



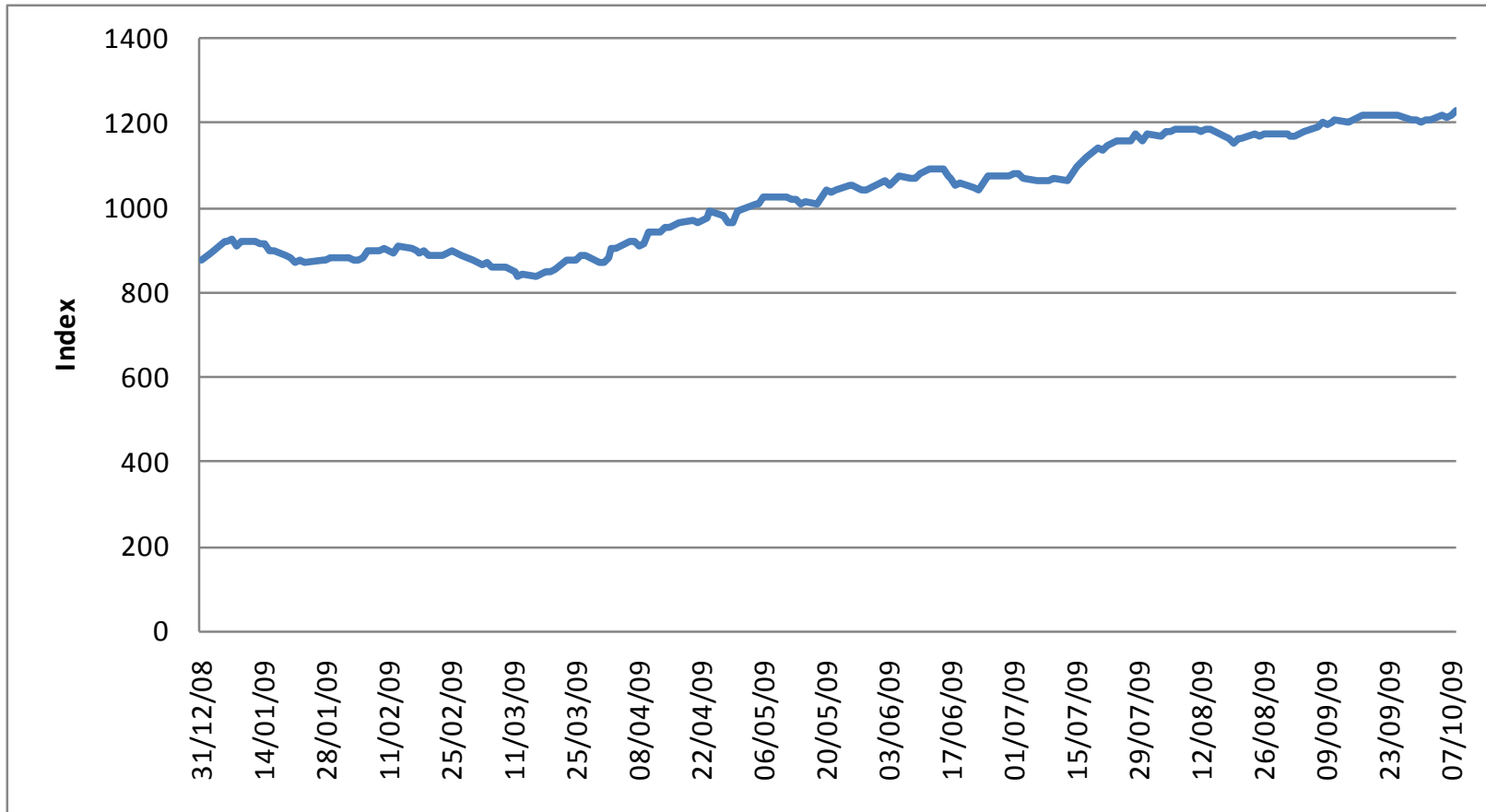
# TA Securities Holdings Bhd

RESILIENCE | CONFIDENCE | OPPORTUNITY

# PERFORMANCE OF EQUITY MARKET

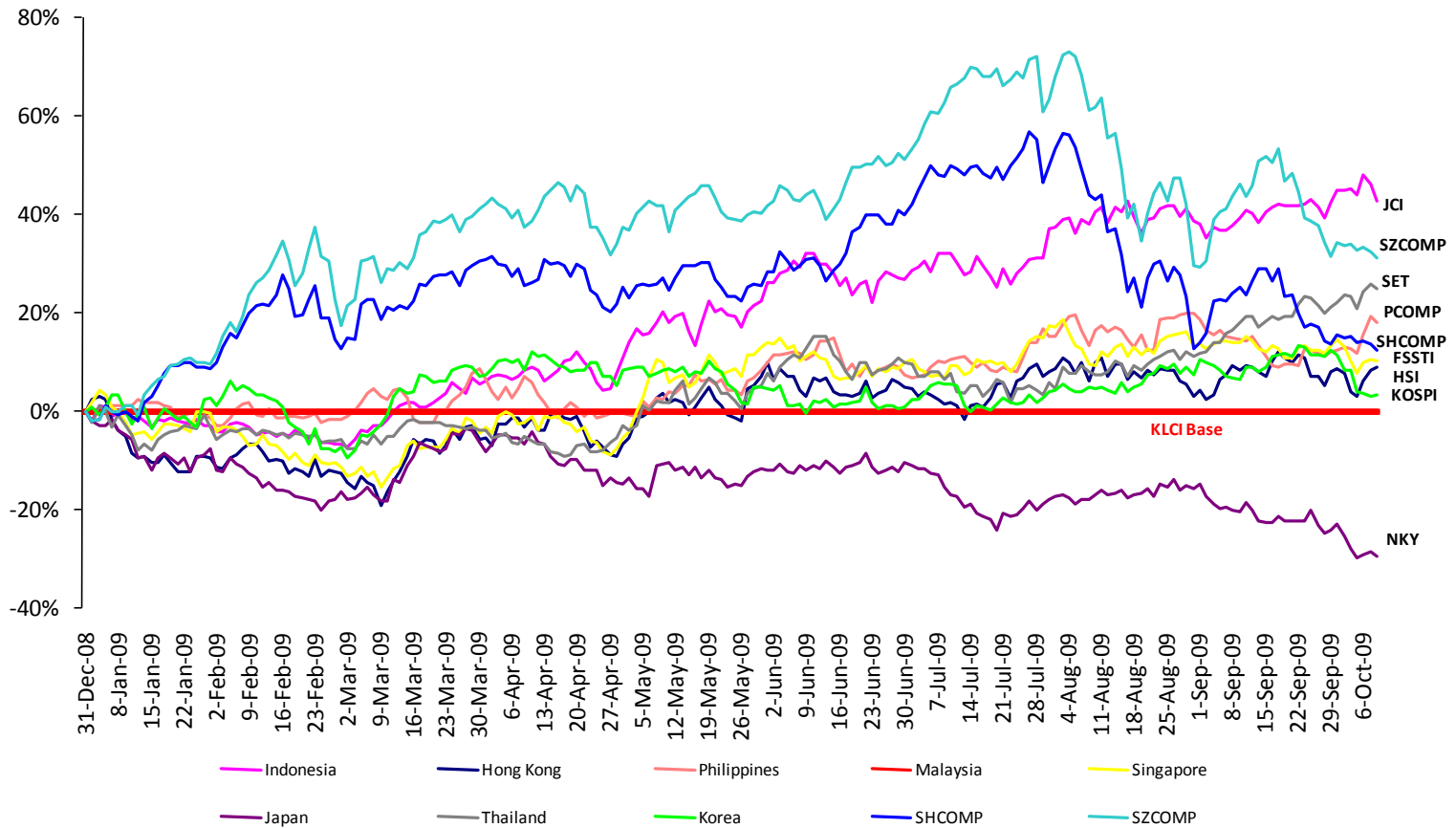
- ▼ Expectations of an imminent recovery in global economy and corporate earnings drove up the FBM KLCI index by 40% year-to-date to 1,230.09 as at October 08, 2009.
- ▼ Positive market sentiment lifted market capitalization by 38.4% to RM918.7bn as at August 31, 2009 compared to RM663.8bn in December 31, 2008.

