MALAYSIAeBiz
WEEKLY BUSINESS ROUNDUP 14 JULY - 18 JULY 2014

July 18, 2014

This Week's Highlight :
GLCs & GLICs To Provide RM7 Bln In Business Opportunities

ECONOMIC COUNCIL…Prime Minister Datuk Seri Najib Tun Razak chairing a meeting of the Bumiputera Economic Council. Also present is Deputy Prime Minister, Tan Sri Muhyiddin Yassin (fourth from left). --fotoBERNAMA

PUTRAJAYA -- Government-Linked Companies (GLCs) and Government-Linked Investment Companies (GLICs) are expected to generate RM7 billion in business opportunities this year based on their key performance indicators (KPIs), Prime Minister Datuk Seri Najib Tun Razak said. Najib, who is also the Finance Minister said the KPI's of the GLICs and GLCs were developed by the Putrajaya Committee on GLC High Performance or PCG. "The PCG has determined the KPI principle and direction and 'game changing initiative' for the GLICs and GLCs," he added after chairing a meeting of the Bumiputera Economic Council here Thursday.

This Week's Top Stories

Monday

M'sia-Guinea Trade To See Double-Digit Growth

PUTRAJAYA -- Bilateral trade between Malaysia and Guinea is expected to see double-digit growth this year. Speaking to the media after a closed door meeting with his counterpart, Marc Yombouno here Monday, International Trade and Industry Minister Datuk Seri Mustapa Mohamed said Malaysia viewed Guinea as a growing market with a lot of potentials to be exploited by Malaysian investors. Last year, trade between the two countries increased 11 per cent to US$44.95 million with exports in favor of Malaysia at US$42.32 million.

Tuesday

Companies Implementing GST Urged To Register Quickly

JOHOR BAHARU -- Companies implementing the Goods and Services Tax (GST) in April next year have been urged to register quickly. This, said Deputy Finance Minister Datuk Ahmad Maslan to reporters here Monday night, was to enable them to be eligible to levy the new tax and collect it from their customers. He also said companies with an annual income of more than RM500,000 should register alongside those currently implementing the existing sales and services tax (SST).

Wednesday

CIMB, RHB, MBSB Merger Creates Universal Bank

KUALA LUMPUR -- The proposed merger of CIMB Group Holdings Bhd, RHB Capital Bhd and Malaysia Building Society Bhd (MBSB) will create a universal bank with multiple competitive advantages in strategic segments, a global market intelligence provider said. International Data Corp (IDC) Financial Insights said in a statement here Wednesday, the three financial institutions have their own strength with CIMB championing "super-regionalisation", a push by local Asia-Pacific banks to build a network of operations across several markets in the region.

Thursday

TERAJU Disburses RM14 Mln To Commercialise Innovative Ideas

PUTRAJAYA -- The Bumiputera Agenda Steering Unit (TERAJU) has so far disbursed RM14 million in grants to 28 recipients under the Bumiputera Entrepreneurs Startup Scheme (SUPERB) to commercialise innovative ideas. Fifteen recipients from the second series of SUPERB received RM7.5 million in grants from Prime Minister Datuk Seri Najib Tun Razak here Thursday. Najib, who is also finance minister, delivered RM6.5 million grants to 13 recipients from the first SUPERB series in April, said screenings for the third series would start Friday.

Friday

Petronas Sets Up Seed Fund For MH17

KUALA LUMPUR -- Petronas has set up a RM10 million initial seed fund to assist the government in providing support to families of those on board the ill-fated Malaysia Airlines flight MH17. In a statement here Friday, the national oil company also called on all business corporations from within and outside the oil and gas industry to pool their resources for the fund.

SMEbrief

Many SMEs Do Not Understand GST's Registration Mode

PUTRAJAYA -- Many small and medium enterprises (SMEs) still do not understand the Goods and Services Tax (GST) and mode of registration, said Deputy Finance Minister Datuk Chua Tee Yong. "They do not understand the information required in the registration forms. For example, the industry code is one of the issues they face during the registration process," he told reporters after meeting 10 representatives of SME associations from the motoring sector here Monday.

FAMA Initiates 'Buy Raya Goods' Fair

SEREMBAN -- The Federal Agricultural Marketing Authority (Fama) in Negeri Sembilan, in collaboration with the Ministry of Domestic Trade, Cooperatives and Consumerism, is to organise a 'direct-from-factory' sale at the Pasar Komuniti dan Karavan (Pakar) at Km12 of Jalan Seremban-Kuala Pilah near here from July 18 to 26. Negeri Sembilan Fama director A. Rahaman Suleiman said the 'Jom Beli Barang Raya' programme would help consumers purchase essential goods in preparation for the coming Aidilfitri. "The prices are fair and this will help cut costs for the consumers. About 35 manufacturers and producers will sell their products directly to consumers," he told Bernama here Thursday.

Pineapple Industry Impeded By Shrinking Acreage - LPNM

BATU PAHAT -- Areas under pineapple cultivation in the country have shrunk to merely 6,278.4 hectares (15,696 acres), largely due to the land being converted to oil palm plantations, the Malaysian Pineapple Industry Board (LPNM) said. Chairman Datuk Samsolbari Jamali said this had impeded the growth of the pineapple industry, causing supplies for the local and overseas markets to deplete over the years. He was speaking to reporters after presenting payments for pineapple seedlings to 16 entrepreneurs under phase one of the Johor Pineapple Project here Thursday.

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OCBC Bank Adjudged M'sia's SME Bank Of The Year

KUALA LUMPUR -- OCBC Bank (M) Bhd has been adjudged Malaysia's SME Bank of the Year by Singapore-based magazine Asian Banking and Finance. Publisher and Editor-in-Chief Tim Charlton said for 2014, OCBC Bank performed admirably both in Malaysia and across the region, bagging also the top award for Indonesia and overall Asean SME Bank of the Year title for the fourth year running.

Takaful Targets RM20 Mln Profit Jump Via Employee Benefits Policy

KUALA LUMPUR -- Syarikat Takaful Malaysia Bhd is confident of a RM20 million rise in profit at the end of 2015, driven by Takaful Employee Benefits for the small and medium enterprises (SMEs). The target was also driven by a surge in Takaful myHealth Protector with over 10,000 policies sold since its launch in January this year, Group Managing Director Datuk Mohamed Hassan Kamil told reporters after taking 64 orphans from Rumah Al-Nasuha for Hari Raya shopping here Friday.

PropUP Propertyupdate

Bina Darulaman To Buy Land For RM204 Mln

KUALA LUMPUR -- Bina Darulaman Bhd will acquire several parcels of land from Perbadanan Kemajuan Negeri Kedah (PKNK) for RM204 million. In a filing to Bursa Malaysia here Monday, Bina Darulaman said both parties entered into a heads of agreement (HoA) Sunday. Under the agreement, both parties will also be granted with an automatic extension of a further 30 days in the event they are unable to complete their due diligence.

