

## Review

- After two months of sharp declines globally, the month of October saw the KLCI and other global equity markets stage a strong rally on the back of renewed confidence in Europe and US that a resolution was imminent for the debt crisis in Europe, from the EU summit held on 23<sup>rd</sup> October 2011. The EU summit ended with the agreement to increase the EFSF to US\$1.4 trillion, and a 50% haircut for Greek bondholders, although questions remain on how the EFSF will be levered up, and where the fresh funds will come from.
- Domestically, the 2012 Budget announced on 7<sup>th</sup> October 2011, will benefit the low income earners, civil servants, consumer sector and education sectors predominantly. The property sector may be slightly negatively affected with the increased of RPGT from 5% to 10%.
- The KLCI ended the month gaining 104.8 points or +7.55% to close at 1,491.9 points. The broader market outperformed the KLCI, with the FBM Emas Index gaining 8.21% in October. The FBM Small Cap Index outperformed the KLCI rising 11.06% for the month. Average value traded on Bursa in October eased 18% mom to RM1.4bn per day as investors remained skeptical as to whether a comprehensive solution was indeed forthcoming.
- The sector indices on the local bourse closed higher for October, with the best performing sectors being Construction (+15.66%) and Technology (+13.33%). The worst performing sectors were Consumer (+4.32%) and Finance (+6.60%).

## Outlook

- Although when push came to shove, the EU leaders have resolved to increase the size of the EFSF, under enormous political and financial pressure to act, to calm market jitters and stem the risk of a bank run. However, the main concern that dwelled on investors' minds post the

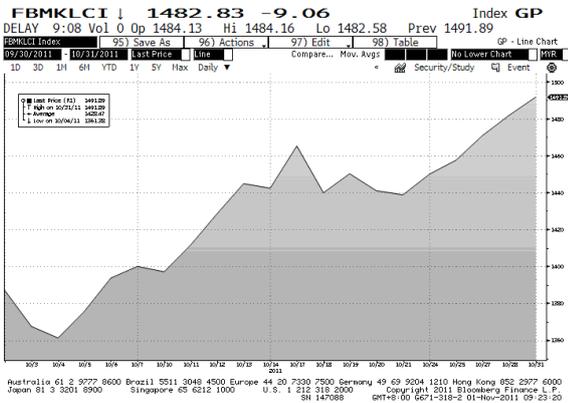
EU summit was the lack of details on the supposed comprehensive solution. The upcoming G20 summit on 3-4 November in Cannes will hopefully bring with it greater international support and participation in the Euro area crisis, which will hopefully contain the risks of a sovereign debt crisis and a banking crisis in the EU area. We believe that volatility will continue to remain in the forefront as investors find opportunity to trade in the market but remain edgy.

- The outlook for Malaysia in November will depend on how well the corporate results fare for the financial quarter ending 30 September. We are expecting some weakness in corporate earnings and this may prevail going to 2012, given the global headwinds and the openness of the Malaysian economy. The next domestic milestone that may create some excitement for the Malaysian market will likely be the General Election, which may be called as early as 1Q 2012.
- We remain cautious on Malaysian equities for the rest of 2011, as the global uncertainty will have an impact on the Malaysian economy, which will likely test our consumer spending resilience. Current global volatilities are likely to take awhile to resolve and hence investors will remain on edge, however these events create opportunities for out performance over the longer term.

## News Highlights

- RHB Capital and OSK Investment Bank have received approval from BNM to commence negotiations.
- Sime Darby is not obliged to make a mandatory general offer for E&O following a review by the Securities Commission.
- Felda Group has been given the green light by the Government to list its commercial unit, Felda Global Ventures on Bursa Malaysia by the middle of next year.
- The SC approved the proposed offer for sale and listing of Gas Malaysia on Bursa Malaysia, and Pavillion REIT plans to also sell units and list on Bursa before the end of the year.

## Index Performance & Movers



Indices	Last Price		MoM Changes	
	30-Sep-11	31-Oct-11	+/-	%
FBMKLCI	1387.1	1491.9	104.8	7.55%
FBMMES	3598.0	4031.4	433.5	12.05%
FBM100	9253.7	9988.2	734.5	7.94%
FBM70	10015.0	10955.2	940.2	9.39%
FBMSCAP	10396.7	11546.3	1149.6	11.06%
FBMEMAS	9397.6	10169.3	771.8	8.21%
FBMFLG	7848.6	8454.1	605.5	7.71%
FBMSHA	9126.7	9924.9	798.2	8.75%
FBMHJRAH	9765.7	10531.6	766.0	7.84%
MSCI APxJ	377.8	427.7	49.9	13.21%