# FBM KLCI Performance

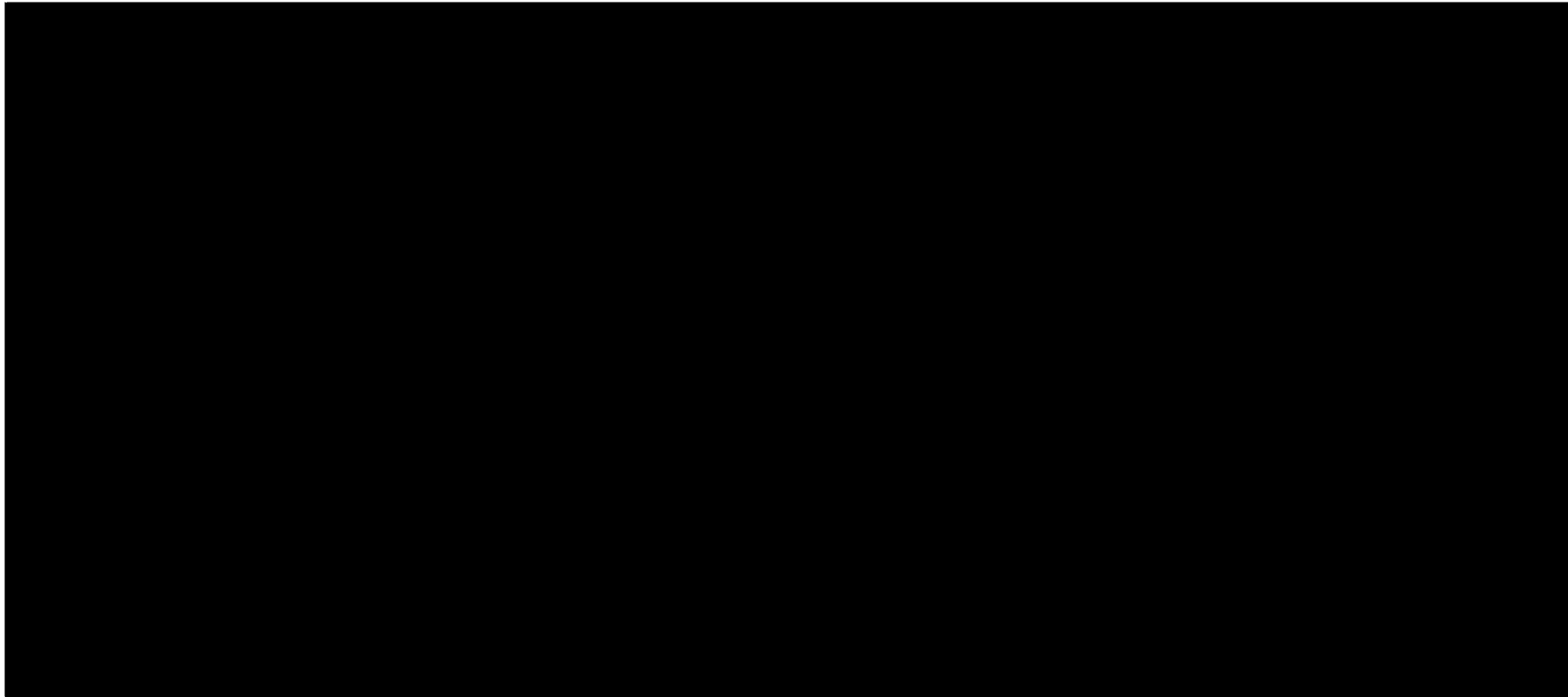


# KLCI vis-à-vis Other Indices

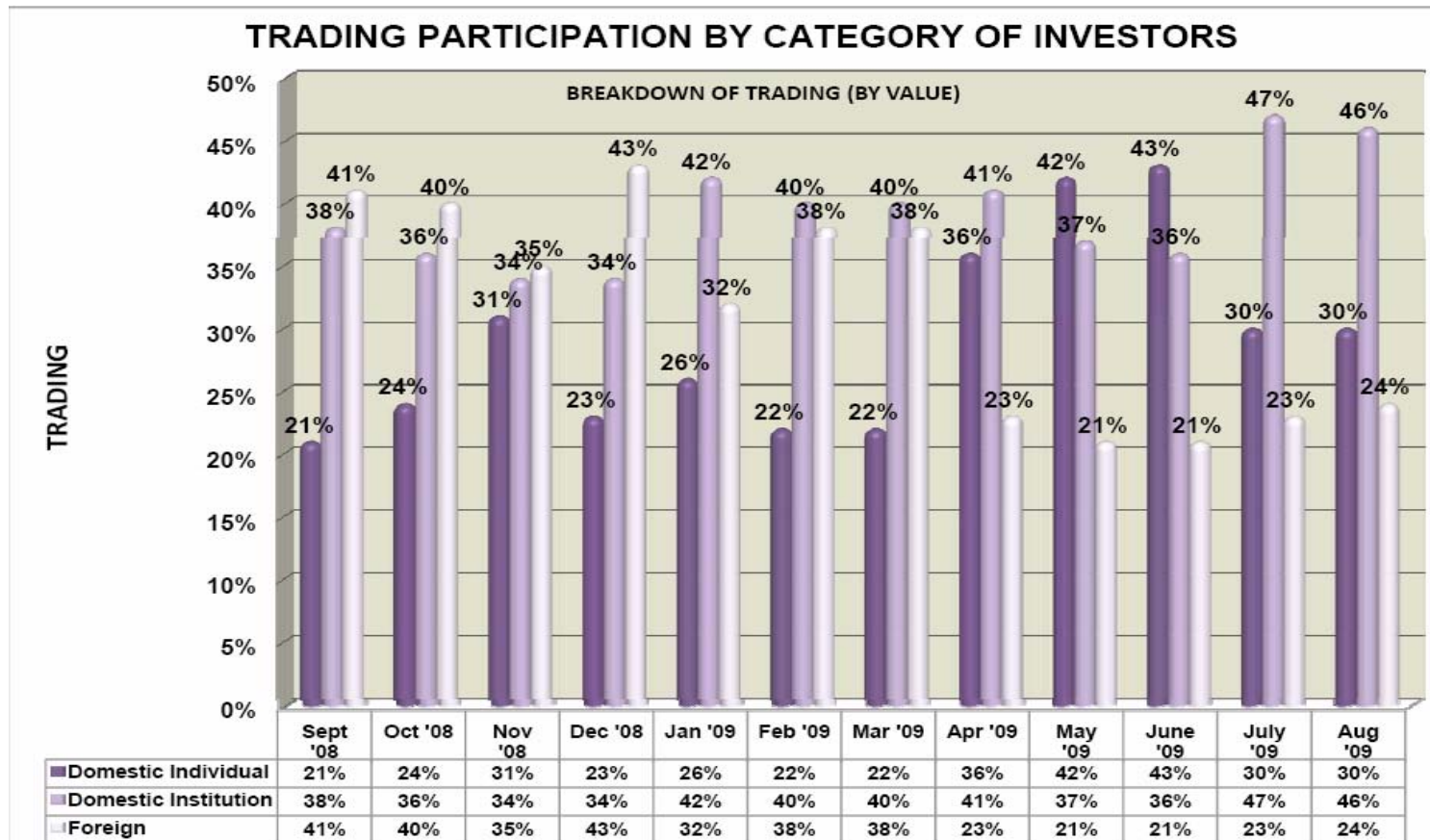
YTD KLCI's Relative Performance Against Regional Bourses