IJM Land Buys SP Setia's Stake In Kuantan Pahang

KUALA LUMPUR -- IJM Land Bhd will acquire 40 per cent stake in Kuantan Pahang Holding Sdn Bhd from SP Setia Bhd for RM40 million, at the same time, repaying the company's advances totalling to RM9.72 million. Kuantan Pahang is an investment holding company and holds 51 per cent stake in Malaysia-China Kuantan Industrial Park Sdn Bhd. In a filing to Bursa Malaysia here Monday, IJM Land said the acquisition further accentuated its intention to diversify its existing pre-dominantly residential and commercial development projects portfolio in Pahang.

AMPROP Unit Acquires Remaining Stake In Merchant Alpha

KUALA LUMPUR -- Amcorp Properties Bhd's (AMPROP) unit, Walleng Enterprises Sdn Bhd, has signed a share sale agreement with Penrith Overseas Ltd to acquire the remaining 40 per cent equity in Merchant Alpha Ltd (MAL) for RM42.86 million. In a filing to Bursa Malaysia here Monday, AMPROP said MAL, an investment holding company incorporated in Jersey, has two wholly-owned units, namely Merchant Beta Ltd and Merchant Omega Ltd, which owned apartment leases in London.

Guocoland To Develop Property Projects With GDV Of RM2.5 Bln

KUALA LUMPUR -- Guocoland (Malaysia) Bhd, the property arm of Hong Leong Group, aims to develop property projects with a gross development value (GDV) of RM2.5 billion over the next three years. Managing Director Tan Lee Koon said the projects include a township in Rawang and a mixed development in Sepang, as well as a corporate office venture in Petaling Jaya. The company would be opening up the second phase of the residential development in Sepang in the middle of next month, while commercial products were also in the pipeline for the area, he told reporters after the topping up ceremony of the DC Residency here Friday.

Mah Sing Completes Land Acquisition For RM401.16 Mln

KUALA LUMPUR -- Mah Sing Group Bhd has completed the acquisition of 547.07 hectares in Bandar Meridin East in Pasir Gudang, Johor for RM401.16 million. In a statement here Friday, the property developer said the freehold land has an estimated gross development value of RM5 billion and was acquired at RM6.81 per sq ft.

MARKET

BURSA MALAYSIA

Scoreboard
Gainers - 303
Losers - 550
Not Traded - 479
Unchanged - 307
Value - 2182555638
Volume - 23891542

BURSA: KL Shares End Lower On Continued Selling

KUALA LUMPUR -- Share prices on Bursa Malaysia ended lower Friday on continuous selling activities in key bluechips and heavyweights.

At 5pm, the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) fell 10.17 points to 1,872.97, after moving between 1,871.4 and 1,877.34 throughout the day.

On the broader market, losers trounced gainers by 550 to 303 with 307 counters unchanged, 479 untraded and 37 others suspended.

Total volume fell to 2.38 billion units valued at RM2.182 billion from 2.12 billion units valued at RM2.21 billion.

The easier local market was also in tandem with Wall Street's lower overnight performance alongside regional markets, Maybank Investment Bank Bhd Regional Chartist Lee Cheng Hooi said.

"The Ukraine-Russia crisis weighed down the global equity markets. In addition, markets also reacted negatively to the crash of Flight MH17 over Ukraine Thursday, but this was not the sole reason," he told Bernama.

Main Market volume rose to 2.092 billion units valued at RM2.114 billion from Thursday's 1.74 billion units valued at RM2.13 billion.

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	3.1820	3. 1850
EUR	4.3059	4. 3109
GBP	5.4450	5. 4505
100 YEN	3.1365	3.1407
SGD	2.5632	2. 5659

Source: Bank Negara Malaysia

FOREX: Ringgit Ends Softer On Ukraine Crash Effect

KUALA LUMPUR -- The ringgit closed softer against the US dollar and other major currencies Friday as sentiment was affected by the crash of a Malaysian jetliner in the Ukraine-Russia border, a currency trader said.

At 5 pm, the ringgit was quoted at 3.1820/1850 versus the greenback against Thursday's 3.1755/1785 close.

The currency trader, however, said news of the air crash would not affect fundamentals locally.

The local note was also traded mostly lower against other major currencies.

It fell against the Singapore dollar to 2.5632/5659 from Thursday's 2.5580/5625 and depreciated against the yen to 3.1365/1407 from 3.1286/1325.

The local unit eased against the British pound to 5.4450/4505 from Thursday's 5.4336/4397 and edged down against the euro to 4.3059/3109 from 4.2984/3031 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 RM17.44 billion from the RM28.93 billion estimated in the morning, while in the Islamic system, it was trimmed to RM3.09 billion from RM7.57 billion.

In the morning, the central bank called for four conventional money market tenders, four Al-Wadiah tenders, two repo tenders and a range-maturity auction.

BNM also conducted a late conventional money market tender for RM17.4 billion and a RM3.0 billion Al-Wadiah money market tender, both for three-day money.

At the 11 am fixing, the underlying three-month KLIBOR stood at 3.59 per cent.

The overnight Islamic reference rate stood at 3.21 per cent while the one-week, two and three-week rates stood at 3.26 per cent, 3.29 per cent and 3.32 per cent, respectively.

KLIBOR Futures Close Untraded

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

At the close, August 2014, September 2014, October 2014 and December 2014 remained pegged at 96.36, 96.36, 96.31 and 96.26,respectively.

Open interest stood at 2,880 contracts.

At the 11am fixing, the underlying three-month KLIBOR stood at 3.59 per cent.

KLCI Futures Close Lower

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI futures contract (FKLI) on Bursa Malaysia Derivatives closed lower in line with the cash market.

Phillip Futures Sdn Bhd dealer Lim Eng Wee attributed the lower FKLI performance to the unrest in Gaza (Palestine) and the MH17 crash incident.

At close, spot month July 2014 and the August 2014 contract slipped 7.5 points each to 1,873 and 1,873.5 respectively.

September 2014 declined nine points to 1,870 and December 2014 fell 11 points to 1,869.

Turnover rose to 8,438 lots from 4,212 lots Thursday, while open interest increased to 38,125 contracts from 33,909 contracts.

OCBC Bank And Subsidiary To Increase BLR And BFR

KUALA LUMPUR -- OCBC Bank (M) Bhd and its subsidiary OCBC Al-Amin Bank Bhd will increase their base lending rates (BLR) and base financing rates (BFR) effective July 16. This follows the increase in the Overnight Policy Rate (OPR) by 25 basis points. The banks said in a statement here Monday, the BLR and BFR will be revised upward to 6.85 per cent per annum from 6.60 per cent previously.

