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This Week's Highlight : Past Crises Warn Against Over-Reliance On Monetary Policy – Zeti

WARNING SIGNS...Bank Negara Malaysia Governor Tan Sri Dr Zeti Akhtar said monetary policy cannot address the structural issues, including the economic rigidities and competitiveness and cannot substitute for the necessary reforms and structural adjustments.--fotoBERNAMA

KUALA LUMPUR -- Experience from successive crises has warned against an over-reliance on monetary policy, Bank Negara Malaysia Governor Tan Sri Dr Zeti Akhtar Aziz said. Monetary policy cannot address the structural issues, including the economic rigidities and economic competitiveness, and even a highly accommodative monetary policy cannot be a substitute for the necessary reforms and structural adjustments, she said at the 2014 Per Jacobsson Foundation Lecture in Basel, Switzerland Thursday.

This Week's Top Stories

Monday

M'sia Should Woo More High Quality Investment - MIER

KUALA LUMPUR -- Malaysia should be attracting more high quality investment as it prepares for the next stage of economic development in 2015, says the Malaysian Institute of Economic Research (MIER). The country should tap the global market to export locally-made products, MIER Executive Director Dr Zakariah Abdul Rashid told a media briefing on the launch of a series of public seminars by MIER and Futurist Institute to be held between Aug 14 and Sept 26 here Monday.

Tuesday

Industry Players Urged To Prepare For GST

KUALA LUMPUR -- Industry players have been urged to equip themselves with the knowledge and capability to comply with the implementation of the Goods and Services Tax (GST) on April 1, 2015. "The government wants to be more efficient in tax collection, but that doesn't mean that everything must be more expensive. The government has actually studied where it should have lesser tax and where it should have more or undercollecting," Malaysian National News Agency (Bernama) General Manager Datuk Yong Soo Heong told a media conference on the National GST Conference 2014 here Tuesday.

Wednesday

M'sia Keen To Adopt IRB's Price Stabilisation Scheme

From Zarul Effendi Razali

KOCHI (India) -- The Ministry of Plantation Industries and Commodities is looking to adopt the Indian Rubber Board's (IRB) strategies in facing the global weakness in rubber prices. "We are very impressed with all their programmes, their research work and how they support the smallholders. It is always the responsibility of the government to see that its smallholders do not suffer due to the declining prices," its minister, Datuk Amar Douglas Uggah Embas told Bernama in conjunction with his trade mission to India.

Thursday

Pemandu's Global Recognition Proves M'sia On Track - PM

KUALA LUMPUR -- Prime Minister Datuk Seri Najib Razak Thursday expressed his confidence that Malaysia is on the right track to achieve developed-nation status by 2020. This was because of the country's development progress following the achievement of the Performance Management and Delivery Unit (Pemandu), which has been recognised as among the world's top 20 leading government innovation teams, he said in his latest posting on his Facebook and Twitter accounts here Thursday.

Friday

Najib Announces Four High Impact Programmes For SMEs

PUTRAJAYA -- Prime Minister Datuk Seri Najib Tun Razak Friday announced four high impact programmes (HIPs) under the Small and Medium Enterprise (SME) Masterplan to accelerate the annual growth of SMEs from 6.3 per cent to 9.3 per cent. Najib, who is also Finance Minister, said the four HIPs -- creating a single window to integrate business registration and licensing, SME Investment Programme, Going Export Programme (GoEx), and Catalyst Programme -- will be implemented in stages over the next few years.

SMEbrief

MBKT Allocates 3,350 Ramadan Bazaar Lots In Kuala Terengganu

KUALA TERENGGANU -- The Kuala Terengganu City Council (MBKT) has allocated 3,350 lots at 23 Ramadan bazaar locations in the city to make way for traders during the fasting month. According to a MBKT spokesman here Monday, the lots have already been taken up by traders who would be selling dishes for the breaking fast, various types of cookies, kuih and also clothes.

Register Business Before GST, SMEs Urged

KUALA LUMPUR -- Small and medium enterprises (SMEs) have been urged to register their businesses with the government before the Goods and Services Tax (GST) is implemented. Making the call, International Trade and Industry Minister Datuk Seri Mustapa Mohamed said SMEs may register their businesses online. "SMEs that are not in the system may lose their market share over time if larger firms decide to buy goods from businesses that are registered under the GST so as to benefit from the tax credit on inputs," he told reporters after a roundtable discussion with representatives of national associations and chambers of commerce here Tuesday.

Govt Confident Of Achieving Target For Farmer's Markets By 2020

KUALA LUMPUR -- The Ministry of Agriculture and Agro-Based Industry is confident of achieving its target of setting up 1,000 farmer's markets in the country by the year 2020, the Dewan Negara was told here Tuesday. Its Deputy Minister Datuk Tajuddin Abdul Rahman said to date, there were 538 farmer's markets operating throughout the country, and the target was not far off.

Najib Officiates 2014 Putrajaya Ramadan Festival

PUTRAJAYA -- Prime Minister Datuk Seri Najib Tun Razak Tuesday officiated the 2014 Putrajaya Ramadan Festival at the compound of the Putrajaya Corporation (PPj) Complex. In his speech, he said the festival provided facility for the consumers to obtain their Hari Raya and breaking of fast needs at reasonable prices. "I am very impressed with the concept of the festival that showcases and combines religious and business elements that can bring benefits to Muslim consumers," he said at the function here Tuesday.

Ziq Bakery & Cake Targets RM7 Mln Sales Before Year-end

KUALA TERENGGANU -- Ziq Bakery & Cake Sdn Bhd, a Bumiputera bakery here, has target sales of RM7 million before year-end. Managing director Suzana Mohamed Salleh told Bernama here Wednesday that the bakery is confident of the target following average monthly sales at present of between RM350,000 to RM400,000. " I am grateful for the assistance and guidance received from various agencies and government departments since starting out in 2005 with sales on the increase as a result," she said.

PropUP

Property update

Japan's Largest Site For REIT Data In English Goes Live

KUALA LUMPUR -- IB Research & Consulting, Inc. and Japan REIT, Inc. have launched an English version of Japan-REIT.com, Japan's largest portal site for information on Japan's REIT market. The URL of the new site is as follows: http://www.japan-reit.com/en, said a statement issued Monday in Tokyo, Japan. Major players in Japan's real estate market, from insurance companies and fund managers to REITs and real estate developers, have come to rely on Japan-REIT.com for the latest detailed data on Japan's REIT market.

MUI Unit To Acquire Two Holdings For RM26.3 Mln

KUALA LUMPUR -- Malayan United Industries Bhd's (MUI) wholly-owned unit, Corus Hotels Sdn Bhd, will acquire Pan Malaysian Industries Bhd's entire stake in Two Holdings Sdn Bhd for RM26.3 million. In a filing to Bursa Malaysia here Monday, the company said Two Holdings' main asset was a piece of vacant freehold land in Jalan Ampang here, named the Mayang Land, with a size of 1,477.85 sq metres.

