

## Equity Market Review & Outlook

### REVIEW

- ▶ The US equity markets continued to record gains during the month, on the back of improved data on employment and retail sales numbers. The statements coming out of the FOMC minutes indicated that the intention to dial back the quantitative easing is still there, but reiterated that it was all data dependent.
- ▶ November was a month of consolidation for Malaysia, with attention much on the results released during the month which came in either in line or with some disappointments. Foreign institutional investors were net sellers in Malaysia during the month of RM3.1bn, whilst domestic institutions have been net buyers for the last six months, supporting the Malaysian equity market. The KLCI ended the month at 1,812.7 points, gaining 0.32% mom or 5.9 points. The broader market underperformed the KLCI slightly as the FBM Emas gained 3.6 points or 0.03% mom. FBM Small Cap index underperformed the KLCI declining 0.96% during the month. Average value traded on Bursa in November increased 15% mom to RM2.0bn.
- ▶ The sector indices on the local bourse closed mixed for November, with the best performing sectors being Plantation (3.08%) and Industrial (0.39%). The worst performing sectors were the Construction (2.99%), and Property (2.54%).

### OUTLOOK

- ▶ Given the state of the world currently, we are expecting global markets to end the year on a fairly positive note, although the impending QE tapering and another fiscal impasse come 1Q 2014 remains on the back of investor's minds.
- ▶ Domestically, the Malaysian government has continued on their subsidy rationalization stance with the announcement of the electricity tariffs by an average of 14.9%. The hike in tariff was based on passing through some of the costs for natural gas, liquefied natural gas, and coal, and allowing Tenaga a hike in the base tariff. We expect the government to front load as much of the subsidy rationalization plans if possible in 2014, in tandem with BR1M payments which normally are distributed in the first half of the year. Staying true to the fiscal consolidation path should deter rating agencies from downgrading Malaysia's sovereign rating, although consumer demand resilience will be under pressure next year.
- ▶ With recent developments, we have turned slightly more positive on the Malaysian equity market, at least for the next few months. Any corrections in the market would serve as an opportunity to accumulate selective fundamentally strong stocks with attractive valuations.

### NEWS HIGHLIGHTS

- ▶ Kuala Lumpur City Hall announced that property taxes in KL will be raised for the first time in two decades, which drew city dwellers ire, given the lack of notice of such intentions, and without public feedback. The proposed hike in assessment rates in the city will be deferred indefinitely and the period for obtaining public feedback extended to Mar next year, Deputy Federal Territories Minister Datuk J Loga Bala Mohan announced.
- ▶ Gamuda has made a takeover offer for the remaining 70% stake in Kesas Holdings that it does not own. The total consideration is RM875m.

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- ▶ Petronas has awarded a 13-package, 5-year offshore hook-up, commissioning and maintenance contract worth about RM10bn to six local contractors, namely Kencana HL, Dayang, Petra Resources, PBJV, Carimin and Sigur Ros..
- ▶ On 27 Nov 13, Standard & Poor's Ratings Services revised its rating outlook on four Malaysian banks, i.e. CIMB Group Holdings, AmBank, RHB Bank and RHB Investment Bank, to negative from stable.

## INDEX PERFORMANCE & MOVERS

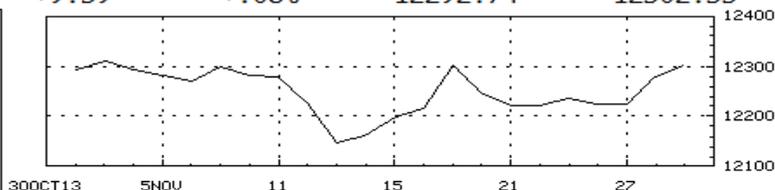
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### Historical Equity Index Movers

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FBM100 Change Pct Chg Start Price End Price  
 FTSE BURSA MAL TOP 100 +9.59 +.08% 12292.74 12302.33

Index Member Information  
 Additions: 3 Up: 43  
 Deletions: 2 Down: 55  
 Current: 101 Unch: 5  
 Sort: Index Points  
 Order: Ascending  
 11/1/2013 - 11/29/2013



#### LAGGING MOVERS

#### LEADING MOVERS

Security	End Price	Change	Index Pts	Security	End Price	Change	Index Pts
PICHEM MK	6.75	-.36	-19.580	TNB MK	9.86	+.43	+25.480
AXIATA MK	6.72	-.15	-14.123	SAKP MK	4.29	+.29	+20.020
AIRA MK	2.39	-.29	-11.334	KLK MK	24.60	+1.50	+15.142
GENT MK	10.22	-.26	-10.917	IOI MK	5.64	+.20	+14.049
PTG MK	23.86	-.66	-9.863	MISC MK	5.49	+.38	+10.570
DIGI MK	4.87	-.13	-9.160	CIMB MK	7.58	+.11	+10.158
MAXIS MK	7.03	-.16	-7.940	DLG MK	2.98	+.23	+7.844
AFG MK	4.94	-.25	-5.195	SIME MK	9.65	+.12	+7.060
T MK	5.14	-.10	-4.799	PBK MK	18.38	+.08	+4.278
KLCCSS MK	5.90	-.55	-4.690	PETD MK	31.20	+.60	+3.384

+ Added during range, - Removed during range, \* Added/Removed multiple times  
 Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2013 Bloomberg Finance L.P.  
 SH 147088 HKT GMT+8:00 6968-4642-0 03-Dec-2013 14:56:17

Source: Bloomberg

Indices	Last Price		MoM Changes	
	31-Oct-13	30-Nov-13	+/-	%
FBMKLCI	1806.9	1812.7	5.9	0.32%
FBMMES	5695.8	5592.5	-103.3	-1.81%
FBM100	12292.7	12302.3	9.6	0.08%
FBM70	14294.5	14181.3	-113.3	-0.79%
FBMSCAP	15788.9	15637.5	-151.4	-0.96%
FBMEMAS	12568.5	12572.0	3.6	0.03%
FBMSHA	12742.2	12734.2	-8.0	-0.06%
FBMHJRAH	13799.6	13899.7	100.1	0.73%
MSCI APxJ	480.6	474.5	-6.1	-1.28%

Source: Bloomberg