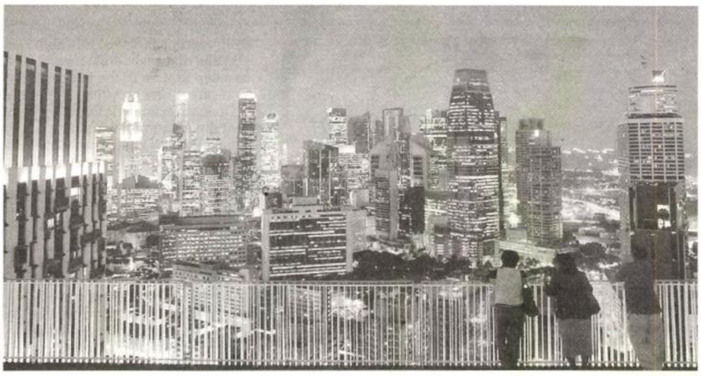
DATE	:	**19 FEBRUARY 2017**
PUBLICATION	:	**THE BORNEO POST (SARAWAK)**
SECTION	:	**BIZHIVE WEEKLY**
HEADLINE	:	**SPICING UP REGIONAL IPO'S**
CATEGORY	:	**MENTION**
MEASUREMENT	:	**141.6CM²**
TONE	:	**NEUTRAL**
REMARKS	:	**NIL**



Spicing up regional IPOs

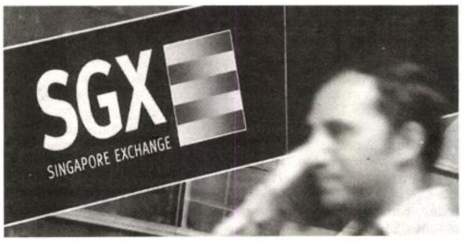
While the local bourse is looking to attract more listings, neighbouring bourses such as the Singapore Exchange (SGX) is in the process of making IPOs more available to retail investors.

It is believed that SGX will start with plans to impose a minimum retail allocation for IPOs to be listed on the Mainboard of SGX.

According to Singapore's The Straits Times, a source close to the SGX said that the bourse is in the process of launching a public consultation exercise, with the results to be announced by end March, and any changes to require approval from the Monetary Authority of Singapore (MAS).

The development it said follows the bourse's proposal in Feb 2016 to mandate that all Mainboard IPO aspirations to allocate at least 10 per cent of their offer shares to retail investors, up to a cap of S$100 million.

The paper also claimed that it has witnessed a paper submitted to SGX by 14 banks, which "generally agreed" that if a minimum retail allocation is to be imposed, there should be a dollar cap on the value of shares allocated to the public tranche.



Similarly, SGX has been promoting itself as a centre for business trusts and real estate investment trusts (REITs) which provides stable dividends.

It was reported that fundraising through IPOs in Singapore reached US$1.7 billion last year, an increase of five times from 2015.

Industry observers opined that SGX could become an attraction for companies to raise funds due to the country's strong currency and weak investor sentiment in other regional bourses that could dampen deals.

They observed that normally Southeast Asia's IPO markets were volatile.

They noted fundraising from listings has shrinked by half in Thailand to US$1.25 billion while in Indonesia, fundraising rose more than 50 per cent to hit US$1 billion.

Despite that, the IPO market for Malaysia is poised to recover this year with a few big market capitalisation companies tipped to join Bursa Malaysia.

SC's chairman Tan Sri Ranjit Ajit Singh said, "We see global IPO markets picking up and we also see our IPO market picking up.

"Our estimates are around RM7 billion," he said on the sidelines of an event in Kuala Lumpur last month.

To date, four new companies, HLT Global Bhd, Matang Bhd, Serba Dinamik Holdings Bhd and KIP REIT have been listed on Bursa Malaysia.

With more listing coming up this year, it will also bring the 'feel good' factor for the market such as the movement of the FTSE Bursa Malaysia Composite Index (FBM KLCI) as well as the market outlook of the financial market.

The research arm of CIMB Investment Bank Bhd (CIMB Research) was bullish on the movement of the FBM KLCI this year.

"We revealed to investors that we are more bullish on the end 2017 KLCI target of 1,820 points (which is based on 16 times forward price-to-earnings) against consensus estimates of 1,753 points.

"Foreign funds were mostly neutral to underweight in the market, which is reflected in the low foreign shareholding of 22.3 per cent in the equity market as at end of January 2017.

"However, they remain keen on stock ideas and some are relooking their underweight position in the market," the research firm said in a report last week.

Besides, the research firm believed that there could be a re-rating of the FBM KLCI driven by corporate earnings recovery and the return of foreign investors.

Hence, analysts and market observers remain positive on the outlook of the FBM KLCI for 2017.