Starwood Hotels & Resorts M'sia Win TripAdvisor Award

KUALA LUMPUR -- Starwood Hotels And Resorts Malaysia was thrust into the limelight recently when four of its hotels won the 2014 TripAdvisor Traveller's Choice award. The properties are the Aloft Kuala Lumpur Sentral, Sheraton Imperial Kuala Lumpur, The Westin Kuala Lumpur and The Andaman, a luxury resort in Langkawi. The recognition is based on highly rated businesses as reviewed by travellers around the world, the hotel group said in a statement here Monday.

Sunway Velocity Sees 90 Pct Take-Up Rate For Latest Launch

KUALA LUMPUR -- Sunway Velocity, a development project by Sunway Properties, has received an overwhelming response at the launch of its latest phase with a take-up rate of 90 per cent. Sunway Velocity's residential development, V Residence 2, consists of 334 units with a Gross Development Value (GDV) of RM382 million while its commercial development, Signature Shop and Office, consists of 50 units and 30 units respectively, with a GDV of RM250 million, the developer said in a statement here Monday.

Princess Cove Set To Be JB's Latest Landmark

By Mohd Haikal Mohd Isa

JOHOR BAHARU -- The sprawling Princess Cove project in Tanjung Puteri by China-based property developer R&F Properties Co Ltd is expected to become the latest landmark in Johor Baharu.The project is located opposite Singapore's Woodland immigration complex and besides the Johor Causeway. "It will be a new landmark in Johor Baharu, similar to what Kuala Lumpur has in the Petronas Twin Towers, and will greet those who are coming to Johor via the Causeway," said R&F Properties' sales representative Joe Tan here Wednesday.

MARKET

BURSA MALAYSIA

Scoreboard
Gainers - 480
Losers - 345
Not Traded - 447
Unchanged - 342
Value - 1735152002
Volume - 17800908

BURSA: KL Shares Close Easier

KUALA LUMPUR -- Bursa Malaysia closed easier Friday, bogged down by losses in selected heavyweights and bluechips, led by Tahps Group, CIMB Group and Petronas Dagangan, dealers said. At 5pm, the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) ended 3.78 points or 0.2 per cent lower at 1,884.91 after moving between 1,884.91 and 1,891.43 throughout the day.

CIMB shares declined 13 sen to RM7.17 after the market reacted to the leadership transition plan announcement by the banking group which would see Datuk Seri Nazir Razak relinquishing his position as Group Chief Executive Officer.

However, analysts opined the leadership transition in CIMB Group was unlikely to impact the Group's operations in the near-term. Regionally, Asian equities ended mixed on Friday following a better-than-expected US employment report. Market breadth was positive as advancers outpaced decliners by 480 to 345, with 342 counters unchanged, 447 untraded and 14 others were suspended.

Total volume depreciated slightly to 1.78 billion units, worth RM1.73 billion from Thursday's 1.791 billion shares worth RM 2.237 billion. Among actives, MAS edged down half-a-sen to 22.5 sen after it denied any knowledge of the decision to privatise the airline for restructuring as reported in a local newspaper Thursday. MAS' majority shareholder, Khazanah Nasional Bhd stated that the reports were speculative. Main Market volume decreased to 1.38 billion units, worth RM1.66 billion, from Thursday's 1.516 billion units worth RM2.179 billion.

Turnover on the ACE market soared to 321.66 million shares, valued at RM60.38 million, from 199.57 million shares valued at RM46.914 million previously.

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	3.1845	3. 1865
EUR	4.3271	4. 3308
GBP	5.4614	5. 4661
100 YEN	3.1199	3. 1231
SGD	2.5545	2. 5564

Source: Bank Negara Malaysia

FOREX: Ringgit Ends Higher Against US Dollar, Major Currencies

KUALA LUMPUR -- The ringgit closed broadly higher against the US dollar and other major currencies Friday on renewed demand for the domestic unit. A currency trader said the local note extended Thursday's rally against the greenback after breaching the key technical support of 3.20, and bets on Bank Negara Malaysia to raise the overnight policy rate next week.

At 5 pm, the local unit firmed against the US dollar to 3.1845/1865 from 3.1955/1975 Thursday. The local currency rose against the Singapore dollar to 2.5545/5564 from 2.5632/5652 previously and strengthened against the yen to 3.1199/1231 from 3.1344/1370 on Thursday. The ringgit was also higher against the British pound at 5.4614/4661 from 5.4764/4808 Thursday and gained against the euro to 4.3271/3308 from 4.3631/3668 previously.

Money Market: Short-Term Rates Close Stable

KUALA LUMPUR -- Short-term interbank rates closed stable Friday following Bank Negara Malaysia's (BNM) intervention to absorb excess liquidity from the financial system. The liquidity surplus in the conventional system fell to RM19.93 billion from the RM30.94 billion estimated in the morning, while in the Islamic system, it was trimmed to RM5.72 billion from RM9.89 billion.

In the morning, the central bank called for four conventional money market tenders, an Islamic range-maturity auction and a commodity murabahah programme. BNM also conducted a late conventional money market tender for RM19.90 billion and a RM5.50 billion Al-Wadiah money market tender, both for three-day money. The overnight Islamic reference rate stood at 2.96 per cent while the one-, two- and three-week rates stood at 3.05 per cent, 3.10 per cent and 3.13 per cent respectively.

KLIBOR Futures End Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contracts ended untraded Friday.

At the close, July 2014, August 2014, September 2014 and December 2014 remained pegged at 96.41, 96.36, 96.36 and 96.25, respectively. Open interest totalled 2,580 contracts. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.56 per cent.

KLCI Futures Ends Lower

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract (FKLI) on Bursa Malaysia Derivatives closed lower Friday in tandem with the easier cash market. Phillip Futures Sdn Bhd dealer Ahmad Danial Zainudin said the dull performance resulted in the FKLI fluctuating between 1,888.0 and 1,898.0.

"The local market was ignoring global factors such as the improved US job data due to lack of domestic fresh catalyst to ignite buying interest," he told Bernama. At close, spot month July 2014 shed 5.5 points to 1,889, August 2014 dropped 4.0 points to 1,889.5, September 2014 edged down 7.0 points to 1,885 and December 2014 slipped 3.0 points to 1,883.0. Turnover appreciated to 3,110 lots from 2,910 lots on Thursday while open interest widened to 34,560 contracts from 33,502 contracts previously.

Philippines, Maldives Keen To Emulate TH

From Azizul Haji Ahmad

MAKKAH -- The Philippines and Maldives are interested to emulate Malaysia's Lembaga Tabung Haji (TH) model in their respective countries, says Chief Executive Officer TaHa Alam Sdn Bhd (TaHa Alam), Nik Joharris Nik Ahmad. The company shared the experience of TH in a forum entitled "Mobilising Savings and Effective Haj Management - Malaysia's Experience" in conjunction with the 39th IDB Annual Meeting last week in Jeddah. The forum showcased the challenges and success of Tabung Haji's model and its potential replication to other countries, as well as its benefits and spillover effects to the economy.

