

HELP International: Strong 9M09 performance

HELP International reported strong 9M09 net profit of RM9.5m (+39% yoy), 67% of consensus estimates. Results are seasonally weaker in 1Q and 3Q due to summer period for courses from institutions in UK, US and Australia. 9M09 revenue rose 17% to RM70m due to higher number of local courses offered. HELP is building two new campuses, namely the Subang 2 Green Technology Campus (to be completed by 2011) and City Campus at Fraser Technology Park (completed this year). The Subang 2 Campus has a capacity of 12,000 students and will raise its student capacity to 18,000 by 2015.

In our view, HELP is an attractive growth stock with solid balance sheet: (1) Balance sheet is armed with net cash of 81sen/share, accounting for 56% of current share price. (2) Share price valuation is undemanding at 4x FY10E ex-cash PE. (3) HELP is one of the leading private education providers in the country and management has shown strong ability to grow its profitability. Future growth will be supported by its two new campuses, which will raise its student intake capacity by 3x.

Newsbreak

Tanah Emas acquires plantation company

It is buying a 51% stake in Fabulous Plantations Sdn Bhd for R23.5m with an option to acquire the remaining 49% for RM22.6m within a year. The acquisition will be paid by RM5.5m in cash and 18m of Tanah Emas shares.

TSR secures construction contract

The company has secured a RM80m contract to construct Phase 3A of the National Space Centre's space technology facility in Banting, Selangor. The construction is expected to take 18 months to complete.

TA Enterprise posts 2Q09 net profit of RM31.9m

The company posted 2Q09 net profit of RM31.9m, down 36% yoy. The lower net profit was due to lower revenue from property development which declined 70% yoy.

Kelington given approval for listing

The company, a provider of ultra high purity gas and chemical deliver systems, have been given the approval by the Securities Commission to list on the ACE Market of Bursa Malaysia.

Economics

US: Chicago Fed National Activity Index fell to -0.9 in Aug compared to -0.6 in Jul, while Dallas Fed Manufacturing Activity Index showed signs of bottoming out in Sept, registering at -6.4 compared to -9.1 a month ago.

UK: Hometrack Housing Survey showed that house prices rose 0.2% MOM in Sept, a second consecutive monthly gain. On annual basis, it fell 5.6%, the smallest in a year.

Malaysia market summary

	Close	Daily chg (%)	Trade volume (m)	Trade value (RMm)	YTD chg (%)
FBM KLCI	1,206	-0.9	74	467	38
Futures spot	1,205	-1.4	0	NA	37
Futures 1-mth	1,207	-1.3	0	NA	37
FBM Emas	8,118	-0.9	393	785	42
Construction	233	-0.9	19	47	42
Consumer	368	-0.3	15	34	31
Finance	9,935	-0.7	52	227	46
Industrial	2,645	-0.8	14	92	28
MESDAQ	4,024	-1.2	28	9	21
Plantation	5,909	-1.4	26	67	43
Property	779	-1.6	40	33	51
Services	158	-1.0	182	327	34

Index Movers

GENTING	6.94	-3.1	5.7	40	88
IOICorp	5.23	-2.1	3.3	17	47
MISC	9.00	-2.1	0.0	0	5
SIME	8.52	-0.7	5.4	46	64
CIMB	11.10	-0.5	3.8	42	90

Top Gainers

LOH&LOH	4.50	7.1	0.0	0	-15
SINORA	0.92	48.8	0.0	0	99
PANAMY	12.70	1.4	0.0	0	26
ALAM	1.97	8.8	0.4	1	215
HSL	1.15	15.6	4.8	6	150

Top Losers

LMCEMNT	6.05	-3.7	0.2	1	54
SPSETIA	4.00	-4.8	1.7	7	29
KLK	13.78	-1.4	1.2	16	55
GENTING	6.94	-3.1	5.7	40	88
BURSA	8.08	-2.3	0.4	3	57

Top Value Traded

SIME	8.52	-0.7	5.4	46	64
CIMB	11.10	-0.5	3.8	42	90
GENTING	6.94	-3.1	5.7	40	88
KNM	0.76	-3.2	32.5	25	88
IJM	6.45	-0.8	3.6	23	130

Top Volume Traded

KNM	0.76	-3.2	32.5	25	88
SAAG	0.23	-2.1	18.0	4	21
JADI	0.21	2.4	12.9	3	121
TA	1.39	2.2	10.2	14	119
AIRASIA	1.38	-0.7	9.9	14	60

International markets				Forecast data			
	Close	Daily chg (%)	YTD chg (%)		2007A	2008A	2009E
FBM KLCI	1,206	-0.9	38	Malaysia - HL Markets			
DJIA	9,789	1.3	12	Real GDP growth (%)	6.3	4.6	-3.8
FTSE-100	5,166	1.6	16	Inflation CPI (%)	2.0	5.4	1.0
Shanghai CI	2,764	-2.7	52	OPR yr-end (%)	3.5	3.3	2.0
Hang Seng	20,588	-2.1	43	BLR yr-end (%)	6.8	6.5	5.5
STI	2,629	-1.3	49	MYR/USD yr-end	3.3	3.6	3.6
MYR/USD	3.48	0.3	0	Malaysia - consensus			
JPY/USD	89	-0.3	-1	PE (x)	16	11	12
CNY/USD	6.83	0.0	0	EPS growth (%)	10	-11	-9
USD/EUR	1.46	-0.4	5	Dividend yield (%)	4	6	5
CPO spot (RM/tonne)	2,204	0.4	35	USA - consensus			
Crude oil (USD/bbl)	66	0.2	48	Fed Funds yr-end (%)	4	0	1
MGS 5-yr (YTM %)	3.74	-1bps	2bps	Real GDP growth (%)	2	1	-1

Overnight quarterly reporting summary

Company	Share price (RM)	Quarter reported	YTD revenue		YTD net income		Percentage of full year consensus %	Annualized PE (x)	Remarks
			RMm	Growth %	RMm	Growth %			
HELP	1.46	Q3	70	17	9	39	66	10.5	Higher revenue from more courses offered
TA	1.39	Q2	195	-31	62	-20.4	NM	18.9	Lower property development revenue

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BUY	Positive recommendation of stock under coverage. Expected absolute return of +15% over 12-months, with low risk of sustained downside.
TRADING BUY	Positive recommendation of stock not under coverage. Expected absolute return of +15% over 6-months. Situational or arbitrage trading opportunity.
HOLD	Neutral recommendation of stock under coverage. Expected absolute return between -15% and +15% over 12-months, with low risk of sustained downside.
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