BERNAMA
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This Week's Highlight : PM Unveils 11 Measures To Address Rising Cost Of Living

UNVEILED...Prime Minister Datuk Seri Najib Tun Razak unveiling the recalibrated Budget 2016 at the Putrajaya International Convention Centre Thursday. Pic: Azhar Pidek fotoBERNAMA

PUTRAJAYA -- Prime Minister Datuk Seri Najib Tun Razak Thursday announced 11 measures to face the current economic challenges under a recalibrated Budget 2016 to ensure that the people's welfare and the country's economic growth remain on a sound footing. Najib, who is also the Finance Minister, presented several initiatives to deliver more money into the pockets of the people, address issues associated with the cost of living, continue with assistance for the needy and stimulate domestic economic activity for the benefit of the people.

This Week's Top Stories

MONDAY

MIDA CEO Wraps Up European Tour "Highly Satisfied"

By Manik Mehta

AMSTERDAM -- The Chief Executive Officer (CEO) of the Malaysian Investment Development Authority (MIDA), who is currently touring Europe, wraped up the tour "highly satisfied" with the outcome. Datuk Azman Mahmud, who arrived here after attending the World Economic Forum in the Swiss resort of Davos, told Bernama that he had discerned "considerable interest" in Malaysia among the business leaders who had descended on Davos for the annual meeting.

TUESDAY

TH Assures Contributors' Deposits Are Safe

KUALA LUMPUR -- Lembaga Tabung Haji (TH) Tuesday gave an assurance to contributors that their deposits in TH are safe. TH also assured that there would be no delay in the announcement of dividends or bonuses to depositors, which is usually made in the first quarter (January to March) every year.

WEDNESDAY

Dewan Rakyat Approves Motion On Malaysia's Participation In TPPA

KUALA LUMPUR -- The Dewan Rakyat Wednesday approved a motion allowing Malaysia's participation in the Trans-Pacific Partnership Agreement, moving the country a step forward towards signing and ratifying the trade accord bringing together 12 nations. The motion was carried with 127 votes for and 84 against. Wednesday.

THURSDAY

Budget Revision Expected To Save RM9 Bln - Najib

KUALA LUMPUR -- Prime Minister Datuk Seri Najib Tun Razak Thursday unveiled 11 restructuring measures and adjustments to the 2016 Budget which are expected to save RM9 billion in operating and development expenditures as announced in October 2015. The government had previously announced an allocation of RM267.2 billion in Budget 2016, of which operating expenditure amounted to RM215 billion while development expenditure amounted to RM49 billion.

FRIDAY

Budget Recalibration Will Not Affect People's Social Net

KUALA LUMPUR -- The recalibration of the Budget 2016 will not in any way impact the social safety net for the people, says Deputy Finance Minister, Datuk Johari Abdul Ghani. "Targeted subsidies such as the 1Malaysia People's Aid (BR1M) and that for education, will not be stopped," he said after officiating the opening of the Bukit Bintang City Centre (BBCC) sales gallery here Friday.

SMEbrief

200,000 Firms Did Not Renew Business Registration Certs 2015

KUALA LUMPUR -- A total of 195,170 companies and business premises did not renew their business registration certificates last year. Companies Commission of Malaysia (CCM) Chief Executive Officer, Zahrah Abd Wahab Fenner said Tuesday, these were identified through physical inspections conducted on 1.05 million companies and business premises last year.

Safety Net For SMEs To Leverage On TPP In Place - ISIS

KUALA LUMPUR -- Local small and medium entreprises (SMEs) should leverage on the market access offered under the Trans-Pacific Partnership (TPP) agreement given the the government has already put in place a safety net to help them venture abroad. Dispelling the misperception that 30 per cent or 195,000 SMEs 'will disappear' after the TPP, Institue of Strategic and International Studies (ISIS) Fellow Firdaos Rosli said Wednesday, the agreement also provides cost-efficiency for SMEs to export.

TPPA Not US Mould - Mustapa

KUALA LUMPUR -- The Trans-Pacific Partnership Agreement (TPPA) is not a trade agreement designed solely by the United States (US), said Minister of International Trade and Industry Datuk Seri Mustapa Mohamed Wednesday. "Malaysia is responsible for preparing the drafts for Chapter 6, 21 and 24 which are related to cooperation and capacity building for small and medium industries (SMEs), development and other important chapters which are not available in any other trade agreements.

TPPA: SMEs To Be Engaged To Enhance Their Participation

KUALA LUMPUR -- The government is committed in enhancing the participation of small and medium enterprises (SMEs) to help them expand their business globally, particularly through the Trans-Pacific Partnership Agreement (TPPA). International Trade and Industry Minister Datuk Seri Mustapa Mohamed said Thursday, the government would engage with SMEs to ensure that they would take advantage from the TPPA.

PropUP Property *update*

Maxis, Partners TO Crowdfund RM210,000 For Kongsi-Home

KUALA LUMPUR -- Maxis Bhd, together with five e-commerce sites and EPIC Homes, aim to crowdfund at least RM210,000 for Kongsi-a-Home project. Maxis Head of Marketing Services, Sulin Lau, said Tuesday, the cost of building each home was about RM42,000, and the company hoped every e-commerce site could crowdfund at least one home.

IProperty.com, Brickz.my To Provide Data On Sabah, Sarawak Properties

KUALA LUMPUR -- Property buyers, investors, developers, negotiators and agents will now have a platform to obtain transaction data on the property market in Sabah and Sarawak, said iProperty Group. In a statement Tuesday, its Managing Director/Chief Executive Officer, Georg Chmiel, said the partnership with Brickz.my and internal data from iPropertyIQ will enable the company to provide customers with data that will help to make a well-informed decision.

SP Setia To Launch Preview Sale of 2 New Housing Projects

GEORGE TOWN -- Property developer SP Setia Bhd Group will launch a preview sale of two new housing projects -- Isle of Palm Setia Pearl Island in Bayan Lepas and Solok Slim in Jelutong -- in March and May respectively. The Solok Slim project comprises two blocks of 33-storey condominiums. The company said Tuesday, it plans to sell the 550 units, with a built-up area of 1,036 sq ft to 1,424 sq ft, at an average of RM750 per sq. ft.

Tropicana Disposes Dijaya Plaza For RM140 Mln

KUALA LUMPUR -- Tropicana Corp Bhd's wholly-owned unit, Tropicana Plaza Sdn Bhd, is selling its Dijaya Plaza tower in Jalan Tun Razak here to Kenanga Investment Bank Bhd for RM140 million. In a statement Thursday, Tropicana said the cash inflow was expected to improve the group's financial position by freeing up net proceeds of about RM51.6 million.

Discussions On Proposed Acquisition Of Eagle High Ongoing - FGV

KUALA LUMPUR -- Felda Global Ventures Holdings Bhd (FGV) has reiterated that discussions for the acquisition of PT Eagle High Plantations (EHP) Tbk is ongoing with Indonesia-based PT Rajawali Corpora. In a statement Thursday, FGV said this was a clarification to previous news reports on teh company acquiring EHP at a premium.

