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# Mega initial public offering this year

## RM26.78 billion to flood Bursa Malaysia

AFFIN Investment Bank sees mega initial public offerings (IPOs) to flood Bursa Malaysia this year which will be worth around US\$8.1 billion (RM26.78 billion).

The investment bank expects another good year this year with at least 15 IPOs floated on the exchange, thus exceeding 2012 offerings.

"2012 was so far the best year for IPOs involving Felda Global Ventures Holding Bhd, IHH Healthcare Bhd and Astro Malaysia Bhd," its vice-president Dr Nazri Khan Adam Khan told reporters at the "World Share Investment Dimension" seminar here yesterday.

Last year, Bursa Malaysia handled only US\$4 billion IPOs and US\$7 billion in 2012. "Now is the best time for IPOs," he said.

There is a good sign for the market to move upside as retail investors are returning to the stock market.

Ample liquidity is also expected as Employees Provident Fund (EPF), Armed Forces Fund Board (LTAT), Retirement Fund Incorporated (KWAP) and Pilgrims' Fund Board (Tabung

Haji) have 'bigger cash' for this year.

"They are sitting at the highest cashflow ever and ready to absorb all these IPOs," he said.

Nazri said the biggest catalyst for the market was the solid economic recovery in Europe and the United States as the unemployment rate in America had dipped below 7%, the lowest over the past five years.

He said the largest IPOs for this year would be 1Malaysia Development Bhd (1MDB), which is to be around US\$3 billion in the first half, followed by Malakoff Corporation Bhd, to be about US\$1 billion and be floated by the second half.

Other major listings will be Iskandar Waterfront Holdings (US\$200 million), Medini Iskandar Malaysia Sdn Bhd (US\$800 million), Icon Offshore Bhd (US\$250 million), Ranhill Energy and Resources Bhd (US\$300 million), Weststar Aviation (US\$600 million) and Axiata REIT's (US\$250 million) and Boustead Plantations, which is to be listed in the first half.

Permodalan Nasional Bhd, the country's biggest fund manag-

er, would list its own property trust with IPO size probably as big as Malakoff, he said.

"We are trying to find any room whether we can work with outside parties to bring this IPO to Malaysia. But so far it is too hard to get, just like Facebook which most Malaysians were unable to subscribe until it floated on the first day," he said.

On foreign funds, Nazri said there were signs for the past few weeks that the foreign funds have started to come back. "The trend that we see right now is the repeat of super bull that we saw back in 1990, where the peak time was in 1994 and ended up in 1997," he said.

He said that over the past six months, foreign funds have been net sellers and the market saw total foreign outflow of RM3.6 billion last month.

"This is normal because Indonesia, Singapore and Thailand more or less have the same trend," he said, adding that most of the funds that went out were actually hot money and not strategic investors. — Bernama