



OVERVIEW

Globally, stock market performance traded strongly higher in March. The FBM KLCI Index rose 2.25% whilst the FBM EMAS Shariah Index rose 2.58%. Meanwhile, the FTSE All World Index rose 1.81%, bringing year-to-date performance to 6.49%. U.S. benchmarks showed solid performance as well, with both the S&P 500 and Dow Jones Industrial Average rising 3.75% and 3.86%, respectively. Year-to-date, the S&P 500 gained 10.61% while the Dow Jones Industrial Average advanced 11.93%. Surprisingly however, the MSCI Emerging Markets Index declined 1.72% over the month, dragged by uninspiring market performance in China and Brazil.

Malaysia's Foreign Exchange Reserves were marginally higher at US\$140.6 billion on 15 March. Inflation inched up further to 1.5% in February, after reaching 1.3% in January. As inflation remains low, Bank Negara Malaysia kept the Overnight Policy Rate unchanged at 3.0% on 7 March, highlighting its intention to maintain accommodative monetary policy in support of economic growth.

The Malaysian ringgit was stable at 3.09 per USD at the end of March. Crude palm oil prices declined to RM 2,340 per tonne, well below the 1-year high of RM 3,655 per tonne on 10 April last year. Meanwhile, the price of crude oil rebounded to US\$97.23 at the end of March from US\$92.05 a month ago, but remains below the high of US\$109.49 reached in February last year.

In the U.S., economic recovery appears to be on firmer footing. The housing market has improved with existing home sales increasing 0.8% month-over-month in February. Job creation picked up with non-farm payrolls recording an increase of 236,000 jobs during the month, compared with an increase of 119,000 jobs in January. Correspondingly, the unemployment rate fell to 7.7%, the lowest level in more than four years.

The global economy showed signs of improvement but is still weak. The global Purchasing Managers Index for the manufacturing sector was 50.8 in February, suggesting that global manufacturing activities continued to grow, albeit at a slow pace. In China, the manufacturing Purchasing Managers Index has been above 50 for the fifth consecutive month, pointing to a modest pick-up in manufacturing activities during the month.

COMPANY REVIEW

Robinson Department Store reported strong quarterly results with core net profit growing 59.6% year-over-year, driven by strong same-store sales growth and contributions from new stores.

Pepsi-Cola Products Philippines reported net profit of PHP147 million, an increase of 133.3%

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March 2013



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Market Indicators	Current Value	1 Month	YTD	1 Year
FBM EMAS Shariah (RM)	11,357	2.58% ▲	-0.77% ▼	8.96% ▲
FBM KLCI (RM)	1,672	2.25% ▲	-0.56% ▼	8.39% ▲
S&P 500 (US\$)	1,569	3.75% ▲	10.61% ▲	13.96% ▲
Dow Jones Industrial Average (US\$)	14,579	3.86% ▲	11.93% ▲	13.37% ▲
FTSE All World (US\$)	237	1.81% ▲	6.49% ▲	11.42% ▲
MSCI Emerging Markets (US\$)	1,035	-1.72% ▼	-1.70% ▼	2.30% ▲

	Current	1 Month Ago	1 Year Ago
Ringgit per US\$	3.09	3.09	3.06
Crude oil (US\$)	\$97.23	\$92.05	\$103.02
Crude palm oil (RM)	RM 2,340	RM 2,375	RM 3,480



year-over-year on higher sales volume and improved margin.

PORTFOLIO TACTICS

The Malaysian stock market ended the month higher in tandem with most regional markets. With the looming general elections in Malaysia, the stock market may remain volatile as election risks could weigh down the market. We continue to position towards Health Care (e.g., KPJ & Hartalega), Consumers (e.g., Robinson Department Store and Pepsi-Cola Products Philippines), and Telcos (e.g., Axiata).

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