

**BURSA**

	7-Jul	1-day chg	% chg
KLCI:	1,066.36	0.53	0.05%
FTMS Emas:	7,172.25	15.12	0.21%
2nd Board:	4,673.09	(3.61)	-0.08%
Mesdaq:	3,887.98	(38.77)	-0.99%
KLSE Market Cap (RMbn):	774.41	2.47	0.32%

**INDICES**

Dow:	8,163.60	-(161.27)	-1.94%
Nasdaq:	1,746.17	(41.23)	-2.31%
FTSE-100:	4,187.00	(7.91)	-0.19%
Nikkei 225:	9,647.79	(33.08)	-0.34%
SHCOMP:	3,089.45	(35.22)	-1.13%
HSI:	17,862.27	(117.14)	-0.65%
STI:	2,272.26	6.17	0.27%
KOSPI:	1,434.20	5.26	0.37%
TWSE:	6,715.22	65.31	0.98%
JCI:	2,083.25	48.24	2.37%
SET:	Closed	-	-

**FOREX (US\$)**

	7-Jul	6-Jul	% chg
MYR (RM):	3.5455	3.5462	-0.02%
EURO (€):	1.3924	1.3984	-0.43%
GBP (£):	1.6139	1.6286	-0.90%
YEN (¥):	94.89	95.35	-0.48%
SGD (S\$):	1.4597	1.4543	0.37%
HKD (HK\$)	7.7502	7.7500	0.00%

**KEY STATS**

KLCI Spot			
Vol (m shares):	586.24	762.71	-23.14%
Value (RMm):	752.77	844.12	-10.82%
KLCI Futures			
Jul 09:	1,061.00	1,057.00	0.38%
Aug 09:	1,058.00	1,053.50	0.43%
CPO spot price (RM/tonne)			
	2,069.00	2,129.00	-2.82%
Soybean (US\$/bbl)			
	1,133.50	1,200.00	-5.54%
SoyOil (US\$/lb)			
	33.08	34.44	-3.95%
Gold (US\$/troy oz)			
	929.10	924.30	0.52%
Nymex crude oil (US\$/bbl)			
	62.93	64.05	-1.75%

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## Research Highlights

**NEWS HIGHLIGHTS**

- **AirAsia aims to park 10 planes in Penang to start new hub**
- **AirAsia up on plan to sell shares to one fund**
- **Proton unveils S aga SE and Exora MT models**
- **MAS to halt flights to NY after 11 years**
- **Berjaya Land places 40m BToto shares**
- **Shell Malaysia launches RON95 fuel**
- **Mitrajaya unit gets RM63.6m job at Iskandar Malaysia Edudity**
- **May adex up 11%**

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- **Bank Negara reserves up**
- **Malaysia May industrial output may shrink**

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- **Wall Street hits 10-week low amid talk of new stimulus**
- **Singapore poised for stunning turnaround**
- **Oil falls for fifth straight day in extended sell-off**
- **South Korea's KDB jointly funds US\$80m Malaysian CDM project**

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	2.42	0.0	14.50	Astro	3.38	6.3	4.49	Bumiputra	9.25	-2.6	3.92
2 B Toto	4.98	-1.4	9.59	HL Bank	5.80	2.7	0.63	UMW Hldg	5.85	-2.5	0.57
3 YTL Power	2.17	0.5	8.35	MMC Corp	2.11	2.4	2.50	B Toto	4.98	-1.4	9.59
4 Sime Darby	7.25	0.7	8.20	Parkson	5.00	1.6	0.47	KL Kepong	11.90	-0.8	0.76
5 Telekom Msia	2.88	0.4	6.78	YTL Corp	6.85	1.5	0.37	MISC	8.50	-0.6	0.11
6 Astro	3.38	6.3	4.49	Tanjong Plc	13.80	1.5	0.14				
7 Public Bank	9.20	1.1	4.00	PLUS	3.20	1.3	2.04				
8 Bumiputra	9.25	-2.6	3.92	AMMB Hldg	3.44	1.2	2.52				
9 Maybank	5.65	0.0	3.23	Public Bank	9.20	1.1	4.00				
10 Genting Malaysia	2.68	0.0	2.80	Petronas Gas	9.80	1.0	0.12				

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

## Corporate News

### ■ AirAsia aims to park 10 planes in Penang to start new hub

AirAsia Bhd's plan to park more planes at the Penang International Airport can materialise faster if Penang has a low-cost carrier terminal.

