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This Week's Highlight :
PM Calls For Focus On Social Innovation For People's Benefit

EXPERIMENTAL APPROACH...Prime Minister Datuk Seri Najib Tun Razak delivering his speech at the Prime Minister's Innovative Awards 2014 in Putrajaya. -- fotoBERNAMA

PUTRAJAYA -- Prime Minister Datuk Seri Najib Tun Razak Friday called for focus to be given to the social innovation approach for the benefit of the people. He said innovation was often seen as being linked to research and development, products and the commercial sector, but added that social innovation was a branch that could have an impact on the people. Several important features of social innovation could be translated, firstly through the experimental approach, he said at the Prime Minister's Innovative Awards 2014 at the Putrajaya International Convention Centre (PICC) here Friday.

This Week's Top Stories

Monday
AMIC To Play Major Role In Aerospace R&T
By Norsyafawati Ab Wahab

PUTRAJAYA -- Aerospace Malaysia Innovation Centre (AMIC) aims to play a major role in country's aerospace research and technology (R&T) activities with the establishment of its physical centre within Asia Aerospace City (AAC) in Subang by 2016. "In AAC, we will be looking into the various activities for advanced testing on aerospace products, including the development and production of virtual reality system as well as robotic system to support the aerostructure manufacturing activities," Chief Executive Officer, Shamsul Kamar Abu Samah told Bernama.

Tuesday
MAS Restructuring Plan Must Be Brave, Innovative

KUALA LUMPUR -- The radical restructuring plan to revive the ailing Malaysia Airlines (MAS) must be brave enough, be innovative and think out of the box, former Deputy Prime Minister Tun Musa Hitam said. "I wish for the sake of the country, this time we have learnt from past mistakes and do it right. The biggest challenge is to do it right. It involves patience, tolerance and able to get right feedback," Musa told a press conference here Tuesday.

Wednesday
M'sia Ready To Become Mega Regional Takaful Operator

KUALA LUMPUR -- Malaysia is ready and has the potential to become a mega takaful operator in the region given its strong track record, right capitalisation, capable expertise and broad knowledge of the industry, said Ernst & Young (E&Y). Its Global Islamic Finance Leader, Ashar Nazim, said with the advantages, Malaysian entities should go out and help develop other regional markets. "Malaysia has the most successful template for the family takaful, while most other markets are still struggling to find the right sustainable model," he told a media briefing after the launch of Ernst & Young's latest report here Wednesday.

Thursday
Govt To Exempt CPO Export Duty Sept, Oct

KUALA LUMPUR -- The government is providing exemption on Crude Palm Oil (CPO) export duty to all exporters for September and October 2014, effective Sept 1, to mitigate further decline in the price. Speaking at a media conference here Thursday, Plantation Industries and Commodities Minister, Datuk Amar Douglas Uggah Embas, said with this measure, the export of CPO was expected to increase by 600,000 tonnes within the two months. "Taking into account the expected stock level of up to 2.2 million tonnes, this tax exemption should be able to reduce the level to 1.6 million tonnes by year-end," he said.

Friday
Healthy E&E Sector Growth To Boost Economy

GEORGE TOWN -- The healthy growth in the electrical and electronics (E&E) sector will help boost the country's economy, said Minister of International Trade and Industry Minister, Datuk Seri Mustapa Mohamed. He said the E&E sector exports grew by 13 per cent in the first half of 2014, a sharp rebound from -4 per cent in the corresponding period of 2013. Mustapa said the export figure was close to the projection of the Industrial Production Index of about 15 per cent growth, he told reporters after launching Motorola Solutions Malaysia Sdn Bhd's new research and development centre, known as "Innoplex", here Friday.

SMEbrief

PanPages Expects 20 Pct SME Online Customer Growth

KUALA LUMPUR -- PanPages Bhd expects its Small and Medium Enterprise (SME) online customer base to grow by 20 per cent, year-on-year. Group Chief Executive Officer Fong Wai Leong told reporters here Tuesday, online marketing would be the key growth strategy for SMEs to push their products and services to reach their customers. "This is because while there is a 67 per cent Internet penetration rate in Malaysia currently, only 15 per cent of the 700,000 SMEs in the country were online," said Fong.

