

Newz Bits

HIGHLIGHTS

On Malaysia

- TM:** Khazanah sells 5% stake for RM581m
- TNB:** Spending RM210m to enhance distribution system
- Petra Perdana:** In consolidation period, to keep capex at minimum
- MISC:** AET buys 4 VLCCs for US\$430m
- Axis REIT:** Identifies RM190m of new asset acquisitions
- Water:** Enough water till 2019, says Selangor MB
- Automotive:** MAA reports 28% growth in passenger vehicle sales
- Media:** Advertising expenditure up 22% to RM3.5bn in H1

On The Global Front

- US:** Housing starts slide more than forecast as credit ends
- US:** Payrolls fall in 27 states
- UK:** Budget deficit falls less than forecast
- UK:** Public borrowing hits June record
- China:** Sees export threat from Brazil, India monetary tightening

REPORTS

- DiGi.Com (Results):** 2QFY10 : In line (Maintain HOLD, TP:RM23.20)
- Public Bank (Results):** 2QFY10 : Another decent quarter (Maintain BUY, TP: RM13.30)

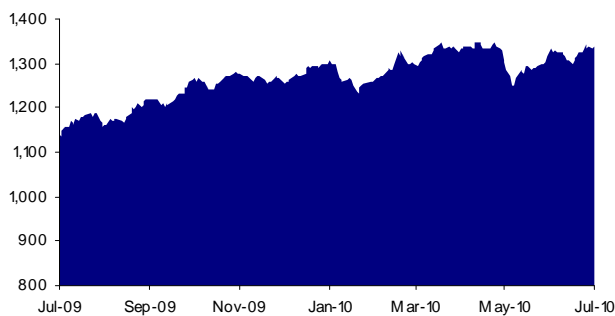
	Last	D-o-D chg %	YTD chg %
FTSE BM KLCI	1,337.7	0.3	5.1
FTSE BM ACE	3,776.6	0.9	(12.2)
Dow Jones	10,230.0	0.7	(1.9)
S&P 500	1,083.5	1.1	(2.8)
Nasdaq	2,222.5	1.1	(2.1)
FTSE	5,139.5	(0.2)	(5.1)
Nikkei	9,300.5	(1.1)	(11.8)
Hang Seng	20,264.6	0.9	(7.4)

Currency	20 July	19 July	% chg
USD/RM	3.2185	3.2265	(0.25)
Yen100/RM	3.6965	3.7230	(0.71)
EURO/RM	4.1720	4.1632	0.21
SGD/RM	2.3438	2.3370	0.29

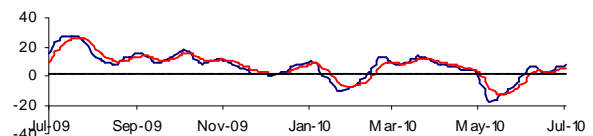
Market Turnover	20 July	19 July	% chg
Vol (m shrs)	1,126.0	848.6	32.7
Value (RMm)	1,254.4	1,280.9	(2.1)

Futures	20 July	19 July	% chg
KLCI (1 st month)	1,337.0	1,340.0	(0.22)
CPO (3 rd month)	2,424.0	2,454.0	(1.22)
WTI (1 st month)	77.58	76.54	1.36

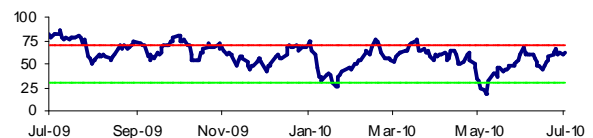
FBMKLCI



MACD



RSI



Malaysia

TM: Khazanah sells 5% stake for RM581m

Khazanah Nasional Bhd sold 178.87m shares, or a 5% stake, in Telekom Malaysia Bhd (*T MK, Hold, TP: RM3.54*) at RM3.25 each, raising some RM581m. The share placement exercise, launched on a fixed price of RM3.25 per share to local and foreign investors, was oversubscribed by three times. It is believed that 70% of the shares were placed out to domestic investors. (*StarBiz*)