# KLCI vis-à-vis Other Indices



# Market Participation by Investors



# Capital Market Performance

	2007	2008	Remarks
Index			
Trading Value ( Yearly Average)	RM2,178.83mn	RM1,180.70mn	Investor confidence was affected by US housing & credit crisis.
Number of Listed Companies	987	977	Contraction due to privatisation and de-listing.
Yields of Bills:			
- 12-Month Treasury Bills	3.431%	3.353%	-
- 9-Month Bank Negara Bills	4.526%	N/A	-
Net Purchases by Foreign Investors:			
- Stock Market	RM3,837mn	RM6,667mn	-
- Bond Market	RM4,882mn	RM6,225mn	-

# List of Multiple Indices

<b>Index</b>	<b>2007</b>	<b>2008</b>
FTSE KLCI	1445.03	876.75
Industrial	3014.43	2063.85
Technology	24.42	13.69
Construction	313.04	164.18
Consumer	343.89	282.03
Finance	10905.35	6791.71
Industrial Production	114.58	66.88
Plantation	8089.3	4142.8
Property	1035.66	515.61
Service	196.26	117.91
Mining	429.61	231.01
FBM70	9944.61	5442.06
FBM100	9502.36	5613.94
FBM Smallcap	12260.97	6552.82
FBM Emas	9810.83	5726.46
FBM Fledgling	8867.29	5420.98
FBM Emas Shariah	10533.13	5949.63
FBM 2nd Board	6732.35	4007.31
FBM ACE	6109.16	3333.59
FBM Hijrah Shariah	11660.06	6640.04

