

Bursa Malaysia's shares up on stronger FY2013 results

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Bursa Malaysia Bhd's shares were 1.0 sen or 0.129% higher following the release of its 2013 financial year results yesterday.

The stock stood at RM7.79 as at 10.48am, after opening at RM7.78, with 2.06 million shares transacted.

Bursa Malaysia's pre-tax profit for the 2013 financial year grew 14%, year-on-year, to RM245.6 million on the back of 12% stronger revenue of RM475 million.

Total dividends declared was 52 sen or 98 per cent payout, which included a special dividend per share of 20 sen declared in July last year.

Maybank Investment Bank Research said there was room for further capital management considering the group's huge cash balance of RM1.43 per share.

"This could cushion any downside to its share price from foreign selling in the region, a meaningful risk with the stock's foreign shareholding having risen to 23.6% at end-2013," it said in a note.

The research house maintained its 'hold' call on Bursa Malaysia, with a 2.8% higher target price of RM8.00.

Meanwhile, HwangDBS Vickers Research said Bursa Malaysia's strong free cash flow and low capital expenditure should support higher dividend payouts.

"Structural changes in Bursa Malaysia such as revision in listing fees, revamp of tax structure and streamlining of surveillance roles, which would lead to cost savings, could unlock value," it said in a separate note, while maintaining its 'buy' call on the stock, with a target price of RM10.10. - Bernama, January 30, 2014.

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