

**BURSA**

	3-Jul	1-day chg	% chg
KLCI:	1,072.69	(6.02)	-0.56%
FTMS Emas:	7,208.01	(13.86)	-0.19%
2nd Board:	4,725.07	35.32	0.75%
Mesdaq:	3,976.31	(22.67)	-0.57%
KLSE Market Cap (RMbn):	777.17	(2.36)	-0.30%

**INDICES**

	Closed		
Dow:	Closed	-	-
Nasdaq:	Closed	-	-
FTSE-100:	4,236.28	2.01	0.05%
Nikkei 225:	9,816.07	(60.08)	-0.61%
SHCOMP:	3,088.37	28.11	0.92%
HSI:	18,203.40	(175.33)	-0.95%
STI:	2,299.75	(21.07)	-0.91%
KOSPI:	1,420.04	8.56	0.61%
TWSE:	6,665.40	(2.13)	-0.03%
JCI:	2,075.30	9.55	0.46%
SET:	583.48	(14.00)	-2.34%

**FOREX (US\$)**

	3-Jul	2-Jul	% chg
MYR (RM):	3.5265	3.5200	0.18%
EURO (€):	1.3980	1.4003	-0.16%
GBP (£):	1.6333	1.6393	-0.37%
YEN (¥):	96.04	95.94	0.10%
SGD (S\$):	1.4533	1.4533	0.00%
HKD (HK\$)	7.7500	7.7501	0.00%

**KEY STATS**
**KLCI Spot**

Vol (m shares):	1,097.29	906.72	21.02%
Value (RMm):	983.87	1,157.92	-15.03%

**KLCI Futures**

Jun 09:	1,074.00	1,070.50	0.33%
Jul 09:	1,071.50	1,066.00	0.52%

CPO spot price (RM/tonne)	2,175.00	2,175.00	0.00%
Soybean (US\$/bbl)	Closed	-	-
SoyOil (US\$/bbl)	Closed	-	-
Gold (US\$/troy oz)	Closed	-	-
Nymex crude oil (US\$/bbl)	Closed	-	-

The Research Team  
 research@kenanga.com.my  
 Tel: 603-2713 2292

## Research Highlights

**COMPANY UPDATE**

- **Parkson Holdings, (RM4.92; HOLD; TP:RM5.30)- Retail sales stabilise**
- **KLCC Property (RM3.20; HOLD; TP:RM3.44)- Corporate Day 2009**

**TECHNICALS**

- **KLCI - Consolidation still**

**ECONOMIC NEWS**

- **Malaysia External Trade- May exports fell 29.7% YoY, bringing closer to its base as E&E showed MoM demand up tick**

**NEWS HIGHLIGHTS**

- **Hunza Properties' Gurney Paragon slapped with stop-work order**
- **Sime, Ramunia extend signing to Aug 3**
- **Malaysia's exports plunge 29.7 pct in May**
- **Firefly buzzing with new routes from Malaysia to Singapore**
- **TM, UEM Land extend Nusajaya partnership for another year**

**FOREIGN NEWS**

- **Kuwait wants oil price above US\$60**
- **May global chip sales up 5.4% on-month to US\$16.5b**
- **Indonesia cuts key lending rates by 25bp**
- **CapitaMall Trust, Ascendas REIT among Singapore's 4 strongest REITS**
- **Oil falls below \$66 after bleak U.S. jobs data .**
- **Gold steady above \$931; tracks dollar retreat vs euro**
- **Samsung Eng wins \$2.6 bln order from Algeria**