MARKET

BURSA MALAYSIA

Scoreboard

Gainers - 689

Losers - 285

Not Traded - 535

Unchanged - 260

Value - 4030664227

Volume - 25014669

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	4.1500	4.1600
EUR	4.5206	4. 5323
GBP	5.9598	5. 9758
100 YEN	3.4337	3.4429
SGD	2.9143	2. 9228

Source: Bank Negara Malaysia

Bursa Malaysia Up On Positive Reaction To Recalibrated 2016 Budget

KUALA LUMPUR -- Bursa Malaysia extended its gains for the fifth day Friday as players continued to react positively to the recalibrated 2016 Budget, dealers said. The benchmark FTSE Bursa Malaysia KLCI surged 33.27 points, or 2.03 per cent, to 1,667.80 from Thursday's 1,634.53, after opening 0.81 point higher at 1,635.34 in the morning. Market breadth was positive with gainers outpacing losers by 689 to 285 with 260 counters unchanged, 535 counters untraded and 60 others suspended. Total volume surged to 2.50 billion shares worth RM4.03 billion from 1.82 billion shares worth RM2.46 billion Thursday. A dealer said investors moved into selective plantations, consumer, construction and oil and gas sectors in reaction to the recalibrated 2016 Budget presented Thursday. Main Market volume jumped to 1.77 billion units worth RM3.88 billion from Thursday's 1.24 billion units worth RM2.35 billion.

FOREX: Ringgit Closes Higher Against US Dollar

KUALA LUMPUR -- The ringgit closed higher against the US dollar Friday to hit a three-and-a-half month high as global crude oil price extended its gains, dealers said. At 5 pm, the local unit was traded at 4.1500/1600 from 4.2040/2100 against the greenback on Thursday. A dealer said news of a possible cut in oil output by the world's major oil-producing countries had resulted oil prices to rise. The benchmark Brent futures went up to nearly US$36 a barrel. The dealer said Japan's central bank's decision to unexpectedly cut a benchmark interest rate to -0.1 per cent also lend support for the local note. The ringgit was traded higher against other major currencies. It rose against the Singapore dollar to 2.9143/9228 from 2.9477/9525 on Thursday and strengthened against the yen at 3.4337/4429 from 3.5399/5453 Thursday. The local note appreciated against the British pound to 5.9598/9758 from 5.9949/9051 Thursday and rose against the euro to 4.5206/5323 from 4.5828/5906 previously.

Money-Market: Short-Term Rates End Steady On BNM's Intervention

KUALA LUMPUR -- Short-term inter-bank rates ended steady Friday on Bank Negara Malaysia's (BNM) intervention to absorb excess liquidity from the financial system. The liquidity surplus in the conventional system fell to RM35.67 billion from RM43.38 billion earlier, while in the Islamic system, it declined to RM8.05 billion from RM19.47 billion previously. In the morning, BNM called for five tenders -- two conventional money market tenders, an Islamic range maturity auction Qard tender, a commodity murabahah programme and a repo tender. The central bank conducted a late conventional money market tender for RM32 billion and a Qard money market tender for RM8 billion, both for four-day money. The overnight Islamic reference rate stood at 3.21 per cent, while the one-, two- and three-week rates were pegged at 3.30 per cent, 3.35 per cent and 3.39 per cent, respectively.

KLIBOR Futures Contracts End Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contracts on Bursa Malaysia Derivatives ended untraded Friday. At the close, February 2016, March 2016, April 2016 and June 2016 remained pegged at 96.28, 96.27, 96.26 and 96.27, respectively. Open interest totalled 120 contracts. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.79 per cent.

KLCI Futures End Higher

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract (FKLI) on Bursa Malaysia Derivatives closed higher Friday prompted by the firmer underlying cash market. January 2016 was 22 points better at 1,656.50, February 2016 surged 33.50 points to 1,660, March 2016 soared 35 points to 1,653 and June 2016 perked 28.50 points to 1,638. However, turnover shrank to 21,090 lots from 23,124 lots on Thursday, while open interest declined to 68,586 contracts from 78,345 contracts Thursday. At 5 pm, the cash market benchmark FBM KLCI ended the day 33.27 points higher at 1,667.80.

BNM Undertakes Surveillance Of Non-bank Financial Institutions

KUALA LUMPUR -- Bank Negara Malaysia (BNM) has undertaken surveillance on significant non-bank financial institutions that have important interlinkages with the financial system as part of its mandate to promote financial stability. This is supported by the establishment of the Financial Stability Executive Committee (FSEC) under the Central Bank of Malaysia Act 2009 which is chaired by the Governor Tan Sri Dr Zeti Akhtar Aziz and whose members include the Treasury Secretary-General and the Malaysia Securities Commission Chairman, it said in a statement here Tuesday.

Bank Rakyat Expects Sustainable Growth In Banking Activities

KUALA LUMPUR -- Bank Rakyat expects sustainable growth in its banking activities this year despite challenging economic situation. Its Chairman, Jeneral Tan Sri Abdul Aziz Zainal (B), said the bank aimed to boost growth in this challenging economic environment by having more partnerships with public and private entities. "We are in discussions for more partnerships this year," he told reporters here Tuesday. The partnership aimed to provide Bank Rakyat's financial products and services to 800 companies under PPKKM, he said.

Maybank Sees Possibility Of OPR Cut By 25 Basis Points This Year

KUALA LUMPUR -- Maybank Investment Bank Research sees the possibility of the Overnight Policy Rate (OPR) cut by 25 basis points this year, taking place in mid-2016. The research house said while the 3.25 per cent OPR is currently seen as accommodative and supportive of economic activities, the Monetary Policy Statement (MPS) sounded "dovish". This follows Bank Negara Malaysia's (BNM) assessment that growth will moderate this year after expanding by about five per cent in 2015 amid an increased downside risk. "We noted that the latest MPS removed the reference to 'four per cent to five per cent' growth for this year, and which was in the preceding MPS in November 2015, hinting uncertainty over growth outlook.

Tabung Haji In Good Shape, Depositors Will Get Dividend - Azeez

KUALA LUMPUR -- Lembaga Tabung Haji (LTH) is in a good financial shape and would be able to announce an encouraging dividend in the first week of next month, its chairman, Datuk Seri Abdul Azeez Abdul Rahim said. Dismissing claims that LTH is facing financial difficulties, he said, "We are not operating at a loss and we do not need the government to come to our rescue. "It has been our practice to announce the dividend in the first quarter before Chinese New Year and by the first week of the second month. This is in our calendar," he told reporters here Wednesday.

Islamic Finance Operates In Challenging Environment - Zeti

KUALA LUMPUR -- The global Islamic Finance market remained vibrant despite the challenging economic and financial environment, said Bank Negara Malaysia Governor, Tan Sri Dr Zeti Akhtar Aziz. She said new risks were more complex as more profound systemic implications were emanating with the increasing forces of several factors including globalisation technological environment and the internationalisation of Islamic finance. "Cumulatively, these developments necessitate greater prudential regulation and supervisory oversight to ensure resilient and sustainable financial system," she said at the Islamic Financial Services Board Industry Engagement session Thursday.

