

Breakfast News -

Thursday, 28 Aug 2008

Indices (Closed as at 27 Aug 08)

Indices	Close	Chge	% Chge
FTSE-STI	2,705.09	-2.10	-0.1
KLSE	1,067.65	-2.85	-0.3
Hang Seng	21,464.72	408.06	1.9
Nikkei	12,752.96	-25.75	-0.2
DJIA	11,502.51	89.64	0.8
Nasdaq	2,382.46	20.49	0.9

IPO Launches

Company	Offer Price	Offer Closes	Debut Day
Hai Leck Holdings Ltd	S\$0.26	26/08	28/08
Qualitas Medical Group Ltd	S\$0.25	28/08	01/09
Trump Dragon Distillers Holdings Ltd	S\$0.31	03/09	05/09

Results announcements

Company	Date of Release
Eu Yan Sang Intl Ltd	FY08 28/08
Fung Choi Media Grp Ltd	FY08 28/08
Olam Intl Ltd	FY08 28/08
SNF Corporation Ltd	1H08 28/08
Lasseters Intl Hldgs Ltd	FY08 29/08
Health Management Intl Ltd	FY08 30/08
China Flexible Packaging Hldgs Ltd	3Q08 13/09

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Market Commentary

Singapore market – Remain lacklustre

- Singapore:** Singapore market closed relatively unchanged from Tuesday's closing. The market opened down due to continuous uncertainty over the US financial crisis as well as the Singapore economy. However, bargain hunting activities managed to help the market to recover most of its earlier losses. The benchmark STI dropped 2.1 points or 0.1% to close at 2,705.09. Turnover remained weak with only 0.76 billion shares worth S\$0.91 billion transacted, the fourth day where turnover value dropped below the S\$1 billion mark. Losers continued to lead gainers 262 to 197.
- Wall Street:** Wall Street rose after gains in Durable Orders. The Department of Commerce reported before the market open that Durable Orders increased by 1.3% in July, substantially higher than consensus estimate of 0% growth. June figures also revised up from 0.8% to 1.3%. This gave investors some confidence over the economy and pushed the market higher even though oil prices continue to rise. Light sweet crude surged US\$1.88 to close NYMEX at US\$118.15 a barrel. Although Tropical Storm Gustav was moving towards the Gulf of Mexico, it had downgraded from hurricane as wind speed slowed. The Dow rose 89.64 points or 0.8% to close at 11,502.51 while the tech-heavy Nasdaq increased 20.49 points or 0.9% to close at 2,382.46.
- Outlook:** Market is likely to continue it's sideways movement as investors remain cautious due to current uncertainty. Although there are some signs of improvement in the US economy, higher oil prices could be a concern, especially during this peak period for hurricane. Tropical storm Gustav is expected to enter the Gulf of Mexico in this few days. From the satellite photo, another tropical depression near the Caribbean Sea could possibly turn into tropical storm tonight or tomorrow morning. These have increased the probability of higher crude prices. With no signs that the US subprime crisis ending and uncertainty over the faith of Lehman Brothers, which will be announcing its results on 18 September, the market is likely to remain lacklustre.

Company Highlights

STATS ChipPAC - Manufacturing Agreement with Infineon on First Generation eWLB Technology

- STATS ChipPAC Ltd.,** a leading semiconductor test and advanced packaging service provider, today announced it has entered into an agreement with Infineon Technologies AG to provide manufacturing services for products based on Infineon's first generation embedded Wafer-Level Ball Grid Array (eWLB) technology.
- The relentless market demand for complex and power efficient semiconductor devices within a continuously shrinking package footprint is increasingly constrained by the lack of physical pad connection space.** Infineon, a leading supplier of semiconductor and system solutions, successfully alleviated these constraints via the development and introduction of the eWLB, a fan out wafer level packaging technology.

Goodpack Limited – FY08 net profit increased 21.9% to US\$30.1m

- Goodpack Limited** ("Goodpack"), a home-grown and world's largest

provider of returnable and environmentally-friendly 1 Intermediate Bulk Containers (“IBCs”) packaging solutions provider, reported revenue growth of 32.4% to US\$99.6m with revenue growth across all product segments. Revenue from the synthetic rubber division grew 141% to US\$36.3m as the Group gained more market share with more orders coming from both existing and new customers.

- Overall logistics and handling costs increased 57.1% to US\$39.1m on the back of increased synthetic rubber businesses in Europe and US. Due to the ramp up in synthetic rubber volume, the Group had to incur higher logistics and handling costs to meet the initial demand. On a steady state, the Group expects the logistics and handling costs to be normalized.
- In line with the revenue growth, Group’s earnings before interest, tax, depreciation and amortization increased 24.7% to US\$46.4m. Due to a combination of the above factors, net profit after tax improved 21.9% to US\$30.1m while fully diluted earnings per share grew from 5.83 US cents in FY07 to 6.19 US cents in FY08.

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Buy	: >15% upside over the next 12 months
Trading Buy	: + 10% to + 15% range over the next 3 months
Hold	: +/- 15% range over the next 12 months
Trading Sell	: - 10% to - 15% range over the next 3 months
Sell	: >15% downside over the next 12 months

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