Hong Leong Bank & Hong Leong Islamic Raise Lending Rates

KUALA LUMPUR -- Hong Leong Bank Bhd (HLB) and Hong Leong Islamic Bank Bhd (HLISB) will raise their Basic Lending Rate (BLR) and Islamic Financing Rate (IFR) respectively by 25 basis points to 6.85 per cent from 6.60 per cent effective July 16, 2014. Concurrently, HLBB and HLISB's Fixed Deposit (FD) and Term Deposit-i (TD-i) will be revised upwards by up to 25 basis points. The new FD and TD-i rates for one, six and 12 months will be increased to 3.05 per cent, 3.20 per cent, and 3.30 per cent, respectively.

HSBC: Being RMB-Ready Gives Competitive Advantage In China Trade

KUALA LUMPUR -- In the global race to develop trade links with China, the readiness to do business in the renminbi (RMB), can give some exporters a vital edge over their rivals, a new HSBC Commercial Banking survey shows. "Two-thirds of companies in mainland China and Hong Kong said foreign firms doing business with China gain financial and relationship advantages from using the RMB. "Half the respondents from Singapore, 44 per cent from the United States and 42 per cent from the United Kingdom said they believed the RMB usage brought financial benefits, with less than a third of their German and Canadian peers sharing this view," according to the 11-market poll.

CIMB, RHB, MBSB Placed On Rating Watch With Developing Outlook

KUALA LUMPUR -- RAM Rating Services Bhd has placed all the rated entities and debt securities under CIMB Group Holdings Bhd, RHB Capital Bhd and Malaysia Building Society Bhd on a rating watch with a developing outlook. The rating watch has been triggered by the July 10 announcement that all three entities had obtained Bank Negara Malaysia's approval to commence talks for a merger and the creation of an enlarged Islamic banking franchise, RAM said in a statement here Monday.

Public Bank To Acquire Remaining 50 Pct In Vietnam Unit

KUALA LUMPUR -- Public Bank Bhd (PBB) will acquire the remaining 50 per cent equity interests in VID Public Bank (VPB) for a total cash consideration of US$76.6 million (RM245 million). In a filing to Bursa Malaysia here Wednesday, PBB said it had entered into a conditional equity capital transfer agreement (ECTA) with Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) for the acquisition.

Merger Credit Positive For RHB, MBSB, But Uncertain For CIMB – Moody's

SINGAPORE -- Moody's Investors Services says a planned merger will be credit positive for RHB Banking Group and Malaysian Building Society Bhd (MBSB) but uncertain for CIMB Group. Moody's said here Wednesday the merger would be credit positive for RHB and MBSB because their credit profiles would likely benefit from CIMB's support and being part of a larger and financially stronger banking group. It said RHB's standalone credit quality would also benefit from CIMB's larger distribution network and stronger funding profile.

Bank Islam Raises BFR To 6.85 Pct

KUALA LUMPUR -- Malaysia's largest Islamic bank, Bank Islam Malaysia Bhd, is revising its base financing rate (BFR)to 6.85 per cent per annum from 6.6 per cent per annum effective Friday. Bank Islam in a statement here Thursday said the revision is in line with Bank Negara Malaysia's recent move to increase the overnight policy rate (OPR) by 25 basis points to 3.25 per cent.

Research Houses Maintain 'Buy' Call On TNB

KUALA LUMPUR -- Affin Investment Bank has maintained its 'buy' call on Tenaga Nasional Bhd (TNB) with a discounted cash flow derived target price of RM14.70 from RM12.46. The investment bank said that the government is committed to the implementation of incentive-based regulation (IBR). However, the fuel cost pass-through (FCPT) review might be delayed and negatively impact TNB's short-term earnings, it said in a research note here Thursday.

Maybulk Accepts RM320 Mln Bridging Loan

KUALA LUMPUR -- Malaysian Bulk Carriers Bhd (Maybulk) has accepted a five-year term loan facility of RM320 million to refinance a bridging loan maturing in early 2015, as well as, for capital expenditure and working capital requirements. In a filing to Bursa Malaysia here Thursday, the company said the facility, offered by RHB Bank Bhd, would increase its gearing to 0.21 time from 0.04 time currently.

Al Rajhi, Bumitra Collaborate For ATM Access During Hajj, Umrah

KUALA LUMPUR -- Al Rajhi Bank and the Bumiputra Travel and Tour agents Association of Malaysia (Bumitra) are collaborating to aggressively promote the Al Rajhi Bank Hijrah Priority Debit Card during the hajj season and among umrah pilgrims. In a statement here Thursday, Al Rajhi Bank Malaysia Chief Executive Officer Datuk Azrulnizam Abdul Aziz said Bumitra is an established name in the travel industry and has been its valued customer for many years.

FGV Aims To Grow Revenue To RM100 Bln In Six Years

KUALA LUMPUR -- Felda Global Ventures Holdings Bhd (FGV) aims to grow its revenue to RM100 billion in six years to become one of the top ten agribusiness companies globally. The FGV transformation initiative is structured to increase revenue eight-fold in six years, group president and CEO Mohd Emir Mavani Abdullah said in a statement here Monday.

Tanah Makmur To See 46 Pct Growth In Earnings - Kenanga

KUALA LUMPUR -- Tanah Makmur Bhd is expected to record a 46 per cent growth in earnings for the current financial year, driven by better earnings from the plantation and property divisions. In a note here Monday, Kenanga Research said Tanah Makmur's plantation division would benefit from the expected higher crude palm oil (CPO) prices year-on-year (yoy) at RM2,800/ metric tonnes (MT) (+18 per cent yoy).

Tourism M'sia Targets Sales Of RM2.5 Mln Via Corporate Travel Bazaar

JOHOR BAHARU -- Tourism Malaysia has targeted sales of RM2.5 million from its tourism packages at the Corporate Travel Bazaar (CTB) at the Hotel Puteri Pacific here on Aug 14. "Tourism Malaysia is aiming for the participation of 70 tourism operators and 500 buyers of packages (corporate and public sectors) for the event this time," Director General Datuk Mirza Mohammad Taiyab told reporters after a pre-launch ceremony of the CTB here Monday.

AirAsia Sees Return To Europe, Further Route Expansion

From Samantha Tan

FARNBOROUGH (London) -- AirAsia hopes to return to Europe and expand its presence in the region amid the order of 50 A330-900neo aircraft. Group Chief Executive Officer Tan Sri Tony Fernandes said the A330neo would make it possible for the airline to re-enter London and also expand its presence to other European countries like Rome. "I love to fly back to London and with A330neo it would make it more possible," he told reporters after a signing ceremony with Airbus on the order of 50 A330neo, here Wednesday.

