

## STOCK CALLS

### WILMAR

\$2.70 | Neutral

UBS downgrades the palm oil giant from "Buy" and cuts the target price to \$3.00 from \$3.26 to reflect a more conservative net gearing assumption due to uncertainties in credit markets. UBS expects crude palm oil prices to be on a downtrend in 2009 on the back of weaker demand for edible oils due to the global slowdown, as well as continued strong production in Indonesia.

### DBS

\$8.20 | Buy

ABN Amro maintains its rating, but cuts the target price to \$11.00 from \$14.40 following its recently announced rights issue. The brokerage says: "DBS' underperformance relative to Singapore banks and to the broader market since the start of 2008 has brought its valuation to a multi-year low. We see this as an opportunity to buy a quality name at severely depressed levels. ... We suggest the market might be taking an overly grim view of DBS' prospects."

### EZRA

66.5 cents | Outperform

CIMB cuts the price target to 96 cents from \$1.05 after lowering the FY09-10 earnings forecasts by 12 per cent to assume reduced margins from its marine and energy services business and higher taxes. But it retains its rating, citing an undemanding current valuation of three times FY10 earnings backed by long-term charters.

FROM BROKERAGE RESEARCH AND AGENCY REPORTS

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## MARKET INFO

5-DAY STI CLOSING			
THURS	1,704.06	▲	3.44%
Wednesday	1,764.82	▲	0.16%
Tuesday	1,761.82	▼	2.16%
Monday	1,776.25	▼	1.65%
Friday	1,806.22	▼	1.18%
MARKETS CLOSE			
Hang Seng	13,242.96	▼	3.37%
Nikkei	8,023.31	▼	4.92%
Shanghai	1,920.21	▼	0.45%
Seoul	1,111.34	▼	6.03%
Mumbai	9,046.74	▼	3.45%
KL Comp	897.45	▼	1.8%
FOREIGN EXCHANGE			
US\$1	\$1.498	¥100	\$1.677
£1	\$2.186	HK\$100	\$19.29
1 euro	\$1.960	RMB100	\$21.90
A\$1	\$0.990	RS100	\$3.054
RM1	\$0.417	RP10,000	\$1.333

## SINGTEL GETS INTERACTIVE



Touch-screen panels and cafe-type seats are some of the things you can enjoy at SingTel's new retail outlet in Jurong Point. This interactive multimedia concept will be rolled out to its other 10 hello! shops over the next two to three years, as SingTel embarks on a rebranding drive, giving the stores a new name: The SingTelShop. The outlet has a lounge area, headphones to allow customers to listen to songs that can be downloaded into their phones, and four touch-screen panels outside the shop. The telco chose to launch the shop in Jurong Point to serve the roughly 1 million residents in the surrounding estates. Despite the tough times, the move is necessary to keep ahead of competition, said Mr Allen Lew, chief executive of SingTel's domestic operations. "When people are cutting back you need to stand out more, you need to get people to come in and spend." Mr Lew added he was hopeful that SingTel can avoid job cuts after it acquired Singapore Computer Systems (SCS) last month. SCS had 2,400 workers at the end of 2007, according to its annual report, Bloomberg reported. ESTHER FUNG

## TRADING OFFENCES

# 'We'll see you in court'

## MAS begins civil proceedings in two cases of securities violations

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THE Monetary Authority of Singapore (MAS) has begun civil penalty proceedings in two separate cases in the High Court. TODAY understands this is the first time the financial regulator is using the courts to impose civil penalties under the Securities and Futures Act (SFA).

In previous cases, individuals or companies found to have contravened the SFA by manipulating the market or trading shares based on non-public information, have agreed to settle their cases and pay a fine without going to court. While criminal charges can be brought against people who commit insider trading offences, the civil penalty regime requires a less onerous burden of proof.

Still, under the civil penalty regime that started in 2004, the MAS can take court action against suspected offenders, as it has done with these two cases.

The first case involves Pheim Asset Management chief executive Tan Chong Koay who is accused of creating a false and misleading appearance in the share price of United Envirotech. He had allegedly traded in the shares in the last few

minutes over a few trading days towards the end of 2004 with intent to manipulate the price of the shares in the environmental engineering company. A pre-trial conference will be held today.

The second case involves former WBL Corporation employee Kelvin Lew Chee Fai, who is accused of insider trading. On July 2, 2007 during a management meeting, Mr Lew was said to have come into possession of information relating to an updated internal forecast of WBL's financial results for the third and fourth quarters of the company's 2007 financial year.

Mr Lew, who was then the company's group general manager for enterprise risk management, allegedly possessed slides prepared by the Finance Department and heard the discussions during the meeting.

According to the writ of summons filed by MAS, Mr Lew was advised by the company secretary after the meeting on July 2 that the information was "price sensitive" and he should not trade in the company's shares. On July 4, Mr Lew sold 90,000 WBL shares at \$4.98 per share.

After the market closed on Aug 14, WBL announced a pre-tax loss of \$33.9 million and a net loss attributable to shareholders of \$27.3 million. Shares fell from \$4.78 on Aug 14 to close at \$4.68 on Aug 16.

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## Private home launches at record low

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THE grey clouds hovering over the private property market here have gotten even darker.

Islandwide launches of new private homes last month slumped to a record low since the Urban Redevelopment Authority (URA) started releasing the monthly data in June 2007. Developers placed just 157 units for sale last month, down nearly 60 per cent from November. And out of these, they managed to sell 131 units.

"Looking at the numbers for the period from October to December, they have been quite consistently low," said Mr Donald Han, managing director of Cushman and Wakefield. "It is reflective of a subdued market suffering from the cold winds of the financial market."

For the whole of last year, 4,370 private homes were sold, less than a third of 2007's 14,811 units.

Mr Colin Tan, research director from Chesterton Suntek International, said: "It tells you one thing, the market is unhealthy. While it is easy to blame the festive period for a dip in sales, it is so low that there is nothing normal about it. Sales of new units have been so low for the past three months that you cannot even excuse it as a blip."

Based on the latest URA data, it is evident that some developers have been reducing prices to lure buyers.

A total of eight units of the luxurious Ritz Carlton Residences, located at Cairnhill Road, were sold at a median price of \$3,086 per square foot. This represents a 40-per-cent discount from the median selling price of three units at \$5,088 psf in Dec 2007.

Mr Tan said: "Prices will be coming down, but how it unfolds could be decided by the banks." He warned that if unemployment rises, more homes might be seized by banks to be sold off to recoup losses, putting more downward pressure on prices.