LIAM Appoints 2 New Mgmt Committee Members

KUALA LUMPUR -- The Life Insurance Association of Malaysia (LIAM) appointed two new Management Committee members -- Allianz Life Insurance Malaysia Bhd Chief Executive Officer (CEO) Rangam Bir and Prudential Assurance Malaysia Bhd CEO Gan Leong Hin, for the 2015/2016 term. In a statement here Thursday, LIAM said Rangam, who was appointed as Allianz Life Insurance CEO in November 2014, has 18 years of experience in the insurance industry across the globe including Europe, West Asia, Africa and Asia. Meanwhile, Gan is a qualified actuary with over 25 years of experience in the life insurance and investment businesses in Asia, Australia and the Unite Kingdom.

Sukuk Issuances To Remain Stable In Near Term - IFSB

KUALA LUMPUR -- Sukuk issuances will remain stable in the near team despite the current economic conditions as it is seen as a viable alternative source for funding, says the Islamic Financial Services Board (IFSB). Sukuk issuances are fairly dependent on preconditions of a particular country and are not solely correlated to economic conditions, said IFSB Secretary-General Jaseem Ahmed. "You have to go through a fairly detailed range of measures such as tax regulation and legal issues before you are really in position to issue a sukuk," he told reporters here Thursday.

Inflation To Hover Around 2.5 Pct To 3.5 Pct This Year – Zeti

KUALA LUMPUR -- Bank Negara Malaysia (BNM) has projected inflation for 2016 to be around 2.5 per cent to 3.5 per cent. Governor Tan Sri Dr Zeti Akhtar Aziz said the inflation is expected to peak in the first quarter as a result of adjustments to subsidy rationalisation and implementation of the Goods and Services Tax (GST) before normalising. "We could see a higher spike in the first quarter in exceeding four per cent," she told a forum on the 2016 Budget recalibration here Thursday. She said the increase, however, is expected to be partially offset by the drop in oil prices.

EPF Contribution Cut To Boost Domestic Demand - Zeti

KUALA LUMPUR -- The cut in the employees' contributions to the Employees Provident Fund (EPF) is to boost domestic demand, said Bank Negara Malaysia (BNM) Governor, Tan Sri Dr Zeti Akhtar Aziz. She said domestic demand has been the driver of the country's economy during previous global slowdown and last year. However, she said, the government had identified moderation in domestic demand and the EPF's employee contribution reduction measures was to stimulate domestic consumption. "What the government is doing is putting money in the hands of the consumers. This is done through this (EPF contribution reduction)," she said in a forum on '2016 Budget Recalibration' here Thursday.

MOSTI Aims To Commercialise 360 Products By 2020

PETALING JAYA -- The Science, Technology and Innovation Ministry (MOSTI) aims to commercialise 360 products by 2020, says its minister, Datuk Seri Panglima Madius Tangau. He said 2016 would be a year of commercialisation for the country. "In 2015, product commercialisation exceeded the target of 60 commercialised products annually," he told reporters here Tuesday.

Continental Tyre M'sia Aims To Increase Sales Of Budget-Oriented Products

By Nurul Hanis Izmir

KUALA LUMPUR -- Continental Tyre PJ Malaysia Sdn Bhd (CTM) aims to increase sales in its budget-oriented product segment this year, in line with the challenging economy that is weighing down the local currency, said Managing Director Cameron Wilson. He said last year was a good one for the tyre manufacturer in the Malaysian market, despite the uncertainties globally.

NXG Shares Services Aims To Double Customer Base

KUALA LUMPUR -- Shared services provider, NXG Shared Services Sdn Bhd, hopes to double its customer base from its existing 12 clients, improve revenue as well as grow its human capital size in three years. At present, the Sabah-based company, which is a wholly-owned subsidiary of Hong Kong's Nexgen Biopharma Group, provides services to 12 regional clients involved in the wellness, beauty and health industry, said its Group Chief Operating Officer Francis Chung here Tuesday.

Chin Hin Aims To Raise RM41.08 Mln From IPO

KUALA LUMPUR -- Chin Hin Group Bhd, en route for a listing on the Main Market of Bursa Malaysia, expects to raise RM41.08 million from its initial public offering (IPO) exercise. The proceeds would be utilised for business expansion in the next two years, repayment of bank borrowings and working capital requirements, it said. In a statement here Tuesday, the building materials provider said it had signed an underwriting agreement with M&A Securities Sdn Bhd as its adviser, underwriter and placement agent in conjunction with the IPO.

IGB Posts Lower Profit Of RM254 Mln In FY15

KUALA LUMPUR -- IGB Real Estate Investment Trust (Reit) registered a lower pre-tax profit of RM254 million for the financial year ended Dec 31, 2015 from RM317.61 million recorded in 2014. However, revenue increased 5.9 per cent to RM489.19 million from RM461.79 million registered previously due to higher total rental income, IGB Reit said in a filing to Bursa Malaysia here Tuesday.

Miresco Expects RM20 Mln Sales From I-Mizu Water

KUALA LUMPUR -- Miresco Integrated Sdn Bhd, producer and distributor of antioxidant hydrogen-rich alkaline water, is projecting RM20 million in sales of I-Mizu healthy drink this year. Its Managing Director, Dr Mohd Ihsan Che Mohd Noh said in a statement here Tuesday, the projection was based on a new image and bottle packaging of I-Mizu healthy water. "We are expecting I-Mizu healthy water would be in the market by end of January upon the completion of our factory in the Kepong Industrial Park here with the help of Mara (Majlis Amanah Rakyat) and Universiti Kuala Lumpur (UniKL)," he said.

Country View Pre-Tax Profit Falls To RM29.55 Mln

KUALA LUMPUR -- Country View Bhd's pre-tax profit for the financial year ended Nov 30, 2015 dropped sharply to RM29.55 million from RM95.70 million in the previous year. Revenue fell to RM110.76 million from RM185.02 million a year ago, it said in a filing to Bursa Malaysia here Tuesday. The group said both pre-tax profit and revenue, which was mainly derived from the property development division, decreased 69 per cent and 40 per cent, respectively.

Vivocom Unit Bags RM230 Mln Project From Coneff

KUALA LUMPUR -- Vivocom International Holdings Bhd's subsidiary, Vivocom Enterprise Sdn Bhd (VE), Tuesday signed a head of agreement (HOA) with Coneff Corporation Sdn Bhd (Coneff) for a RM230 million construction project. In a statement here Tuesday, Vivocom said VE would be the main contractor for the phase 5 of the Desa Tasek development, comprising 24-storey affordable houses, seven-storey podium car park and one-storey common facility.