Regional head of commercial Kathleen Tan said the budget airline operator had plans to park 10 planes in Penang, which was in line with its goal of making the island its eighth hub.

AirAsia has hubs in Kuala Lumpur, Johor Baru, Kota Kinabalu, Bandung, Bali, Jakarta and Bangkok; and a "virtual hub" in Singapore.

"This is our long-term plan to enhance the attraction of Penang as a hub. Presently the cost of operation in Penang is very high. If Penang had a low-cost carrier terminal, it would reduce our operation cost, and attract more travellers to fly from Penang," she said in a telephone interview from Kuala Lumpur.

Tan said presently the Penang airport imposed higher international and domestic taxes, at RM51 and RM9 compared with RM25 and RM6 respectively charged at the Low-Cost Carrier Terminal in Kuala Lumpur.

She said from July 31, AirAsia would station one plane in Penang for the four weekly flights to Hong Kong. The round trip fare is about RM200.

"We are engaging a support team comprising pilots, engineers and technicians to be based at the Penang airport," she said, adding that AirAsia was also adding a second flight to Singapore from Penang starting July 31. *(The Star)*

### ■ AirAsia up on plan to sell shares to one fund

AirAsia Bhd, Southeast Asia's largest low-cost airline, rose for the first time in three days in Kuala Lumpur trading after saying it may sell all of a planned new share issue to a single investor.

AirAsia, which is planning to issue as much as 20 per cent more stock, is considering selling the stake to a single institutional fund or a strategic investor as part of a plan to reduce debt, chief executive officer Datuk Seri Tony Fernandes said in an interview late yesterday.

A strategic investor might be a private equity firm or a partner in the tourism industry, said Fernandes. He said he plans to meet potential buyers this month and the share sale should be completed in early August. *(Bloomberg)*

### ■ Proton unveils Saga SE and Exora MT models

Proton Holdings Bhd yesterday launched the Proton Saga SE (special edition) and Proton Exora MT (manual transmission) here yesterday.

Prime Minister Datuk Seri Najib Tun Razak unveiled the new variant models and the Felda-sponsored Proton Satria Neo S2000 rally car after launching the Felda Settlers Day celebrations at Felda Maokil.

Proton chairman Datuk Mohd Nadzmi Mohd Salleh in a statement said the Saga SE, a premium and sporty variant to the existing model, was targeted at youngsters who want to be different.

The car comes in either brilliant red or solid white with a black finished roof top, new front grille, sporty front, rear and side skirting, as well as new alloy rim design.

The Saga SE also boasts a new interior finishing complete with leather seats, door trims, a leather wrapped steering wheel, pearl white meter panel finishing and a CD player with MP3 capability.

The Saga SE is estimated to be sold at RM43,000 and RM45,500 for the manual and automatic variants respectively. *(The Star)*

### ■ **MAS to halt flights to NY after 11 years**

Malaysian Airline System Bhd (MAS) will suspend its thrice-weekly services from Kuala Lumpur to New York via Stockholm and vice versa effective October due to a drop in demand.

MAS said on July 7 the last flight from Kuala Lumpur to New York will be on Sept 30 while the last flight departing New York will be on Oct 1 and Stockholm on Oct 2.

Its commercial director Datuk Rashid Khan said MAS had been serving New York since 1998 and Stockholm since 2004.

"We have decided to suspend the services as demand has dropped due to the global economic crisis. The suspension is part of our continuous review to ensure that we retain the correct balance in network and fleet utilisation given supply and demand," he said.

Rashid said MAS was making arrangements to notify all who are affected.

Customers holding tickets issued prior to July 7 for flights from Kuala Lumpur to New York/ Stockholm vice versa and Stockholm to New York vice versa would be eligible for a refund, without any fees. (*The Edge*)

### ■ **Berjaya Land places 40m BToto shares**

Berjaya Land Bhd (B-Land) announced today it has placed out a total of 40 million shares in Berjaya Sports Toto Bhd (BToto) for RM190 million or at a placement price of RM4.75 per share.