AirAsia X Expects To Break Even In 2nd Half

From Samantha Tan

FARNBOROUGH (London) -- AirAsia X, the long-haul unit of Asia's largest low-cost airline, AirAsia Bhd, expects to break even in the second half of the year. Its Chief Executive Officer, Azran Osman-Rani, told reporters after a signing ceremony with Airbus on the order of 50 A330-900neo, here Wednesday, about two-thirds of the airline's capacity had reached maturity and profitability while one-third was still in 12-month loss-making investment mode.

MARGMA Expects Export Of Rubber Products To Reach RM15 Bln

KUALA LUMPUR -- The Malaysian Rubber Glove Manufacturers Association (MARGMA) expects export of rubber products to reach RM15 billion this year, exceeding 2013's figure of RM14.6 billion. Its president Lim Kwee Shyan told a press conference here Wednesday, in the first quarter of 2014, sales registered RM4 billion, of which 75 per cent was derived from rubber gloves.

TNB's Pre-Tax Profit Falls To RM1.97 Bln For Q3

KUALA LUMPUR -- Tenaga Nasional Bhd's pre-tax profit fell to RM1.97 billion for the third quarter ended May 31, 2014 from RM2.06 billion in the same period last year. Revenue, however, rose to RM11.51 billion from RM9.647 billion. In a statement here Wednesday, the company attributed the weaker pre-tax profit to lower foreign exchange translation gain of RM292.2 million recorded during the period compared with RM1.11 billion in the same period last year.

MAHB'S June Passenger Traffic Up 3.8 Pct To 7.2 Mln

KUALA LUMPUR -- Malaysian Airports Holdings Bhd's (MAHB) passenger traffic grew by 3.8 per cent to 7.2 million in June 2014 compared with 6.99 million in the corresponding period last year. MAHB said international traffic grew by two per cent while the domestic sector registered a 5.4 per cent growth over the same period last year. "International passenger traffic increased by 2.7 per cent while domestic passengers decreased by 1.9 per cent," it said in a statement here Wednesday.

CPI Up 3.3 Pct To 110.2 In June

KUALA LUMPUR -- The Consumer Price Index (CPI) rose 3.3 per cent to 110.2 in June 2014 compared with 106.7 in the corresponding month last year, the Statistics Department said. It said the CPI increased by 0.2 per cent from the previous month. Cumulatively, the CPI rose 3.4 per cent in the first six months of the year to 109.9 compared with 106.3 in the corresponding month last year, it said in a statement here Wednesday.

Palco Eyes RM32.8 Mln Revenue For Next Five Years

GEORGE TOWN -- US-based Palco Inc, a reverse logistics company, is eyeing a revenue of RM32.8 million for the next five years following the setting up of its Asia-Pacific centre in Penang. Its group vice president, Phil C. Terry, the local unit, Palco Asia Pacific Sdn Bhd, was registered in Aug 17 last year. "Palco's total initial investment value for the first year is RM11 million, invested in March 2014 to set up the plant in Batu Maung after a request by one of its major customers in data storage industry to serve their Asia-Pacific market," he told reporters after the visit by company president, Randolph K.Piechocki, and Northern Corridor Implementation Authority (NCIA) Logistics division director, Kuan Eu Jin, here Wednesday.

Perodua Scales Down 2014 Sales Target

KUALA LUMPUR -- Perusahaan Otomobil Kedua Sdn Bhd (Perodua) is revising downwards its sales target for this year to 193,000 units from 197,000 units forecast initially. President and Chief Executive Officer, Datuk Aminar Rashid Salleh told reporters at the briefing on the company's first-half performance here Wednesday, the lower projection was due to the softening of the market and more intense competition from non-national carmakers as well as effects from the revised overnight policy rate by Bank Negara Malaysia.

CPI Rise Due To Food, Non-Alcoholic Beverages' Expansion

KUALA LUMPUR -- The marginally faster growth of the Consumer Price Index (CPI) at 3.3 per cent in June 2014 was due to the expansion in food and non-alcoholic beverages sector, said Alliance Research. It said the sector grew at a faster pace of 3.5 per cent in June compared with 3.3 per cent in previous month. Alliance Research said in a note here Thursday, the CPI's growth reversed the trend of a gradual decrease in inflation rate of the past three months.

Bursa M'sia's Q2 Pre-Tax Profit Down To RM65.8 Mln

KUALA LUMPUR -- Bursa Malaysia Bhd's pre-tax profit for the second quarter ended June 30, 2014 declined to RM65.8 million from the RM77.28 million recorded in the same quarter last year. Revenue was lower at RM123.15 million from RM130.35 million, the company said in a filing to Bursa Malaysia here Thursday. Chief Executive Officer Datuk Tajuddin Atan said all three markets, securities, derivatives and Islamic, recorded growth as a result of higher trading participation due to targeted outreach events and activities specifically for equities and derivatives.

DiGi Q2 Pre-Tax Profit Rises To RM673.946 Mln

KUALA LUMPUR -- DiGi.Com Bhd's pre-tax profit for the second quarter (Q2) ended June 30, 2014 rose to RM673.946 million from RM493.926 million in the same period a year ago. Revenue grew by 5.6 per cent year-on-year to RM1.746 billion from RM1.653 billion previously, supported by solid growth on internet revenue, which increased 39.6 per cent, Digi said in a statement here Thursday.

Prodelcon Eyes Bigger Foreign Mart Share

KUALA LUMPUR -- Prodelcon Sdn Bhd, a semiconductor-based products and services provider, is eyeing bigger market share, particularly in the US, says its assistant sales and costing manager, Shiu Eng Hoe in an interview here Thursday. Prodelcon, which produces precision machining, assembly of photonics and radio frequency microwave packages in the semiconductor industry, participated in the Malaysian pavilion organised by the Malaysia External Trade Development Corp at Semicon West 2014 in San Francisco, US from July 8-10, 2014.

CIMB Thai Bank's 1st Half Net Profit Up To 625.0 Mln Baht

BANGKOK -- CIMB Thai Bank PCL's net profit for the first half ended June 30, 2014 increased 15 per cent year-on-year to 625.0 million baht. The group's consolidated operating income rose by 1,091.1 million, or 27 per cent to 5,133.2 million baht, it said in a statement, here Thursday.

Iskandar M'sia Secures RM9.72 Bln New Investments In Q2

JOHOR BAHARU -- Iskandar Malaysia has secured RM9.72 billion in new investments from April to June this year, bringing a total new investments for this year at RM14.56 billion. According to a statement here Thursday, from 2006 until June 30, 2014, Iskandar Malaysia has secured a total cumulative committed investment of RM146.2 billion. Of the total cumulative committed investments, RM69.53 billion, or 48 per cent, represented investments that have been realised as projects on the ground.

