



18 OCT 2011

**On the Platter**
**LOGISTICS (OVERWEIGHT) Sector Update: Earnings to Remain Healthy**

In view of a deteriorating global economic outlook, investors are understandably skeptical about the sustainability of growth in the logistics industry. As an industry that grows in tandem with the global economy, a relook at the prospects of the logistics counters under our coverage is warranted. The sector's general share price performance has not been impacted substantially due to its relatively resilient earnings. The share prices of logistics companies have outperformed the broader market since late last year, owing to strong fundamentals and prospects, low equity beta, and robust dividend yields. Also, further boosted by Government initiatives to make Malaysia a high-income nation by 2020 and its target of 5%-6% of GDP growth next year, we expect robust growth on the home front to help the freight forwarders under our coverage to continue enjoying strong shipment volumes. Thus, we have an OVERWEIGHT call on the sector.

**AUTOMOTIVE (NEUTRAL) Sector Update: September '11 TIV: A Seasonal Low**

**SIA (FV SGD12.23 - BUY) Company Update: September '11 Stats: Hanging on in There**

**PUBLIC BANK (FV RM14.00 - NEUTRAL) 9MFY11 Results Review: Growth Pace Slows**

**MMHE (FV RM6.60 - NEUTRAL) Corporate News Flash: To get ExxonMobil's Telok Job**

**GENM (FV RM4.32 - BUY) Corporate News Flash: RWNV All Set to go**

**KLCI Intraday Chart**

**Market Review**

**Time for a Dip.** After a strong rally of 150 pts, the KLCI looks set for a retracement today with the 2% retracement in US indices yesterday. Newsflow is not particularly exciting today with the big news being asset acquisition offers for Leader Universal and PacificMas' businesses. Other than that, Public Bank reported results that were in line and MMHE may secure a new contract from ExxonMobil today. While the floods in Thailand are continuing to impact Malaysian companies with operations there. We believe all eyes are focused on the US earnings results season and the European sovereign debt crisis for now.

**Key Market Indices**

	Value	Change	%Change
FBMKLCI	1465.35	22.92	1.6%
FBM100	9793.77	159.90	1.7%
FBM70	10673.68	201.46	1.9%
Dow Jones	11397.00	-247.49	-2.1%
S&P500	1200.86	-23.72	-1.9%
Nasdaq	2614.92	-52.93	-2.0%
FTSE	5436.70	-29.66	-0.5%
DAX	5859.43	-107.77	-1.8%
FSSTI	2778.97	34.80	1.3%
Hang Seng	18873.99	372.20	2.0%
Nikkei	8879.60	131.64	1.5%
KOSPI	1865.18	29.78	1.6%
TWSE	7461.12	103.04	1.4%

**Key Statistics**

	Value	Change	%Change
Volume (m)	1779.56	704.75	65.6%
Value (RM'm)	1751.76	528.31	43.2%
FKLI - Oct '11	1470.50	24.00	1.7%
FKLI - Nov '11	1464.50	25.50	1.8%
CPO - Nov '11	2864.00	-24.00	-0.8%
Crude Oil (USD)	86.30	-1.20	-1.4%
3-mth KLIBOR	3.26	UNCHG	UNCHG
RM/USD	3.12	-0.01	-0.2%
RM/SGD	2.45	-0.02	-0.8%
EUR/USD	1.37	-0.01	-0.9%
PE	CY10	CY11F	CY12F
OSK Universe	17.1	15.3	13.5
OSK CI	17.7	15.5	13.9

## MEDIA HIGHLIGHTS

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### US stocks fall as Germany damps optimism on Europe debt plan

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Global stocks and the euro fell as Germany damped expectations for a fast resolution to Europe's debt crisis and a report showed New York-area manufacturing shrank more than forecast. The S&P 500 Index slid 1.9% to 1,200.86 while the Dow Jones Industrial Average fell 2.1% to 11,397.00. The MSCI All-Country World Index slipped 1.2% following last week's 5.4% rally. Steffen Seibert, German Chancellor Angela Merkel's chief spokesman, said European Union leaders won't provide the quick ending to the debt crisis that global policy makers are pushing for at a 23 Oct summit. (*Bloomberg*)

