1.9	3.3%	3.8%
Berjaya Sports Toto	5,674	4.20	4.10	14.7	16.1	12.6	10.5	13.7%	4.6%
Top Glove	3,525	5.70	4.80	14.4	15.9	3.2	2.9	2.8%	2.5%
Malaysian Bulk Carriers	3,000	3.00	2.30	13.7	13.6	1.6	1.5	4.5%	4.6%
Kossan Rubber	1,036	3.24	2.80	9.5	9.3	2.3	1.9	2.3%	2.3%

Source: HwangDBS Vickers Research

Appendix 1: 2Q10 Summary of Results

	Results	vs. HDBSVR	vs. Consensus	HDBSVR Rec	Chg in Rec	Forecast change (%)	
						2010	2011
Banks							
AMMB Holdings	2Q11	Above	Above	Hold	No	4.9	0.6
CIMB Group	3Q10	In line	In line	Buy	No	-	-
EON Capital	3Q10	Above	Above	Hold	No	9.1	9.6
Hong Leong Bank	1Q11	In line	In line	Buy	No	-	-
Maybank	1Q11	In line	In line	Buy	No	-	-
Public Bank-F	3Q10	In line	In line	Hold	No	-	-
RHB Capital	3Q10	In line	In line	Buy	No	-	-
Alliance Financial Group	2Q11	In line	In line	Buy	No	-	-
Non-bank financial							
Bursa	3Q10	Below	Below	Buy	No	-	-
AEON Credit	2Q11	In line	In line	Buy	No	-	-
TA Enterprise	2Q11	In line	In line	Buy	No	-	-
Consumer							
BAT	3Q10	In line	In line	Fully Valued	No	-2.8	-3.6
Top Glove Corporation	4Q10	In line	Below	Fully Valued	No	-5.3	-3.8
Kossan Rubber	3Q10	In line	In line	Fully Valued	No	-	-
Pelikan International	3Q10	Below	Below	Buy	No	-15	-13
Parkson Holdings	1Q11	Below	Below	Buy	No	-4.1	-3.1
Petronas Dagangan	2Q11	In line	In line	Hold	Yes	-	-
Jobstreet	3Q10	In line	In line	Buy	No	-	-
Faber Group	3Q10	Above	Below	Hold	No	9	8
Masterskill	3Q10	In line	In line	Buy	No	-	-
Trading & Services/ Industrial Product							
Engtex Group	3Q10	Above	Above	Hold	No	16	10
Southern Steel	3Q10	In line	In line	Hold	No	-	-
Kinsteel	3Q10	Below	Below	Buy	No	-50	-22
Hiap Teck	4Q10	In line	In line	Hold	No	-	-
Evergreen	3Q10	In line	In line	Buy	No	-	-
Lafarge Malayan Cement	3Q10	Below	Below	Fully Valued	No	-6	-6
Zhulian	3Q10	In line	In line	Buy	No	-	-
Motor							
UMW Holdings	3Q10	In line	In line	Buy	No	-0.1	-0.2
Proton	2Q11	Below	Below	Buy	No	-	-
APM Automotive	3Q10	Above	Above	Fully Valued	No	9.8	9.7
MBM Resources	3Q10	In line	Above	Buy	No	-	-
Oil & Gas							
Petra Perdana	3Q10	Below	Below	Fully Valued	No	-	-3
Wah Seong Corp	3Q10	Below	Below	Hold	No	-32	-28
KNM Group	3Q10	In line	In line	Buy	No	49	7
Tanjung Offshore	3Q10	Below	Below	Hold	No	-70	-32
Alam Maritim	3Q10	Below	Below	Fully Valued	Yes	-36	-35.2
Dayang	3Q10	In line	In line	Buy	No	-	-
Perisai	3Q10	Below	Below	Buy	No	-	-
Conglomerates							
Sime Darby	1Q11	In line	In line	Buy	Yes	-1.2	5.1
PPB Group	3Q10	Below	Below	Fully Valued	Yes	-5.1	-8.5
MMC Corp	3Q10	In line	In line	Buy	No	-	-
Boustead Holdings	3Q10	In line	In line	Buy	No	-	-