MIER Sees GDP Growth At 4.7 Pct In 2016

KUALA LUMPUR -- The Malaysian Institute of Economic Research (MIER) estimates Malaysia's Gross Domestic Product growth for 2016 at 4.7 per cent, compared to the estimated 4.9 per cent growth for 2015. Executive Director Dr Zakariah Abdul Rashid told reporters here Wednesday, the country's economy will continue to be domestically driven and remain fundamentally strong but stabilisation issues will need to be addressed.

LPI Capital Pre-Tax Profit Rises To RM393.10 Mln

KUALA LUMPUR -- LPI Capital Bhd's pre-tax profit for the financial year ended Dec 31, 2015 rose 15 per cent to RM393.10 million from RM341.91 million registered in 2014. Revenue also rose 9.8 per cent to RM1.28 billion in Dec 31, 2015 versus RM1.17 billion chalked up in the previous year. In a filing to Bursa Malaysia here Wednesday, the company attributed the better performance to the general insurance segment which registered an increase of 10 per cent to RM1,250.3 million over the corresponding period in 2014.

Syarikat Takaful Pre-Tax Profit Rises To RM204.21 Mln

KUALA LUMPUR -- Syarikat Takaful (M) Bhd's pre-tax profit for the financial year ended Dec 31, 2015 rose 9.3 per cent to RM204.21 million from RM186.70 million registered in the previous year. In a filing to Bursa Malaysia here Wednesday, Takaful said the higher profit was attributed to higher wakalah fee income and revenue. "This was due to higher sales generated by both family and general takaful business plus higher net investment income," it added.

E-Commerce Market In Malaysia Poised For Strong Growth

KUALA LUMPUR -- The e-commerce market in Malaysia, excluding eServices, is poised for strong growth with a projected revenue of US$991.1 million (1US$=RM4.2530) this year. In a statement here Wednesday, iPay88 Sdn Bhd Executive Director Chan Kok Long said even when the economy is not performing well, there would still be growth in eCommerce and mobile commerce (mCommerce) for Malaysia in 2016.

Sunway REIT Q2 Pre-Tax Profit Rises To RM71.52 Mln

KUALA LUMPUR -- Sunway Real Estate Investment Trust's (REIT) pre-tax profit increased to RM71.52 million for the second quarter ended Dec 31, 2016 from RM63.27 million in the same period last year. Revenue for the period under review improved 15.7 per cent year-on-year (y-o-y) to RM131.87 million from RM114 million previously. In a filing to Bursa Malaysia here Wednesday, the company attributed the better performance to higher revenue contribution from its retail and hotel segment. It was however offset by lower income contribution from the office segment.

Boeing's 2015 Revenue Up 6 Pct On Record Deliveries

KUALA LUMPUR -- The world's largest aerospace company by sales, Boeing, posted higher revenue of US$96.1 billion for last year on record commercial deliveries, and up six per cent from US$90.8 billion in 2014. For the fourth quarter, revenue however, eased by four per cent to US$23.6 billion from US$24.5 billion previously, said Boeing. "Building on our foundation of solid core operating performance and customer focus, Boeing extended its leadership of the aerospace industry in 2015 with record deliveries and revenue in commercial airplanes, alongside solid sales and healthy margins in our defence and space business. "We also generated significant cash flow to fuel investments in innovation and our people, and provide compelling returns to our shareholders," Boeing President and Chief Executive Officer Dennis Muilenburg said.

2016 GDP Projection Revised To 4-4.5 Pct From 4-5 Pct

KUALA LUMPUR -- The government has revised the Gross Domestic Product projection for 2016 to 4-4.5 per cent from the previous target of 4-5 per cent, to reflect its new assumption of Brent crude oil price of US$30-35 a barrel. The Budget 2016 announced last year assumed a crude oil price of US$48 a barrel. Prime Minister Datuk Seri Najib Tun Razak announced the revised GDP projection when presenting the recalibrated Budget 2016 here Thursday.

Govt To Optimise Revenue From Telco Spectrum Via Redistribution

PUTRAJAYA -- The government will optimise revenue from the telecommunication spectrum through a redistribution and bidding process which will be implemented soon, says Prime Minister Datuk Seri Najib Razak. "To invigorate economic activity, the government will develop several strategic areas owned by the government through a bidding process," he said in his recalibrated 2016 Budget presented here Thursday.

TNB's Q1 Pre-Tax Profit Falls To RM2.16 Bln

KUALA LUMPUR -- Tenaga Nasional Bhd's (TNB) pre-tax profit for the first quarter ended Nov 30, 2015 fell to RM2.16 billion from RM2.62 billion in the same quarter last year. Revenue declined to RM10.68 billion from RM11.03 billion previously, it said in a filing to Bursa Malaysia here Thursday. TNB said the 3.2 per cent fall in revenue was due to the recognition of Imbalance Cost Pass-Through (ICPT) over-recovery for the first quarter of financial year 2016 of RM681.8 million. "The ICPT over-recovery are savings derived from lower generation costs, mainly as a result of reduction in world commodity prices and these savings are being passed back to the consumers in the form of tariff rebates," it said in a statement Thursday.

MPI Pre-Tax Profit In Q2 Up At RM37.08 Mln

KUALA LUMPUR -- Malaysian Pacific Industries Bhd (MPI)'s pre-tax profit for the second quarter ended Dec 31, 2015 rose to RM37.08 million from RM35.28 million recorded in the same quarter of 2014. In a filing to Bursa Malaysia Thursday, MPI said revenue also rose to RM379.69 million in the period under review from RM338.29 million recorded previously. "The better performance for the quarter was due to higher revenue growth for Asia, United States and European segments which were higher by three per cent, 34 per cent and 16 per cent, respectively," it said. The group anticipates the operating environment to remain challenging for the coming quarters as the semiconductor industry is currently experiencing slow growth and uncertainty in the macro economy.

Tourism Likely To Maintain 9.6 Pct GDP Contribution This Year

KUALA LUMPUR -- The tourism industry is expected to maintain its 9.6 per cent contribution to the Gross Domestic Product (GDP) this year driven by campaigns such as 'Go Domestic' and 'Cuti-cuti 1Malaysia Dekat Je'. "All this while we have been at 9.6 per cent (contribution). We believe we can maintain that, but if the overall number of tourism enterprises expands, that would be better. "When there are more enterprises, the GDP contribution from the tourism sector will increase," Tourism Malaysia director-general Datuk Mirza Mohammad Taiyab told reporters after the launch of Mita Tourism Fair 2016 here Friday.

O & G Downstream Activities Remain Robust In Iskandar

SINGAPORE -- Downstream oil and gas activities will continue to remain robust in the Iskandar region against a backdrop of declining global crude oil prices. "Downstream activities are the input to many sectors which are being promoted in the region," said Iskandar Region Development Authority (IRDA) Chief Executive Datuk Ismail Ibrahim. He said oil and gas were under the manufacturing sector which accounted for 30 per cent of committed investments in Iskandar. Between 2006 and November 2015, this southern economic region had attracted investments of RM189 billion, he told reporters here recently.