Maxis Unveils Business Solution To Cater For SMEs

KUALA LUMPUR -- Maxis Bhd Wednesday introduced its new all-in-one Internet plan for businesses, MaxisONE Business solution, to cater for the enterprise segment. Speaking to reporters after the product launch here Wednesday, Head of Enterprise Abraham Foss said Small and Medium Enterprises (SMEs) contributed about 32 per cent to the country's Gross Domestic Product (GDP) and the number was expected to increase to 41 per cent by 2020. "There is so much potential for them to grow and with our understanding of the SME market, which is very much consumer driven, our goal is to create value and provide them with new and better ways of working," he said.

Govt Wants More Bumis Involved In Business – Ahmad Maslan

TUMPAT -- The government is always ready to extend various financial assistance to encourage Bumiputeras to venture into business, says Deputy Finance Minister Datuk Ahmad Maslan. Speaking to reporters after visiting a salted fish factory in Pengkalan here Thursday, he said the government was already providing the micro credit assistance through Bank Simpanan Nasional (BSN) and Amanah Ikhtiar Malaysia (AIM). "Assistance is also available for SMEs through AIM while Tekun Nasional has been allocated additional funding of RM700 million to lend out to small businessmen," he said.

All Mara SMEs Targeted To Be Halal Certified

KUALA LUMPUR -- The Rural and Regional Development Ministry targets to have all Small and Medium Enterprises (SMEs) under Majlis Amanah Rakyat (Mara) halal certified in the near future. Its minister Datuk Seri Mohd Shafie Apdal said at present, only half of the 116,000 SMEs had halal certification from the Department of Islamic Development Malaysia (Jakim). "We will work with Jakim and Mara to give guidance or assistance to the SMEs so that all the conditions for halal certification are met," he told reporters after launching the Halal Fiesta Malaysia (Halfest) 2014 here Thursday.

SMEs Producing Halal Products Urged To Diversify

SERI KEMBANGAN -- Small and Medium Enterprises (SMEs) involved in producing halal products have been urged to move away from traditional sectors, particularly food and beverages, and diversify their businesses. Speaking to reporters after launching the fourth Halal Fiesta Malaysia (Halfest) 2014 at the Mines, Sri Kembangan, here Thursday, Rural and Regional Development Minister Datuk Seri Shafie Apdal said instead they could tap into the growing clothing, pharmaceutical and cosmetic sectors that promise enormous domestic and international markets.

PropUP Property*update*

Sentoria Leases 48 Hectares Of Langkawi Land

KUALA LUMPUR -- Sentoria Group Bhd's unit, Sentoria Langkawi Sdn Bhd, has sealed agreements with the Langkawi Development Authority (LADA) to lease 48 hectares of Malay reservation land for RM41.382 million. In a filing to Bursa Malaysia Tuesday, it said the lease agreements involved 28 hectares at Bandar Padang Mat Sirat for RM30.492 million.

Affin Investment Reiterates Neutral Stance On Property Sector

KUALA LUMPUR -- Affin Investment Bank has reiterated its neutral stance on the property sector amid the weaker forecast for property sales next year. "While developers' first half of 2014 earnings were resilient, we forecast weaker 2015 sales (post the implementation of the Goods and Services Tax) and an ongoing margin squeeze to soften future earnings. The bank opined that these negatives were largely factored in and that the downside risk to share prices were somewhat limited, it said in a research note here Wednesday.

KTB's Unit Sells Property To MHSB Devt For RM2.5 Mln

KUALA LUMPUR -- Konsortium Transnasional Bhd (KTB)'s unit, Kenderaan Klang Banting Bhd, is selling its property in Kuala Langat, Selangor to MHSB Development Sdn Bhd for RM2.5 million. The property comprised industrial land, together with three open-sided workshops and single-storey office building, KTB said in a filing to Bursa Malaysia here Wednesday. "The disposal is expected to be completed within six months," it said.