Source: Bloomberg, HwangDBS Vickers Research

Charting new frontiers

3Q10 Summary of Results

	Results	vs. HDBSVR	vs. Consensus	HDBSVR Rec	Chg in Rec	Forecast change (%)	
						2010	2011
Construction							
IJM	2Q11	In line	In line	Buy	No	-	-
WCT	3Q10	In line	In line	Buy	No	-	0.4
MRCB	3Q10	Below	Below	Buy	No	-21	-
Sunway Holdings	3Q10	In line	In line	Buy	No	12.6	1
TRC Synergy	3Q10	Below	Below	Buy	No	-10	-
Gamuda	4Q10	Above	In line	Buy	No	-0.4	-0.3
Concessionaires							
PLUS Expressway	3Q10	In line	In line	Hold	No	-	-
Litrak	2Q11	Below	Below	Hold	No	-	9.3
Gaming							
Genting	3Q10	Above	Above	Buy	No	25	26.3
Genting Malaysia	3Q10	Above	Above	Hold	No	18	18.3
Berjaya Sports Toto	1Q11	Below	Below	Fully Valued	No	-	-
Plantation							
IOI Corporation	1Q11	In line	In line	Hold	No	-	-
KL Kepong	4Q10	In line	In line	Hold	Yes	-	-
Genting Plantations	3Q10	In line	In line	Buy	No	1	-
TSH Resources	3Q10	Below	Below	Buy	No	-12	1
IJM Plantations	2Q11	Above	Above	Buy	No	-	-
CB Industrial Product	3Q10	Above	Above	Buy	No	11.1	11.8
Power							
Tenaga Nasional	4Q10	Below	Below	Buy	No	-7.9	-9.4
YTL Power	1Q11	In line	In line	Hold	No	-	-
Petronas Gas	2Q11	In line	In line	Hold	No	-	-
Property							
SP Setia	3Q10	In line	In line	Buy	No	-	-
KLCC Property	2Q11	In line	In line	Hold	No	-	-
Sunway City	3Q10	In line	In line	Buy	No	-	-
E&O	2Q11	Below	Below	Buy	No	-	-
Sunrise	1Q11	In line	In line	Buy	No	-	-
Wing Tai Malaysia	1Q11	In line	In line	Buy	No	13	12
Axis REIT	3Q10	In line	In line	Buy	No	-14	1
QCT	3Q10	In line	In line	Buy	No	-	-
Bolton	2Q11	Below	Below	Buy	No	-27	-2
Telecommunication							
Digi.Com	3Q10	Above	Above	Hold	No	3.7	2.9
Telekom	3Q10	In line	Below	Hold	No	-	-
Axiata	3Q10	In line	Above	Buy	No	1.9	1.6
Maxis	3Q10	In line	In line	Hold	No	-	-
Green Packet	3Q10	Above	Below	Buy	No	-19	-54
Technology							
Notion	4Q10	Above	Above	Buy	No	-	-
Transport / Logistic							
AirAsia	3Q10	Above	In line	Buy	No	27.2	7.4
MISC	2Q11	In line	Below	Buy	No	-	-
MAS	3Q10	Below	Below	Hold	No	-	-
Malaysia Airports	3Q10	Above	In line	Buy	No	-	-
Malaysian Bulk Carriers	3Q10	Above	Above	Fully Valued	No	53	37

This document is published by HWANGDBS Vickers Research Sdn Bhd ("HDBSVR"), a subsidiary of HWANGDBS Investment Bank Berhad ("HDBS") and an associate of DBS Vickers Securities Holdings Pte Ltd ("DBSVH"). The research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate legal or financial advice. HDBSVR accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. DBS Vickers Securities Holdings Pte Ltd is a wholly-owned subsidiary of DBS Bank Ltd. DBS Bank Ltd along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. HDBSVR, HDBS, DBSVH, DBS Bank Ltd, and their associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other banking services for these companies. HDBSVR, HDBS, DBSVH, DBS Bank Ltd and/or other affiliates of DBS Vickers Securities (USA) Inc ("DBSVUSA"), a U.S.-registered broker-dealer, may beneficially own a total of 1% or more of any class of common equity securities of the subject company mentioned in this document. HDBSVR, HDBS, DBSVH, DBS Bank Ltd and/or other affiliates of DBSVUSA may, within the past 12 months, have received compensation and/or within the next 3 months seek to obtain compensation for investment banking services from the subject company. DBSVUSA does not have its own investment banking or research department, nor has it participated in any investment banking transaction as a manager or co-manager in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively. DBS Vickers Securities (UK) Ltd is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Services Authority. Research distributed in the UK is intended only for institutional clients.



Wong Ming Tek, Head of Research

Published and Printed by
HWANGDBS Vickers Research Sdn Bhd (128540 U)
Suite 26-03, 26th Floor Menara Keck Seng, 203, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia.
Tel.: +603 2711-2222 Fax: +603 2711-2333 email : general@hwangdbsvickers.com.my