IRDA: Iskandar Region Vital For Country's Development

SINGAPORE -- The Iskandar region will continue to be promoted aggressively to help with the country's development, said Iskandar Region Development Authority (IRDA) Chief Executive Datuk Ismail Ibrahim. "We shall wait for further policies. I am sure the Federal government has its own justification. IRDA will definitely help with Malaysia economic development," he told reporters here Monday. It was reported that IRDA would finalise talks by year-end with at least three theme park operators to set up business in the region. The projects would be part of the RM30 billion targeted investments earmarked for this year.

Johor To Draw Up Master Plan For Creative Devt

ISKANDAR PUTERI -- The state government will draw up a Creative Development Master Plan in a move to turn the state into an international creative hub. Menteri Besar Datuk Seri Mohamed Khaled Nordin said this would place the state at par with main players in the creative industry such as Britain and Dubai. In order to face global uncertainties, the creative industry can have a positive impact on the state and country. "As such, we hope this education hub will really expose Malaysians to global education without them having to leave the country," Mohamed Khaled told reporters here Monday.

Budget Recalibration Must Boost Investor, Consumer Confidence

KUALA LUMPUR -- The government needs to take measures to boost investor and consumer confidence in the 2016 Budget recalibration, an analyst said. Affin Hwang Investment Bank Bhd Senior Associate Director and Head of Retail Research Datuk Dr Nazri Khan Adam Khan said he was optimistic that the government will come out with measures that appealed to investors while at the same time preserved private consumption. "We have to ensure private consumption remains 70 per cent of gross domestic product (GDP) and investment remains at 25 per cent of GDP," Nazri Khan told reporters here Tuesday.

MPOC Forecasts CPO Price Uptrend To Continue This Year

PETALING JAYA -- The Malaysian Palm Oil Council (MPOC) forecasts the crude palm oil (CPO) price uptrend will continue this year on lower-than-expected production which will affect supplies. Its Chief Executive Officer, Tan Sri Yusof Basiron told reporters here Monday, the CPO price was expected to be an average of RM2,590 per tonne and will not likely fall below RM2,000. "The CPO price was traded at an average of RM2,172 per tonne in 2015, went below RM2,000 per tonne and to as low as RM1,975 in August 2015," he said.

Weakening Ringgit Affects Talent Sourcing - PwC

KUALA LUMPUR -- The weakening ringgit is affecting talent sourcing including attracting local talent overseas, an analyst said. PwC Strategy & (Malaysia) Sdn Bhd Senior Executive Director Edward Clayton told reporters here Tuesday, talented people had become more difficult as the country was seen as less attractive due to the weakening of the local currency. "It is hard to persuade talented people to come to work in Malaysia when the ringgit is down," he said.

Logistics & Shipping Sector To Grow 5 Pct Under TPP

PETALING JAYA -- The country's logistics and shipping sector is expected to grow five per cent under the Trans-Pacific Partnership (TPP) in the long run. Port support services company Tumpuan Megah Development Sdn Bhd told reporters here Tuesday, there would not be much growth over the next few year, but the industry would eventually adapt to the new environment and generate a five per cent growth. Its managing director, Tan Sri Dr Jason Goh Tech Chai said the TPP would have a positive impact on the logistics and shipping sector in the long run, benefitting from red tape reduction.

Emirates To Hire Malaysia Airlines' Pilots

SEPANG -- Emirates is opening its arms to interested Malaysia Airlines Bhd's pilots to join the Dubai-based airline. Adnan Kazim, Emirates' Divisional Senior Vice President, Strategic Planning, Revenue Optimisation and Aeropolitical Affairs, based in Dubai, said Emirates' plans to hire pilots from other airlines had been ongoing. "There are plans to take up new pilots including those from Malaysia Airlines but there are still no details such as number of Malaysia Airlines' pilots or when it will take place," he told reporters here, Tuesday. Malaysia Airlines and Emirates had in December last year inked a codeshare agreement as part of the national carrier's route rationalisation programme.

Axiata Shifts To SAP Cloud System To Drive E-Procurement

KUALA LUMPUR -- Axiata Group Bhd, DBA Axiata has selected Bristlecone and SAP as its partners on their journey to transform their sourcing and procurement departments, and to drive best-in-class processes. In a statement here Wednesday, SAP said the procurement transformation would enable the telecommunications company to gain visibility on their spend across all the Operating Companies (OpCos) and facilitate compliance, determine and harness spend reduction opportunities and identify the inefficient, non-standard processes that were previously in place.

M'sian Exports To Benefit From EU Import Tariff De-Regulation

KUALA LUMPUR -- Malaysian exporters may gain from a recent decision by the European Union (EU) to review its autonomous tariff suspensions and quotas to the EU from Jan 1, 2016 onwards. Beginning this year, the EU is implementing autonomous tariff suspension for 2,433 products (up from about 1600 products in 2011) and autonomous tariff quota for 113 products (up from 84 products in 2013). The Ministry of International Trade and Industry (MITI) in a statement here Tuesday, said Malaysian exporters should take advantage of these new measures to further expand their market access in Europe.

M'sia Ranks 54th In Corruption Perceptions Index For 2015

KUALA LUMPUR -- Malaysia ranked 54th on the Corruption Perceptions Index (CPI) table for 2015 versus 50th placing in 2014, says Transparency International Malaysia. The anti-corruption watchdog said Malaysia was ranked out of 168 countries.

Malaysia Ranks 39th In Net Impact On Global Innovation

KUALA LUMPUR -- Malaysia was ranked 39th in how its domestic policies supported worldwide innovation, according to an analysis released by the Information Technology and Innovation Foundation (ITIF), a global technology policy think-tank. In a statement here Wednesday, ITIF said, the findings came in a new report assessing 56 countries, which together comprised close to 90 per cent of the world's economy on the extent to which, on a per capita basis, their economic and trade policies contributed to and detracted from innovations globally. "Robust innovations are essential for economic growth and progress," said Vice President for Global Innovation, Stephen Ezell.

InvestKL Confident Of Attracting 13 MNCs This Year

KUALA LUMPUR -- InvestKL Malaysia is confident of attracting 13 multinational companies (MNCs) to Greater Kuala Lumpur this year despite the economic uncertainty. Chief Executive Officer Datuk Zainal Amanshah told reporters here Wednesday, last year, InvestKL attracted 10 MNCs and the government had approved nearly RM6 billion in investments from 2011 to December 2015. "This is a testament of Malaysia's capability to attract more foreign investments to the country. "From 2016 to 2020, we are targeting for another 50 more MNCs to reach a total of 100, to invest in the capital city," he said.

Aladdin Group Invests US$5 Mln In Halal E-Commerce Site

KUALA LUMPUR -- Malaysia-based e-commerce company, Aladdin Group of Companies, has invested US$5 million (1US$=RM4.2580) to establish aladdinstreet.com.my-- the country's first exclusive Halal and Shariah compliant e-market shopping platform. Group Co Founder Datuk Dr Skeikh Muszaphar Shukor told reporters here Wednesday, the e-commerce site, expected to be launched by month-end, would cater to pharmaceutical, fashion, cosmetics and beauty, food and beverage, banking and finance services. "In the next three years, the e-commerce platform, with a target of 1,500 merchants, would provide 30,000 products online," he said.

