

Newz Bits

HIGHLIGHTS

On Malaysia

- TM:** Open to leasing capacity if it makes commercial sense
- PLUS:** Second north-south highway not viable
- AI-'Aqar KPJ:** To buy six properties
- MAHB:** More international passengers at KLIA
- Property:** TH, Naza in property tie-up
- Plantation:** CPO at RM2,800-RM3,200 per tonne in 2H, says Mistry

On The Global Front

- US:** Employers less willing to hire
- UK:** Trade deficit widens
- EU:** EU, ECB lock horns over the IMF-style rescue fund

REPORTS

- Gamuda (Quick Bits):** Dukhan highway dispute (Buy; RM2.79; TP: RM3.18)

	Last	D-o-D chg %	YTD chg %
FTSE BM KLCI	1,317.9	(0.5)	3.5
FTSE BM ACE	4,277.3	(0.8)	(0.5)
Dow Jones	10,564.4	0.1	1.3
S&P 500	1,140.5	0.2	2.3
Nasdaq	2,340.7	0.4	3.2
FTSE	5,602.3	(0.1)	3.5
Nikkei	10,567.7	(0.2)	0.2
Hang Seng	21,207.6	0.1	(3.0)

Currency	9 Mar	8 Mar	% chg
USD/RM	3.3400	3.3430	(0.09)
Yen100/RM	3.7117	3.6968	0.40
EURO/RM	4.5531	4.5734	(0.44)
SGD/RM	2.3847	2.3889	(0.18)

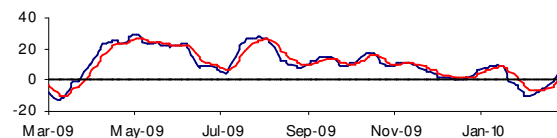
Market Turnover	9 Mar	8 Mar	% chg
Vol (m shrs)	797.9	1,160.7	(31.3)
Value (RMm)	1,345.2	2,188.6	(38.5)

Futures	9 Mar	8 Mar	% chg
KLCI (1 st month)	1,321.0	1,323.5	(0.19)
CPO (3 rd month)	2,650.0	2,709.0	(2.18)
WTI (1 st month)	81.87	81.50	0.45

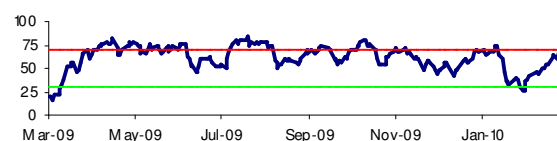
FBMKLCI



MACD



RSI



Malaysia

TM: Open to leasing capacity if it makes commercial sense

Telekom Malaysia Bhd (*TM, Hold, TP: RM3.54*), is open to leasing capacity from other players to deliver its high-speed broadband (HSBB), should such arrangements make commercial sense, its group CEO Datuk Zamzamzairani said. "We would have rolled out a HSBB network even without the partnership with the government, but the rollout would be purely on a commercial basis" he said. The difference was that the RM2.4bn co-investment with the government allowed TM the flexibility to roll out HSBB to certain high economic impact areas faster than it would have been on its own. Meanwhile, TM would expand its HSBB network beyond the 1.3m premises (by 2012) stipulated under its partnership with the government. (*Financial Daily*)

PLUS: Second north-south highway not viable

PLUS Expressways Bhd has cautioned promoters of the second north-south highway, saying the project is not viable currently. PLUS managing director, Noorizah Abd Hamid said the existing North-South Expressway (NSE) was still underutilised and it would be costly to build a second one. She said presently, the utilisation rate of the NSE is around 50% in the central region, and between 30% to 35% in the northern and southern region. There is also no guarantee that the second highway will have the traffic volume needed to make it financially viable, she said. (*BT*)