### Leader Universal gets privatization offer from founder

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HNG Capital SB, a private vehicle of founder Datuk Seri H'ng Bok San, has tabled an offer of RM480.1m, or RM1.10 per share, to buy out Leader Universal's entire business and undertakings. The offer price is below its net asset per share of RM1.36 but at a 30.9% premium to its last traded price of RM0.84 per share. H'ng and family control about 14% of the Penang-based cable and wire maker. If the buyout is approved, the deal will leave Leader a cash-rich PN17 status company that intends to return the proceeds from the sale in cash to shareholders excluding H'ng and the joint offerors. (*Malaysian Reserve*)

### OCBC bids RM450m for PacificMas units

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PacificMas received a RM450m part-cash offer from OCBC Capital SB for its subsidiaries. The offer comprises cash of RM164.23m and a deferred RM285.77m payment within 12 months from the date of the acquisition agreement. OCBC Capital has offered to purchase a 100% stake in Pac Lease, PB Pacific SB, PacificMas Fidelity SB and PacificMas Capital as well as an 85% stake in Pacific Mutual Mutual Fund. OCBC Capital has proposed that PacificMas liquidate all its remaining residual assets and distribute its remaining cash via a special dividend or capital repayment exercise. OCBC is currently PacificMas' major shareholder with a 63.5% stake and the acquisition marks a transfer from OCBC to its wholly-owned subsidiary OCBC Capital. (*Malaysian Reserve*)

### Resorts World Casino NYC to open 28 Oct

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Genting's Resorts World Casino NYC (RWNY) is set to open in 10 days at Aqueduct Racetrack in Queens, NY. The New York casino, with 5,000 gaming machines spread over two floors, will kick off with 2,485 video lottery terminals and electronic table games. The intention is to have the entire 700,000 sq ft development fully open by mid-December, just in time to capture the Christmas and New Year crowd. (*Financial Daily*) Please see accompanying report

### Sharil appointed chairman of MCMC

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Datuk Mohamed Sharil Tarmizi has been appointed the new chairman of the Malaysian Communications and Multimedia Commission (MCMC) effective since 16 Oct. He succeeded Tan Sri Khalid Ramli, whose two-year term expired on 15 Oct. Sharil has experience in the legal, communications and multimedia industry as well as in financial advisory and strategy consulting. He is presently assisting the World Bank in the development of the Broadband Toolkit. (*StarBiz*)

### Penang cancels Boustead project

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The Penang state government has cancelled a plan to allow Boustead to reclaim up to 0.16 ha of land off the Penang Bridge. Boustead was initially given the rights as part of compensation package for agreeing to scale down a hotel development project in the state's heritage zone. A statement from CM Lim Guan Eng's office said the state government has decided not to pursue the land reclamation at Bayan Bay to Boustead. Boustead will still be required to comply with the World Heritage building height control of 18m within the heritage core zone of George Town. Boustead was in the midst of constructing a one-block 300-room Royale Bintang Hotel in George Town's heritage zone in 2009, when works were halted following reports the development could place George Town's heritage status in jeopardy. (*BT*)

## ECONOMIC HIGHLIGHTS

### Thailand: Thai floods adding to European risks may pause rates in boost to Yingluck

Thailand may pause tomorrow after seven interest-rate increases as the worst floods in five decades and weakening global growth threaten to curb output and weaken demand for exports. The Bank of Thailand will keep its benchmark one-day bond repurchase rate at 3.5%, according to 16 of 17 economists surveyed by Bloomberg News ahead of a decision due at 2:30 p.m. in Bangkok tomorrow. One predicted a 25-basis point cut. The country has raised borrowing costs more than any other major Asian economy after India, where there have been 10 rate increases since the beginning of July 2010. Floods that have killed more than 300 people, shutting factories and wiping out crops, may convince the nation's central bank to heed calls from Prime Minister Yingluck Shinawatra's government to put growth ahead of efforts to cool inflation. *(Bloomberg)*

### EU: Germany shoots down 'dreams' of swift fix

Germany said European Union leaders won't provide the complete fix to the euro-area debt crisis that global policy makers are pushing for at a summit on 23 Oct. German Chancellor Angela Merkel has made it clear that "dreams that are taking hold again now that with this package everything will be solved and everything will be over on Monday won't be able to be fulfilled," Steffen Seibert, Merkel's chief spokesman, said at a briefing in Berlin yesterday. The search for an end to the crisis "surely extends well into next year." Group of 20 finance ministers and central bankers concluded weekend talks in Paris endorsing parts of Europe's emerging plan to avoid a Greek default, bolster banks and curb contagion. Providing a week to act, they set the 23 Oct meeting of European leaders in Brussels as the deadline. *(Bloomberg)*