UMS Holdings Invests In M'sian Aerospace Manufacturer, ASF

SINGAPORE -- UMS Holdings Ltd has entered into a definitive shareholders agreement with Malaysian-based All Star Fortress Sdn Bhd (ASF), an aerospace metallic component manufacturing company. ASF is one of 20 local companies approved under the Malaysian Government's Economic Transformation Plan to develop the local aerospace manufacturing industry. Singapore firm UMS, meanwhile, is a strategic integration partner in manufacturing and engineering for front-end semiconductor equipment manufacturers. "We are excited with the prospects of this investment. In the short term, we foresee a slight boost to profitability as we can expect some interest income and rental revenue from this collaboration," UMS Chief Executive Officer Andy Luong said in a statement here Wednesday.

Malaysia Airlines & Sabre Celebrate Relationship In Travel Industry

KUALA LUMPUR -- Malaysia Airlines celebrated its longstanding relationship with leading technology provider to the global travel industry, Sabre Corporation, during an event recognising top Malaysian travel agency partners recently. Following a series of travel agency promotions run in 2015 to support flight bookings, Malaysia Airlines and Sabre staff gathered with over 200 local travel agency representatives here to via for the 'Most Productive Travel Agent for 2015 Award". "Through our deep-rooted relationship with Sabre we are maximising the most efficient distribution channels for Malaysia Airlines while ensuring that travel agents and travel management companies, locally and overseas, have access to the best fares and flight information," Malaysia Airlines Head of Sales Laurent Recoura said in a statement here Monday.

AirAsia Offers Promotional Fares From Penang To Ho Chi Minh

KUALA LUMPUR -- AirAsia will offer a promotional all-in-fare beginning from RM99, inclusive taxes, from Penang to Ho Chi Minh City in conjunction with its maiden flight from Ho Chi Minh City into Penang International Airport Monday. Chief Executive Officer Aireen Omar said the low-cost airline is the only airline to service this route, connecting Penangites and the northern community to the vibrant city of Ho Chi Minh in Vietnam.

Melaka, Guangdong To Hold Wide-Ranging Talks On Investments In March

MELAKA -- The Melaka government and China's Guangdong province will hold wide-ranging talks on investments and project collaboration during the state's official visit to the province in March. Melaka Chief Minister Datuk Seri Idris Haron the talks would mainly focus on the introduction of the Guangdong-Melaka flights, the construction a deep-sea and a maritime industrial park, and the setting up of a free-trade zone. "The talks would centre on who will carry them out, when they will get off the ground and the extent of involvement of Melaka and Guangdong.

Volvo Trucks Opens Largest Dealership In Port Klang

PORT KLANG -- Volvo Trucks Malaysia, has opened its largest dealership in Port Klang, which can accommodate service and repair works for up to 24 trucks daily. The Swedish trucks giant described this investment as crucial to its further development in Malaysia and reflecting the continuous efforts at network expansion as well as customer service. Volvo Malaysia Managing Director Mats Nilsson told reporters here Tuesday night, the RM25 million dealership with a built-up area of 35,850 sq ft has 20 workstations which can accommodate service and repair works for both Volvo trucks and buses operating within Port Klang.

NEC Opens New Cyber Security Factory In S'pore

KUALA LUMPUR -- NEC Corporation Wednesday announced the official launch of the Cyber Security Factory in Singapore as the latest addition to its global portfolio of security operation centres. The newly-opened Cyber Security Factory in Singapore would collaborate with NEC's Security Operations Centres located in strategic parts of the world including Japan, with the aim of providing an inter-connected network to share intelligence on cyber threats and deliver 24/7 security to customers, NEC said in a statement here Wednesday.

MAS CEO To Speak At S'pore Airshow Aviation Leadership Summit

SINGAPORE -- Malaysia Airlines' (MAS) Chief Executive Officer (CEO), Christoph Mueller, will be one of the main speakers at the Singapore Airshow Aviation Leadership Summit (SAALS). The two-day summit, from Feb 14, 2016, will be held at the Raffles City Convention Centre here. "His attendance is a very important indication ... very important manifestation of how important not only to the airshow but the conference," Experia Events' Managing Director, Leck Chet Lam, told Bernama.

MAS Launches Revamped In-Flight Magazine 'Going Places'

KUALA LUMPUR -- Malaysia Airlines (MAS) has relaunched its award-winning in-flight magazine, Going Places, with all-new content and design starting with its February 2016 issue. In a statement here Thursday, the national carrier said the new Going Places will be featuring a new look with a distinctively recognisable cover design, as well as some reorganised editorial content which includes six new sections to cater to passengers' varied reading interests.

TM, P1 Sign Collaboration Agreements With Celcom

KUALA LUMPUR -- Telekom Malaysia Bhd (TM) and its unit, Packet One Networks Malaysia (P1), Thursday sign collaboration agreements with Celcom Axiata Bhd to leverage on their existing network infrastructure to extend services to their customers. TM Group Chief Executive Officer (CEO) and P1's Chairman, Tan Sri Zamzamzairani Mohd Isa, said the agreements on the extension of the Next-Gen Backhaul (NGBH) services, extension of High-Speed Broadband (HSBB) access by Celcom as well as that of domestic roaming service from Celcom to P1.

Samsung Launches New Galaxy A Series

KUALA LUMPUR -- Samsung Malaysia Electronics has launched the Samsung Galaxy A Series (2016) which are equipped with enhanced camera features and perfect devices for those looking to capture and store great moments. Samsung Malaysia Electronics Product Manager Mobile Phone, Go Benn Lee, told Bernama, the Galaxy A Series (2016) will offer consumers a platform to express their individuality with powerful performance in three screen options -- 5.5 inches for A7, 5.2 inches for A5 and 4.7 inches for A3.

Pizza Hut Introduces Cheesy Crown Pizza

KUALA LUMPUR -- Pizza Hut Malaysia Thursday introduced the Cheesy Crown pizza, featuring a distinctive crust with an abundance of toppings, available until Feb 29, 2016. In a statement here Thursday, Pizza Hut said the Cheesy Crown pizza has 12 golden pockets which accomodates two types of cheeses -- Mozzarella and Cheddar -- topped with Alfredo and Cheddar fondue. "Its chunky toppings, all drizzled with Pizza Hut's spicy and tangy sauce, includes crab claws, shredded chicken, roasted red and green capsicums, red onions and pineapple bits," it said. "The pizza will be priced at RM32.20 for an Ala' Carte regular-sized Cheesy Crown while its complete meal combo at RM39.90.

Najib Shows Tough But Caring Side In 2016 Budget Recalibration

By Azman Ujang

KUALA LUMPUR -- When the going gets tough, the tough get going.

Prime Minister Datuk Seri Najib Tun Razak did exactly this and more when he announced Thursday a slew of prudent measures to recalibrate the 2016 Budget.