Jaks Resources Sells Land For RM59.4 Mln

KUALA LUMPUR -- Jaks Resources Bhd's wholly-owned unit, Harbour Front Development Sdn Bhd, will sell 8.94 hectares of freehold land in Klang to Welloyd Engineering (M) Sdn Bhd for RM59.4 million. In a filing to Bursa Malaysia here Wednesday, Jaks Resources said currently, a single-storey detached factory was built on a portion of the land. "The property is currently used by the group to house part of our manufacturing facilities for steel pipes. As the manufacturing business continues to remain competitive due to high unit cost while production levels are not optimised, we view that this opportunity to realise the investment cost would be beneficial," it said.

Affordability, Rising Prices Main Concerns For Buyers - iProperty

KUALA LUMPUR -- iProperty Group, Asia's leading property portal in its survey findings, has revealed that affordability and rising house prices remained the main concerns among Malaysians. Group's Managing Director/Chief Executive Officer, Georg Chmiel, said other major concerns among buyers were stringent home financing, high interest rates and poor building quality. At the media briefing of Asia's Property market sentiment here Wednesday, Chmiel said, according to the survey, Malaysians believed that the escalation in the property prices in the country was driven by the foreign buyers.

MARKET

BURSA MALAYSIA

Scoreboard

Gainers - 506

Losers - 304

Not Traded - 482

Unchanged - 334

Value - 2270384907

Volume - 27102122

BURSA: FBM KLCI Ends Lower On Lacklustre Trading

KUALA LUMPUR -- The benchmark FTSE Bursa Malaysia KLCI finished marginally lower Friday on lacklustre trading. The key index eased 0.75 of-a-point to 1,868.46 after moving between 1,866.28 and 1,869.84 throughout the day. Market breadth, however, was positive with gainers outpacing losers by 506 to 304 while 334 counters remained unchanged, 482 untraded and 29 others suspended.

Total volume rose to 2.71 billion shares worth RM2.27 billion from 2.51 billion shares worth RM2.11 billion on Thursday. Market sentiment was dampened by weaker-than-estimated July trade data. The Ministry of International Trade and Industry's Malaysia External Trade Statistics report showed that exports in July expanded by only 0.6 per cent year-on-year to RM61.12 billion. The Main Market volume increased to 2.08 billion units worth RM2.148 billion from Thursday's 1.749 billion units, worth RM1.988 billion.

FOREX: Ringgit Ends Lower Against US Dollar On Profit Taking

KUALA LUMPUR -- The ringgit ended lower against the US dollar Friday on continued profit taking after

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	3.1810	3.1840
EUR	4.1194	4.1239
GBP	5.1895	5.1957
100 YEN	3.0220	3.0255
SGD	2.5345	2.5387

Source: Bank Negara Malaysia

closing higher on Thursday, a dealer said. At 5 pm, the ringgit was quoted at 3.1810/1840 to the US dollar from 3.1770/1790 on Thursday. The dealer said the euro plummeted on a surprise cut in official eurozone interest rates to a new record low by the European Central Bank (ECB) Friday. The ECB has launched an asset purchase programme to ward off deflation, he said. The local unit, however, was traded mostly higher against other major currencies.

The ringgit decreased against the yen to 3.0220/0255 from Thursday's 3.0283/0308 but strengthened against the euro to 4.1194/1239 from 4.1765/1794 Thursday. Against the British pound, it rose to 5.1895/1957 from 5.2281/2320 on Thursday and advanced against the Singapore dollar to 2.5345/5387 from 2.5371/5408 previously.

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

KUALA LUMPUR -- Short-term interbank rates closed steady Friday following Bank Negara Malaysia's intervention to absorb surplus liquidity from the financial system. The liquidity surplus in the conventional system fell to RM15.8 billion from RM29.95 billion estimated in the morning while in the Islamic system, it decreased to RM3.23 billion from RM15.42 billion earlier in the day.

In the morning, the central bank called for six tenders – one range-maturity auction money market; one Islamic range-maturity auction money market; two repo and two Commodity Murabahah Programme. BNM also conducted a conventional money market tender for RM15.8 billion and a RM3.2 billion Al-Wadiah money market tender, both for three-day money. The overnight rate stood at 3.22 per cent while the one-, two- and three-week rates stood at 3.26 per cent, 3.30 per cent and 3.33 per cent respectively.