Al-'Aqar KPJ: To buy six properties

Al-'Aqar KPJ real estate investment trust (REIT), represented by its trustee AmanahRaya Trustees Bhd, has proposed to acquire six properties, including Kulim (M) Bhd's 16-storey Menara Ansar in Johor Bahru, for a total value of RM302.9m. The purchase consideration will be satisfied partly by RM181.8m cash and RM121.2m via the issuance of 123.6m new units in Al-'Aqar at an issue price of 98sen. "The latter will increase Al-'Aqar's capital base and hence improve its gearing levels for more optimal capital structure," said Al-'Aqar. Four of the properties are hospitals, of which two are in Indonesia. (*StarBiz & Financial Daily*)

MAHB: More international passengers at KLIA

KL International Airport's international passenger movement was up 26.4% to 1.82m for January compared to a year ago. Malaysia Airport Holdings Bhd said in a filing with Bursa Malaysia that domestic passenger movement was 6.6% higher at 781,474 during the period. (*StarBiz*)

Sumatec: Clinches RM49m contract

Sumatec Resources Bhd said its unit has clinched a RM49.2m contract from Asean Bintulu Fertilizer Sdn Bhd (ABF) for rejuvenation work on the latter's facility in Bintulu, Sarawak. Its 51% owned sub-subsidiary, Sumatec Engineering & Construction Sdn Bhd, was awarded the contract to undertake civil, mechanical, piping, electrical and instrument works to upgrade ABF's fertilizer manufacturing facilities under a two phased rejuvenation programme. Sumatec's current order book is valued at RM700m. (*Malaysian Reserve*)

Bolton: Targets GDV of RM1bn from new property launches

Bolton Bhd is targeting a gross development value (GDV) of RM1bn from four properties to be launched this year. Executive chairman Datuk Azman Yahya said the four new properties would be located in prime locations. "The much awaited "Sixceylon" development in Jalan Bukit Ceylon will be launched in June," he said. The Sixceylon will be built on where the current Bolton Court is located. "Although Bolton Court has contributed significant investment income over the years, we believe the time is now right to redevelop the old and tired looking building," he added. (*Malaysian Reserve*)

Property: TH, Naza in property tie-up

Naza Properties Sdn Bhd and TH Properties Sdn Bhd have formed a strategic alliance to develop a high-end residential project with a GDV of RM100m. TH Properties CEO, Zaharuddin Saidon said the project would feature 52 single and double-storey luxury bungalows in Bandar Enstek. "We plan to launch this project in June," he said, after signing an MoU between the two companies. Naza Group joint group executive chairman, Datuk S.M. Faisal S.M. Nasimuddin said, "The MoU is just a starting point and we are in the midst of identifying more projects to work together." (*StarBiz*)

Malaysia

Plantation: CPO at RM2,800-RM3,200 per tonne in 2H, says Mistry

Prominent industry analyst Dorab Mistry expects crude palm oil (CPO) futures to trade between RM2,600 and RM2,800 per tonne for the period from March to July 2010 and even more bullishly in the second half of the year. Mistry said CPO futures would trade from RM2,800 to RM3,200 per tonne, post July this year. "I expect palm oil production shortfalls to be felt most in the second half of 2010. The peak soy oil flow from South America should be in the period of May to August," he said. His estimates of Malaysian CPO production in 2010 are around 17.2m tonne in contrast to the Ministry of Plantation Industries & Commodities' forecast of 18.1m tonne (*Financial Daily*)

Plantation: New palm oil futures contract scheduled to be launched in May

The new US\$ denominated palm oil futures contract is scheduled to be launched in Kuala Lumpur on May 24 and simultaneously in Chicago on May 23. The US\$ denominated palm oil futures are expected to be traded on the CME Globex. Last year, CME Group acquired a 25% stake in Bursa Malaysia Bhd's derivative business. The partnership involved licensing of Bursa Malaysia Derivatives Bhd's crude palm oil futures settlement price and the provision of CME Globex services, the electronic trading platform. It also allowed existing and future Bursa Malaysia Derivatives products to be transferred for listing on CME Globex, with the transfer of all products expected to take place by 2H2010. (*Malaysian Reserve*)