Takaful Ikhlas Announces Hibah Payment

KUALA LUMPUR -- Takaful Ikhlas Bhd will make a Hibah payment to eligible participants, should there be no claims filed within the coverage term for general takaful products. The distribution of Hibah is made based on consistent profit of the Takaful funds as a result of efficient underwriting, claims and asset management practice, President and Chief Executive Officer Ab Latiff Abu Bakar said in a statement here Monday.

M'sia's May Reserve Assets At US$130.94 Bln

KUALA LUMPUR -- Bank Negara Malaysia's (BNM) official reserve assets totalled US$130.94 billion as of end-May 2014, while other foreign currency assets amounted to US$4.45 billion. In a statement here Monday, BNM said the detailed breakdown of international reserves under the International Monetary Fund's (IMF) Special Data Dissemination Standard (SDDS) format indicated that as at end-May, Malaysia's reserves remained usable and unencumbered.

Public Mutual Declares Distributions Of RM184 Mln

KUALA LUMPUR -- Public Bank Bhd's wholly-owned subsidiary, Public Mutual Bhd, has declared RM184 million in distributions for 13 of its funds for the financial year ended June 30, 2014. PB Islamic Bond Fund received the highest gross distribution, which was 6.00 sen per unit, followed by PB Growth Fund which distributed 5.50 sen per unit, PB Fixed Income Fund (5.00 sen per unit), while PB Balanced Fund and PB Infrastructure Bond Fund declared 4.25 sen per unit and 4.00 sen per unit respectively it said in a statement here Monday.

Broad Money Growth Moderates To 5.5 Pct In May

KUALA LUMPUR -- Broad money (M3) growth moderated to 5.5 per cent in May driven by credit extension to the private sector by the banking system, said Bank Negara Malaysia (BNM). BNM in a statement here Monday said the expansion, however, was partially offset by the decline in net foreign assets and net financing to the private sector. "Net financing to the private sector grew at a slower pace of 9.3 per cent in May, amidst a moderation in the growth of outstanding banking system loans and stable growth in net issuances of private debt securities (PDS)," it said.

M'sian Banks Issue RM3.25 Bln Ringgit-Denominated Sukuk

KUALA LUMPUR -- Malaysian Islamic banks issued RM3.25 billion ringgit-denominated sukuk in the first half of this year, said Moody's Investors Service. In a statement here Tuesday, Moody's said this was driven by rapid asset growth, which in turn has led to significant funding and capital needs. "The strong growth trends are expected to continue, driven by strong demand from the Muslim population coupled with the government's comprehensive and coherent strategy," it said.

Etiqa Takaful's Mabrur Named Product Of The Year

KUALA LUMPUR -- Etiqa Takaful's Mabrur, a Takaful savings and comprehensive protection plan that complements one's preparation for Hajj and Umrah, was recently named Product of the Year in the internationally acclaimed Product of The Year: Consumer Survey of Product Innovation 2014/15 Awards Ceremony. Etiqa Insurance & Takaful Chief Commercial Officer Shahril Azuar Jimin said in a statement here Wednesday, the company was delighted to be recognised by the nation's consumers for its product innovation.

M'sia's Equity Mart Still Has Upside Potential – RHB

KUALA LUMPUR -- Malaysia's equity market still has upside potential and will trend higher in the second half of the year, said RHB Research House. In a note here Wednesday, RHB Research said it would maintain its year-end FTSE Bursa Malaysia KLCI target at 1,940, which was about 16.3 times the 2015 earnings. "Improving global growth prospects and accommodative policies in major world economies augur well for local equities," it said.

Ambank Completes Issuance Of US$400 Mln Senior Unsecured Notes

KUALA LUMPUR -- Ambank (M) Bhd has completed its maiden US Dollar Senior Unsecured Notes issuance of US$400 million under its US$2.0 billion Euro Medium Term Note Programme, which was established last year. The notes, with a tenure of five years, will mature on July 3, 2019 and are rated Baa1 by Moody's Investors Service and BBB+ by Standard and Poor's Ratings Services, the bank said in a statement here Thursday.

Maybank Again Emerges As Among World's Strongest Banks

KUALA LUMPUR -- Malayan Banking Bhd (Maybank) has again stamped its mark in the ever-competitive global financial landscape by maintaining its ranking as among the world's top 20 strongest banks for this year. In what is surely a feather in the cap for both the country and the bank, Maybank is the only Malaysian bank in the World's Top 20 Strongest Banks, according to the July/August 2014 issue of 'Bloomberg Markets' magazine which is just out.

Econpile Aims To Maintain Market Share, Improve Margin

KUALA LUMPUR -- Piling and foundation solutions provider, Econpile Holdings Bhd, aims to maintain a 12.8 per cent market share and strengthen profit margin following its listing on Bursa Malaysia here Monday. For the 2013 financial year, the group recorded a profit margin of 15 per cent. Executive Director and Group Chief Executive Officer Raymond Pang Sar said the group would continue to explore the domestic market for piling and foundation works to achieve the target.

Rex Industry Expects 15 Pct Increase In Turnover

BUTTERWORTH -- Rex Industry Bhd, a manufacturer and exporter of canned food, is eyeing 15 per cent growth in turnover this year, supported by the healthy expansion of its drinks division.Group Director Lee Hee Hong said here Monday, the company would focus on the drinks division to support the growth rate and keep up the increase in sales and the group had allocated about RM2.5 million as capital expenditure in 2014 and for expansion purposes.

George Kent Q1 Pre-Tax Profit Up

KUALA LUMPUR -- George Kent Malaysia Bhd's pre-tax profit for the first quarter ended April 30, 2014 rose 9.8 per cent to RM8.705 million from RM7.928 million in the same period a year ago. The performance was driven by higher profit margins from the group's manufacturing and trading as well as its construction segment, George Kent said in a statement here Monday. Revenue however slipped to RM64.863 million from RM84.688 million previously.

I-Berhad Aims To Double Revenue From Property Development

SHAH ALAM -- I-Berhad, the developer of i-City, aims to double its revenue from the property development segment from RM90 million at the end of 2013. In the first quarter of 2014 alone, the segment contributed 73 per cent of the group's revenue and would remain the main contributor moving forward until the group reaches its next transition point, Deputy Chairman Datuk Eu Hong Chew told reporters at the group's annual general meeting here Monday.

DKG Obtains US$10 Mln From 3 Major Investment Firms

KUALA LUMPUR -- DKG Group has obtained US$10 million in a new round of fund raising from three major investments firms, raising its net worth to an estimated US$800 million. In a statement here Monday, private equity firm CPC, KGV venture group and DAG Asia investment advisors have jointly invested and this has sparked great interest in DKG Group's unique crowd funding model.

TA Investment Declares 4.0 Sen Distribution For Growth Fund

KUALA LUMPUR -- TA Investment Management Bhd has declared a gross income distribution of 4.0 sen per unit for TA Growth Fund to its registered unit holders as at June 30, 2014. Ta Investment said the fund, as a broad-based market oriented equity fund, mainly invests in blue chips and big market capital stocks. "The equity exposure will range from 40 per cent to 95 per cent and the balance will be held as liquid assets," the company said in a statement here Tuesday.