Across the board cuts in operating and development expenditures will result in savings of up to RM9 billion and prudence is the buzz-word now as the government takes the bull by the horns in dealing with the current global economic uncertainties.

Operating expenditure is certainly the government's toughest financial burden because unlike for development spending, it cannot delay or reschedule payment of salaries for its 1.4 million civil servants, for instance. Job security has been the hallmark and a great tradition of the Malaysian civil service that has been the envy of many a developing nation.

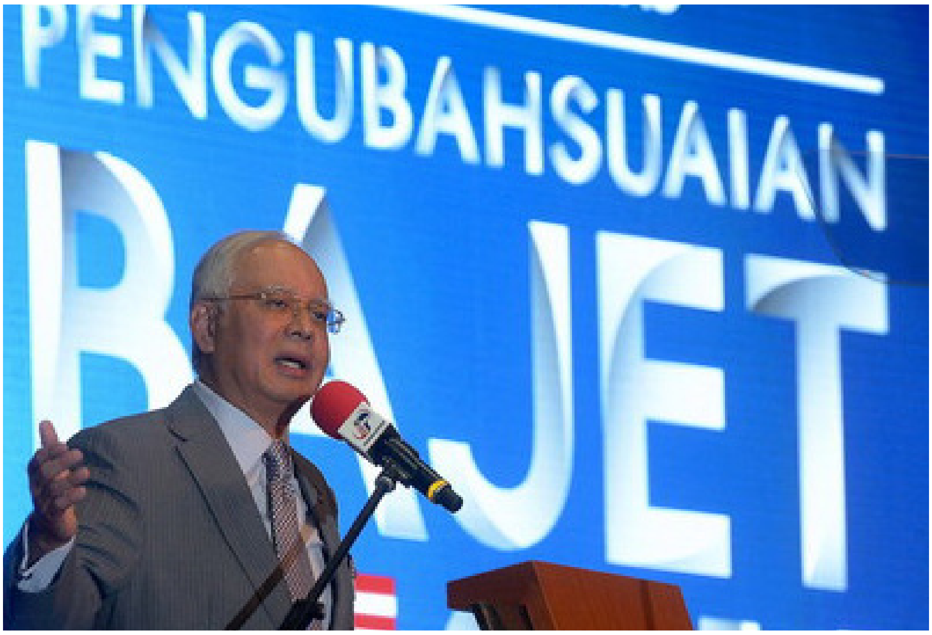
Najib brought the biggest cheers to the civil service when at an event to mark World Customs Day on the same day as his revised Budget announcement, he assured that all civil servants would be retained and even the services of those appointed on contracts would not be terminated.

ONE INCREMENT AS PROMISED

The government will also keep its promise of implementing the one annual salary increment for civil servants made in the 2016 Budget. Amid media reports of pockets of retrenchments in the private sector, their employers would be well advised to take the cue from the government by deciding on such a move only as a last resort and to the barest minimum via exercising prudence.

The nation is of course not all about the civil service though it is the backbone of the administration and the government's delivery system, and the prime minister made it clear that his top concern is in alleviating the burden of the rakyat. As he rightly pointed out, the reality is that Malaysia's economy is still stable with strong growth as well as resilient and competitive.

And the current situation is not due to the government's failure to plan but factors beyond the government's control, particularly the slump in the oil and gas industry leading to a drastic plunge in crude oil prices. When Najib, who is also Finance Minister unveiled the 2016 Budget last October, the government's capacity to spend was based on projections of crude oil price at US$48 per barrel but it is now hovering around US$30, and could very well go down further.



PRUDENT MEASURES... Prime Minister Datuk Seri Najib Tun Razak Thursday announced a slew of prudent measures to recalibrate the 216 Budget. Pic: Hary Salzman fotoBERNAMA

BEST FOR THE RAKYAT

When Najib mentioned about what the government decided Thursday would surely be recorded in history, it is not far-fetched to suggest that what he meant was his decision to go ahead with implementing the goods and services tax (GST) from April 1 last year despite widespread public protests.

If the prime minister had wanted to always base his leadership on populist moves, certainly he would abandon or postpone the GST but as it turned out, he has not only proven his critics wrong, but very wrong.

As he put it again Thursday, GST is the saviour of the people and this is not mere rhetoric.

Within just 10 months since the GST was imposed, the Customs Department has collected almost RM24 billion from this new source of consumption tax alone.

The notable budget recalibration measures included a three per cent reduction on employees' contribution to the Employees Provident Fund (EPF) from March 2016 to December 2017 with contributions by employers to remain unchanged.

This measure is expected to increase public consumption expenditure by a whopping RM8 billion a year.

LIST OF MARKET REPORTS :

BURSA MALAYSIA

BURSA Malaysia May See Profit Taking

KUALA LUMPUR -- Bursa Malaysia may see mild profit taking next week, but the outlook remains positive, with players expected to continue reacting positively to the recalibrated Budget 2016.

The market traded on a bullish note this week and a minor correction, if it happens, would be healthy, added a local senior dealer.

Meanwhile, Kenanga Research said with the exception of the telco sector, the Budget 2016 recalibration is fairly neutral to the local market.

“With some pro-growth measures, we reckon the recalibration will benefit selective players in the consumer and construction sectors, and emerging trading interest in oil and gas stocks,” it said in a research note.

The research firm added the calibration was also a piece of good news to fixed-income like equity investments such as mortgage real estate investment trusts (MREITs) and high yielding stocks.

On a weekly basis, the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) finished 42.59 points better at 1,667.30, as players reacted positively to the recalibrated 2016 Budget.

Due to a shorter trading week with Monday being public holiday, weekly turnover shrank to 7.51 billion units, but with an increased valued of RM9.85 billion from 11.12 billion units worth RM9.65 billion last week.

Main market volume fell to 5.00 billion shares valued at RM9.36 billion compared to 6.59 billion shares worth RM7.03 billion.

FOREX: Ringgit Likely To Remain Firm

By Rosemarie Khoo Mohd Sani

KUALA LUMPUR -- The ringgit is likely to remain firm next week on the back of the recent recalibration of the Budget 2016.

Hong Leong Bank’s Head of Fixed Income & Economic Research Choong Yin Pheng said positive sentiment over global oil prices would also help the ringgit stay firm.

“We think the recent recalibration of the Budget 2016 reflected a realistic scenario and boosted investor appetite for the local note.

With strong domestic demand, the ringgit is expected to stay firm next week,” she told Bernama.

The move by the Attorney-General Tan Sri Mohamad Apandi Ali to clear Prime Minister Datuk

Seri Najib Tun Razak of criminal wrongdoing over a RM2.6 billion donation has also reduced the risk to the sovereign ratings, according to Standard & Poor's Ratings Services.

Najib, who is also the Finance Minister, announced 11 measures to face the current economic challenges under the recalibrated Budget 2016, while ensuring the people's welfare and country's economic growth remained on a sound footing.

For the week just-ended, the ringgit hit its highest level in three-and-a-half months on Friday, touching 4.15 to the US dollar, mainly on higher crude oil prices.

