

# **MINORITY SHAREHOLDER WATCHDOG GROUP**

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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## **IPOs indicate still-favourable market scenario**

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**THE** upcoming initial public offerings (IPOs) of IMDB, Axiata's telco tower assets and Westports can provide some indication of a still favourable market scenario despite the region's generally weaker conditions for the more "risky" assets like shares, compared to the traditionally safer fixed-income investments. While this will help explain the strong presence of cornerstone investors, which will give these issues a comfort level against a jittery regional market, retail investors ought to be given an opportunity to participate in the issuances. Last week, we discussed about China-based stocks listed on Bursa Malaysia in the press. To recap, there are nine China-based companies listed here and all are trading below their IPO price levels. Many of them are viable ventures and generally profitable and trading at low price-earnings levels. Thus, our view is that such companies must continue delivering value to shareholders to allay investors' negative perception of China-based companies. In a separate issue, I want to share a report regarding "Women in leadership across the Commonwealth" by the Commonwealth Business Council-ACCA. Among the recommendations made in the report are the creation of a database of board-ready women and building a research monitor across the Commonwealth. However, we see that the take-up by boards across the region is still slow. Malaysia has only about 8.7 per cent women on boards in 2012. The time has come for boards to take this matter up seriously, not merely paying lipservice as gender diversity is about risk management and, thus, boards should no longer ignore this element of governance. On the foreign front, we saw the withdrawal of Larry Summers as a potential candidate to succeed Ben Bernanke as United States Federal Reserve (Fed) chairman. This makes Janet Yellen, the Fed's vice-chair, as the most probable candidate. Yellen is viewed as more mainstream, implying that the Fed would keep interest rates lower longer, and engineer a more gradual winddown of its bond-buying programme. Following this, we witnessed the Fed refraining its tapering activity, which was anticipated and unsurprisingly buoyed the emerging markets. In our follow-up on JPMorgan's "London Whale" trading scandal where the bank incurred US\$6.2 billion (RM19.6 billion) losses, it was fined US\$920 million by the regulators after admitting mistakes it made without acknowledging liability. This brings into question the internal controls of the bank and what actions are being taken on the wrongdoers. *The writer is MSWG CEO*