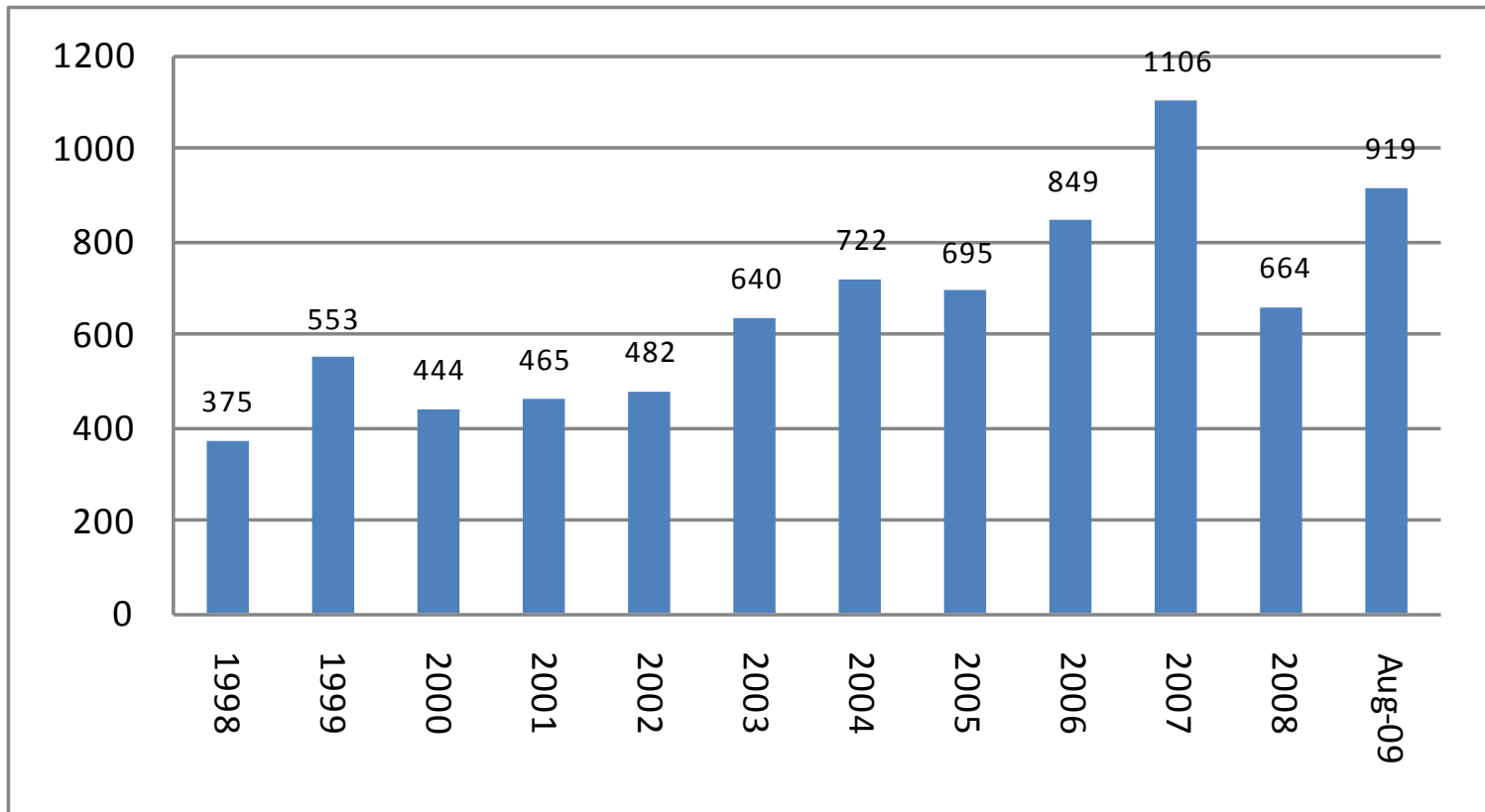


# Activity level

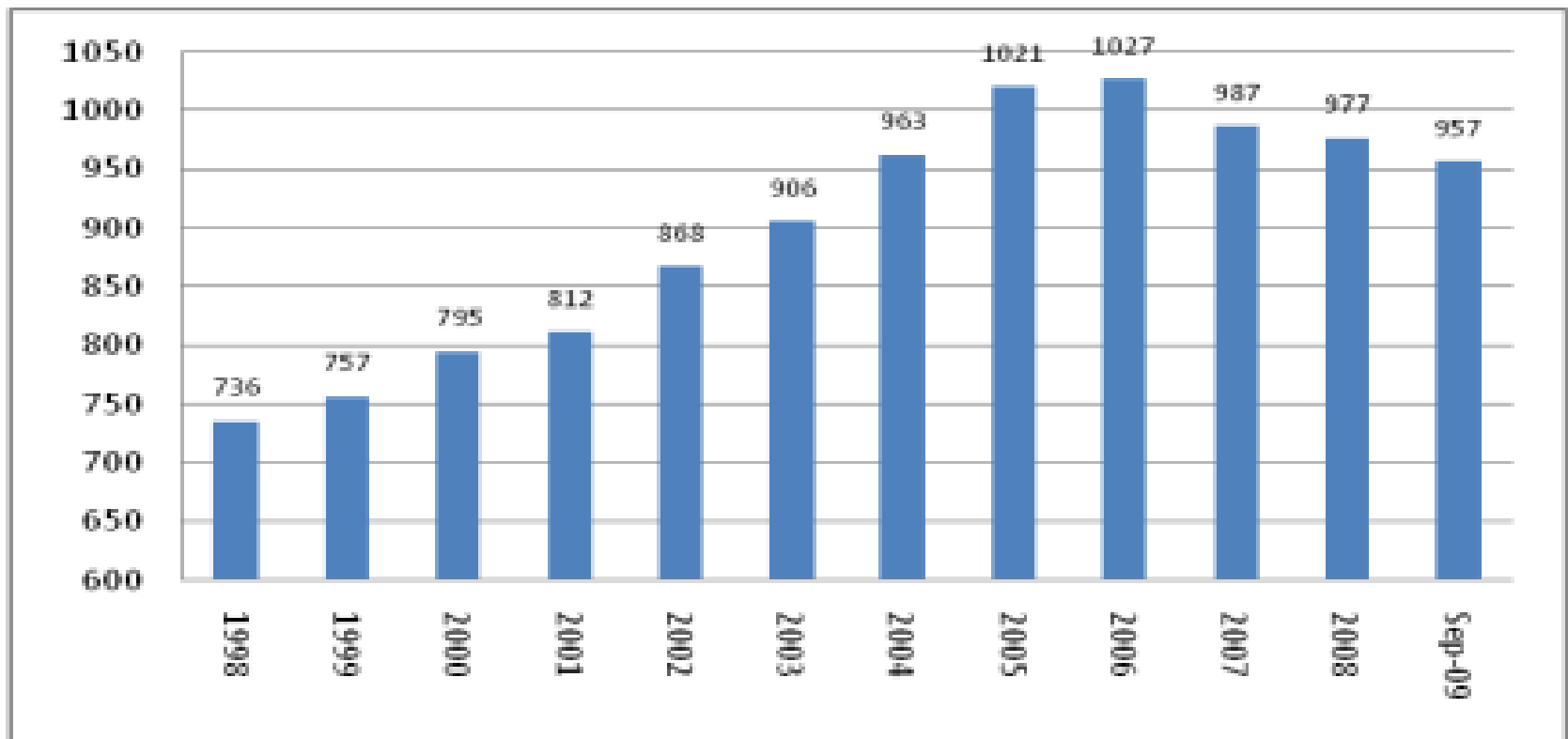
- ▼ 6 new listings YTD, vs. 23 IPOs in 2008
  - Companies are delaying IPO to get better valuation, and to avoid under subscription
  