TNB: Spending RM210m to enhance distribution system

Tenaga Nasional Bhd (*TNB MK, Buy, TP: RM9.90*) will continue to focus on providing the best infrastructure so that its service quality will be enhanced for its consumers, which total close to 8m, said its chairman Tan Sri Leo Moggie. The national utility has embarked on numerous steps to strengthen the nationwide electrical distribution system. This includes the High Voltage Enhancing System project worth RM17.8m for 2009/10 for Malacca, which involves 33 projects in all. Moggie added that TNB will spend another RM210.34m for transmission projects in the whole state, including a main intake station at Ujong Pasir. (*BT*)

Puncak Niaga: Sino Water in Chinese tripartite pact

Puncak Niaga Holdings Bhd's (*PNH MK, Hold, TP: RM2.61*) 80%-owned subsidiary, Sino Water Pte Ltd, has entered into a tripartite agreement with Lushan County Government, Henan Province, and Environmental Holdings Pte Ltd (EHPL) for the novation of the Lushan County water supply project from EHPL to Sino Water. The execution of the tripartite agreement is not expected to have effect on the earnings, net assets and gearing of the company for the financial year ending 31 Dec 2010. (*StarBiz*)

Petra Perdana: In consolidation period, to keep capex at minimum

Petra Perdana Bhd (*PETR MK, Hold, TP: RM1.20*) will keep capital expenditure at a minimum in the near term, possibly for at least a year, as the O&G support services provider is almost finalising its marine vessel renewal plan. The company will instead focus on repairing its existing vessels, Petra Perdana MD Shamsul Saad said. He declined to specify the amount of capex the company has earmarked this year, only indicating that the capital outlay was a subjective concern for now. Shamsul added that the company will see the final delivery of two new vessels to Petra Perdana in the third quarter of this year, and upon completion of the fleet renewal scheme, the company is expected to have 17 new marine entities. (*Financial Daily*)

MISC: AET buys 4 VLCCs for US\$430m

MISC Bhd, via its tanker arm AET Inc Ltd, is acquiring four new 320,000 deadweight tonne (dwt) very large crude carriers (VLCCs) for US\$430m (RM1.4bn) from Korea's Daewoo Shipbuilding & Marine Engineering Co Ltd (DSME). MISC said the tankers would be paid fully through AET's internal funds and would be delivered between Dec 2012 and Oct 2013. The purchase is part of AET's growth plans to expand its fleet of VLCCs, adding to its existing fleet of 11 VLCCs, and total fleet of 74 vessels. AET reportedly has an additional 18 ships being constructed in shipyards in South Korea, Japan and China. (*Financial Daily*)

Axis REIT: Identifies RM190m of new acquisitions

Axis Real Estate Investment Trust has spotted three potential assets that are worth about RM190m for acquisitions to expand its portfolio in addition to the four purchases that have been revealed this year. Axis REIT Managers Bhd CEO Stewart LaBrooy said the assets that Axis was keen on comprised two units of new logistics warehouses and a retail warehousing in Johor as well as an office building in Cyberjaya. The new logistics warehouses each have long-term lease arrangement and step-ups. The prospective acquisitions would utilise the capital raised from the proposed placement of new units. Axis REIT has proposed a placement of 68.81m units to raise RM132m to pare down borrowings as part of its capital management process and also to fund the trust for asset acquisitions. (*Financial Daily*)

Mah Sing: To launch Icon 2

Mah Sing Group will introduce Icon 2 of its Icon Residence Mont' Kiara project in Malaysia, which was initially planned for launch overseas. The entire project comprises three low density towers, with Icon 1, Icon 2, and Icon 3 which houses between two and six units per floor. "Over the weekend, over 70% of Icon 1 was booked and we decided to introduce Icon 2 which was initially planned for launch overseas," said the group's chief operating officer Teh Heng Chong. (*Malaysian Reserve*)

Malaysia

KYM: To develop apartments in Genting

KYM Holdings Bhd has agreed to acquire three parcels of leasehold land in Genting Highlands, Pahang for RM3m from Datuk Seri Tiagarajah Nadarajah. KYM announced that the land measuring a total 5,798 sq m is meant for the development of 250 units of service apartments with a gross development value of RM130m. The development cost for the proposed project is estimated at RM104m thus allowing KYM to make a profit of RM26m. The purchase cost of the parcels of land will be internally funded while project development will likely require bank borrowing, the company said. (*Malaysian Reserve*)