Top Volume*				Top Gainer*				Top Loser*			
Stock	Price (RM)	% Chg (+/-)	Vol (m)	Stock	Price (RM)	% Chg (+/-)	Vol (m)	Stock	Price (RM)	% Chg (+/-)	Vol (m)
1 Axiata	2.420	1.3	16.00	Gnting	2.780	3.0	5.77	Masian Airline	2.990	-5.4	0.29
2 Sime Darby	7.250	0.0	10.00	Tenaga	7.750	2.0	3.44	HL Bank	5.400	-4.4	0.46
3 Telekom Msia	2.900	0.7	8.22	MISC	8.700	1.8	2.94	Parkson	4.920	-2.6	0.57
4 YTL Power	2.160	0.5	7.14	Axiata	2.420	1.3	16.00	RHB Capital	4.100	-2.4	0.70
5 Maybank	5.750	0.9	6.62	Maybank	5.750	0.9	6.62	PLUS	3.180	-1.9	0.88
6 UMW Holdings	9.500	-0.5	6.18	UMW Hldg	6.100	0.8	0.29	PPB Group	11.700	-1.7	0.12
7 Telekom	2.780	3.0	5.77	Telekom Msia	2.900	0.7	8.22	KL Kepong	11.900	-1.7	0.47
8 IOI Corp	4.740	0.0	4.65	Public Bank	9.150	0.6	4.36	YTL Corp	6.850	-1.4	0.69
9 Public Bank	9.150	0.6	4.36	MMMC Corp	2.090	0.5	0.89	AMMB Hldg	3.420	-1.2	2.87
10 BToto	5.000	0.0	3.81	YTL Power	2.160	0.5	7.14	Petronas Gas	9.700	-1.0	2.16

Note: \* Bursa Malaysia Composite Index ("BMCI") component stocks only

## Corporate News

### ■ Hunza Properties' Gurney Paragon slapped with stop-work order

A stretch of access road in Gurney Park condominium sank 1.2m, resulting in the adjacent Gurney Paragon project being ordered to stop work. Penang Municipal Council president Tan Cheng Chui said the council has ordered Hunza Properties Bhd to halt all construction works for a 43-storey condominium in Kelawei Road here. He said the developer should rectify the problem and also come up with a comprehensive report on the condition of the Gurney Park condominium where the 10m stretch of road sank. "They will also have to provide reasons and give a letter of guarantee that the building is safe. "Until all rectification works are done, the developer and contractor cannot continue with the building project," he said when met at the site yesterday.

The road next to the multi-storey car park of the Gurney Park condominium was cordoned off after it sank and cracked at about 8pm on Thursday. Tan said he had received numerous reports from residents that construction work was carried out late into the night. State Local Government and Traffic Management Committee chairman Chow Kon Yeow urged the council to instruct the developer and contractors to monitor the situation over the next few days for fear it might worsen.

Hunza Properties Bhd (Hunza) group executive chairman Datuk Khor Teng Tong said the developer would assume full responsibility, adding that its consultants have been instructed to handle the issue. The Gurney Paragon's East and West Towers, upon completion, will see two 43-storey buildings consisting of 240 units of service apartments. It also has a commercial podium and two basement parking facilities. "We have identified the cause. The sheet piles that were used by the basement contractor to temporarily hold up the sides of the excavation gave way," he said, adding that it led to the subsidence of the ground behind the sheet piles including the driveway of Gurney Park.

Its engineer, Tong Veng Wye, said an inspection showed Gurney Park buildings including the multi-storey car park next to the driveway were in no danger. "We've inspected the main pillars and there is no tilting or serious cracks. "Another fortunate thing is that Gurney Park has basement car parks and that means its foundation is more sturdy and the incident did not affect it," he said, adding that the inspection report would be ready by Monday. Khor said remedial works had begun on Thursday night. "Remedial works are not expected to last longer than 10 days as work will be carried out around-the-clock." (*Starbiz*)

**Comments:** Although Hunza said "works are not expected to last longer than 10 days", a comprehensive report and certification of safety is required by the Penang Municipal Council. This could further drag-on project delays, especially given that Penang's state government is trying to achieve a more 'people-friendly' persona.

We expect future demand for Gurney Paragon to be lackluster. Even if the issue is rectified, this may continue to plague the project, especially amongst locals. Meanwhile, foreign buyers' presence is less as they switch their attention to other markets.

