JUPITER SECURITIES RESEARCH

MORNING COFFEE

Daily Focus - Wed, Aug 28, 2013

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INDICES *(Source Bloomberg)*	**Close**	**Chg (Pts)**	**Chg (%)**
KLCI	1,701.2	-21.3	-1.23
DJIA	14,776.1	-170.3	-1.14
S&P 500	1,630.5	-26.3	-1.59
FTSE 100	6,441.0	-51.1	-0.79
CAC 40	3,968.7	-98.4	-2.42
DAX	8,242.6	-192.6	-2.28
Nikkei 225	13,542.4	-93.9	-0.69
Hang Seng	21,874.8	-130.5	-0.59
CSI 300	2,340.9	+5.3	+0.23
KOSPI	1,885.8	-2.0	-0.11
STI	3,034.0	-50.4	-1.63
SET	1,294.0	-35.2	-2.65
JSE	3,967.8	-152.8	-3.71
Gold Future (USD)	1,420.2	+27.1	+1.95
Crude Oil (USD)	109.0	+3.1	+2.92
RM / USD (Spot)	3.3285	+0.020	+0.60

TRADE STATISTICS – 27 Aug 2013
(Source Bursa Malaysia)

Participation	**Chg (%)**	**Buy (RM m)**	**Sold (RM m)**	**Net (RM m)**
Local Inst	50.9	1,665.1	1,067.4	597.7
Local Retail	26.1	655.3	745.1	-89.8
Foreign	22.9	361.2	869.1	-507.9
	100.0	2,681.6	2,681.6	0.0

Market Turnover *(Source Bursa Malaysia)*	**Close**	**Chg (Pts)**	**Chg (%)**
Volume (bn)	2.3	0.8	52.10
Value (RMbn)	2.7	0.9	52.61

FBM FUTURES *(Source Bursa Malaysia)*	**Price**	**Chg (Pts)**	**Vol**
FKLI Aug13	1,689.5	-29.5	53,274
FCPO Nov'13	2,452.0	18.0	63,584

OVERSEAS MARKET ROUNDUP

U.S. Stocks fell

Wall Street stocks suffered their worst day since June, slumping in a broad decline as geopolitical uncertainty rose over a possible U.S.-led military strike against Syrian President Bashar al-Assad's forces. The Dow was down 1.14%, S&P 500 was down 1.59% and Nasdaq was down 2.16%. Treasuries rose as concerns over turmoil in Syria may lead to wider military conflict boosted refuge demand. The U.S. 10-year treasury notes yield dropped to 2.71%.

Gold & Oil climbed

Gold climbed as political tension over Syria increased demand for the precious metal as a store of value. Gold climbed 1.9%. Crude rose to the highest level in 18 months on speculation that tension in Syria will disrupt Middle East supplies. Oil climbed 2.9%.

Macro News

Consumer Confidence Index in U.S. Increases to 81.5

Consumer confidence unexpectedly improved in August, as Americans grew more optimistic about employment opportunities and the outlook for the economy. The Conference Board's index of sentiment advanced to 81.5 from a revised 81 the prior month. Another report showed home prices appreciated in June at the second-fastest pace in seven years. Higher property values and stock-market returns are boosting income expectations that will help sustain consumer spending. Well-to-do households accounted for the pickup in sentiment this month, showing bigger job and wage gains are needed for a broader expansion that benefits all income groups. *Bloomberg*

Corporate News

Ministry mulls RPGT increase to stabilise house prices

The Ministry of Urban Well-being, Housing and Local Government is studying the possibility of increasing the real property gains tax (RPGT) to stabilise the prices of houses in the country. The current low RPGT has not been effective in stabilising house prices and it may need to be increased to curb unhealthy speculation in the housing market. RPGT was reintroduced in 2011 to curb speculation and prevent the housing market from overheating. It was increased to 15% in 2012 from 10% in 2011 for property sold within two years. However, the House Price Index by National Property Information Centre showed that in 2011 and 2012 the house price index recorded the highest increase for the last five years especially in Selangor, Kuala Lumpur, Penang, Pahang, Sabah, Perak and Terengganu. *Bernama*