Water: Enough water till 2019, says Selangor MB

The RM9bn Pahang-Selangor raw water transfer project has hit another snag with the Selangor government disputing the Federal Government's claim that there would be a state-wide water shortage by 2014 if the project is not operational by then. Selangor Menteri Besar Tan Sri Khalid Ibrahim refuted the Federal Government's warning and claimed that there was enough water for all consumers in the state and Kuala Lumpur till 2019. "The Selangor government has consulted several experts and based on our calculations of population growth rate, past and present water consumption rates, current production capacity and water levels in the dams, there will be more than sufficient water supply to meet the demands of Selangor and Kuala Lumpur consumers well up to 2019," Khalid told. (*StarBiz*)

Automotive: MAA reports 28% growth in passenger vehicle sales

The Malaysian Automotive Association (MAA) is confident that the domestic new car sales will hit an all-time high this year, helped by strong first half performance and economic recovery. The MAA has revised upwards its full-year sales forecast by about 20,000 units to 570,000, up from 550,000 units for a 3% growth originally. Passenger vehicles continued to dominate in the first half, with 293,783 vehicles sold. This accounted for 90.3% of the total industry volume. For the first half, passenger vehicles sales grew 28%, while commercial vehicle sales increased 15% to 23,899 units. Within the passenger vehicles category, passenger cars formed the biggest segment in the first half with a 76% share, followed by multi-purpose vehicles (MPVs) with 21%. (*BT*)

Automotive: No need to consolidate

The Malaysian Automotive Association (MAA) president has poured cold water on the need to consolidate the local automotive industry as most car companies, with the exception of Proton Holdings Bhd, are operating well above capacity. "Proton Shah Alam (is operating at) 54% and Proton Tanjung Malim (at) 42%," Datuk Aishah Ahmad told. Aishah revealed that UMW Toyota unit Assembly Services was operating at 215% production capacity, Honda Malaysia at 202%, Tan Chong Motor at 143% and fellow national carmaker Perodua at 164%. "Most plants are operating at more than 100% capacity. If you are already full there's no need to consolidate," said Aishah. (*StarBiz*)

Media: Advertising expenditure up 22% to RM3.5bn in H1

Advertisers in the country spent RM3.5bn on media (excluding pay TV) in the first half of this year, up 22% from the corresponding period last year. "Newspapers and terrestrial TV continued to command the bulk of total advertising across the media measured – at 52% and 37% respectively," Nielsen Malaysia associate director Sara Liew said. She said that the RM1.8bn in newspaper ad revenue was contributed by increased spending in the credit card, banking / finance, furniture retail, hypermarket and residential estate categories. "The growth in the residential estate category is a key indicator that the advertising market has improved between the first six months of last year and the same period this year," she added. (*StarBiz*)

US: Wall Street stages a comeback

Stocks closed higher Tuesday, recovering from steep losses earlier in the session, as investors looked forward to earnings from Apple and speculated about possible moves by the Federal Reserve. The Dow Jones industrial average gained 0.7% (+75.5 pts, close 10,230.0). The Nasdaq gained 1.1% (+24.3 pts, close 2,222.5) and the S&P 500 gained 1.1% (+12.2 pts, close 1,083.5). U.S. light crude oil for Aug delivery edged up 78 cents to settle at US\$75.53 a barrel. The September contract, which becomes active Wednesday, rose 85 cents to US\$77.75 a barrel. (*CNNmoney*)

US: Housing starts slide more than forecast as credit ends

Housing starts fell in Jun to the lowest level in eight months after the expiration of a U.S. government tax incentive caused sales to slump. Work began on 549,000 houses at an annual rate last month, fewer than the median estimate of economists surveyed by Bloomberg News and down 5% from May, Commerce Department figures showed in Washington. The retreat following the end of government support shows it will be difficult for the industry that precipitated the recession to sustain a recovery. Mounting foreclosures will swell the supply of houses on the market and pressure prices, while prospective buyers shy away as a lack of jobs shakes confidence in the world's largest economy. (*Bloomberg*)