Economy: Malaysia ready to sign JDC with EFTA

Malaysia is ready to sign the joint declaration on economic cooperation (JDC) with the European Free Trade Association (EFTA) as all outstanding matters have been resolved, the Minister of International Trade and Industry, Datuk Seri Mustapa Mohamed announced. The EFTA comprises Switzerland, Iceland, Norway and Liechtenstein. The JDC is a platform for the exchange of views and implementation of cooperation programmes to raise the level of trade between the countries concerned. (*Malaysian Reserve*)

US: Nasdaq at 18 month high

Stocks managed gains late Tuesday at the end of a choppy session as investors mulled the latest corporate deal and profit news on the anniversary of the bear market bottom. The Dow Jones industrial average added nearly 12 points or 0.1%. The Nasdaq gained 8 points, or 0.4%, ending at a fresh 18-month high. The S&P 500 added less than two points. U.S. light crude oil for April delivery lost 38 cents to settle at \$81.49 a barrel on the New York Mercantile Exchange. *(CNNmoney)*

US: Employers less willing to hire

US employers are less willing to hire workers in the coming quarter than they were three months ago, even as hiring intentions improved in most other countries and territories, especially in Asia, according to a quarterly survey by Manpower Inc. Its US survey renewed questions about the pace and sustainability of a forecasted US jobs recovery, and whether eventual jobs creation will make much of a dent in the ranks of the unemployed. The index, based on interviews with 18,000 US hiring managers, measures the difference between those who say they will plan to add to their workforce and those who plan to cut. Nearly 73% reported no change in their outlook. *(BT)*

UK: Trade deficit widens

Britain's goods trade deficit with the rest of the world unexpectedly widened in January to its biggest since August 2008, raising further concerns about the strength of the country's broader economic recovery. The Office for National Statistics (ONS) said that after the sharpest drop in exports in over 3 years, Britain's goods trade widened to £7.99bn from £7.01bn in December, well above the £7bn forecast by economists. The ONS said there was a broad-based fall in exports, with chemical exports losing their recent strength. Car imports fell by £215m, the biggest drop since November 2008. The weak trade figures contrast with business surveys, which in recent months have shown a rise in export orders. *(BT)*

UK: UK economic outlook is still bumpy, says Barker

Britain's economic recovery is likely to be unsteady, though for now it looks on track after unfavourable employment data and return to growth late last year, Bank of England policymaker Kate Barker said. Barker also touched on longer-term issues with the BOE's policy framework and said that more quantitative easing would probably not help the economy much. However concerns remained from the cost of credit, weak global growth, especially in the European Union and the limited gains to exports from sterling's sharp fall versus the dollar and euro, Barker said. *(Financial Daily)*

EU: EU, ECB lock horns over the IMF-style rescue fund

European policymakers came out in support of a rescue fund that would mark a new phase of economic cooperation within the 16-nation euro zone, setting them on a potential collision course with its central bank. German Finance Minister Wolfgang Schaeuble proposed the idea of a European Monetary Fund last Saturday. But European Central Bank Executive Board member Juergen Stark fiercely criticised the idea, which he said would break European rules, penalise countries with solid finances and encourage wayward spending. It is unlikely the fund would be in place in time to help Greece through its debt crisis, which has called the euro zone's unity and credibility into question, but it could help tackle any similar crisis that arose on other heavily indebted EU states. *(Financial Daily)*

Germany: Weber says recovery 'essentially intact'

Bundesbank President Axel Weber said Germany's recovery is "essentially intact" even as cold weather threatens to cause a contraction in gross domestic product this quarter. "I see a risk that we will see a very weak quarter or even a slight minus," Weber said. "But then the second and third quarters would be even stronger. The recovery process that began in summer 2009 is essentially intact." Weber said he sees no need to revise the Bundesbank's forecast for growth of 1.6% in 2010. *(Bloomberg)*