### US: Central banks sell most US bonds since 2007

International central banks are selling the most Treasuries since the credit crisis began just as institutional investors load up on U.S. government bonds. The Federal Reserve said its holdings of U.S. government debt on behalf of central bankers and institutional investors outside America has plunged USD76.5bn in the last seven weeks, the most since August 2007. At the same time, bond mutual funds are adding Treasuries, banks have increased their holdings 45% in the past five years and the Fed has added USD656bn to its balance sheet this year. Rather than a referendum on the US' USD1.3trn budget deficit and rising debt burden, sales by foreign policy makers may have more to do with supporting their currencies after the Brazilian real weakened 11% and Taiwan's dollar lost 4.4% against the US dollar since June. *(Bloomberg)*

### US: Manufacturing in New York Fed region shrinks more than economists forecast

Manufacturing in the New York region contracted in October at a faster pace than forecast, reflecting a lack of confidence in the US recovery that failed to be confirmed by measures of orders and sales. The Federal Reserve Bank of New York's general economic index rose to minus 8.5 from minus 8.8 in September. Economists projected an improvement to minus 4, based on the median of 53 forecasts in a Bloomberg News survey. Readings less than zero signal companies in the so-called Empire State Index, which covers New York, northern New Jersey, and southern Connecticut, are cutting back. The central bank's measures of bookings and shipments climbed to the highest levels in five months, indicating the industry at the heart of the economic recovery may be regaining momentum. *(Bloomberg)*

### US: Industrial production in US increases 0.2% on demand for cars, computers

Industrial production in the US advanced in September on growing demand for automobiles and computers after stalling the prior month, a sign manufacturers are contributing to growth. Output at factories, mines and utilities increased 0.2%, in line with the median estimate in a Bloomberg News survey, after being little changed in August, figures from the Federal Reserve showed yesterday. Factory production, which makes up 75% of the total, climbed for a third month. *(Bloomberg)*

## Off Market Deals

	Average Price	Volume	Value
Hap Seng Consolidated	1.54	100,000,000	154,000,000

(Source: Bloomberg)

## CORPORATE ACTION CALENDAR

## UPCOMING EVENTS

Date	Company	Details	Time	Venue
18-Oct-11	KKB Engineering	Group Meeting	11.00am-2.00pm	Plaza OSK
18-Oct-11	Top Glove	Briefing	10.00-12.00	Hilton KL
25-Oct-11	MMC Corporation	Group Meeting	10.00am	Kompleks Antarabangsa
25-Oct-11	Supermax	Group Meeting	11am	Plaza OSK
28-Oct-11	Tenaga Nasional	Analyst Briefing	6.00pm	Tenaga HQ, Bangsar
3-Nov-11		Invest Malaysia Hong Kong 2011	Whole Day	Island Shang ri La, Hong Kong
4-Nov-11	CI Holdings	Analyst Briefing	10am	Level 1, Menara Yayasan Tun Razak
8-Nov-11	Nestle	Analyst Briefing	3pm	Level 22 Surian Tower
21-Nov-11	Allianz Malaysia	Analyst Briefing	10.00am	Plaza Sentral