Cypark Resources Posts Higher Profit-After-Tax For Q2

KUALA LUMPUR -- Cypark Resources Bhd's profit-after-tax rose 29.6 per cent to RM13.6 million in the second quarter ended April 30, 2014, from RM10.5 million in the same quarter a year ago Revenue increased to RM68.92 million from RM59.24 million, while basic earnings per share surged to 7.60 sen versus 6.58 sen last year, Group Chief Executive Officer, Datuk Daud Ahmad said in a statement here Tuesday.

TA Enterprise Q1 Pre-Tax Profit Surges To RM103 Mln

KUALA LUMPUR -- TA Enterprise Bhd's pre-tax profit for the first quarter ended April 30, 2014 soared to RM103.061 million from RM57.451 million in the same period a year ago. Its revenue increased to RM210.434 million from RM180.924 million in the same period previously. The increase in pre-tax profit was mainly attributable to contribution from broking and financial services, credit and lending, hotel operation and investment holding division, it said in a filing to Bursa Malaysia here Monday.

BCorp Pre-Tax Profit Falls To RM491.08 Mln

KUALA LUMPUR -- Berjaya Corp Bhd's (BCorp) pre-tax profit for the financial year ended April 30, 2014, declined to RM491.08 million from RM575.26 million recorded in the same period last year. Revenue, however, rose to RM8.63 billion from RM7.37 billion previously. In a filing to Bursa Malaysia here Monday, BCorp said the lower pre-tax profit was mainly due to the incurrence of exceptional non-cash charges from impairment of certain goodwill and property, plant and equipment and lower profit contributions from associated companies.

Nam Cheong Sells Another 4 Vessels For US$92 Mln

By Tengku Noor Shamsiah Tengku Abdullah

SINGAPORE -- Nam Cheong Ltd, a leading global offshore marine player listed on the Main Board of the Singapore Exchange Securities Trading Ltd (SGX) and Malaysia's largest Offshore Support Vessel (OSV) builder, Tuesday announced that it has sold another four vessels worth about US$92 million (about S$115 million). In a statement here Tuesday, it said with these four contract wins, its order book now boasts 25 vessels worth about RM1.7 billion (about S$660.1 million).

M'sia-Canada Trade To See Growth In 2014

GEORGETOWN -- Trade between Malaysia and Canada is expected to increase positively this year supported by the growing financial services and oil and gas (O&G) sector. The financial services sector is expected to grow rapidly this year, following major investments by companies such as Sun Life Insurance and Manulife Financial Corporation, Canada's High Commissioner to Malaysia, Judith St George told reporters during the media roundtable here Tuesday night.

Matrade Generates RM2.16 Bln Sales Through MSE

KUALA LUMPUR -- The Malaysia External Trade Development Corporation (Matrade) has successfully generated sales of RM2.16 billion from the various services clusters at the recent Malaysia Services Exhibitions (MSE) 2014. Matrade said recognising the importance of Malaysia's services sector, it had organised a series of seven MSEs, with the aim of promoting the country's services in the international market, it said in a statement here Wednesday.

UN:M'sia Needs More Mega Projects To Push GDP

KUALA LUMPUR -- The United Nations (UN) says Malaysia needs more mega projects to drive labour productivity and push the gross domestic product (GDP) higher from the 6.2 per cent registered in the first quarter of 2014. Michelle Gyles-McDonnough, the United Nations System's Operational Activities for Development in Malaysia Resident Coordinator told reporters, the development of mega projects in Malaysia was important and would indirectly enhance labour productivity within the domestic workforce.

M'sia Will Achieve 5.5 Pct GDP Target – UOB

By Siti Radziah Hamzah

KUALA LUMPUR -- Malaysia will achieve its target Gross Domestic Product (GDP) growth of 5.5 per cent in 2014 with a similar growth likely to be registered in 2015, a regional economist said. Managing Director and Head of Research and Investment Relations of United Overseas Bank (UOB) Ltd Jimmy Koh told Bernama here Wednesday the projection was based on positive external factors and private consumption.

M'sia Targets Sales Of RM6 Mln At TIBF '14

From Lizawati Bahanan

TOKYO -- Malaysia has set a sales target of RM6 million through international market copyright acquisition involving over 1,500 book titles by 20 local publishers participating in the 21st edition of Tokyo International Book Fair (TIBF21) here from July 2 to 5. Malaysian Institute of Translation and Books (ITBM) Chief Executive Officer and Managing Director Mohd Khair Ngadiron told reporters here Wednesday, the target was set based on the uniqueness of the various genres of contents, especially in over 1,000 e-book titles with vast potential to capture the attention of book publishers from 25 participating countries.

Axiata To Dispose Of Stake For US$88.6 Mln

KUALA LUMPUR -- Axiata Group Bhd is disposing of its 24 per cent in Samart i-Mobile pcl to Samart Corp pcl for US$88.6 million. Axiata Group Bhd President/Group Chief Executive Officer, Datuk Seri Jamaludin Ibrahim, said in a statement here Wednesday, Axiata has always expressed its intention to exit non-core businesses at the most opportune time and concentrate on its primary business of mobile communications.

Global Air Freight Growth Up 4.7 Pct In May – IATA

KUALA LUMPUR -- Global air freight growth accelerated by 4.7 per cent in May compared with a year ago due to improved economic conditions, said the International Air Transport Association (IATA). This is up higher than the 3.8 per cent year-on-year growth recorded in April, it said. Cargo volumes, measured by Freight Tonne Kilometres across all regions, went up but with significant differences in performance, it added in a statement here Wednesday.

Wholesale, Retail Sector To Contribute RM156 Bln To GDP

GEORGETOWN -- The wholesale and retail sector is expected to contribute RM156 billion to the country's gross domestic product (GDP) and create half million jobs by 2020, says Tourism Malaysia. Tourism Malaysia's Penang director, Harun Pilus, said at the launch of 1Malaysia Mega Sale Carnival 2014 here Wednesday, the sector has contributed 13 per cent to the country's GDP and it was the second biggest contributor to gross national income among the 12 National Key Economic Areas.

Total Jan – May Trade Rises To RM597.22 Bln

KUALA LUMPUR -- Malaysia's total trade for the first five months of 2014 (January to May) rose 10.2 per cent to RM597.22 billion from the same period a year ago, the Department of Statistics said here Friday. It said exports for the five months rose by 13.5 per cent to RM319 billion while imports expanded by 6.7 per cent to RM278.21 billion, and a trade surplus of RM40.79 billion was recorded for the period.

ICD Increases Stake In PMB Tijari To 33 Pct
From Azizul Haji Ahmad

MAKKAH -- The Islamic Corporation for the Development of the Private Sector (ICD) has increased its stake in PMB Tijari Sdn Bhd to 33 per cent to expand its venture into Shariah leasing business in Malaysia, said Pelaburan Mara Bhd (PMB) Group Chief Executive Officer Nazim Rahman. "The increased equity reflects ICD's confidence in the potential success of the partnership, and in the growth of the Malaysian economy given that the success of PMB Tijari as a financial services company is very much linked to the growth and depth of the private sector in Malaysia. When PMB acquired PMB Tijari in January (this year), ICD stake was only 10 per cent," said Nazim, adding that the PMB's newly-rebranded financial services arm was formerly known as KFH Ijarah House (Malaysia) Sdn Bhd.