Australia: Economy to expand faster, RBA's Lowe says

Australia's economy is likely to expand at or above its average pace over the next few years, stoking inflation pressures and house prices, central bank official Philip Lowe said. Reserve Bank of Australia policy makers led by Governor Glenn Stevens last week raised borrowing costs for the fourth time in five meetings to ensure the nation's faster-than-forecast economic rebound doesn't push inflation above their target range of 2% to 3%. Unlike other advanced economies, Australia's consumer price gains aren't expected to stay below the target for an extended period, Lowe said. *(Bloomberg)*

Dates to note

Mar 2010

Monday	Tuesday	Wednesday	Thursday	Friday
1 MY - Unemployment Rate US - ISM Manufacturing US - Construction Spending CHINA - PMI Manufacturing	2 US - Motor Vehicle Sales	3 US - ADP Employment US - Total Vehicle Sales CHINA - Trade Balance	4 MY - BNM Monetary Policy US - Initial Jobless Claims US - Pending Home Sales Index	5 MY - External Trade MY - BNM Statement of Acc MY - Foreign Reserves US - Unemployment Rate
8 JAPAN - Trade Balance	9	10 US - Bank Reserve Settlement US - Treasury Budget	11 MY - Index of Industrial Prod MY - Manufacturing Sales US - Trade Balance US - Initial Jobless Claims CHINA - Price Index CHINA - Industrial Production JAPAN - GDP	12 US - Retail Sales US - Consumer Sentiment JAPAN - Ind Production
15 US - Industrial Production US - Housing Market Index	16 US - Housing Starts US - FOMC Meeting	17 MY - CPI US - Producer Price Index JAPAN - BOJ Target Rate	18 US - Consumer Price Index US - Initial Jobless Claims US - Philadelphia Fed Survey US - Leading Indicators	19 MY - BNM Statement of Acc MY - Foreign Reserves
22	23 US - Existing Home Sales	24 US - Durable Goods Orders US - New Home Sales	25 US - Initial Jobless Claims	26 US - GDP US - Consumer Sentiment JAPAN - Tokyo CPI
29	30 US - S&P Case/Shiller HPI US - Consumer Confidence JAPAN - Jobless Rate JAPAN - Industrial Production	31 MY - Unemployment Rate MY - BNM Int Reserves MY - BNM Statistical Bulletin MY - M3 Money Supply US - ADP Employment US - Chicago PMI US - Factory Orders		

April 2010

Monday	Tuesday	Wednesday	Thursday	Friday
			1 US - Initial Jobless Claims US - ISM Manufacturing CHINA - PMI Manufacturing	2 US - Total Vehicle Sales US - Unemployment Rate
5 US - Pending Home Sales	6	7 MY - Foreign Reserves MY - BNM Statement of Acc JAPAN - BOJ Target Rate	8 MY - Industrial Production US - Initial Jobless Claims JAPAN - Trade Balance	9
12	13 US - Trade Balance US - Import Price Index	14 MY - Consumer Price Index	15 US - Initial Jobless Claims US - Industrial Production US - Philadelphia Fed CHINA - Price Index JAPAN - Industrial Production	16 US - Housing Starts
19 MY - Leading Indicators	20	21 MY - CPI US - ABC Consumer Confidence	22 MY - Foreign Reserves MY - BNM Statement of Accs US - Producer Price Index US - Initial Jobless Claims US - Existing Home Sales	23 US - Durable Goods Orders US - New Home Sales
26	27 US - S&P/CaseShiller HPI US - Consumer Confidence	28	29 US - FOMC Rate Decision US - Initial Jobless Claims	30 MY - M3 Money Supply MY - BNM Int Reserves MY - Monthly Stat Bulletin US - GDP Price Index US - Chicago PMI JAPAN - Tokyo CPI JAPAN - BOJ Target Rate