Corporate News

UOA Development Q2 earnings at RM78.6m

UOA Development Bhd reported net profit of RM78.6m in 2Q ended June 30, 2013, a decline of nearly 25.1% from the RM111.8m a year ago due to the absence of fair valuation gain. Revenue rose 50% to RM295.6m while EPS were 6.19 sen compared with 8.78 sen. For 1H ended June 30, 2013, earnings rose 35.5% y/y to RM197.7m. Revenue rose 96% to RM677.4m. It recorded an increase in cash and cash equivalent to RM809m as at June 30, 2013, which allows for potential future land acquisition and development. *Star*

IJM Corp's Q1 earnings up 85% to RM164.3m

IJM Corp Bhd's earnings jumped 85% to RM164.3m in 1Q ended June 30, 2013 boosted by its property, industry and infrastructure divisions. Operating revenue rose 34.6% to RM1.4bn. Its EPS were 11.83 sen compared with 6.43 sen. Pre-tax profit climbed 54.5% to RM256.7m. The group's pre-tax profit rose 19.9% q/q to the partial disposal of Trichy Tollway which resulted in a capital gain of RM56.5m, and higher margins in the group's property division. The overall increase in pre-tax profit was reduced by lower pre-tax profit in the plantation division due to higher operating costs coupled with the unrealised foreign exchange losses mainly from US dollar denominated borrowings used to finance plantation division's investment in Indonesia. *Star*

Pintaras 4Q profit jumps 49%, 15 sen dividend

Pintaras Jaya Bhd’s 4Q net profit nearly doubled to RM16.1m due to better manufacturing performance. Revenue for the quarter increased 3.3% to RM50.7m while earnings per share stood at 20.10 sen against 13.50 sen a year ago. It had also declared a 15 sen dividend per share. For its full year net profit rose 16% to RM52.3m while revenue slipped 6.6% to RM172.8m. *Star*

Lion Corp posts RM9.9m net profit in Q4

Lion Corporation Bhd posted net profit of RM9.9m in 4Q ended June 30, 2013 compared with the net loss of RM235.2m a year ago. Revenue fell 22.1% to RM738.7m while earnings per share were 0.75 sen compared with loss per share of 17.88 sen. It recorded lower loss from operations of RM14m compared to the immediate preceding quarter. This was mainly due to the brief increase in steel demand after the implementation of measures by the government on Feb 23 before the steel market corrected towards the end of the quarter. For the financial year ended June 30, 2013, its net losses were narrower at RM247.9m compared with net losses of RM461.2m a year ago. Revenue declined 19.7% to RM2.5bn. The lower revenue was due to lower sales volume for the flat steel products in the domestic and overseas markets for a larger part of the financial year under review. *Star*

Parkson full-year earnings at RM240.36m

Parkson Holdings Bhd's earnings fell 36.7% to RM240.3m in FY13 from the RM380m last year due to the weaker performance in China. Revenue for FY13 rose to RM3.5bn compared to RM3.42bn from a year ago. 4Q earnings fell 63% to RM30m. Revenue was RM801.4m. EPS for the quarter were 2.79 sen from 7.52 sen. Full year profit from its China operations fell to RM80.6m. Its same store sales growth (SSSG) of both Parkson China and Parkson Vietnam were down by 1%. Retail operations in Malaysia and Indonesia managed to sustain positive SSSG of 5% and 6% respectively. Together with the contribution of seven new stores (four in China, one each in Malaysia, Indonesia and Myanmar) opened during the financial year, the group's Retailing Division completed the financial year with revenue of RM3.4bn, a 2% growth. *Star*

IHH Healthcare net profit up 60% to RM188.7m in Q2

IHH Healthcare Bhd's net profit rose 60% to RM188.7m in 2Q ended June 30, 2013, excluding exceptional items and recognition of the sale of medical suites. The higher profit was due to the rise in earnings before interest, tax, depreciation and amortisation (EBITDA), savings in finance costs from repayment of short-term loans, and a one-off RM22.0m tax credit this quarter relating to tax from a previous year. IHH's revenue, excluding recognition of the sale of medical suites, grew by 14% y/y to RM1.6bn. Earnings before interest, taxes, depreciation, amortisation, exchange differences & other non-operational items rose 20% y/y to RM419.6m. The hospital group said in the six months ended June 30, 2013, excluding the recognition of the sale of medical suites, the group achieved 21% increase for both revenue and EBITDA from a year ago. The group's year-to-date 2013 PATMI excluding exceptional items and the recognition of sale of medical suites increased 39% to RM322.1m. *Star*