- ▼ 957 companies listed on Bursa Malaysia as at September 23<sup>rd</sup>, 2009 compared to 977 in 2008
  - Slight contraction attributable to privatization and de-listing of companies that failed to meet regulatory standards
  
- ▼ The average daily trading value of RM1,144.15mn as at September 23<sup>rd</sup>, 2009 was almost at par with last year's average of RM1,180.7mn.
  
- ▼ Volatility has reduced as the peak value almost halved to RM2,420.76mn in 2009 from RM4,355.54 in 2008

# Total Market Capitalization (RM'bn)

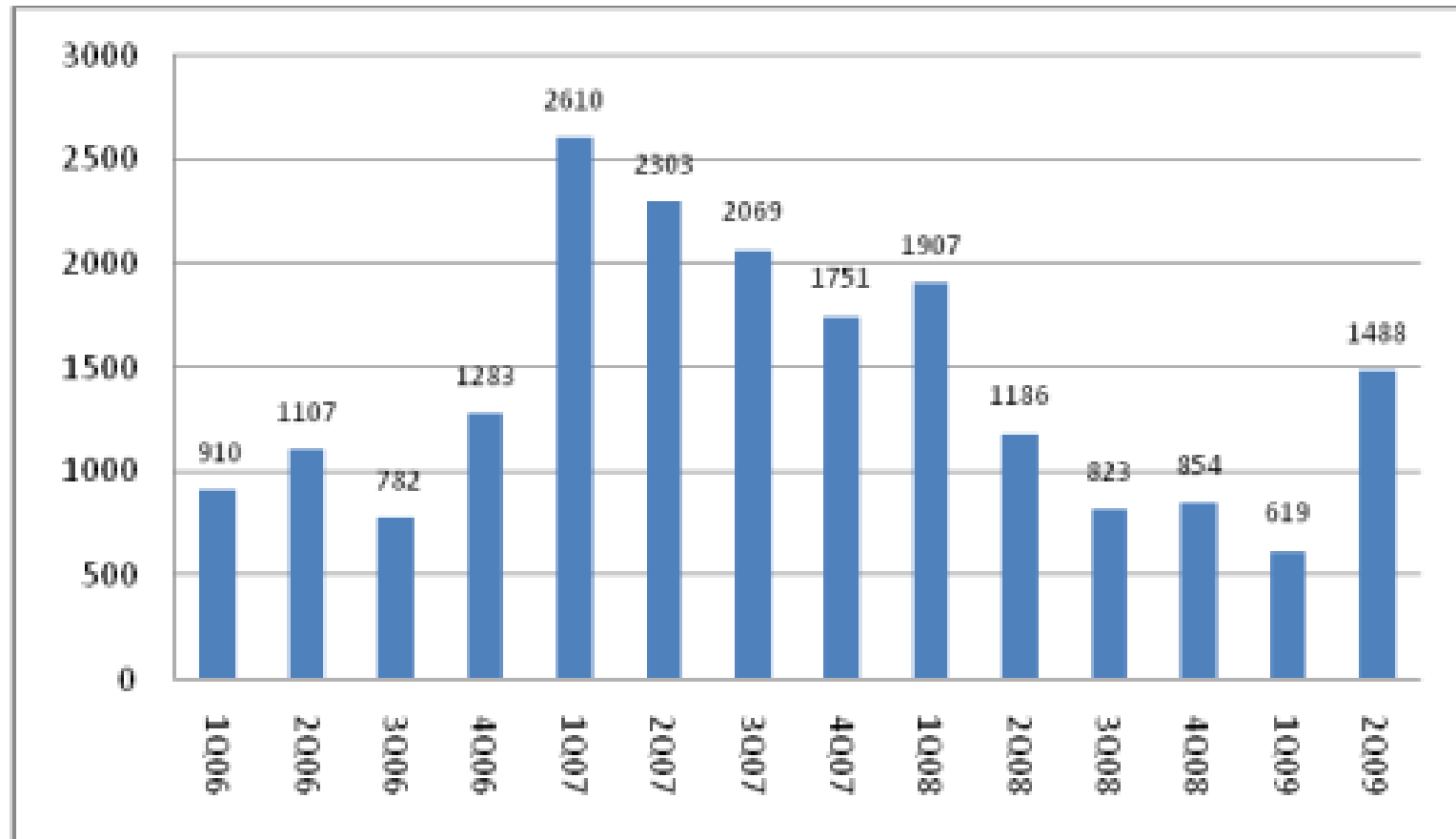
RM'bn



# Total Listed Companies



# Daily Average Market Transaction Value (RM'mn)



# Major Developments

Efforts by Bursa to:

- 1) Improve accessibility
- 2) Introduce new products and services
- 3) Strengthen liquidity
- 4) Internationalize markets.

# The Steps Taken Are .....

- ▼ **FTSE BM Palm Oil Plantation Index Series**
  - cements Bursa's position as a key centre for commodities-related capital market offerings.
- ▼ **Structured warrants and ETFs**
  - allow more proprietary day traders and spur liquidity in the market.
- ▼ **FTSE Bursa Malaysia KLCI**
  - easier to replicate index and enable investors to focus trade on 30 stocks (from 100)
  - tie-up with the FTSE Group also offers the FBM KLCI instant recognition and credibility among investors
- ▼ **Multicurrency Securities Framework**