Boeing Delivers 1,500th 747 Aircraft
KUALA LUMPUR -- Boeing has delivered the 1,500th 747 to come off the production line to Frankfurt and will be incorporated into Germany's flag carrier, Lufthansa's long-haul fleet. In a statement here Monday, the aircraft manufacturer said the milestone airplane is a 747-8 Intercontinental and the 747 is the first widebody airplane in history to reach the 1,500 milestone.

Chamber Sees Growing Interest From UK To Invest In M'sia
By Harizah Hanim Mohamed

KUALA LUMPUR -- British investors are showing greater interest in Malaysia as a potential investment destination as more of them have set up business here and collaborate with local players. Their interests are driven by the awareness of Malaysia's capability to become a centre of business in Asia. British Malaysia Chamber of Commerce Director, Amita Krishna, told Bernama here Monday the chamber had received enquiries from companies and arranged over 11 delegations from various sectors to Malaysia in the past eight months.

NCIA Attracts RM6.7 Bln Investments By H1 2014
PUTRAJAYA -- The Northern Corridor Implementation Authority (NCIA) has attracted RM6.7 billion in investments by the first half of 2014, said its Chief Executive, Datuk Redza Rafiq. Speaking to reporters after the NCIA 12th Council Meeting chaired by Prime Minister Datuk Seri Najib Tun Razak here Tuesday, Redza said NCIA has been looking at designing a completely new manufacturing ecosystem by venturing into new growth sectors like medical devices.

M'sia-China Relations Strengthen Amid Incidents - Hamim
KUALA LUMPUR -- The relations between Malaysia and China continue to strengthen, especially in trade, despite the occurrence of various incidents recently, the Dewan Rakyat was told here Tuesday. The Deputy Minister of International Trade and Industry, Datuk Hamim Samuri said the relations between the two countries would continue to strengthen following various joint programmes. "These include the Five Year Programme for Economic and Trade Cooperation (signed on October 5 last year for 2013-2017), which is a strong establishment in making the country as China's biggest trade partner among Asean countries," he said.

TM, UEM Sunrise, IIB To Establish Nusajaya Smart Service Provider
KUALA LUMPUR -- Telekom Malaysia Bhd's (TM) wholly-owned subsidiary Intelsec Sdn Bhd has signed an agreement with UEM Land Bhd and Iskandar Innovations Sdn Bhd to establish a joint venture company that will offer and operate smart services in Nusajaya, Johor. TM Group Chief Executive Officer Tan Sri Zamzamzairani Mohd Isa said here Tuesday the joint venture is set to elevate Nusajaya into one of the attractive investment destinations in the region.

MAS To Meet Transport Ministry To Discuss Recovery Plan – Liow
SEPANG -- The management of Malaysia Airlines (MAS) will meet the Transport Ministry to discuss the national carrier's radical recovery plan. MAS needed to undertake a lot of changes in order to make its business viable, Transport Minister Datuk Seri Liow Tiong Lai told reporters here Wednesday after the launch of AirAsia X Bhd's inaugural flight to Xi'an, China.

AirAsia X Expects Contribution From China Routes To Surpass Australia
SEPANG -- Long-haul low-cost airline, AirAsia X Bhd, expects higher revenue and passenger load contribution from its China routes in the next 12 months, surpassing its Australian market, said Chief Executive Officer Azran Osman-Rani. China constituted 25 per cent of AirAsia X's revenue and passenger load and the airline would be announcing an additional route in China by year-end, Azran told reporters after launching the AirAsia's inaugural flight to Xi'an here Wednesday.

1st Half 2014 Trade Performance Better Than Forecast - Mustapa
PUTRAJAYA -- Malaysia's trade performance for the first half of the year was better than forecast although the official report will only be released Friday, says International Trade and Industry Minister Datuk Seri Mustapa Mohamed. "The numbers were good in the first five months and we expect the first half to be good as well. All I can say is that it's beyond our expectations, certainly higher than our forecast," he told reporters after witnessing the launch of the National Graphene Action Plan 2020 here Thursday.

Nazir Razak Is CIMB Group Chairman, Relinquishes CEO Position

KUALA LUMPUR -- CIMB Group Thursday announced a leadership transition plan which will see Datuk Seri Nazir Tun Razak relinquishing his position as Group Chief Executive Officer (CEO).Nazir, however, will take over as CIMB Group Chairman as Tan Sri Md Nor Yusof will retire from the Board of Directors and join the group's international advisory panel. A new group chief executive officer will be announced once regulatory approvals have been obtained, a statement said here Thursday.

M'sia's Life Insurance Penetration Still Low - NAMLIFA

KUALA LUMPUR -- The National Association of Malaysian Life Insurance Fieldforce and Advisers (NAMLIFA) said the penetration rate of life insurance in Malaysia remains low compared to other markets but it is positive of the industry outlook moving forward. Speaking to reporters here Thursday after the announcement of the association's 36th Mega Conference, its President Victor Kho Chui Ing said that the reception for life insurance had grown but the penetration rate is still not good enough and more work needed to be done by industry players to convince Malaysians to take up insurance.

Global Passenger Traffic Grows 6.2 Pct In May - IATA

KUALA LUMPUR -- Global passenger traffic grew by 6.2 per cent in May compared with the same month a year ago, said the International Air Transport Association (IATA). While this represented a deceleration compared to April 2013 traffic growth of 7.6 per cent, the performance is indicative of improving demand drivers. IATA Director General and Chief Executive Officer Tony Tyler in a statement here Thursday said the international passenger traffic in May rose 7.0 per cent compared to the same month a year ago.

Tune Hotels To Expand To African Region

KUALA LUMPUR -- Tune Hotels Thursday announced the establishment of a partnership to expand into the East African region with its first hotel in Nairobi, Kenya, scheduled for opening by June 2015. In a statement here Thursday, Tune Hotels said it was working in partnership with Imba Investments Ltd and the consortium has strategic plans for a further 15 Tune Hotels in the East African region.

AirAsia Expects Venture In India To Break-Even In A Year

From Christine Lim

BANGALORE -- AirAsia, Malaysia's budget airline, expects its new venture with the Tata Group in India to break-even within a year after its maiden flight took off from the Bengaluru International Airport to Goa on June 12. AirAsia India, which is jointly-owned by AirAsia together with two other Indian parties, has invested US$40 million for its venture in India, Chief Executive Officer Tan Sri Tony Fernandes said after the launch of AirAsia India here Thursday.

CSL Optimistic Of Submitting Financial Statements End July

KUALA LUMPUR -- China Stationery Ltd (CSL), which failed to submit its financial statements for the financial year 2013 after an extension of two months on June 30, 2014, is optimistic of doing it by end-July. The company, however, was still trying its best to submit them by July 8, the last date before it would get suspended on July 9, its Chief Financial Officer, Chin Siew Weng, said at a media briefing to explain the delay in submitting its financial statements to Bursa Malaysia here Thursday.