Govt Eyeing Strategies To Enhance Export Growth - Husni

PUTRAJAYA -- The government is looking at several strategies to enhance the country's export growth, especially in facing stiff competition from other emerging economies, said Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah. He said these included promoting investment in new technology-driven products through technology acquisition; testing and certification of Malaysian products for exports; and, establishing and encouraging Malaysian companies to establish offices abroad. "There should be new products for the niche market, thus strengthening Malaysian companies and market penetration," he told reporters after chairing the Focus Group Meeting for Budget 2015 here Thursday.

CapitalMalls Q2 Pre-Tax Profit Falls To RM104.87 Mln

KUALA LUMPUR -- CapitalMalls Malaysia Trust's (CMMT) pre-tax profit for the second quarter ended June 30, 2014 fell to RM104.87 million from RM114.28 million in the same period of last year. Revenue increased to RM78.22 million from RM74.55 million previously. In a filing to Bursa Malaysia here Thursday, CMMT said the higher revenue was mainly due to revenue generated from on selling of electricity to tenants at The Mines Mall as well as the full-quarter contribution from the newly-reconfigured units of Phase one asset enhancement works at East Coast Mall.

Boeing, Okay Airways Announce Order For 737 MAXS, Next-Gen 737S

KUALA LUMPUR -- Boeing and Okay Airways have announced an order for six 737 MAX 8s and four Next-Generation 737-800s, valued at US$980 million at current list prices. Okay Airways, the first privately-owned airline in China, also announced it will convert five 737-800s from a previous order into 737-900ERs (Extended Range), said Boeing in a statement here Tuesday.

All Exports Zero-Rated Under GST Regime

By Azizul Hj Ahmad

KUALA LUMPUR -- To make the export sector in Malaysia more competitive, the government has to zero-rate all supplies of goods and international services exported from Malaysia under the Goods and Services Tax (GST) to be implemented next year. The zero-rated supplies mean that no GST would be collected as businesses are eligible to claim input tax credit in acquiring supplies, according to the GST industry guide on manufacturing by the Royal Malaysian Customs Department.

AirAsia X Orders 50 A330neo Worth US$13.8 Bln

From Samantha Tan

FARNBOROUGH (London) -- AirAsia X, the long haul affiliate of Asia's largest low cost airline, has ordered 50 A330-900neo aircraft worth US$13.8 billion to be delivered between 2018 and 2024. The airline also signed a Memorandum of Understand (MoU) for an additional 50 purchase rights with Airbus. "We have been encouraging Airbus to launch the new version of the A330 for some time now. I'm pleased that they are offering this choice and bringing us the aircraft we truly need to develop further our low-cost long-haul model. "We are 100 per cent sure that the A330neo will be quite unbeatable in its size category and we look forward to enabling more people to fly further more often aboard this great aircraft," Group Chief Executive Officer Tan Sri Tony Fernandes told reporters here Wednesday.

Cielo Expands Into Singapore

KUALA LUMPUR -- Cielo (formerly Pinstripe & Ochre House), the world's leading provider of global talent acquisition and management solutions, Wednesday announced its entry into the Singapore market. The decision to expand the firm's Asia Pacific presence into Singapore came as a direct result of the increasing client need for talent partners in the region, said a statement issued by the company Wednesday in Hong Kong.

Roundtable Talks To Boost M'sia – Victoria Food Market

By Neville D'Cruz

MELBOURNE -- The Malaysia Consulate General here hosted a high-level roundtable to discuss promoting agriculture, food and beverage exports between the state of Victoria and Malaysia. The conference, held in conjunction with the Malaysia External Trade Development Corporation (Matrade) and the Australia Malaysia Business Council (AMBC) Victoria, also provided a platform for the participants and observers to network and exchange experiences and ideas.

Scomi Engineering To Participate In Brazil's RM5.9 Bln Subway Project

KUALA LUMPUR -- Scomi Engineering Bhd will participate in the 15.5km Line 18 - Bronze of the Sao Paolo subway project in Brazil. In a filing to Bursa Malaysia here Wednesday, Scomi Engineering said it will provide the monorail technology. Scomi Enginering said it was currently in further talks with the four-company consortium, which has secured the project, to provide the rolling stock technology and maintenance services.

FGV To List Potential Companies

KUALA LUMPUR -- Felda Global Ventures Holdings Bhd (FGV), the world's largest palm oil producer, plans to list potential companies under its six clusters on Bursa Malaysia. Its chief executive officer, Mohd Emir Mavani Abdullah, said FGV was still in the process of identifying potential companies for listing. He said there were several companies under each cluster, and FGV was looking at individual companies that were ready for listing. "But not now. It won't happen this year," he told a press conference after presenting RM420,000 aid to 438 underprivileged from its RM1.1 million annual Ramadan contribution here Wednesday.

Economists Advocate Prioritising Survival Strategies For MAS

KUALA LUMPUR -- Two economists Wednesday have advised employees of Malaysia Airlines (MAS) to get their priorities right to enable the national airline to survive these turbulent times. Dr Yeah Kim Leng, Dean of the School of Business at the Malaysia University of Science and Technology and ex-Group Chief Economist of RAM Holdings, said the demand of unions for the resignation of the airline's top management executives, was a distraction and could derail any proposed restructuring plan and Prof Datuk Dr Amir Hussin Baharudin of Universiti Utara Malaysia said it would not serve any purpose for the unions to demand a meeting with the Prime Minister without any concrete plans to turn around the airline which itself is overstaffed.

Weststar Takes Delivery Of AgustaWestland Super Medium Helicopter

From Sankara Subramaniam

FARNBOROUGH (London) -- Weststar Aviation Services Sdn Bhd (WASSB) Wednesday took delivery of its first AgustaWestland AW189 super medium helicopter in its bid to yield further success in the domestic and global market segments of offshore transportation services.The delivery of the super medium helicopter marks the entrance of the new type into the South-East Asian helicopter market, thus making WASSB the first operator which will benefit from the unique advantages of the helicopter family concept in the region, said Chief Executive Officer of WASSB, Gen (R) Tan Sri Muhammad Ismail Jamaluddin told reporters at the hand over ceremony here Wednesday.

Plan To Penetrate Transportation Services in Iraq On Hold - Weststar
From Sankara Subramaniam

FARNBOROUGH (London) -- Weststar Aviation Services Sdn Bhd (WASSB) is putting on hold its plan to undertake onshore transportation services in Iraq given the current situation in the country. Chief Executive Officer of WASSB, General Tan Sri Muhammad Ismail Jamaluddin (R), said here Wednesday, WASSB had already conducted its feasibility study to tap the helicopter charter market in Iraq, which has the second largest oil reserves in the world.

Increase In OPR Will Have Minimal Impact On Exports
PUTRAJAYA -- The increase in the overnight policy rate (OPR) will have a minimal impact on the country's export, Minister of Finance II Datuk Seri Ahmad Husni Hanadzlah, said. "The quantum is not that large to affect cost of production," he told reporters after chairing the Focus Group Meeting for Budget 2015 here Thursday.