  - add more depth to the Malaysian capital markets.
- ▼ **Main and Ace markets**
  - provide companies with a clearly-defined platform
  - raise capital, which will enhance efficiency, access and certainty in the fund-raising process
- ▼ **CMDF Bursa Research Scheme (CBRS)**
  - enhance liquidity by generating interests in stocks

# Key Milestones for 2008/2009

- ▼ Continue to establish a niche in Islamic capital market
- ▼ Key focus and initiatives in this area include:
  - 1) issue of new licenses for foreign brokers, and
  - 2) encourage the trading of Islamic securities.
- ▼ Strategic partnership with Chicago Mercantile Exchange Inc (CME) Group.
  - boost the Malaysian CPO visibility as it trades alongside other major edible oil contracts such as soy oil.
- ▼ Further develop the Malaysian commodities market via the creation of Bursa Commodity House.
- ▼ Enhance liquidity in the market by restructuring the minimum bids/spread size.
- ▼ Introduction of Multicurrency ETFs

# Market Direction– Rally Has More Legs

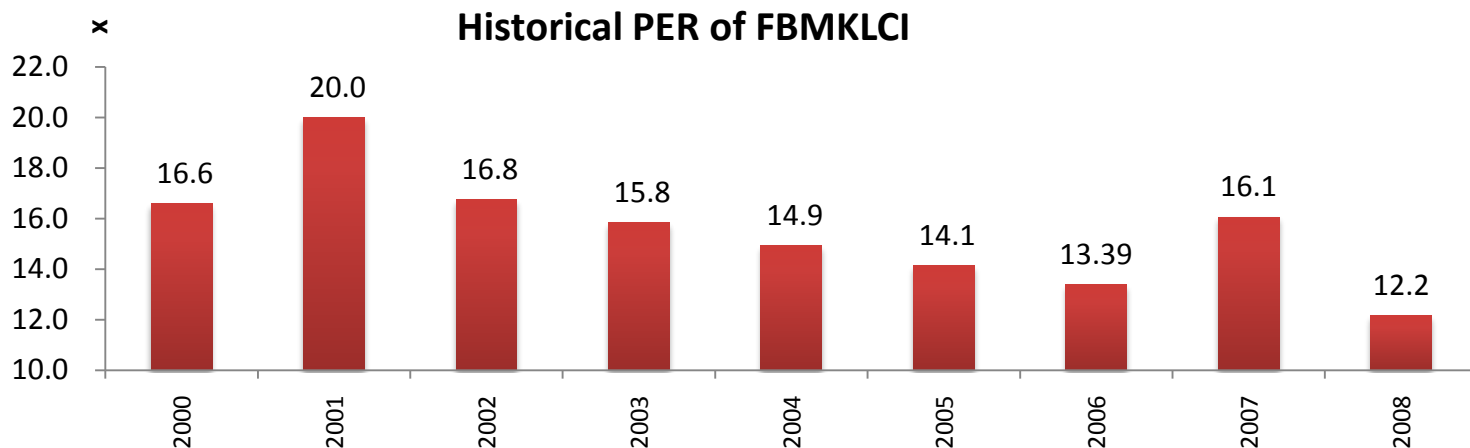
- ▼ FBM KLCI hits a high of 1230 on October 08<sup>th</sup>
  - positive external news flows supports an imminent economic recovery story
  
- ▼ Nonetheless, average daily volume reduced drastically
  - lower retail participation...
  - ...but participation of domestic institutions rose, picking up the slack from foreign investors as well.
  
