

REVIEW

- ▶ The month of November started off relatively weak on concerns that the US Presidential Elections would be a tight race to the finish line. Hurricane Sandy hit the US in the last few days of the campaign, and President Obama managed to retain his presidency convincingly. Over in China, markets were monitoring the changes in the Politburo Standing Committee, the make-up of which would potentially determine the direction of China for the next 5-10 years. Over in the Euro area, Moody's cuts France's sovereign rating by one notch to AA+, and maintained a negative outlook, whilst Greece awaited the decision over their next bailout tranche and the conditions attached.
- ▶ November was a weak month for Malaysian equity markets as foreign investors sold down on their defensive exposure such as telcos and consumer names. November was also the month for results reporting, with more companies coming in below estimates and fewer surprises. Only the banking stocks reported generally above expectations. Speculation of a General Election being called straight after the UMNO General Assembly, which was held on the 27th November, spooked investors further. The KLCI ended the month lower by 3.72% to close at 1,610.8 points. The broader market outperformed the KLCI slightly, with the FBM Emas Index declining 3.4% in November. The KLCI outperformed FBM Small Cap Index which declined by 4.91%. Average value traded on Bursa in November increased 11% mom to RM1.67bn per day.
- ▶ The sector indices on the local bourse closed lower for November, with the best performing sector being Financials (-0.96%). The technology sector was the worst performing sector declining 8.98%, followed by the Industrial sector which declined by 7.7%.

OUTLOOK

- ▶ With the US Presidential elections out of the way, the fiscal cliff is on everyone's mind, with an agreement likely to come at the eleventh hour. Japan will be going to the polls on 16th December 2012 for the lower house parliamentary elections, with LDP's leader Shinzo Abe pushing on stance of more aggressive monetary easing should LDP get elected. Political risk also remains in the Euro area, as the German election cycle weighs increasingly heavily on decision making. Growing geopolitical tensions around the MENA region is also a concern, and North Korea may decide "cause trouble" with South Korea's presidential election scheduled on the 19th Dec 2012.
- ▶ Domestically, we expect the month of December to be fairly quiet. We had expected the Malaysian general elections to be called by end of 1Q13, however, there is also a possibility that the Parliament may be forced to dissolve on its own on 28 Apr 2013 and if that happens, the Election Commission has 60 days to hold elections, which means the latest date is end-June. As such we expect the Malaysian market to be fairly volatile in the 1H13 as investors try to second guess the election timing. We remain cautious overall on equities but believe there are small pockets of trading opportunities for the Malaysian market, and as such we would accumulate fundamentally sound stocks on weakness.

NEWS HIGHLIGHTS

- ▶ Shareholders in KFC Holdings Bhd and QSR Brands Bhd voted in favour to the take over offer by Triple Platform Sdn Bhd and to the proposed capital repayment to shareholders of RM4.00 and RM1.00 for KFC ordinary shares and warrants respectively, and RM6.80 and RM3.79 for QSR ordinary shares and warrants respectively.
- ▶ SapuraKencana has entered into a non-binding agreement to acquire Seadrill's tender rig business for an enterprise value of US\$2.9bn to be satisfied by a mix of shares and cash, a move that will see the former becoming a leading global player in the tender rigs and semi-tender rigs market. Seadrill will receive a minimum of US\$350m in new shares of SapuraKencana that will double up Seadrill's stake in the company to 13% from the current 6.4%.
- ▶ Khazanah Nasional placed out more than 8% in Malaysia Airports (MAHB), reducing its stake to almost 41% in the dominant airport operator of the country. The exercise was broken into two blocks - with an initial block of 85m shares followed by another 25m shares. At the book closure, almost all of the shares were taken up by local funds at RM5.60 per share.

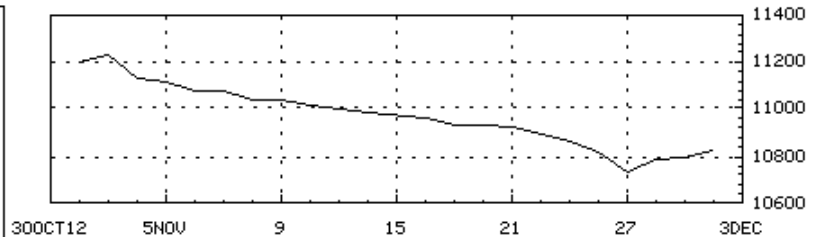
INDEX PERFORMANCE & MOVERS

RPT

Historical Equity Index Movers PAGE 1/ 4

FBM100 Change Pct Chg Start Price End Price
 FTSE BURSA MAL TOP 100 -372.81 -3.33% 11202.04 10829.23

Index Member Information
 Additions: 0 Up: 26
 Deletions: 0 Down: 72
 Current: 100 Unch: 2
 Sort: Index Points
 Order: Descending
 11/1/2012 - 11/30/2012



LEADING MOVERS

LAGGING MOVERS

Security	End Price	Change	Index Pts	Security	End Price	Change	Index Pts
SAKP MK	2.83	+.32	+13.486	AXIATA MK	5.92	-.61	-65.205
UMWH MK	10.62	+.64	+9.416	SIME MK	8.97	-.81	-61.509
IHH MK	3.48	+.21	+8.564	DIGI MK	4.83	-.48	-47.273
GENT MK	9.00	+.15	+7.005	PCHEM MK	5.95	-.55	-29.718
PETD MK	23.12	+1.04	+5.234	ROTH MK	53.20	-10.04	-24.198
TOPG MK	5.64	+.29	+2.255	T MK	5.47	-.51	-23.100
MAY MK	9.05	+.02	+1.989	PBK MK	15.52	-.38	-22.647
MPU MK	3.73	+.10	+1.820	MAXIS MK	6.43	-.53	-20.136
YTL MK	1.77	+.02	+1.795	PTG MK	18.40	-1.20	-16.045
MMC MK	2.69	+.08	+1.644	CIMB MK	7.47	-.16	-15.069

+ Added during range, - Removed during range, * Added/Removed multiple times

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Indices	Last Price		MoM Changes	
	31-Oct-12	30-Nov-12	+/-	%
FBMKLCI	1673.1	1610.8	-62.2	-3.72%
FBMMES	4308.1	4174.2	-133.9	-3.11%
FBM100	11202.0	10829.2	-372.8	-3.33%
FBM70	12254.0	12054.1	-199.9	-1.63%
FBMSCAP	12057.6	11465.5	-592.1	-4.91%
FBMEMAS	11366.1	10979.5	-386.6	-3.40%
FBMFLG	9425.2	9194.7	-230.5	-2.45%
FBMSHA	11488.4	10957.3	-531.1	-4.62%
FBMHJRAH	12537.7	11956.6	-581.1	-4.64%
MSCI APxJ	443.2	452.4	9.2	2.07%