The net proceeds from the placement will be utilised to meet part of the redemption of B-Land's RM848.1 million five-year eight percent secured exchangeable bond maturing on August 15, 2011.

The balance of the proceeds, if any, will be for working capital purposes of the group, B-Land said in a statement.

The placement price represents a discount of 30 sen or 5.94 percent below the average market price of BToto shares for the past three days and a price-earnings multiple of 14.53 times based on the unaudited earnings per share of the group of 32.68 sen for the financial year ended April 30, 2009, it said.

The placement was not subject to the approval of any authority and the shareholders of B-Land, the company said.

As a result of the placement, B-Land group's total equity interest in BToto will be reduced by 3.18 per cent to 596.27 million shares representing 47.48 per cent of the paid-up share capital of BToto, it said.

Tan Sri Vincent Tan, a major shareholder of B-Land, had also concurrently placed out a total of 15.6 million shares in BToto, thus reducing his direct interest to 54.5 million shares representing 4.34 per cent stake in BToto.

Therefore, Tan together with the Berjaya Corporation Berhad group (including the B-Land group) now has on aggregate of 53.01 per cent stake in BToto, B-Land said. (*Bernama*)

### ■ **Shell Malaysia launches RON95 fuel**

Shell Malaysia Trading Sdn Bhd announced today that its Shell Unleaded 95 fuel is now available at the Alisha Station along Federal Highway Batu 3 (Klang bound).

In a statement, Shell said the fuel will be available at all of its stations nationwide by September this year in compliance with government's directive to introduce the RON95 fuel to the market.

"We are pleased to offer our customers the opportunity to try our Shell Unleaded 95 fuel with fuel economy formula at this site," said the company's managing director Datuk Mohzani Abdul Wahab.

"Our customers can be assured that this new fuel continues to deliver on Shell's fuel quality promise and complements our aspiration of helping our customers get the most out of every drop," he said. (*Bernama*)

#### ■ **Mitrajaya unit gets RM63.6m job at Iskandar Malaysia Educity**

Mitrajaya Holdings Bhd's (MHB) wholly owned subsidiary Pembinaan Mitrajaya Sdn Bhd has accepted the letter of award for the proposed construction of main building works for the Newcastle University Medicine Malaysia Campus at Educity in Iskandar Malaysia for RM63.64 million.

According to a Bursa Malaysia filing today, Mitrajaya said the contract shall be for a period of 20 months starting from July 6, 2009, and to be completed by March 5, 2011, adding that it was expected to contribute positively to MHB Group's future earnings. (*The Edge*)

#### ■ **May adex up 11%**

Advertising expenditure (adex) of the various media in Malaysia grew at 11% for May 2009 compared with the previous month when it registered a contraction of 1%.

The month-on-month television adex growth in both percentage and absolute terms outperformed newspaper, according to the media update by Carat Media Services (M) Sdn Bhd.

In data sourced from Nielsen Malaysia, market data gatherer Carat Media Services said the May 2009 monitored adex of RM538mil continued to cling on to the previous year's level. (*The Star*)

## **Economic News**

#### ■ **Bank Negara reserves up**

Bank Negara's international reserves rose to RM322.9bil (equivalent to US\$91.5bil) as at June 30 from RM318.4bil (US\$87.1bil) at June 15.

The reserves level had taken into account the quarterly adjustment for the foreign exchange revaluation gain, following the strengthening of some of the major currencies against the ringgit during the quarter, said the central bank. (*Bernama*)

#### ■ **Malaysia May industrial output may shrink**

The pace of annual decline in Malaysia's industrial production index in May is set to slow for the fourth successive month when data is released on July 9, according to a Reuters poll of 13 economists.

The pace of contraction is seen at 11 per cent year on year, slower than the 11.4 per cent drop recorded in April and the rate of decline has been slowing since January's 20 per cent fall.

Industrial production numbers have been falling since September 2008 as the global economic downturn ate into demand for Malaysia's export oriented electronics industry.