Felda Expects To Reduce Operational Costs With Certification
KUALA LUMPUR -- The Federal Land Development Authority (Felda) expects to reduce its operational costs by between 20 per cent and 30 per cent by 2020 with the MS ISO 9001:2008 certification. Director-General, Datuk Faizoull Ahmad, said by reducing the operational costs, Felda could improve its efficiency in day-to-day operations. "The ISO certification will enable us to increase the productivity, reduce operational costs and make the system more efficient," he told a media briefing after receiving the certification here Thursday.

Increasing Corporate Awareness In Carrying Out CSR - Rosmah
KUALA LUMPUR -- Awareness to carry out their corporate social responsibility (CSR) is seen to be growing among the major corporations in the country, said the prime minister's wife, Datin Seri Rosmah Mansor. She said that based on her observation currently, more major companies were practicing CSR and making the responsibility as an important corporate agenda. "Looking at the country's economic vibrancy, I see that more companies in Malaysia are capable of 'giving back' to the community through the various CSR approaches. As a whole, when their businesses are making profits, they are able to carry out their CSR," she said here Thursday.

Self-Declaration Process For Tax Exemption Improves Efficiency
KUALA LUMPUR -- The self-declaration mechanism for tax exemption has improved efficiency, saved time and reduced the cost of doing business in Malaysia, said Malaysian Investment Development Authority (MIDA) chief executive officer Datuk Azman Mahmud. Speaking at a media briefing here Thursday, he said the mechanism was well received by the companies as time taken to clear goods had been reduced without the need to obtain bank guarantee facilities.

Intra-Trade, Investments In Muslim World To Grow
KUALA LUMPUR -- Intra-trade and investments in the Muslim world is expected to grow further, particularly in areas of Islamic finance, halal products and services, information and communications technology, agri-business, oil and gas, tourism, education and manufacturing. "Future trade and investment flows will also be bolstered by the increasing connectivity and collaborative cooperation platform such as OIC World BIZ and Muslim World BIZ, Business and Investment Zone," Deputy Finance Minister, Datuk Ahmad Maslan said in his opening address at the soft launch of the fifth OIC World BIZ 2014 here Thursday.

Tough Road Ahead For MAS To Rebuild Image - HLIB
KUALA LUMPUR -- Malaysia Airlines (MAS) will have a tough road ahead to rebuild its image as consumer sentiments on its safety record will be deeply affected with two major incidents within six months. Hong Leong Investment Bank (HLIB) said the incidents would further hamper the airline's hope to turn around by 2015. In the midst of recovering from the MH370 incident, MAS has again been hit by another disastrous incident involving MH17 bound for Kuala Lumpur from Amsterdam. The Boeing 777 crashed at the Russia-Ukraine border, killing all its passengers.

Iskandar M'sia To Develop MICE Facilities In Three Years
JOHOR BAHARU -- Iskandar Malaysia is looking at developing at least two meetings, incentives, conferences and exhibitions (MICE) centres in the next three years as part of its plan to further develop the economic corridor's ecosystem. Iskandar Regional Development Authority (IRDA) Chief Executive Datuk Ismail Ibrahim said with the MICE facilities being developed, it will also automatically grab the interest of hotel developers. "The magnet for growth of these hotels is normally associated with MICE activities like what we have witnessed in most cities, be like Kuala Lumpur or Singapore and where they have this type of facilities, hotels will normally cluster around it," he told reporters here Thursday.

Chevron Expects Good Response For Newly-Launched Fuel System Cleaner

KUALA LUMPUR -- Chevron Malaysia Ltd anticipates positive response for its newly-launched fuel system cleaner, Techron Concentrate Plus (TCP), driven by its sales performance in Singapore. Chevron Lubricants Asia Pacific Marketing Manager Lennard Kwek said TCP's sales in Singapore were three times higher than the company's forecast when it was launched two months ago. "I truly believe TCP will receive the same treatment here in Malaysia," Kwek told reporters here Monday.

AirAsia Named World & Asia's Best Low Cost Airline

From Samantha Tan Chiew Ting

FARNBOROUGH (London) -- AirAsia has been named the "World's Best Low Cost Airline" and "Asia's Best Low Cost Airline" for the sixth consecutive year by the Skytrax World Airlines Award. The airline received the awards at the Farnborough International Airshow here Tuesday. AirAsia Group Chief Executive Officer Tan Sri Tony Fernandes said it was a great honour to be acknowledged as the world's best low cost airline for the sixth consecutive year.

Global Halal Exchange Offers Marketplace For Halal Products, Services

KUALA LUMPUR -- Dagang NeXchange Bhd has made the halal industry easier and more accessible via its globalhalalexchange.com, an online medium for companies or individuals to get suppliers or buyers for their products and services. In a statement here Wednesday, Dagang NeXchange said the online website offered accessibility and transactional ease through features and services to help create business opportunities and develop business networks as well as broaden understanding of the halal industry, all at one stop, and in real time and online environment.

Deadline For Easy.my's Reward Programme On Aug 14

KUALA LUMPUR -- Easy.my, Malaysia's leading e-Commerce platform and a subsidiary of the largest web hosting provider, Exabytes Group of Companies, has announced the application deadline for a national initiative, e-Commerce Reward Programme. The application deadline is on Aug 31, 2014 and that of submission by Sept 30, 2014, Exobytes said in a statement here Wednesday. The programme is organised by Digital Malaysia, the National Digital Economy Initiative by Multimedia Development Corp, an outfit under the Communications and Multimedia Ministry.

AMIC Teams Up With M-AeroTech To Boost R&T Activities

KUALA LUMPUR -- The Aerospace Malaysia Innovation Centre (AMIC) will collaborate with Mara Aerospace and Technologies (M-AeroTech) to lead aerospace research and technology (R&T) activities at the Asia Aerospace City (AAC) in Subang. AMIC, developed by the Malaysian Industry-Government Group for High Technology (MIGHT), said both parties signed a memorandum of understanding (MOU) on the first day of the Farnborough International Airshow, UK on Monday. AMIC chief executive officer, Shamsul Kamar Abu Samah, said in a statement here Wednesday, the collaboration would see the company connecting AAC with global aerospace experts, namely Airbus Group and Rolls-Royce, through its national and international research networks.

BiotechCorp Launches First BioShoppe Retail Presence In M'sia

PUCHONG -- Malaysian Biotechnology Corp (BiotechCorp) has launched its first BioShoppe retail presence which features primarily health and beauty products from its stable of BioNexus-status companies. Speaking at the ceremony here Thursday, BiotechCorp chief executive, Datuk Dr Mohd Nazlee Kamal, said it was important that science found its way to be translated into the economy for the nation and its people to benefit.