- ▼ The benchmark index is trading at FY10 multiple of 16x , vs. regional markets' 11x to 16x.
  - Strong support at 1,150 to 1,200 levels
  - corporate earnings are expected to grow by 22.3% in CY10 after contracting by 5.8% in CY09.



# FBM KLCI Valuation – PER Method

- FBM KLCI 2010 Target of 1,370 @ 17.8x PER
- 12.4% premium to bottom up valuation of 1,219 and will be driven by liquidity

	2009	2010
EPS (sen)	63.9	77.1
PER @ 1,213	19.0	15.7
PER @ 1370	21.4	17.8

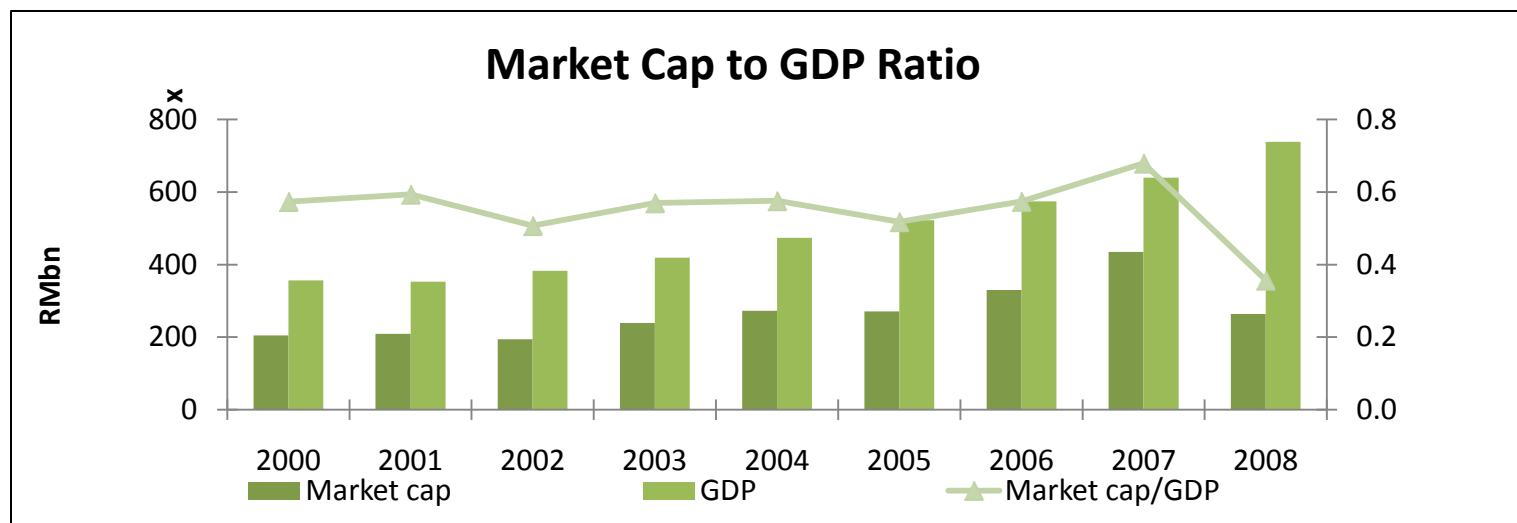


# FBMKLCI Valuation-Market Capitalization Method

## Market Cap (FBMKLCI) / GDP Ratio – Scenario Analysis

- At 1,370 target market cap/ GDP ratio of 0.60x is not far away from 2000-2008 Average of 0.55x

Market Cap/GDP Ratio (x)	0.45	0.50	0.55	0.60	0.65
KLCI (2009)	946	1051	1156	1261	1351
KLCI (2010)	1026	1140	1254	1368	1482



# Key Market Drivers & Risk

## Drivers

- ▼ Accommodative Monetary Policy and Fiscal Expansion.
- ▼ Resumption in exports growth.
- ▼ Ample liquidity in the system.
- ▼ Drastic liberalization measures and divestment of GLCs non-core businesses will drive foreign investments and corporate manoeuvres.
- ▼ Corporate earnings upgrade

## Risks

- ▼ Further delays in the implementation of 9MP.
- ▼ Prolonged Recession in Malaysia's key trading nations



**THANK  
YOU**