US: Payrolls fall in 27 states

Payrolls decreased in 27 U.S. states in Jun, led by California and New York, signalling the slowdown in hiring is broad-based. Employers in California cut staff by 27,600 workers last month and those in New York reduced employment by 22,500, the Labor Department said in Washington. Tennessee, Arizona and New Mexico rounded out the five states with the biggest job losses. The U.S. lost 125,000 jobs last month as the government cut temporary workers conducting the 2010 census and private payrolls rose a less-than-forecast 83,000, according to Labor Department figures issued 2 Jul. The data signal companies are becoming reticent to hire as the economy cools. (*Bloomberg*)

UK: Budget deficit falls less than forecast

Britain's budget deficit narrowed in Jun as the economic recovery lifted tax receipts and spending curbs began to bite. The 14.5bn-pound (US\$22bn) shortfall compared with 14.7bn pounds a year earlier, the Office for National Statistics said in London. The result was above the 13bn-pound median forecast of 17 economists in a Bloomberg News survey. Finance Minister George Osborne's pledge to step up the pace of deficit reduction has eased concerns Britain might lose its top credit rating, driving down government-bond yields. The shortfall hit a post-war high of 11% of economic output in the last fiscal year. Current income rose 4% in Jun from a year earlier, with cash receipts of value-added tax gaining 19% and corporation tax climbing 11%. Government spending rose 4.6%. (*Bloomberg*)

UK: Public borrowing hits June record

Britain's public sector net cash requirement rose unexpectedly last month compared to the same time a year ago, hitting its highest level for a June since records began in April 1984, official data showed. The Office for National Statistics said the public sector posted a net cash requirement of £20.9bn in June, up from £20.2bn last year and well above economists' forecasts for a fall to £15bn. The figures are likely to disappoint analysts who hoped that the improvement in Britain's fiscal position would continue in June. However, for the year to date both PSNB and PSNCR are lower than they were at the same point in the last fiscal year when Britain was still deep in recession. (*Financial Daily*)

China: Sees export threat from Brazil, India monetary tightening

Monetary tightening in India and Brazil may add to Europe's sovereign-debt crisis in curbing demand for China's exports, a Chinese official said. The outlook for trade is "complicated and difficult," Yao Jian, a spokesman for the Ministry of Commerce, said at a press briefing in Beijing. Caps on global demand could exacerbate a slowdown in economic growth in China, the world's No. 1 exporter, increasing the likelihood of Premier Wen Jiabao easing policies and limiting gains by the yuan. A government research body forecasts second-half export gains will slow to less than half the pace of the first six months. Demand may be restrained by Europe's woes, the gradual end of post-crisis restocking by businesses, and tightening in emerging economies such as India and Brazil, Yao said. (*Bloomberg*)

Dates to note

July 2010

Monday	Tuesday	Wednesday	Thursday	Friday
			1 US - Jobless Claims US - ISM Manufacturing US - Pending Home Sales Index	2 MY - Exports & Imports MY - Trade Balance US - Employment Situation US - Factory Orders
5	6 ISM Non-Mfg Index	7 MY - Foreign Reserves MY - BNM Statement of Acc	8 MY - Ind Production MY - Mfg Sales Value MY - Monetary Policy US - Jobless Claims	9
12	13 US - Int Trade US - Treasury Budget JAPAN - Ind Production	14 MY - Import Price Index US - Retail Sales US - Bank Reserve Settlm US - Import and Export	15 US - PPI US - Jobless Claims US - Ind Production US - Philadelphia Fed Survey US - Money Supply CHINA - Producer Price Index CHINA - CPI CHINA - Ind Production	16 US - CPI US - Consumer Sentiment US - Treasury Int Capital
19 US - Housing Market Index	20 US - Housing Starts JAPAN - Leading Index CI	21 MY - CPI	22 MY - Foreign Reserves MY - BNM Statement of Acc US - Leading Indicators US - Jobless Claims US - Existing Home Sales	23
26 US - New Home Sales	27 US - S&P Case-Shiller HPI US - Consumer Confidence	28 US - Bank Reserve Settlm US - Durable Goods Orders	29 US - Jobless Claims	30 MY - M3 Money Supply MY - Int Reserves MY - PPI US - GDP US - Consumer Sentiment JAPAN - Tokyo CPI JAPAN - Jobless Rate JAPAN - Ind production JAPAN - Housing Starts