1MDB Commences IPO Activities For Energy Assets

KUALA LUMPUR -- 1Malaysia Development Bhd (1MDB) has commenced activities for the initial public offering (IPO) of its energy assets, slated to take place in the fourth quarter this year. In a statement here Thursday, it said the IPO was targeted to be listed on Bursa Malaysia with an expected offering size of over US$3 billion.

MAS To Offer Attractive Airfares At MATTA Sabah, MITM Penang

KUALA LUMPUR -- Malaysia Airlines (MAS) will offer attractive domestic and international airfares along with holiday packages at the Malaysian Association of Tour and Travel Agents (MATTA) Sabah Fair 2014 in Kota Kinabalu and at the Malaysia International Travel Mart Fair Penang (MITM). In a statement here Thursday, the national airline said the three-day MATTA fair started Thursday until July 6 and the MITM fair would start on Saturday and end on Sunday.

FedEx Ranks First In Asia Pacific Survey

KUALA LUMPUR -- FedEx Express (FedEx), a subsidiary of FedEx Corp, was ranked first among all logistics players in the region, for the third year running, in the Asia-Pacific Top 1000 Brands 2014 survey. Overall, FedEx Express, the world's largest express transportation company was 57th among the 1,000 brands that took part in the survey, said the company in a statement here Friday.

Chinese Investment Into M'sia To Exceed US$2 Bln

KUALA LUMPUR -- Investments from Chinese companies into Malaysia is expected to exceed US$2 billion this year driven by the establishment of the Malaysia-China Kuantan Industrial Park, said Chinese Ambassador to Malaysia Dr Huang Huikang. "A big steel plant with a cost of US$1.4 billion will be built at the park and upon completion, it will produce 3.5 million tonnes of high quality steel," he told reporters on the sidelines of the Special Meeting of Corporate Malaysia Roundtable on the 40th Anniversary of Malaysia-China Relations here Friday.

Maxis Launches Internet Plan With Limitless Talk, Text

KUALA LUMPUR -- The newly-launched MaxisONE plan, a significant breakthrough by Maxis, is the only Internet plan that offers limitless talk and text, an 'Always On' Internet experience and worry-free roaming. In a statement here Monday, Head of Consumer Business Dushyan Vaithiyanathan said the plan was relevant to the needs of customers in this region, where voice and SMS remained an important mode of mobile communication.

EPMB Secures Contract With Honda M'sia

SHAH ALAM -- EP Manufacturing Bhd (EPMB), a tier-1 automotive systems and components manufacturer, has secured a contract to supply automotive components to Honda Malaysia Sdn Bhd (HMSB). EPMB has invested up to RM27 million in new plant and equipment. In a statement here Monday, Executive Chairman Hamidon Abdullah said EPMB is pleased to have expanded its customer base, to include HMSB.

TM R&D, ZTE M'sia Team Up On Passive Optical Network Research

KUALA LUMPUR -- Telekom Malaysia Bhd's (TM) unit, Telekom Research & Development Bhd (TM R&D), has signed a memorandum of understanding (MOU) with ZTE Corp Bhd to collaborate on next-generation passive optical network (NGPON) research to enable higher bandwidth for TM customers. In a statement here Monday, TM said the MOU encompassed joint NGPON research in contributing towards achieving the international standards through the strengthening of NGPON2 framework.

Toshiba Eelevator Setting Up Engineering Centre In KL

KUALA LUMPUR -- Toshiba Elevator and Building Systems Corporation (TELC), a subsidiary of Toshiba Corporation, announced it has established an engineering centre that will start operations on July 1 in Kuala Lumpur. "The centre will use TELC's comprehensive portfolio of people-moving technologies to deliver highly responsive support and quality products that meet market needs for safer, more comfortable, high quality elevators and escalators," TELC said in statement here Monday.

Protasco Launches De Centrum Unipark Condo

KUALA LUMPUR -- Protasco Land Sdn Bhd, a wholly-owned subsidiary of Protasco Development Sdn Bhd, Monday unveiled its new residential development, De Centrum Unipark Condominium near Kajang. Protasco Development is the property development arm of Protasco Bhd. In a statement here Monday, Protasco said the freehold residential development features two 20-storey towers with 320 units of single and duplex units.

MDEC, MIT To Launch Global Startup Labs M'sia 2014

KUALA LUMPUR -- The Multimedia Development Corporation (MDeC) Monday announced a partnership with the Massachusetts Institute of Technology (MIT) and the Entrepreneurship Unit under the Ministry of Education to launch Global Startup Labs Malaysia 2014. MDeC said in a statement here Monday, the programme aimed to create fundable startups, build capacity and partnerships with partner universities and create a platform to attract students from institutes of higher learning (IHL) to information and communications technology entrepreneurship.

Bernama, TAMS To Organise National GST Conference 2014

KUALA LUMPUR -- The National News Agency of Malaysia (BERNAMA) and Tax Advisory and Management Services Sdn Bhd (TAMS) will jointly organise the National GST Conference 2014 on July 10-11 at the DoubleTree by Hilton Kuala Lumpur Hotel. The conference is aimed at creating greater awareness of the goods and services tax (GST), a broad-based consumption tax, which will be implemented on April 1 next year, Bernama General Manager Datuk Yong Soo Heong told a media briefing on the conference here Tuesday.

NCB Appoints Rubani Northport CEO

KUALA LUMPUR -- NCB Holdings Bhd Monday announced the appointment of Rubani Dikon, as the Chief Executive Officer for its wholly owned subsidiary, Northport (Malaysia) Bhd. In a filing to Bursa Malaysia, it said the appointment is effective Sept 1, 2014. Rubani is a member of the Association of Chartered Certified Accountants (ACCA), United Kingdom, and has served Northport for more than 18 years.

Rezal Appointed CEO Of IMS

JOHOR BAHARU -- Pinewood Iskandar Malaysia Studios (PIMS), the largest independent integrated studios facility in South East Asia, has appointed Rezal A. Rahman as Chief Executive Officer of Iskandar Malaysia Studios Sdn Bhd (IMS), effective Monday. IMS is the company established to undertake PIMS' development. Michael Lake, who has been the CEO of IMS since Dec 13, 2010 will become the Group Managing Director of Rhizophora Ventures Sdn Bhd, the company said in a statement here Tuesday.

Samsung Voted Best, Most Trusted Brand In Asia

KUALA LUMPUR -- Samsung Electronics has been named the best and most trusted brand in Asia for the third consecutive year. This is according to results from the "Asia's top 1000 brands annual online survey" conducted by Campaign Asia-Pacific's in collaboration with Nielsen. Samsung Malaysia Electronics (SME) Sdn Bhd in a statement here Wednesday said, the ranking is based on the survey which aggregates views across 14 major product categories, including automotive, retail, food and beverage and consumer electronics.