Source: Bloomberg, BNM, DOS & ECM Libra Capital

What's happening

VISIT/BRIEFING

Company	Time	Date
Bursa Malaysia Palm Oil Conference	9.00am	8-10 Mar
TMC Life Sciences (Briefing)	10.00am	10 Mar
Gamuda Berhad (Investors' Briefing)	5.30pm	10 Mar
Tanjong Offshore (visit)	10.30am	11 Mar

NEW LISTING

Companies	Prospectus Date	Listing Date
Hock Heng Stone Ind Bhd	9 Mar	26 Mar

Reports published

Company	Title	Target Price	Call	Date
Banking	Sector Weekly Review	-	Overweight	8 Feb
Oil & Gas	Sector Weekly Review	-	Overweight	8 Feb
Property	Sector Weekly Review	-	Overweight	8 Feb
Plantation	Sector Weekly Review	-	Neutral	8 Feb
Telecommunication	Sector Weekly Review	-	Neutral	8 Feb
Construction	Sector Weekly Review	-	Neutral	8 Feb
Genting (RM6.78)	It's show time	RM7.50	Buy	8 Feb
JCY International	Valuations not compelling	-	Non-rated	8 Feb
AMMB Holdings (RM4.61)	3QFY10 Results	RM5.24	Buy	9 Feb
Malayan Banking (RM6.72)	2QFY10 Results	RM8.30	Buy	10 Feb
Plantation	January MPOB statistics	-	Neutral	11 Feb
IOI Corporation (RM5.20)	2QFY10 Results	RM5.21	Hold	11 Feb
IJM Corporation (RM4.40)	Besraya highway extension	RM4.60	Hold	11 Feb
Air Asia (RM1.38)	Calling Vietnam its 4th home	RM1.67	Buy	11 Feb
Sunway Holdings (RM1.40)	Secures housing job	RM1.94	Buy	17 Feb
Berjaya Sports Toto (RM4.25)	Still worth a bet	RM4.91	Buy	18 Feb
Petronas Gas (RM9.78)	3QFY10 Results	RM10.90	Buy	19 Feb
Sime Darby Bhd (RM8.52)	RM100m provision for O&G segment	RM8.10	Hold	22 Feb
Genting (RM6.36)	Slow start to Chinese New Year	RM6.38	Hold	22 Feb
Malayan Banking (RM6.89)	Bill rights issue	RM8.30	Buy	22 Feb
Banking	Sector Weekly Review	-	Overweight	22 Feb
Oil & Gas	Sector Weekly Review	-	Overweight	22 Feb
Property	Sector Weekly Review	-	Overweight	22 Feb
Plantation	Sector Weekly Review	-	Neutral	22 Feb
Telecommunication	Sector Weekly Review	-	Neutral	22 Feb
Construction	Sector Weekly Review	-	Neutral	22 Feb
Telekom Malaysia (RM3.35)	4QFY09 Results	RM3.54	Hold	23 Feb
Malaysian Airline System (RM1.90)	4QFY09 Results	RM2.03	Hold	23 Feb
CIMB Group Holdings (RM12.66)	4QFY09 Results	RM15.25	Buy	24 Feb
Wah Seong Corporation (RM2.41)	4QFY09 Results	RM3.40	Buy	24 Feb
UMW Holdings (RM6.18)	4QFY09 Results	RM5.59	Sell	24 Feb
YNH Property (RM1.69)	4QFY09 Results	RM1.43	Sell	24 Feb
Banking	Feb 10 : Starting where it left off	-	Overweight	25 Feb
Axiata (RM3.50)	4QFY09 Results	RM4.15	Buy	25 Feb
Media Prima (RM1.91)	4QFY09 Results	RM2.17	Buy	25 Feb
Sunway Holdings (RM1.40)	6QFY09 Results	RM2.00	Buy	25 Feb
Hong Leong Bank (RM8.37)	2QFY10 Results	RM8.71	Hold	25 Feb
Kuala Lumpur Kepong (RM16.68)	1QFY10 Results	RM16.20	Hold	25 Feb