Special Gold Award For Najib's Contribution To Construction Industry

PUTRAJAYA -- Prime Minister Datuk Seri Najib Tun Razak was Thursday conferred the Special Gold Award 2014 of the Master Builders Association Malaysia (MBAM) for his outstanding contribution to the construction industry. The prestigious award was presented to him by MBAM president Matthew Tee at the Perdana Putra building here Thursday. Also present were MBAM deputy president Foo Chek Lee, MBAM vice president Datuk Seri Sufri Mohd Zin and MBAM immediate past president Kwan Foh Kwai.

Proton To Launch New Model By Year-End

KUALA LUMPUR -- Proton Holdings Bhd is set to introduce a totally new model by year-end, said chairman Tun Dr Mahathir Mohamad. "The price of the new model will be cheaper compared to any other models in same segment, as what Proton cars should be," Dr Mahathir said after the launch of 'Drive for Gaza', a fund-raising initiative of Proton in collaboration with Perdana Global Peace Foundation in aid of war victims in Palestine.

M'sia A Key Regional Exhibitor At FIA 2014

From Sankara Subramaniam

FARNBOROUGH (London) -- Malaysia is participating in the Farnborough International Airshow (FIA) 2014) as a major regional exhibitor in its quest to propel the country's aerospace industry to greater heights. Malaysian High Commissioner to the UK, Datuk Ahmad Rasidi Hazizi, said here Thursday, the Malaysian Pavilion, managed by the Malaysia External Trade Development Corp (MATRADE), indicated the government's seriousness and consistency in developing the aerospace industry.

Ajinomoto Introduces Gravy Range

KUALA LUMPUR -- Ajinomoto (M) Bhd has expanded its range of flavour enhancers by introducing the TUMIX Kuah or gravy range, a company spokesman said here Friday.She said the TUMIX range of gravy enhancers could be used for popular local dishes like sambal petai udang, ikan asam pedas, ayam masak lemak, telur masak kicap and curry chicken. As part of the TUMIX Kuah promotion, she said, the company had also appointed popular local actress and singer Adibah Noor to be its ambassador.

Proposed Mega Islamic Bank On Analysts' Radar

By Salbiah Said

NAZIR TAKES OVER...Datuk Seri Nazir Razak will relinquish his post as CIMB Group CEO and take over as chairman from Sept 1, 2014. --FotoBERNAMA

KUALA LUMPUR -- Malaysia's banking industry is abuzz with last week's news of the proposed merger of three financial institutions to create a mega Islamic bank, tipped to be the largest banking group in Southeast Asia.

The three entities - CIMB Group Holdings Bhd, RHB Capital Bhd and Malaysia Building Society Bhd (MBSB) - said they had received the green light from Bank Negara to start talks for the proposed merger, which includes the formation of a mega Islamic bank.

The plan was to merge the businesses of both RHB and CIMB and create an enlarged Islamic banking franchise with MBSB, they said in a joint statement last Thursday.

The parties have 90 days to decide on the pricing, structure and other relevant terms and conditions. The central bank's approval is valid for six months from Thursday.

Maybank Investment Bank (Maybank IB) Research said in its analysis last Friday, the proposed merger will see the emergence of the country's largest financial group.

Shareholders' Funds To Balloon

It will result in a ballooning of the group's shareholder's funds to RM68 billion from RM40 billion, relatively larger than Maybank's RM48 billion, it said.

The research house said, the enlarged entity would result in the diversification of the group's commercial banking clientele base.

While CIMB's commercial banking operations primarily target higher income individuals, it noted, RHB Bank's clientele base tend to be more mid-market.

As for MBSB, it had targeted the government civil service through Angkasa's direct salary deduction scheme. MBSB's operations, when combined with RHB Islamic Bank and CIMB Islamic Bank, would produce a mega Islamic bank with total assets of RM122 billion to rival Maybank Islamic's RM127 billion, it said.

Not A Novel Idea

Analysts said talks about a mega Islamic bank began in late 2010, when Bank Negara announced that it will issue two licences for commencement of two mega banks.

Issuance of licences for the mega Islamic bank is part of the roadmap towards making Malaysia an Islamic finance hub, they said.

The idea behind this plan is to establish a US$1 billion dollar Islamic finance institution in the country which could lead the local banks and represent Malaysian Islamic finance market in the global environment, analysts said.

The setting up of the mega Islamic bank is not a novel idea, as banking groups like Al-Rajhi group, Kuwait Finance House, Dubai Islamic Bank, Abu Dhabi Islamic Bank, Al-Baraka group and Qatar Islamic Bank have already crossed the hallmark capital of US$1 billion.

Moody's Investors Services said the combination of the three financial institutions would create Malaysia's largest financial group by assets, with total consolidated assets of RM614 billion (US$188 billion).

This would be larger than Malayan Banking Bhd which has been the leader in terms of banking assets, loans and deposits, the rating agency said.

All Eyes On The Merger Talks

"There is a prima facie case for a value-creating merger between the three entities and we want to get into detailed discussions to validate it", CIMB Group chief executive Datuk Seri Nazir Razak said in a statement.

Nazir will relinquish his post as CEO, which he has held for 15 years, and take over as chairman from Sept 1, 2014.

According to the Edge Weekly's latest issue, the planned merger is expected to dominate the Malaysian merger and acquisition landscape in the coming months.

"Suddenly an industry faced with dull growth prospects amid growing competition is abuzz again.

In the coming months, all eyes will be on the negotiations, as it will be the largest banking merger in a very long time and which could potentially change the current landscape", it said.

LIST OF MARKET REPORTS :

BURSA MALAYSIA

BURSA: FBM KLCI To Stage Short-Term Correction

By Siti Radziah Hamzah

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) is likely to stage a short term correction next week, weighed down by global equities and commodities dip as well as a risk-off vibe across most safe haven assets.

Affin Investment Bank Vice-President and Head of Retail Research Dr Nazri Khan said a continuation of the bearish tone next week was also in the wake of the second local airline disaster and the strong rally over the past five months.

The FBM KLCI has gained 5.6 per cent between February and July.

Malaysia Airlines flight MH17 crashed at the Ukraine-Russia border early Friday.

Based on the last case, Nazri said Bursa Malaysia dipped 30 points or 1.6 per cent for eight days before the market stabilised and improved.

“Overall, despite the external blips, we expect the weakness to be temporary and FBM KLCI to maintain its slow bullish edge and defensive appeal of Bursa Malaysia,” he told Bernama.

For the week just-ended, the FBM KLCI declined 10.18 points to 1,872.97 from 1,883.15 previously.

Weekly turnover declined to 6.92 billion shares, valued at RM9.005 billion, from 8.89 billion shares, valued at RM10.88 billion, recorded last week.

Main market volume decreased to 7.509 billion units, worth RM8.644 billion from 7.1 billion units, worth RM10.52 billion, registered previously.