It also traded higher against other major currencies. On a weekly basis, the local unit strengthened further against the greenback to 4.1500 from last Friday's 4.2950/2040.

It climbed against the Singapore dollar to 2.9143/9228 from 3.0073/0157 and appreciated against the yen to 3.4337/4429 from 3.6309/6388. The ringgit rose against the euro to 4.5206/5323 from 4.6566/6673 and ended higher against the British pound at 5.9598/9758 from 6.1238/1384.

Money Market Likely To Remain Stable

KUALA LUMPUR -- The money market is likely to remain stable next week on expectations of continued intervention by Bank Negara Malaysia (BNM) to manage excess liquidity.

The central bank is expected to continue the intervention with daily tenders to mop up excess funds from the market, a dealer said.

For the week just ended, BNM intervened daily to absorb surplus funds by conducting tenders for conventional money, Commodity Murabahah Programme, Qard, range maturity auction money market, Islamic range maturity auction Qard and repo.

On Friday, the central bank's action helped reduce the market's total liquidity surplus to RM35.67 billion from RM43.38 billion earlier, while in the Islamic system, it went down to RM8.05 billion from RM19.47 billion.

The overnight Islamic reference rate stood at 3.21 per cent, while the one-week, two and three-week rates stood at 3.28 per cent, 3.33 per cent and 3.37 per cent respectively. Meanwhile, the benchmark three-month interbank rate stood at 3.79 per cent.

KLCI Futures Likely To Be Well Supported

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts (FKLI) on Bursa Malaysia Derivatives is expected to be well supported next week as the key index seems to have formed a solid bottom near the 1,600-points level.

A senior dealer told Bernama the FKLI contracts are likely to move in line with the expected firmer underlying cash market next week. "Market sentiment is considered positive, as the index continued to hold above the 1,600 support level.

"Stay long, or 'buy on dip', as the buying interest would likely extended," he added. On a week-to-week basis, January 2016 rose 57.5 points to 1,656.50, February 2016 surged 68.5 points to 1,660, March 2016 was 67.5 points higher at 1,653, and June 2016 advanced 62.5 points to 1,638.

Weekly turnover expanded to 125,248 lots from 56,028 lots last week, while open interest soared to 334,351 contracts from 63,312 contracts. On Friday, the benchmark FBM KLCI settled at 1,667.80, up 42.59 points from the 1,625.21 recorded last week.

CPO Futures To Trade Lower On Weakening Demand

By Zarul Effendi Razali

KUALA LUMPUR -- Crude palm oil (CPO) futures contracts are likely to trade thinner next week on expectation of a further weakening in demand, a dealer said. Interband Group Senior Palm Oil Trader Jim Teh said the local commodities market is expected to be quiet next week due to the upcoming Chinese New Year holiday.

He told Bernama that the price is expected to linger between RM2,300 and RM2,400 a tonne. "Most buyers bought their supply last month. Next week, most of them would have started to go on holiday," he said.

However, Teh said the current CPO prices are still better compared to other commodities. On a weekly basis, February 2016 declined RM33 to RM2,349 per tonne, March 2016 decreased RM24 to RM2,411 per tonne, and April 2016 fell RM17 to RM2,443 per tonne, while May 2016 ended RM22 lower at RM2,411.

Weekly turnover was weaker at 193,670 lots from 251,765 lots last week, while open interest narrowed to 237,337 contracts from 254,993 contracts previously.

On the physical market, newly introduced February South ended the week at RM2,370 per tonne. The local market will be closed on Monday for the Federal Territory Day holiday.

Bearish Sentiment To Continue Pressuring Rubber Prices

KUALA LUMPUR -- Regional bearish sentiment is expected to further pressure prices on the Malaysian rubber market next week, said a dealer.

He said that expectations of the ringgit continuing its upward momentum would also affect the price movement.

Regionally, he said investors remained cautious ahead of a policy decision by Japan's central bank after ending a two-day meeting on Friday.

On a Friday-to-Friday basis, the Malaysian Rubber Board sellers' official physical price for tyre-grade SMR 20 declined 34 sen to 445 sen a kg, while latex-in-bulk slipped 7.0 sen to 369 sen a kg.

The unofficial closing price for tyre-grade SMR 20 decreased 34.5 sen to 444.5 sen a kg, while latex-in-bulk shed 10.5 sen to 367.5 sen a kg.

KLIBOR Futures To Remain Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contracts on Bursa Malaysia Derivatives will likely remain untraded next week. For the week just ended, the market was untraded.

Settlement prices for February 2016, March 2016, April 2016 and June 2016 were pegged at 96.28, 96.27, 96.26 and 96.27 respectively.

Open interest on Friday was unchanged at 120 contracts from last week. The underlying three-month KLIBOR was pegged at 3.79 per cent.

KLTM Likely To Trade Sideways Next Week

KUALA LUMPUR -- The Kuala Lumpur Tin Market (KLTM) is likely to trade sideways next week as traders await cues on the performance of tin and copper prices on the benchmark London Metal Exchange (LME), dealers said.

A dealer said this trend is similar to the week just ended, even as traders wait for the new leads, and with the market to be closed on Monday for the Federal Territory Day public holiday.

“The tin price is expected to strike an uptrend in momentum, perhaps on the third and fourth day of the week,” the dealer said.

He added that more demand for tin will come with news that China, the biggest producer, is said to be cutting back on production.

Earlier this week, nine major Chinese tin producers were reported to be cutting production by 17,000 tonnes this year, forcing investors to stock up on inventory. This might support the metal price in moving up in the short-term, the dealer said.

For the week-just-ended, the KLTM traded between US$13,620 and US$14,410 a tonne, mainly influenced by the performance of the metal on the LME and other issues affecting the Asian market.

European, Japanese, South Korean, Chinese, Latin American, Indian and local players accounted for the week’s turnover of 362 tonnes versus 361 tonnes last week.

The discounts between the KLTM and LME widened to US$100 a tonne against US$15 a tonne last Friday.

Gold Futures Likely To Trade Lower Next Week

KUALA LUMPUR -- Gold futures contracts on Bursa Malaysia Derivatives are likely to trade slightly lower next week with the ringgit expected to continue its upward momentum, dealers said.

Phillip Futures Sdn Bhd dealer Viola Yong said on Friday the local note closed higher at 4.15 versus the greenback. “The strengthening of the ringgit in the face of the recalibration of the Budget 2016 and a rally in global oil prices has added pressure on gold,” she added.

With the equities market set to remain strong and oil prices continuing to edge higher, the dealer said gold is likely to face continuing pressure.

Meanwhile, on a Friday-to-Friday basis, January 2016 fell 48 ticks to RM148.65 a gramme, February 2016 declined 54 ticks to RM148.30, March 2016 was down 56 ticks to RM148.40 and April 2016 slipped 52 ticks to RM148.95.

Weekly turnover totalled 262 lots worth RM3.92 million from 503 lots worth RM7.34 million last Friday. Open interest on Friday rose to 1,654 contracts from 1,596 contracts previously.