## ENTITLEMENTS

18-Oct-11	Pansar Bhd	First and final dividend of 2.0 sen per ordinary share, less 25% corporate tax in respect of FYE 31 March
18-Oct-11	Multi-Code Electronics Industries	Second Interim Tax Exempt Dividend of 2.5 sen per share in respect of the financial year ended 31 July 2011
18-Oct-11	Superion Holdings	Final single-tier dividend of 1.2 sen per ordinary share
20-Oct-11	Axiata Group	Interim Tax Exempt Dividend Under Single Tier System of 4 sen per Ordinary Share of RM1.00 each
20-Oct-11	OSK Property Holdings	Interim Dividend of 2.5 sen per ordinary share less 25% Income Tax
20-Oct-11	YTL Cement Bhd	Twelfth interest payment of 5% per annum on RM483,246,858 nominal value of 10-year 4% stepping up to 6% Irredeemable Convertible Unsecured Loan Stocks 2005/2015.
24-Oct-11	CI Holdings	Final Dividend of 7.0 sen per share less income tax at 25% in respect of the financial year ended 30 June 2011
24-Oct-11	YNH Property	Interim Dividend of 1.5%
24-Oct-11	Meda Inc.	RESTRICTED RIGHTS OFFER OF 42,694,094 WARRANTS IN MEDA INC. BERHAD ("MEDA INC" OR THE "COMPANY") ("RIGHTS WARRANTS") BY LIM SENG CHAI, TAN KIM J AND TEH MIN CHUNG ("OFFERORS") AT AN OFFER PRICE OF RM0.02 PER RIGHTS WARRANT ON A RIGHTS BASIS OF ONE (1) RIGHTS WARRANT FOR EVERY TEN (10) RM0.50 EACH HELD IN MEDA INC ("MEDA INC SHARES") (EXCLUDING THE 20,000,000 MEDA INC SHARES ISSUED TO THE OFFERORS AS PART OF A PRIVATE PLACEMENT ON 27 OCTOBER 2011 ("RESTRICTED RIGHTS OFFER OF WARRANTS"))
25-Oct-11	Master-Pack Group	Interim Dividend of 1% less income tax of 25%
25-Oct-11	Puncak Niaga Holdings Bhd	Fifth Mandatory Partial Redemption of RM54,687,500 nominal value of the outstanding RM328,125,000 nominal value of the 15-Year Redeemable Unconvertible Junior Notes as at 6 October 2011, to the Noteholders of the Company whose names appear in the Record of Depositors of Noteholders on 28 October 2011 pursuant to the Terms and Conditions of the Trust Deed dated 5 September 2001 made between the Company and Malaysian Trustees Berhad constituting all the Notes. Semi Annual Coupon Payment No. 20 to the holders of the 15-Year Redeemable Unconvertible Junior Notes ("Notes") of the Company whose names appear in the Record of Depositors of Noteholders on 28 October 2011.
25-Oct-11	Hua Yang Bhd	Bonus issue of 36,000,000 new ordinary shares of RM1.00 each in Hua Yang on the basis of one Bonus Share for every three existing HuaYang Shares held on 28 October 2011.
27-Oct-11	Century Software Holdings Bhd	A first interim single tier dividend of 10% of the paid-up capital in respect of the financial year ending 31 Dec 2011.
27-Oct-11	Atlan Holdings Bhd	First interim single tier dividend of 4% for the financial year ending 29 February 2012.
28-Oct-11	Crescendo Corporation	5% less 25% tax in respect of the year ending 31st January, 2012
28-Oct-11	Kim Loong Resources	single tier dividend of 6% in respect of the year ending 31 January, 2012
28-Oct-11	Classic Scenic Berhad	Interim Tax Exempt Dividend of 8% per ordinary share in respect of the year ending 31 December 2011
28-Oct-11	Teo Seng Capital	Final single tier dividend of 7.00% for the financial year ended 31 March 2011
28-Oct-11	SKP Resources Bhd	A final tax-exempt dividend of RM0.01 per share for the financial year ended 31 March 2011.
28-Oct-11	AXIS REIT	Third Interim Income Distribution of 4.30 sen per Unit (of which 4.20 sen is taxable and 0.10 sen per unit is non-taxable in the hands of unitholders) in respect of the period from 1 July
31-Oct-11	Hong Leong Bank	Final dividend of 15 sen per share less income tax of 25%
31-Oct-11	Kein Hing International	First and Final Tax-Exempt Dividend of 4%
31-Oct-11	Shangri-La Hotels	3% per ordinary share less tax at 25%
31-Oct-11	Plenitude Bhd	A final Single Tier Tax exempt dividend of 5% (5 sen per share).
31-Oct-11	ZhuLian Corporation Bhd	A third interim single tier dividend of RM0.03 per ordinary share of RM0.50 each.
1-Nov-11	Oka Corporation	A First And Final Single Tier Dividend Of 3 Sen Per Ordinary Share In Respect Of The Financial Year Ended 31 March 2011
2-Nov-11	EP Manufacturing	First Tax Exempt Interim Dividend of 1 sen per share
2-Nov-11	Weida (M) Berhad	First and Final Dividend of 4.0sen per share less income tax.
4-Nov-11	YTL E-Solutions	Second interim single tier dividend of 10% or 1 sen per ordinary share of 10 sen each in respect of the financial year ended 30 June 2011
4-Nov-11	YTL Power	Fourth Interim Tax Exempt Dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each in respect of the financial year ended 30 June 2011
4-Nov-11	YTL Corp	Interim single tier dividend of 20% or 2 sen per ordinary share of 10 sen each in respect of the financial year ended 30 June 2011
4-Nov-11	YTL Cement	Fourth interim single tier dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each in respect of the financial year ended 30 June 2011
8-Nov-11	Jaya Tiasa Holdings Bhd	First and Final Dividend of 6% less 25% tax per ordinary share.
9-Nov-11	Magni-Tech Industries	First and final franked dividend of 8% less tax of 25%
11-Nov-11	Guinness Anchor	Final single tier dividend of 44 sen per 50 sen stock unit
15-Nov-11	Scicom (M)	Tax Exempt Final Dividend of RM0.01 per ordinary share for the financial year ended 30 June 2011
16-Nov-11	Brem Holdings	Final Dividend of 5.0% less income tax of 25% in respect of the financial year ended 31 March 2011
18-Nov-11	Berjaya Land Bhd	Final dividend of RM0.01 per ordinary share of RM0.50 less 25% income tax for the financial year ended 30 April 2011.
23-Nov-11	Hai-O Enterprise	Final Single Tier Dividend of 5.5 sen per ordinary share
25-Nov-11	CCK Consolidated Holdings	Final Single-tier dividend of 3.5 sen
29-Nov-11	Sime Darby	Final single tier dividend of 22 sen per ordinary share
29-Nov-11	Asia File Corporation Bhd	Final Single Tier Dividend of 12.5%.
1-Dec-11	Quality Concrete Holdings Bhd	First interim dividend of RM0.67 per ordinary share of RM1.00 each less income tax at 25%.
5-Dec-11	Daiman Development	First and Final Dividend 12% less 25% tax
6-Dec-11	Berjaya Corporation	Final Dividend of 2% single-tier exempt dividend
6-Dec-11	Glenealy Plantations (Malaya)	First and final dividend of 15.0 sen per share less income tax for the financial year ended 30 June 2011 subject to the approval of the shareholders at the forthcoming Annual General
6-Dec-11	Lingui Developments	First and final dividend of 2.0 sen per share less income tax for the financial year ended 30 June 2011 subject to the approval of the shareholders at the forthcoming Annual General
8-Dec-11	Apollo Food Holdings Berhad	Single tier first and final dividend of 20%.
16-Dec-11	Pintaras Jaya Bhd	First and final dividend of 15% less 25% income tax and 4% single-tier in respect of the financial year ended 30 June 2011.