Nazir Razak Appointed To Khazanah Board Of Directors

KUALA LUMPUR -- Datuk Seri Nazir Tun Razak has been appointed to Khazanah Nasional Bhd's Board of Directors, effective Sept 1, 2014. Nazir is currently the Group Managing Director and Chief Executive Officer (CEO) of CIMB Group, said Khazanah in a statement here Thursday.

Malaysia Gears Up For Demand In Aviation Maintenance

By Salbiah Said

SKILLED...One of eight participants showing his aviation maintenance skills at the launch of the World Skills Malaysia (Youth) Competition at UniKL-MIAT in Jenderam Hulu recently. - Pic: Muhammad Zaini

JENDERAM HULU (Dengkil) -- Aircraft maintenance plays a vital role in airline safety. Unless an airplane is maintained, it could pose a danger to the safety of its passengers on board.

For this reason, aircraft technicians and engineers must be highly skilled when it comes to aircraft maintenance. Aircraft maintenance is the overhaul, repair, inspection or modification of an aircraft or aircraft component. "This sector is expanding and highly skilled and involves high level of technology and competency. It also entails high value jobs", the Director-General of the Malaysian Skills Development Department of the Human Resources Ministry told Bernama recently.

"That's the more reason why we need to focus more on human capital skills development. As this industry is highly regulated internationally, it also forces us to ensure the level of training and skills in Malaysia is of international and world class," Datuk Pang Chau Leong said.

World Skills Competition 2015

"That is why we are here for the national skills competition for aircraft maintenance which we are holding for the first time. It is a historical event", said Pang after launching the World Skills Malaysia (Youth) Competition at the Malaysian Institute of Aviation Technology (UniKL-MIAT), which is the centre of excellence for the project. Pang said the competition is a very recent initiative, and that "we have not looked at it for a long time. It is timely, a leveraging platform to emphasise the importance of skills and raising the bar in terms of quality of competencies".

Organised by the department, the competition held from June 14 to June 17, will pick the best among the participants to represent Malaysia for the World Skills Competition in Sao Paulo, Brazil on Aug 11 to Aug 16, 2015. MIAT Dean, Dr Mohamed Idrus Abd Moin said there is a demand for skilled manpower in aviation maintenance.

"While one aircraft needs to be manned by one pilot, many technicians and licensed engineers are needed in the maintenance sector, especially in avionics and mechanical", he said.

Demand from OEMs

Mohamed Idrus said: "Demand is great as per EPP (Entry Point Project). It is forecast that 20,000 engineers will be required under EPP1 by 2020".EPP1 aims to develop Malaysia into a regional aviation maintenance, repair and overhaul (MRO) services hub, capitalising on the global market growth that is projected to reach RM205 billion by 2020. "The demand is there. With interest from Original Equipment Manufacturers (OEMs) like Airbus, to set up their base here, others will also come in. The first question they will ask is "Do you have the right numbers, quality and standards?", he said.

Pang said: "We want to create awareness and confidence among our society which often look at vocational and technical education as not really a career of choice." Citing the Economic Transformation Programme (ETP), he said 3.3 million new jobs will be created by 2020, with at least half or 40 per cent of the new high value or high paying jobs, requring technical and vocational training," said Pang.

Changing The Mindset

Launched on Sept 25 2010, the ETP plans to elevate the nation to a developed-nation status by 2020, targeting Gross National Income (GNI) per capita of US$15,000. This will be achieved by attracting US$444 billion in investments which will, in turn, create 3.3 million new jobs.

Pang said: "If we can perform at the World Skills Competition, investors would be drawn to invest. It shows that we have a highly skilled workforce.

"High value investors will come in. You can see the socio-economic implications from our participation in the World Skills Competition. It shows that we are no longer a low wage country as we have a world class workforce who can handle the most sophisticated technology", he added.

"Many parents and youth do not look at it positively. They think it is for failures and for those who don't make it to university.It is almost the last resort. We want to change that. We need to get more of our youth to go into technical and vocational careers as well", said Pang.

"I would urged the industry to be strategic partners rather than becoming receivers or worse still, armchair critics. We want to be a partner in developing human capital to ensure our graduates will fit in the industry and that there would be no mismatch", he added.

LIST OF MARKET REPORTS :

BURSA MALAYSIA

BURSA: KL Shares To See Lacklustre Trading

By Noor Soraya Jamal

KUALA LUMPUR -- Bursa Malaysia is expected to see lacklustre trading next week as most investors are likely to stay on the sidelines awaiting fresh leads, dealers said.

They said market sentiment was expected to be more cautious with slight optimism.

The local bourse, however, may stage a rebound due to favourable external and domestic factors. Maybank IB Research, in its note, said the recent first quarter corporate results reporting season showed slowing growth momentum in terms of corporate earnings.

“We now expect KLCI core earnings to grow 7.0 per cent in 2014 (versus more than 8.1 per cent earlier) and our research universe core earnings to grow 7.9 per cent,” the research house said.

It said sustained global liquidity would drive the KLCI towards higher levels in the second half of 2014.

However, with several domestic developments yet to play out which would cap near to medium-term earnings growth, it does not expect the KLCI to re-rate significantly. Maybank IB Research continues to rate “overweight” on construction, and oil & gas sectors with news flow expected to remain positive in the second half of 2014.

For the week just-ended, the FBM KLCI increased 3.9 points to 1,884.91 from 1,880.93 previously. Weekly turnover increased slightly to 8.98 billion shares valued at RM9.97 billion from 8.49 billion units worth RM9.99 billion recorded last week.

Main market volume increased to 7.32 billion units worth RM9.64 billion from 6.63 billion units worth RM9.64 billion registered previously.

FOREX: Ringgit To Stay Range-Bound

By Azizul Ahmad

KUALA LUMPUR -- The ringgit is likely to trade within a wide range of 3.17-3.20 next week amid better risk sentiment and favourable US data.

A local currency trader said he expected demand for the ringgit to improve as a result of increased risk appetite, especially after the unit broke the key support level of 3.20.

Expectation of strong export growth domestically and a possible hike in the Overnight Policy Rate (OPR) would be supportive factors for the ringgit.

Next week’s Bank Negara Malaysia (BNM) Monetary Policy Committee (MPC) meeting would be crucial as the market is split on the OPR outcome, a currency trader told Bernama.

"Bets on BNM to raise OPR come July 10 were driving recent bids in ringgit.

It could be less aggressive next week given that the US dollar has also turned firmer.

"In fact the ringgit could see a reversal of trend should there be no hike next week," he said.

On a weekly basis, the ringgit appreciated to 3.1845/1865, the highest in 32-weeks since November 2013 against last Friday's 3.2115/2145.

It ended the week broadly higher against other major currencies.

The local unit edged up against the Singapore dollar to 2.5545/5564 from last Friday's 2.5711/5737 and rose against the yen to 3.1199/1231 from 3.1662/1698 on Friday.

The local note strengthened against the British pound to 5.4614/4661 from 5.4673/4733 and gained against the euro to 4.3271/3308 versus 4.3747/3794 last Friday.