FOREX: Ringgit Likely To Range Trade 3.16 - 3.22

By Azizul Ahmad

KUALA LUMPUR -- The ringgit is likely to trade within a wide range of between 3.16 and 3.22 next week amid better risk sentiment and favourable economic data.

A local currency trader said although sentiment was affected by the crash of a Malaysian jetliner in the Ukraine-Russia border it however would not affect fundamentals locally.

He said market had reacted to the recent overnight policy rate (OPR) hike by BNM and with little to watch on the economic front, he expected the ringgit to remain range bound next week.

Another trader said although the 25 basis points hike in the OPR last week was already factored in, there was still some chance of the ringgit advancing to the 3.16 level.

"The marginal spike in June's Consumer Price Index to 3.3 per cent, year-on-year, may re-ignited another rate hike expectation.

"It's going to be purely technical play for the ringgit next week with the ringgit remaining bullish over the short-term as long as the 3.20 and 3.22 resistance levels holds," he added.

On a weekly basis, the ringgit appreciated to 3.1820/1850 per US dollar against last Friday's 3.1850/1870.

It ended the week higher against other major currencies.

The local unit edged up against the Singapore dollar to 2.5632/5659 from last Friday's 2.5648/5669 and was up against the yen at 3.1365/1407 from 3.1432/1458 on Friday.

The local note strengthened against the British pound to 5.4450/4505 from 5.4559/4606 and gained against the euro to 4.3059/3109 versus 4.3351/3381 last Friday.

Money Market: Short- Term Rates Likely 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.

A money dealer said the market had reacted to recent overnight policy rate hikes and marginal spike in June's consumer price index to 3.3 per cent.

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

The overnight Islamic reference rate increased to 3.21 per cent from 3.12 per cent last Friday, while the one-week, two and three-week rates rose to 3.26 per cent, 3.29 per cent and 3.32 per cent, respectively.

Meanwhile, the underlying three-month KLIBOR inched up to 3.59 per cent from 3.58 per cent last Friday. The liquidity surplus in the conventional system amounted to RM17.44 billion while the excess in the Islamic system stood at RM3.09 billion.

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

KLCI Futures To Move In Tandem With Cash Market

By Siti Radziah Hamzah

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract on Bursa Malaysia Derivatives is likely to move in line with the expected volatility in the cash market.

On a Friday-to-Friday basis, spot month July 2014 shed 12.5 points to 1,873, August 2014 slipped 14.5 points to 1,873.5, September 2014 fell 16.5 points to 1,870 and December 2014 was 13.5 points lower at 1,869.

Turnover for the week rose to 17,825 lots from last week's 15,315 lots, while open interest increased to 38,125 contracts from 33,575 contracts last Friday.

CPO Futures To Trade Marginally Lower

By Zairina Zainuddin

KUALA LUMPUR -- The crude palm oil (CPO) futures contracts on Bursa Malaysia Derivatives is expected to trade marginally lower next week amid a technical correction.

Prices would range between RM2,300 and RM2,350 per tonne, said Interband Group of Companies Senior Palm Oil Trader Jim Teh.

“The lower prices will attract physical buyers to participate in the market and this will also boost export volume,” he told Bernama.

For the week just-ended, the futures market performed mixed most of the time mainly influenced by the ringgit’s movement and Chicago soybean oil market. The local market was closed on Tuesday for the Nuzul Quran public holiday.

On a Friday-to-Friday basis, August 2014 rose RM9 to RM2,386 per tonne but September 2014 fell RM14 to RM2,346 per tonne and October 2014 decreased RM22
to RM2,331 per tonne.

Meanwhile, July 2014 was last traded on Monday at the settlement price of RM2,375 per tonne while new contract month November 2014 ended at RM2,308 per tonne on Friday.

Weekly turnover declined to 186,421 lots from 233,970 lots last week while open interest rose to 255,136 contracts from 236,240 contracts last Friday.

On the physical market, July South ended at RM2,460 per tonne.

Rubber Prices Likely To Be Mixed

By Zairina Zainudin

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.

KLIBOR Futures Expected To Remain Quiet

By Azizul Ahmad

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives is expected to remain quiet next week in the absence of fresh leads.

“The market had reacted to recent overnight policy rate hike by BNM, as such with little to watch on the economic front, expect KLIBOR futures to remain range trade or steady in the absence of leads," a futures trader told Bernama.

"Interbank rates in the cash market were well supported and inched up on the 25 basis points hike and the marginal spike in June's Consumer Price Index to 3.3 per cent, year-on-year, may re-ignited additional bid for short-term rates," he added.

For the week just-ended, the futures contract was untraded throughout the week.

Open interest maintained 2,880 contracts.

Settlement prices for August 2014, September 2014, October 2014 and December 2014 remained pegged at 96.36, 96.36, 96.31 and 96.26, respectively.

On the cash market, the underlying three-month KLIBOR ended slightly higher at 3.59 per cent from 3.58 per cent last Friday.

KLTM To Appreciate To US$22,200 A Tonne
By Farhana Poniman

KUALA LUMPUR -- The Kuala Lumpur Tin Market (KLTM) is expected to appreciate to US$22,200 a tonne next week following the release of favourable US economic data.

A dealer said the positive US jobs data would have a spillover effect on the metal as it would enhance outlook for higher demand.

"We are upbeat on the trading of the metal for next week," he added. For the week just-ended, the KLTM moved between US$22,150 and US$22,330 a tonne. The local market was closed on Tuesday for the Nuzul al-Quran holiday.

Turnover fell to 136 lots during this holiday-shortened week from 207 lots recorded last week, with European, Japanese and local buyers dominating trade.

The price differential between the KLTM and LME narrowed to US$430 a tonne from a premium of US$555 a tonne last Friday.

Gold Futures Likely To Trade Higher
By Azlee Nor Mahmud

KUALA LUMPUR -- Gold futures contract on Bursa Malaysia Derivatives will likely trade higher next week amid fears of higher US interest rates.

A dealer said prices jumped on Friday after a Malaysia Airlines plane was shot down over Ukraine.

"The brewing crisis in the Middle-East and Russia boosted sentiment for gold and funds were shifting from equities to safe haven investments," he told Bernama.

He said gold futures ended on a positive note on Friday denoting that the downward momentum may have ceased. "It earned RM0.14 to close at RM133.45 after hovering between RM133.10 and RM133.75 throughout the day," he said.

On a Friday-to-Friday basis, July 2014, August 2014 and October 2014 decreased 57 ticks each to close at RM134.25, RM134.55 and RM135.20 a gramme, respectively. September 2014 also declined 47 ticks to RM135.20 a gramme.

Volume decreased to 1,156 lots, worth RM15.5 million, from 7,024 lots, worth RM97.28 million, last week. Open interest on Friday stood at 5,248 contracts compared with last week's 5,419 contracts.