August 2010

Monday	Tuesday	Wednesday	Thursday	Friday
2 US - ISM Mfg Index	3 MY - Imports & Exports MY - Trade Balance MY - External Trade* US - Factory Orders US - Pending Home Sales Index US - Motor Vehicle Sales JAPAN - Monetary Base	4 US - ADP Employment Report US - ISM Non-Mfg Index	5 US - Jobless Claims	6 MY - Foreign Reserves MY - Unemployment Rate MY - Statement of Acc US - Employment Situation US - Consumer Credit
9 JAPAN - Trade Balance	10 MY - Manufac Sales Value MY - Ind Production US - FOMC Meeting Ann US - Productivity and Costs US - Wholesale Trade JAPAN - BOJ Target Rate	11 US - Bank Reserve Settlm US - International Trade US - Treasury Budget CHINA - Ind Production CHINA - CPI CHINA - PPI	12 US - Jobless Claims US - Import and Export JAPAN - Ind Production	13 US - CPI US - Retail Sales US - Consumer Sentiment
16 US - Housing Market Index JAPAN - GDP Annualized	17 US - Housing Starts US - PPI US - Industrial Production	18 MY - CPI MY - GDP	19 US - Jobless Claims US - Leading Indicators US - Philadelphia Fed Survey	20 MY - Foreign Reserves MY - BNM Statement of Acc MY - GDP
23	24 US - Existing Home Sales	25 US - Bank Reserve Settlm US - Durable Goods Orders US - New Home Sales	26 US - Jobless Claims	27 MY - M3 Money Supply MY - Monthly Statistic US - GDP US - Consumer Sentiment JAPAN - Tokyo CPI JAPAN - Jobless Rate

Source: Bloomberg, BNM, DOS & ECM Libra Capital

What's happening

RESULTS

Company	Quarter	Date
BAT	2QFY10	22 July
MAS	2QFY10	16 August
Maybank	4QFY10	20 August
Maxis	2QFY10	30 August

NEW LISTING

Companies	Prospectus Date	Listing Date
Tatt Giap Group	28 June	22 July
Focus Point Holdings	30 June	27 July
Ivory Properties Group Bhd	12 July	28 July
SCC Holdings	30 June	3 August
Berjaya Retail Bhd	30 June	16 August