Some Asian economies such as Japan are already reporting steady gains in industrial output amid signs economies have touched bottom, although Malaysia's export decline in May of 29.7 per cent year on year was the worst since Reuters Ecowin records began in 1980. (*Reuters*)

## Foreign News

### ■ Wall Street hits 10-week low amid talk of new stimulus

Stocks fell to their lowest level in 10 weeks on Tuesday, July 7 as talk of a second government stimulus plan heightened fears that the economy is not yet on the path to recovery and that the corporate earnings season starting this week will be weak, according to Reuters.

A member of the Obama administration's economic advisory panel said the United States should plan to possibly provide a second round of stimulus funds to prop up the economy. The comments come as investors question earlier optimism for a quick recovery, which had driven stocks as much as 40 percent higher since early March.

"It's clear that over the last three plus weeks that investors are becoming concerned that the recovery in the economy will not come as soon as expected and will not be as strong as expected," said Hugh Johnson, chief investment officer of Johnson Illington Advisors in Albany, New York. *(Reuters)*

### ■ Singapore poised for stunning turnaround

After two quarters of sharp declines in output in 4Q08 and 1Q09, the Singapore economy is poised for a sharp rebound in 2Q09.

DBS Group Research said today growth of 16.7% (quarter-on-quarter) was expected (-4.8% year-on-year), led by a strong recovery in manufacturing.

This sector, which led the economy to its deepest recession ever, is now the main driver of the upturn.

While a surge in production in the pharmaceutical industry is certainly one key driver, improvements in other sectors should not be discounted.

With the strong pick-up in the second quarter, full year gross domestic product (GDP) growth now looks set to register -5.0%, up from -6.6% previously.

In addition, DBS Research also lifted the growth forecast for 2010 to 4.8%, from the earlier estimate of 4.2%.

It said Singapore's economy was staging a swift turnaround. GDP growth for the second quarter could post a strong 16.7% (q-o-q; minus 4.8% y-o-y) growth after the 16.4% (q-o-q) decline in 4Q08 and 14.6% drop in 1Q09. *(The Edge)*

### ■ Oil falls for fifth straight day in extended sell-off

Oil prices fell for the fifth straight day Tuesday, with a barrel costing US\$10 less than it did just one week ago when crude hit a new high for the year.

Benchmark crude for August delivery settled at \$62.93 a barrel on the New York Mercantile Exchange, down \$1.12.

Oil prices had already begun to slide after peaking last Tuesday, and dismal jobs numbers last week from both the U.S. and Europe have hastened the decline.

Optimism about a quick economic recovery, and a rebound in energy demand, were dampened after the Labor Department reported Thursday that U.S. economy lost a larger-than-expected 467,000 jobs in June.

On the same day, a report from Europe indicated that in the 16 countries that use the euro spiked to a 10-year high in May. *(The Star)*

## ■ South Korea's KDB jointly funds US\$80m Malaysian CDM project

Korea Development Bank (KDB) is looking to ramp up funding for carbon offset projects in Asia under the United Nations' clean development mechanism (CDM) and is jointly financing an US\$80 million (RM283.2 million) Malaysian project, a bank source said today.

State-owned KDB, which aims to become Asia's top carbon investor, is financing about US\$50 million of the project that aims to cut greenhouse gas emissions from a large palm oil processing cluster.

"There is one CDM project KDB is participating as a financial adviser and investor along with other Korean and foreign investors," said the source, who did not want to be identified because he is not authorised to speak to the media.

The project aims to use palm oil waste to generate 70 tonnes per hour of steam, which in turn will be used to produce 23 megawatts of electricity.

The emissions savings will mean the project will also yield 300,000 UN carbon offsets called certified emission reductions (CERs) per year. Each CER represents a tonne of carbon dioxide-equivalent saved from being emitted. The CDM, part of the UN's Kyoto Protocol, allows industrialised countries with greenhouse gas reduction commitments to invest in projects that reduce emissions in developing countries.

In return, the investors earn CERs that can be sold for profit or used to meet emissions obligations at home.

The source said KDB will be involved in debt and equity financing of CDM projects, emissions credits trading, brokering via KDB Ireland and investing in clean technology ventures. *(Reuters)*

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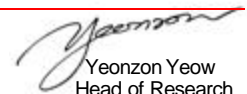
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