FBM KLCI Index		MTD	FBM KLCI Index		MTD
LEADING MOVERS		31-Oct-11	LAGGING MOVERS		31-Oct-11
Name	% chg		Name	% chg	
1 GENTING BHD	18.24%		1 UMW HOLDINGS BHD	-3.21%	
2 CIMB GROUP HOLDINGS BHD	8.61%		2 KUALA LUMPUR KEPONG BHD	-0.19%	
3 TENAGA NASIONAL BHD	15.67%		3 MAXIS BHD	0.56%	
4 IOI CORPORATION BHD	12.90%		4 PETRONAS GAS BHD	0.92%	
5 PETRONAS CHEMICALS GROUP BHD	16.01%		5 PETRONAS DAGANGAN BHD	2.13%	
6 SIME DARBY BERHAD	5.45%		6 MMC CORP BHD	4.65%	
7 MALAYAN BANKING BHD	4.50%		7 PLUS EXPRESSWAYS BHD	2.55%	
8 MISC BHD	19.25%		8 BRITISH AMERICAN TOBACCO BHD	3.63%	
9 PUBLIC BANK BERHAD	4.26%		9 PPB GROUP BERHAD	2.65%	
10 AXIATA GROUP BERHAD	6.97%		10 RHB CAPITAL BHD	10.98%	

FBM100		MTD	FBM100		MTD
LEADING MOVERS		31-Oct-11	LAGGING MOVERS		31-Oct-11
Name	% chg		Name	% chg	
1 GENTING BHD	18.24%		1 UMW HOLDINGS BHD	-3.21%	
2 CIMB GROUP HOLDINGS BHD	8.61%		2 SP SETIA BHD	-1.29%	
3 TENAGA NASIONAL BHD	15.67%		3 LINGKARAN TRANS KOTA HLDGS	-3.61%	
4 IOI CORPORATION BHD	12.90%		4 PARKSON HOLDINGS BHD	-1.41%	
5 PETRONAS CHEMICALS GROUP BHD	16.01%		5 KLCC PROPERTY HOLDINGS BHD	-2.19%	
6 SIME DARBY BERHAD	5.45%		6 PROTON HOLDINGS BHD	-3.25%	
7 MALAYAN BANKING BHD	4.50%		7 KUALA LUMPUR KEPONG BHD	-0.19%	
8 MISC BHD	19.25%		8 HARTALEGA HOLDINGS BHD	-0.73%	
9 PUBLIC BANK BERHAD	4.26%		9 UNITED PLANTATIONS BHD	-0.69%	
10 AIRASIA BHD	28.71%		10 TAN CHONG MOTOR HOLDINGS BHD	0.22%	

FBM Shariah Emas		MTD	FBM Shariah Emas		MTD
LEADING MOVERS		31-Oct-11	LAGGING MOVERS		31-Oct-11
Name	% chg		Name	% chg	
1 TENAGA NASIONAL BHD	15.67%		1 UMW HOLDINGS BHD	-3.21%	
2 IOI CORPORATION BHD	12.90%		2 SP SETIA BHD	-1.29%	
3 PETRONAS CHEMICALS GROUP BHD	16.01%		3 LINGKARAN TRANS KOTA HLDGS	-3.61%	
4 SIME DARBY BERHAD	5.45%		4 ENG TEKNOLOGI HLDGS BERHAD	-23.79%	
5 MISC BHD	19.25%		5 PARKSON HOLDINGS BHD	-1.41%	
6 AIRASIA BHD	28.71%		6 EASTERN & ORIENTAL BHD	-1.66%	
7 AXIATA GROUP BERHAD	6.97%		7 KLCC PROPERTY HOLDINGS BHD	-2.19%	
8 GAMUDA BHD	18.06%		8 PROTON HOLDINGS BHD	-3.25%	
9 IJM CORP BHD	14.00%		9 KUALA LUMPUR KEPONG BHD	-0.19%	
10 YTL CORPORATION BERHAD	217.02%		10 HARTALEGA HOLDINGS BHD	-0.73%	

FBM Small Cap		MTD	FBM Small Cap		MTD
LEADING MOVERS		31-Oct-11	LAGGING MOVERS		31-Oct-11
Name	% chg		Name	% chg	
1 SEG INTERNATIONAL BHD	5.88%		1 EASTERN & ORIENTAL BHD	-1.66%	
2 UNISEM (M) BERHAD	23.53%		2 LION INDUSTRIES CORP BHD	13.33%	
3 RIMBUNAN SAWIT BHD	47.42%		3 BANDAR RAYA DEVELOPMENTS BHD	1.53%	
4 AXIS REAL ESTATE INVESTMENT	13.36%		4 FABER GROUP BHD	27.41%	
5 TA ANN HOLDINGS BERHAD	15.81%		5 MUHIBBAH ENGINEERING (M) BHD	20.79%	
6 LINGUI DEVELOPMENTS BHD	32.20%		6 TA ENTERPRISE BERHAD	9.26%	
7 WTK HOLDINGS BERHAD	23.28%		7 SAAG CONSOLIDATED M BHD	27.27%	
8 OLYMPIA INDUSTRIES BHD	38.64%		8 PANASONIC MANUFACTURING MALA	1.03%	
9 JCY INTERNATIONAL BHD	45.78%		9 YNH PROPERTY BHD	3.82%	
10 SALCON BHD	26.19%		10 CHIN WELL HOLDINGS BHD	3.68%	