We are looking to downgrade Hunza to a HOLD with a lowered fair value from current BUY call with RM2.70 target price. We will be speaking to management soon to get clarity on the rectification cost and potential project delays. Note that Gurney Paragon condominiums make-up 50%-60% of our FY09-11E PBT.

### ■ Sime, Ramunia extend signing to Aug 3

Sime Darby's unit and Ramunia Holdings Bhd have extended the signing of the definitive sale and purchase agreement from July 3 to Aug 3. Sime said on July 3 the extension was made at the request of Sime Darby Engineering Sdn Bhd (SDE).

Under the agreement, SDE would acquire the business and undertaking, including the assets and liabilities of Ramunia for a total provisional

purchase consideration of RM232.0 million. However, this would also hinge on a due diligence inquiry to be undertaken on Ramunia. (*The Edge Financial Daily*)

### ■ **Malaysia's exports plunge 29.7 pct in May**

Malaysia's exports slumped 29.7 percent in May from a year earlier, hitting their lowest level since 2001 with demand evaporating, according to official data released Friday.

The trade ministry said in a statement that exports plunged to 42.95 billion ringgit (12.19 billion dollars) yoy while imports fell 27.8%

Total trade from January to May was worth 360.78 billion ringgit, a decrease of 25.3 percent from a year earlier, but Malaysia did manage to record a trade surplus of 10.02 billion ringgit for May.

The trade ministry said the steep decline in exports was mostly due to lower demand from key trading partners, especially for electrical and electronic products which account for one-third of Malaysia's total exports.

Malaysia's key exports markets are Singapore, China, Japan, Thailand and the United States. (*AFP*)

### ■ **Firefly buzzing with new routes from Malaysia to Singapore**

Firefly will begin services from Kota Baru and Alor Setar to Singapore from Oct 25 and 27 respectively.

This comes after five new routes are opened, in stages, between Malaysia and Singapore.

Managing director Eddy Leong said following the commencement of flights between Subang and Singapore on Wednesday, the airline would also start operating between Ipoh and Singapore on July 12.

The other services are Kuala Terengganu-Singapore (July 14), Kuantan-Singapore (July 22) and Malacca-Singapore (Sept 1). (*The Star*)

### ■ **TM, UEM Land extend Nusajaya partnership for another year**

Telekom Malaysia Bhd and UEM Land Bhd have extended their partnership to develop and provide telecommunications services in Nusajaya, Iskandar Malaysia by another year until July 2, 2010.

The companies said on July 3 they had mutually agreed to extend the memorandum of collaboration under the original terms. In July last year, TM and UEM Land announced the collaboration to jointly explore the opportunities in the project, in particular areas related to telecommunications infrastructure. (*The Edge Financial Daily*)

## **FOREIGN NEWS**

### ■ **Kuwait wants oil price above US\$60**

Kuwait wants to see the price of oil stay above US\$60 a barrel, the OPEC member's oil minister said on Sunday, July 5, according to a Reuters report.

U.S. crude slipped to a four-week low of \$65.63 a barrel on Friday as the jobless rate in the United States rose to a 26-year high. Crude fell nearly \$8 in four days last week from an eight-month peak of US\$73.38, on signs the economy of the world's top energy consumer was still struggling.

Speculation and changes in the strength of the dollar were playing a large part in oil price volatility, Sheikh Ahmad said. Last week, the Gulf Arab state's oil minister said a price over US\$100 a barrel would hurt the global economy.

A breach of US\$100 would not necessarily bring a boost in oil supply from the Organization of Petroleum Exporting Countries (OPEC), Sheikh Ahmad said on Sunday. *(Reuters)*

#### ■ **May global chip sales up 5.4% on-month to US\$16.5b**

Global sales of semiconductors rose to US\$16.5 billion in May, an increase of 5.4% from April when sales were US\$15.6 billion, providing some cautious optimism to the industry.