Reports published

Company	Title	Target Price	Call	Date
Banking	April banking statistics	-	Overweight	1 June
Market Strategy	Short term pain for long term gain	-	-	1 June
Maxis	1QFY10 Results	RM5.90	Buy	1 June
Wah Seong Corporation	1QFY10 Results	RM3.40	Buy	1 June
AirAsia	1QFY10 Results	RM1.67	Buy	1 June
Boustead Holdings	1QFY10 Results	RM3.56	Hold	1 June
Lingkar Trans Kota Holdings	4QFY10 Results	RM3.02	Hold	1 June
Sunway Holdings	Construction order book boost	RM2.00	Buy	1 June
Strategy	1QCY10 results round up	-	-	2 June
Berjaya Sports Toto	A tale of 2 World Cups	RM4.91	Buy	3 June
Shin Yang	On solid footing	-	Non-rated	7 June
Oil & Gas	Sector Weekly Review	-	Overweight	7 June
Plantation	Sector Weekly Review	-	Neutral	7 June
Property	Sector Weekly Review	-	Overweight	7 June
Tenaga	Second look at subsidy rationalisation programme	RM9.90	Buy	9 June
Boustead Holdings	Pockets of potential	RM4.14	Buy	10 June
Strategy	Jigsaw not yet completed	-	-	11 June
Plantation	May MPOB statistics – Ho Hum...	-	Neutral	11 June
Telecommunication	Active sharing to benefit Axiata and DiGi	-	Neutral	11 June
Boustead Holdings	What's cooking?	RM4.14	Buy	11 June
Boustead Holdings	Seventh Heaven	RM4.48	Buy	14 June
Oil & Gas	Sector Weekly Review	-	Overweight	14 June
Plantation	Sector Weekly Review	-	Neutral	14 June
Telco	Sector Weekly Review	-	Neutral	14 June
Boustead Holdings	Secures RM130.7m job from Government	RM4.48	Buy	15 June
IJM Corporation	Second job for the year in the bag	RM4.77	Hold	16 June
SP Setia	2QFY10 Results	RM4.46	Buy	18 June
Sunway Holdings	Sri Lankan venture	RM2.00	Buy	18 June
Notion VTEC	Bursting with growth	RM3.63	Buy	21 June
REIT	Quantum leap from new listings	-	-	21 June
Berjaya Sports Toto	Delightful dividends	RM4.91	Buy	21 June
Oil & Gas	Sector Weekly Review	-	Overweight	21 June
Property	Sector Weekly Review	-	Overweight	21 June
Plantation	Sector Weekly Review	-	Neutral	21 June
Telecommunication	Sector Weekly Review	-	Neutral	21 June
Plus Expressways	Second Link toll reduction	RM3.98	Buy	23 June
YTL Power	Charging up for growth	RM2.36	Buy	24 June
SapuraCrest Petroleum	1QFY11 Results	RM2.64	Buy	25 June
Gamuda	3QFY10 Results	RM3.50	Hold	25 June
Oil & Gas	Sector Weekly Review	-	Overweight	28 June
Property	Sector Weekly Review	-	Overweight	28 June
Plantation	Sector Weekly Review	-	Neutral	28 June
Telecommunication	Sector Weekly Review	-	Neutral	28 June
Sunway Holdings	Another local contract	RM2.00	Buy	29 June
Glomac	4QFY10 Results	RM1.87	Buy	30 June
Banking	May banking statistics	-	Overweight	1 July
Tanjong	Safe harbour in this bay	RM18.66	Buy	1 July
Gaming	Another step backwards	-	Underweight	2 July
Genting	Not just from left hand to right hand	RM5.90	Sell	2 July
Genting Malaysia	Once bitten, twice shy? No	RM2.48	Sell	2 July
Oil & Gas	Sector Monthly Review	-	Overweight	5 July
Property	Sector Monthly Review	-	Overweight	5 July
Plantation	Sector Monthly Review	-	Neutral	5 July
Telecommunication	Sector Monthly Review	-	Neutral	5 July
Gaming	4D first prize payout to be reduced by RM200?	-	Underweight	6 July
Plus	Fourth lane widening works	RM3.98	Buy	7 July
Genting Malaysia	Aqueduct bid – not bolting out the gates yet	RM2.48	Hold	8 July
KNM Group	Secures RM289m of jobs	RM0.55	Hold	9 July
Oil & Gas	Sector Weekly Review	-	Overweight	12 July
Property	Sector Weekly Review	-	Overweight	12 July
Telecommunication	Sector Weekly Review	-	Neutral	12 July
Plantation	June MPOB statistics	-	Neutral	13 July
Strategy	Heading no where	-	-	14 July
Tenaga	3QFY10 Results	RM9.90	Buy	15 July
Oil & Gas	Sector Weekly Review	-	Overweight	19 July
Property	Sector Weekly Review	-	Overweight	19 July
Telecommunication	Sector Weekly Review	-	Neutral	19 July
Plantation	Sector Weekly Review	-	Neutral	19 July
Construction	Sector Weekly Review	-	Neutral	19 July
Gamuda	Expanding Malaysian landbank	RM3.50	Hold	19 July
Dayang Enterprises	More jobs from Petronas Carigali	RM2.50	Buy	19 July
Media	Subsidy rationalisation – Easy does it	-	Overweight	20 July
Axiata	Divests Multinet to focus on core business	RM4.52	Buy	20 July

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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