

REVIEW

- ▶ Following the Greek Parliamentary elections stalemate in May, investors were initially concerned over the 2nd Greek elections held on 17th June 2012, which incidentally passed resulting in the New Democrats party securing enough votes to take office. By end of the month, global markets rallied at the outcome from the EU Summit where leaders agreed to sign the €120bn Compact on Jobs and Growth, and there are plans for the ECB to have a central supervisory role for the Euro area institutions by December 2012.
- ▶ The Malaysian equity markets in the second half of the month tested previous highs last seen in April. Excitement may have also been built around the listing of Felda Global Ventures Holdings on the 28th June 2012, which debut with a 16.5% gain from the IPO price of RM4.55 on the first day.
- ▶ The KLCI ended the month higher by 18.5 points or 1.17% to close at 1,599.2 points. The broader market out performed the KLCI, with the FBM Emas Index gaining 1.44% in June. The FBM Small Cap Index out performed the KLCI, gaining 1.74% for the month. Average value traded on Bursa in June increased 3% mom to RM1.53bn per day.
- ▶ The sector indices on the local bourse closed mostly up for June, with the best performing sectors being Technology (+3.23%) and Industrial (+3.07%). The worst performing sectors were Construction (0.26%) and Finance (0.83%).

OUTLOOK

- ▶ We continue to expect volatility to persist. Despite a favourable result from the Greek's 2nd parliamentary elections, and the recent agreements made at the EU Summit, there are many issues that remain unresolved, hence the Euro debt crisis will continue to be a drawn-out process. Any clarity on the so-called US "fiscal cliff" of sweeping tax increases and spending cuts scheduled for 2013 may also provide some direction for the markets.
- ▶ Domestically, the Malaysian economy remains resilient, with the government ensuring consumer demand strength with targeted cash handouts to lower income groups. With positive investor sentiment from the FGVH listing, there are a few decent sized IPOs in the pipeline, looking to list before the year end, besides Khazanah's IHH. The general election may well be delayed until early 2013, although the window for holding the elections is getting slimmer with the deadline being March 2013. Other upcoming domestic events to monitor include the 2013 Budget scheduled to be announced on 28 September 2012.
- ▶ We remain cautious on Malaysian equities given the high potential for the Malaysian general elections to be called in the next 6 months. This event in itself is unfortunately creating a drag on the market. We expect global issues to keep cropping up, as there are many moving parts to this debt crisis. However these events create opportunities for out performance over the longer term, and as such would accumulate fundamentally sound stocks on weakness.

NEWS HIGHLIGHTS

- ▶ Berjaya Sports Toto (BToto) has proposed to divest its 100% stake in Sports Toto Malaysia (STM) to the STM-Business Trust for RM6bn (S\$2.43bn). The corporate exercise would also see STM-Trust issuing up to 460m new units in conjunction with the initial public offer (IPO), and will be seeking a secondary listing of STM Trust in Malaysia.
- ▶ Ananda Krishnan has apparently mandated CIMB to advise him on the IPO of Astro All Asia Networks in a deal expected to raise around \$1bn in 4Q12.
- ▶ Malakoff is planning an IPO that may raise US\$1bn (RM3.2bn) and may value Malakoff at US\$3.5bn (RM11.5bn). The company is 51% owned by MMC Corp.

INDEX PERFORMANCE & MOVERS

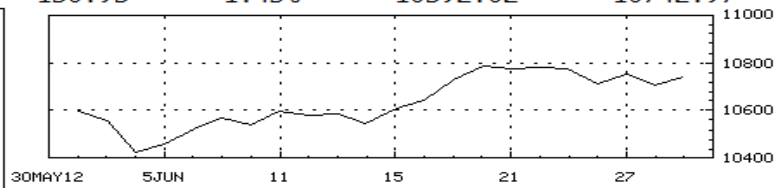
RPT

Historical Equity Index Movers

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FBM100 Change +150.95 Pct Chg +1.43% Start Price 10592.02 End Price 10742.97
 FTSE BURSA MALAY TOP 100

Index Member Information
 Additions: 3 Up: 66
 Deletions: 3 Down: 33
 Current: 100 Unch: 4
 Sort: Index Points
 Order: Descending
 6/1/2012 - 6/29/2012



LEADING MOVERS

LAGGING MOVERS

Security	End Price	Change	Index Pts	Security	End Price	Change	Index Pts
YTL MK	2.02	+.295	+26.422	GENT MK	9.43	-.57	-26.923
DIGI MK	4.25	+.25	+24.877	PCHEM MK	6.47	-.23	-12.537
UMWH MK	9.13	+1.14	+16.952	PEP MK	15.98	-1.02	-10.302
SIME MK	9.89	+.21	+16.118	IOI MK	5.19	-.06	-4.918
T MK	5.65	+.26	+11.901	MAY MK	8.70	-.05	-4.885
AXIATA MK	5.47	+.10	+10.807	GENM MK	3.60	-.09	-4.496
PTG MK	18.00	+.80	+10.797	IJM MK	5.02	-.17	-3.983
KLCC MK	4.65	+1.01	+8.051	MMC MK	2.60	-.10	-2.079
MAXIS MK	6.39	+.20	+7.668	OSK MK	1.40	-.13	-1.596
CIMB MK	7.57	+.07	+6.661	PKS MK	4.58	-.17	-1.583

+ Added during range, - Removed during range, * Added/Removed multiple times
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Indices	Last Price		MoM Changes	
	31-May-12	29-Jun-12	+/-	%
FBMKLCI	1580.7	1599.2	18.5	1.17%
FBMMES	4255.2	4354.7	99.5	2.34%
FBM100	10592.0	10743.0	150.9	1.43%
FBM70	11629.2	11919.4	290.2	2.50%
FBMSCAP	11761.1	11965.6	204.5	1.74%
FBMEMAS	10762.7	10917.6	155.0	1.44%
FBMFLG	9112.7	9195.0	82.3	0.90%
FBMSHA	10716.7	11003.2	286.4	2.67%
FBMHJRAH	11547.9	11853.1	305.1	2.64%
MSCI APxJ	393.0	406.9	13.9	3.54%