The US-based Semiconductor Industry Association (SIA) reported on July 3 that when compared with a year ago, May sales fell 23.2% from May 2008's sales of US\$21.5 billion. These sales numbers represented a three-month moving average of global semiconductor sales.

SIA president George Scalise said the May 2009 sales numbers reflect the third-consecutive month of sequential growth for the semiconductor industry. Scalise noted that as semiconductors become ever-more pervasive in a growing array of products, the global microchip industry increasingly mirrors the performance of the overall economy. *(The Edge Financial Daily)*

#### ■ **Indonesia cuts key lending rates by 25bp**

Indonesia's central bank cut its key rate by 25 basis points to a record low of 6.75% on July 3 and signalled it was nearing the end of a rate cutting cycle, following a surge in global commodity prices, according to Reuters.

Most analysts polled by Reuters this week had forecast Bank Indonesia would cut its key interest rate by 25 basis points to 6.75% and then cut again to 6.50% by the end of the year. *(Reuters)*

#### ■ **CapitaMall Trust, Ascendas REIT among Singapore's 4 strongest REITS**

CapitaMall Trust, Ascendas REIT, Frasers Centrepoint Trust and CapitaCommercial Trust are Singapore's real estate investment trusts (REITS) least likely to suffer from real estate and external shocks, according to Standard & Poor's Ratings Services.

However, the ratings agency said on July 3 that CDL Hospitality Trust, Parkway Life REIT, Frasers Commercial Trust, First REIT and MacarthurCook Industrial REIT appeared to be among the most vulnerable to external shocks. In its report on Singapore's REITS, S&P believed there were key attributes that can help REITs cushion against external shocks and maintain, or even improve, their strengths. *(The Edge Financial Daily)*

#### ■ **Oil falls below \$66 after bleak U.S. jobs data**

Oil dropped a dollar to below \$66 a barrel on Friday after unemployment data hardened views economic weakness would sap energy demand and that last month's rally was overdone.

In the latest sign the economy of the world's top consumer was still struggling, data on Thursday showed U.S. employers cut 467,000 jobs in June and the jobless rate rose to a 26-year high. Euro zone unemployment climbed to a 10-year high.

U.S. crude fell by \$1.22 to \$65.51 a barrel by 1:18 p.m. EDT, extending the previous session's nearly 4 percent drop. London Brent crude fell \$1.35 to \$65.30. Friday's trading volumes were thin as NYMEX floor trading was dosed for the U.S. Independence Day holiday. *(Reuters)*

#### ■ **Gold steady above \$931; tracks dollar retreat vs euro**

Gold rose on Friday, steadying above \$931 per ounce as the dollar lost ground versus the euro, with deeper concerns over the U.S. economic

outlook also underpinning the metal.

Spot gold stood at \$931.70 by 11:10 a.m. EDT, up from \$928.65 late in New York. Earlier it rose to \$933.90. After a week of tracking a volatile dollar, gold is on course for a 0.6 percent fall on the week -- retreating further from a four-month high near \$990 hit in early June.

The precious metal found support above \$931 after falling on Thursday, when weaker-than-expected U.S. non-farm payroll data sent investors piling into the relative safety of the dollar. (Reuters)

#### ■ Samsung Eng wins \$2.6 bln order from Algeria - Refile

Samsung Engineering Co said on Monday that it secured a \$2.6 billion order from Algeria's state-owned energy group Sonatrach to increase and improve the refinery facility in Akikda, Algeria.

The order was the single-biggest overseas project for a South Korean contractor, it said in a regulatory filing. (Reuters)

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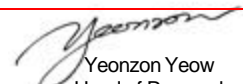
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**KENANGA INVESTMENT BANK BERHAD (15678-H)**

8th Floor, Kenanga International, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia

Telephone: (603) 2166 6822 Facsimile: (603) 2166 6823 Website: [www.kenangaresearch.com](http://www.kenangaresearch.com)



Yeonzon Yeow  
Head of Research