Iris gets nod to set up high-tech smart village in South Africa

South African President has given IRIS Corp Bhd the green light to set up a pilot project of its innovative and high technology "smart village" in South Africa. IRIS' sustainable integrated farm used an "auto-pot" system, which automatically detects soil moisture levels and waters plants precisely as required, lowering the need for costly fertilisers and pesticides as well as water. *Bernama*

Eversendai 2Q profit halved from Middle East projects

Eversendai Corporation Bhd's 2Q net profit fell 45% to RM16.4m a year ago due to higher finalisation of accounts for few projects in the Middle East. Its revenue for the quarter also fell 3.9% to RM247.5ma year ago. Earnings per share stood at 2.13 sen against 3.94 sen a year ago. For its first half year, profit fell 30% to RM40.1m while revenue slipped 3.1% to RM490.68m. Eversendai said 64.8% of its revenue was from its Middle East operations in UAE, Saudi Arabia and Oman while its Indian and Malaysian operations contributed 12.7% and 22.5% each. The group has a total order book of RM1.4bn. *Star*

Dutch Lady's earnings rises 15% to RM34.7m, dividend at RM1.30

Dutch Lady Milk Industries Bhd declared a dividend of RM1.30. 2Q earnings for the period ended June 30, 2013 rose 15% to RM34.7m. Revenue was at RM249.7m. EPS share for the quarter came in at 54 sen compared to 46.85 sen, and for the first half at 99.35 sen against 89.80 sen. Earnings for the first 6-months period improved to RM63.6m (+10.7%)on revenue of RM455.9m. The increase in revenue this Q by 14.8% was mainly due to strong sales in the company's powder and liquid milk products. Profit before taxation for the Q was RM6.2m higher at RM46.8m. Revenue for 1H of 2013 grew by 5.6% from strong sales in powder and liquid products coupled with new product introductions, like chocolate drink in powder format and a new mid-premium growing up milk powder, ActivGold. Profit before tax increased by 10.6% mainly contributed by the higher revenue and favourable sales mix. *Star*

Teo Seng posts RM6.3mil profit from poultry farming

Teo Seng Capital Bhd posted a net profit of RM6.3m for 2Q on the back of RM82.23m revenue due to earnings from its poultry division. EPS for the period were 3.19 sen. It proposed a one sen dividend per share. For 1H net profit stood at RM10.8m while revenue was at RM161.3m. Its poultry farming division posted revenue of RM104.1m with pretax profit of RM10.1m due to the stable selling price of eggs coupled with lower feed price. *Star*

PPB Group sees Puteri Harbour venture bearing fruits in 2015

PPB Group Bhd is expecting its venture into Puteri Harbour via its 28% stake in Southern Marina Sdn Bhd to contribute positively starting 2015. The group had bought 12 acres in Puteri Harbour for RM182m along side Kuok Brothers Sdn Bhd and Khazanah Nasional Bhd this April. It is allocating RM528m to expand its business over the next two years. It allocated RM245m for its flour and feed milling, and grains trading, which is mainly for mill expansion in China, Indonesia and Vietnam. RM147mil would be used for the opening of new cinemas and equipment upgrading. For the first half of financial year ended June 30, 2013, its revenue grew by 9% to RM1.5bn. *Star*

MPI 4Q net profit falls 21% yoy to RM10.7m

Malaysia Pacific Industries Bhd (MPI) posted a net profit of RM10.7m for the 4Q to June 30, a fall of 21% y/y. Revenue recorded was slightly higher at RM326.2m. For the full year to June 30, total profit stood at RM10.9m while revenue was RM1.2bn. *Edge*

Mah Sing's Q2 net profit rose 16.2% on-year to RM69.9mil

Mah Sing Group Bhd's net profit for 2Q ended June 30 rose 16.2% to RM69.8m on the back of revenues of RM475.7m. Net profit for 1H grew by 16.1% to about RM139.3m. The company latest land acquisition in Rawang, with an estimated GDV of RM520m, raises the Group's remaining GDV and unbilled sales to approximately RM28bn, giving it an earnings visibility of seven to eight years. The first half of 2013 has seen the Group performing well, especially after recording approximately RM1.5bn of sales year-to-date, the halfway mark of our full year sales target of RM3bn for 2013. *Star*