Money Market: Short-Term Rates To Remain Stable

By Azizul Ahmad

KUALA LUMPUR -- Short-term rates are likely to remain stable next week on Bank Negara Malaysia's (BNM) intervention in the money market to absorb excess funds, money dealers said.

Several dealers said next week's BNM Monetary Policy Committee meeting would be crucial as the market was now split on the outcome of the Overnight Policy Rate (OPR).

Meanwhile, the local currency's performance would remain a key catalyst for local bonds, a dealer told Bernama.

The underlying three-month KLIBOR ended higher at 3.56 per cent from 3.54 per cent last Friday.

Next week, BNM will continue to call for several money market tenders comprising conventional and Islamic, comprising commodity murabahah programme, range maturity auctions and repo tenders, on a daily basis.

For the week just-ended, BNM intervened daily to flush the system of surplus funds.

The liquidity surplus in the conventional system amounted to RM19.931 billion while the excess in the Islamic system stood at RM5.722 billion.

The overnight Islamic reference rate stood at 2.96 per cent, while the one-week, two-week and three-week rates stood at 3.05 per cent, 3.10 per cent and 3.13 per cent respectively.

KLCI Futures To Move In Tandem With Cash Market

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract on Bursa Malaysia Derivatives is likely to move in tandem with the underlying cash market next week, dealers said.

They said the FBM KLCI is expected to remain range-bound next week in the absence of major funds and unit trusts in the market. The futures market would also likely move in tandem with regional bourses and trace the developments on Wall Street.

For the week just-ended, the futures market was traded mixed amid investors' attention mostly on the ongoing 2014 FIFA World Cup.

On a Friday-to-Friday basis, spot month July 2014 climbed 2.5 points to 1,889 while both September 2014 and December 2014 edged up 4.5 points each to 1,885 and 1,883 respectively. Turnover for the week plummetted to 20,710 lots from last week's 78,457 lots while open interest decreased to 34,560 contracts from 48,683 contracts last Friday.

Physical Buyers To Dominate CPO Futures Trading

By Nurul Hanis Izmir

KUALA LUMPUR -- Physical buyers are expected to dominate trading in crude palm oil (CPO) futures contract on Bursa Malaysia Derivatives next week with prices hovering between RM2,300 and RM2,400 per tonne.

Interband Group of Companies Senior Palm Oil Trader Jim Teh said demand would likely be lower next week amid high inventories in the two biggest producing countries -- Indonesia and Malaysia.

"High future prices will attract physical buyers as they tend to look for cheaper CPO prices," he told Bernama, citing stocks in Indonesia which currently stood at more than three million tonnes while Malaysia's inventories amounted to about 1.8 million tonnes.

Teh said profit taking activities would dominate trade next week.

"Besides, traders would likely remain sidelined cautiously waiting for the inventories to decline," he said adding that if stocks come down, it will help support CPO prices, going forward.

He, however, anticipated that the inventory level will increase to 1.9 million tonnes for June as countries like India, China and the Middle East have all stocked up the commodity for the coming festive season.

Meanwhile, the Malaysian Palm Oil Board reported that inventories stood at 1.84 million tonnes in May, up 4.2 per cent from 1.77 million tonnes in April.

On a Friday-to-Friday basis, July 2014 lost RM10 to RM2,458 per tonne, August 2014 declined RM42 to RM2,420, September 2014 eased RM43 to RM2,402 while October 2014 shed RM48 to RM2,397.

Weekly turnover increased to 201,928 lots from 182,597 lots last week while open interest widened to 236,240 contracts from 227,681 contracts last Friday. On the physical market, July South shed RM20 to RM2,475 per tonne.

Rubber Prices Likely To Rebound Next Week

KUALA LUMPUR -- Malaysian rubber prices are expected to rebound next week, tracking the trend on the benchmark Tokyo Commodity Exchange (TOCOM), a dealer said.

He said traders found strong support in the commodity's price at 210 yen level, which will help boost the market.

"As the local market normally follows the trend of the biggest player in the industry (TOCOM), we are expecting to see some positives changes next week," he said.

For the week just-ended, the rubber market traded lower amid the higher ringgit against the US dollar.

However, the upside will be capped by profit-taking activities.

On a Friday-to-Friday basis, the Malaysian Rubber Board's official physical price for tyre-grade SMR 20 at noon declined 19.5 sen to 547.5 sen a kg while latex-in-bulk eased three sen to 466 sen a kg.

The 5pm closing price for tyre-grade SMR 20 decreased 21 sen to 543 sen a kg while latex-in-bulk lost five sen to 464.5 sen a kg.

OPR Outcome To Dictate KLIBOR Futures

By Azizul Ahmad

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives is expected to take a cue from the outcome of the Bank Negara Malaysia (BNM) Monetary Policy Committee (MPC) meeting next week.

"Next week's BNM MPC meeting will be crucial as market is split right now on the outcome of the Overnight Policy Rate (OPR)," a senior money market dealer said.

Interbank rates in the cash market were well supported and inched up on expectation that the central bank might raise the OPR this month, or else KLIBOR futures will remain steady in the absence of leads.

For the week just-ended, the futures contract was untraded throughout the week. Settlement prices for July 2014, August 2014, September 2014 and December 2014 were pegged at 96.41, 96.36, 96.36 and 96.25 respectively.

The underlying three-month KLIBOR ended higher at 3.56 per cent from 3.54 per cent last Friday.

KLTM: Tin Price To Edge Higher To US$23,000

By Joan Santani

KUALA LUMPUR -- Tin price on the Kuala Lumpur Tin Market (KLTM) is expected to move higher to around US$23,000 a tonne next week, bolstered by overseas demand, dealers said. Demand from European and Japanese traders would help sustain the metal's price amid sellers' reluctance to sell below the US$23,000 level, said one dealer, adding that positive economic data from the United States and China would support traders' interest.

For the week just-ended, local tin moved between US$22,400 and US$22,930 a tonne, mostly influenced by the trend on the London Metal Exchange.

Turnover jumped to 319 lots from 189 lots last week with European, Japanese and local buyers dominating trade. The price differential between the KLTM and LME narrowed to a premium of US$420 a tonne from US$465 a tonne last Friday.

Gold Futures Likely To Trade Lower

By Joan Santani

KUALA LUMPUR -- Gold futures contract on Bursa Malaysia derivatives is expected to trade lower next week.

Phillip Futures Sdn Bhd Dealer Ahmad Danial Zainudin told Bernama that gold prices would still be vulnerable to extended losses, pressured by positive US jobs data and the unresolved turmoil in Ukraine and the Middle East.

On a Friday-to-Friday basis, July 2014 fell 19 ticks to RM135.15 a gramme, August 2014 declined 22 ticks to RM135.55 a gramme, September 2014 fell 22 ticks to RM135.70 a gramme and October 2014 decreased 22 ticks to RM136.10 a gramme.

Volume advanced to 5,913 lots worth RM80.74 million from 3,115 lots worth RM42.56 million, recorded last week.

Open interest on Friday stood at 7,307 contracts compared with last week's 7,215 contracts.