## IPOs

Company	Prospectus date	Listing date
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## ECONOMIC EVENTS

Date	Events	Details
19-Oct-11	CPI	11-Sep
31-Oct-11	BNM Statistical Bulletin	11-Sep

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**OSK RESEARCH SDN. BHD. (206591-V)***(A wholly-owned subsidiary of OSK Investment Bank Berhad)*

Kuala Lumpur	Hong Kong	Singapore
<b>Malaysia Research Office</b> OSK Research Sdn. Bhd. 6 <sup>th</sup> Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Malaysia Tel : +(60) 3 9207 7688 Fax : +(60) 3 2175 3202	<b>OSK Securities Hong Kong Ltd.</b> 12 <sup>th</sup> Floor, World-Wide House 19 Des Voeux Road Central, Hong Kong Tel : +(852) 2525 1118 Fax : +(852) 2810 0908	<b>DMG &amp; Partners Securities Pte. Ltd.</b> 10 Collyer Quay #09-08 Ocean Financial Centre Singapore 049315 Tel : +(65) 6533 1818 Fax : +(65) 6532 6211
Jakarta	Shanghai	Phnom Penh
<b>PT OSK Nusadana Securities Indonesia</b> Plaza CIMB Niaga, 14 <sup>th</sup> Floor, Jl. Jend. Sudirman Kav. 25, Jakarta Selatan 12920 Indonesia Tel : (6221) 2598 6888 Fax : (6221) 2598 6777	<b>OSK (China) Investment Advisory Co. Ltd.</b> Room 6506, Plaza 66 No.1266, West Nan Jing Road 200040 Shanghai China Tel : +(8621) 6288 9611 Fax : +(8621) 6288 9633	<b>OSK Indochina Securities Limited</b> No. 1-3, Street 271, Sangkat Toeuk Thla, Khan Sen Sok, Phnom Penh, Cambodia Tel: (855) 23 969 161 Fax: (855) 23 969 171
Bangkok		
<b>OSK Securities (Thailand) PCL</b> 191, Silom Complex Building 16th Floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand Tel: +(66) 2200 2000 Fax : +(66) 2632 0191		