Tropicana 2Q revenue jumps 209%, but net profit flat

Tropicana Corporation Bhd 2Q ended 30 June 2013, group revenue increased 209% to RM362.1m. But net profit stayed flat at RM38.3m, due mainly to higher finance costs. *Edge*

AQRS 2Q profit surges 156% yoy to RM23m

Gabungan AQRS Bhd saw its 2Q net profit surge to RM23m, up by 156% from RM9m a year ago. This profit jump was achieved on the back of higher revenues from construction and property development segments as well as a one-off pre-tax gain from land sales. Revenue for the quarter stood at RM103m. *Edge*

Iris Corp 1Q net profit dips slightly

Iris Corp Bhd posted a net profit of RM7.7m, a slight dip from the RM8.3m last year. The lower profit was mainly due to higher interest costs incurred in the current quarter and higher unrealized foreign currency exchange gain recognised in the previous comparable quarter. Revenue for the quarter was RM133.9m. *Edge*

MAA 2Q sinks into the red with RM15.8m loss

MAA Group Berhad sank into the red with an RM15.8m loss for the 2Q to June 30. 2Q revenue rose 11.4% y/y to RM158.9m. Under the conventional insurance business, the loss arose mainly from lower premium and higher net claims on fire class of business. The revenue increase was attributed to operating revenue increases from the firm's general insurance, general Takaful, family Takaful divisions, unit trust fund management division and the shareholders' fund. Meanwhile, a cumulative 1H FY13 results recorded a loss of RM23m while revenue climbed 14% y/y to RM290.5m. On its PN17 status, its board said its intention is to maintain the listing status of the group. *Edge*

Ta Ann 2Q profit rises 82% on Australian govt compensation

TA Ann Holdings Bhd posted an 82% rise in 2Q net profit from a year earlier. This came mainly on A$20.3m (about RM60m) compensation from the Australia government for wood-supply entitlement. Net profit rose to RM24.2m. Revenue climbed to RM199.9m. Higher plywood sales had also supported group bottom line. *Edge*

Jaya Tiasa 4Q profit plunges 80% y-o-y

Jaya Tiasa Holdings Bhd's net profit for 4Q to June 30 plunged 80% y/y to RM5.7m. Revenue slid 9.8% y/y to RM257.2m. The company attributed the results to 15% and 17% fall in logs and plywood sales volume, respectively despite a 25% hike in logs average selling price. A reduction in fresh fruit bunches (FFB) and crude palm oil (CPO) average selling prices by 35% and 31% respectively was also stated as a factor, although there were 21% and 13% climb in FFB and CPO sales volume. Consequently, full-year FY13 net profit contracted 83% y/y to RM23.2m but full-year FY13 revenue rose 0.9% to RM1bn. The improvement in revenue was contributed by 4% and 12% increases in logs and plywood sales volume respectively. The lower net profit was blamed upon a 7% decrease in plywood average selling price and 28% and 23% drop in FFB and CPO average selling price respectively. *Edge*

Perdana plans bonus issue

Perdana Petroleum Bhd is proposing a bonus issue of up to 222.6m shares on the basis of two bonus shares for every five existing shares held. *Star*

PPB says can handle volatility Company to mitigate ringgit weakness through hedging

PPB Group Bhd is confident of managing any volatility arising from weakness in the foreign exchange but may pass down the cost to consumers should the ringgit weaken further. The greenback, which had strengthened against the local currency by about 10%, had pressured its margins due to the higher costs of importing wheat, the raw material in making flour. *Star*

Litrak: No formal offers for LDP, Sprint

Highway concessionaire Lingkaran Trans Kota Holdings Bhd (Litrak) has not received any formal proposals from any party to buy out the Damansara–Puchong Expressway (LDP) and Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd (Sprint). Gamuda has a direct 30% interest in Sprint and 50% in Litrak. The construction giant also has an indirect stake in Sprint via Litrak's 50% holding. The Selangor state-linked Kumpulan Perangsang Selangor holds the remaining 20% in Sprint. Traffic on LDP last year grew 3.3% and 4.6% on Sprint, with LDP seeing close to 500k vehicles and Sprint 230k. The 33-year concession for the 26.5km Sprint Highway expires in 2031, while Litrak has a 34-year concession for the 40km LDP expiring in 2030. *Star*