Genting Plantations (RM6.18)	4QFY09 Results	RM6.60	Hold	25 Feb
Litrak (RM3.05)	3QFY10 Results	RM3.02	Hold	25 Feb
Oil & Gas	Sector Monthly Review	-	Overweight	1 Mar
Property	Sector Monthly Review	-	Overweight	1 Mar
Plantation	Sector Monthly Review	-	Neutral	1 Mar
Telecommunication	Sector Monthly Review	-	Neutral	1 Mar
Construction	Sector Monthly Review	-	Neutral	1 Mar
Macro Views - Feb 2010	Focus on commodities amid volatility	-	-	1 Mar
Boustead Holdings (RM3.40)	4QFY09 Results	RM3.30	Hold	1 Mar
Maxis (RM5.52)	4QFY09 Results	RM5.90	Hold	1 Mar
KNM Group (RM0.81)	4QFY09 Results	RM0.90	Hold	1 Mar
Dayang Ent (RM1.80:)	4QFY09 Results	RM2.20	Buy	1 Mar
IJM Plantation (2.45)	3QFY10 Results	RM2.40	Hold	1 Mar
Petra Perdana (RM1.35)	4QFY09 Results	RM1.18	Sell	1 Mar
Sime Darby (RM8.45)	2QFY10 Results	RM8.30	Hold	1 Mar
TSH Res (RM2.02)	4QFY09 Results	RM2.00	Hold	1 Mar
YTL Power (RM2.16)	2QFY10 Results	RM2.50	Buy	1 Mar
Genting Malaysia (RM2.72)	4QFY09 Results	RM2.88	Hold	1 Mar
Genting (RM6.31)	4QFY09 Results	RM6.37	Hold	1 Mar
Lafarge (RM6.30)	4QFY09 Results	RM6.27	Hold	1 Mar
Pelikan Int (RM1.24)	4QFY09 Results	RM1.94	Buy	1 Mar
Puncak Niaga (RM2.68)	4QFY09 Results	RM2.52	Hold	1 Mar
AirAsia (RM1.44)	4QFY09 Results	Buy	RM1.67	1 Mar
IJM Corp (RM4.43)	3QFY10 Results	Hold	RM4.30	1 Mar
Muhibbah Eng (RM0.935)	4QFY09 Results	Cease coverage	-	1 Mar
Sunway City (RM3.30)	6QFY09 Results	Buy	RM4.33	1 Mar
YTL Corp (RM7.22)	2QFY10 Results	Buy	RM8.00	1 Mar
YTL Cement (RM4.06)	2QFY10 Results	Hold	RM3.98	1 Mar
DiGi.Com (RM22.52)	DiGi to sell iPhone soon	Hold	RM23.20	2 Mar
Boustead Holdings (RM3.40)	RM75m net gain from BHI sale	Hold	RM3.30	3 Mar
Star Publications (RM3.44)	Proposes JV to develop Section 13 land	Hold	RM3.36	4 Mar
Banking	Sector Monthly Review	-	Overweight	8 Mar
Oil & Gas	Sector Monthly Review	-	Overweight	8 Mar
Property	Sector Monthly Review	-	Overweight	8 Mar
Plantation	Sector Monthly Review	-	Neutral	8 Mar
Telecommunication	Sector Monthly Review	-	Neutral	8 Mar

Key to stock recommendations:

Buy = Share price is expected to appreciate by >10% over the next 12 months

Hold = Share price is expected to move by less than +/-10% over the next 12 months

Sell = Share price is expected to decline by >10% over the next 12 months

Key to sector recommendations:

Overweight = Industry expected to outperform the market over the next 12 months

Neutral = Industry expected to perform in-line with the market over the next 12 months

Underweight = Industry expected to underperform the market over the next 12 months

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