KLIBOR Futures Contracts End Unchanged

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contracts ended unchanged Friday. September 2014, October 2014, November 2014 and December 2014 remained pegged at 96.29, 96.26, 96.24 and 96.25 respectively. Open interest amounted to 3,310 contracts. At 11 am fixing, the underlying three-month KLIBOR stood at 3.71 per cent.

KLCI Futures Close Mixed

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts on Bursa Malaysia Derivatives closed mixed Friday on lacklustre trading.

At the close, only two months were traded. Spot month September 2014 edged down 0.5 of-a-point to 1,858 while October 2014 added one point to 1,861. December 2014 and March 2015 were flat at 1,862 and 1,859.5 respectively.

Turnover decreased to 2,432 lots from 4,104 lots Thursday while open interest contracted to 27,884 contracts from 29,182 contracts previously. The FBM KLCI settled lower by 0.75 of-a-point to 1,868.46.

Islamic Banks Have Potential To Extend Intermediary Role

KUALA LUMPUR -- Islamic banks have the potential to extend their role to include that of an investment intermediary, says Bank Negara Malaysia Governor Tan Sri Dr Zeti Akhtar Aziz. "In performing investment intermediation, Islamic banking institutions not only strengthen further the linkage of finance and real economic activity, but also contribute towards more inclusive and more balanced growth," she said in her speech while officiating the Global Islamic Finance Forum (GIFF) 2014 here Tuesday.

Enormous Potential For Maybank to Tap Opportunities

KUALA LUMPUR -- Maybank Group President and Chief Executive Officer Datuk Abdul Farid Alias says there is still an enormous potential for the group to tap the latent business opportunities in the Asean region as part of its growth strategy. Even within the consumer segment, there are new growth areas such as regional private banking and asset management, which the group has yet to fully explore, he told reporters Sunday on the sidelines of the Invest Malaysia London conference held in London from Sept 1-2.

Bank Muamalat To Launch Islamic Private Banking

KUALA LUMPUR -- Bank Muamalat Malaysia Bhd expects to launch Islamic Private Banking within a year to cater to the growing demand for the service, Chief Executive Officer Datuk Mohd Redza Shah Abdul Wahid said. The bank is currently studying the product concept and expected to complete the framework in the next six months, he said after signing a memorandum of understanding with the Bank of London and the Middle East Plc, here Tuesday.

BNM Accords Emas Status To Exim's Sukuk

KUALA LUMPUR -- Bank Negara Malaysia (BNM) has accorded 'Emas' status to the Export-Import Bank of Malaysia Bhd's (Exim) US$300 million (RM950.36 million) sukuk issuance. BNM Governor Tan Sri Dr Zeti Akhtar Aziz conferred the status Tuesday at the Global Islamic Finance Forum 2014 organised by it. This is the 14th issuance to be granted the 'Emas' status by BNM.

Investments Abound For Foreign Fund Managers In Malaysia

KUALA LUMPUR -- Investment opportunities abound for international fund managers in Malaysia and among public-listed companies in the country, given the strong growth fundamentals of the economy, Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar said. Malaysia's financial system remained strong, robust and supportive of the economy, he said in his keynote address at the Invest Malaysia 2014, co-organised by Maybank Kim Eng and Bursa Malaysia, in London Sunday.

Bank Islam To Manage Waqf Fund For KUIN

KUALA LUMPUR -- University College Insaniah (KUIN) has appointed Bank Islam Malaysia as its strategic partner to manage a waqf fund to be used to develop a mosque. The fund comprises contributions from the public, including individuals, government agencies and private corporations and the cost of the mosque's construction is expected to be around RM15 million, said Bank Islam in a statement Tuesday.

UOB Expects Customers To Double Forex Transactions

KUALA LUMPUR -- United Overseas Bank (M) Bhd expects its Business Banking customers to double the volume of their foreign exchange transactions over the next 12 months. Its Executive Director/ Head of Business Banking, Raymond Chui, said in a statement Tuesday, as Malaysian small businesses increased their cross-border transactions, the need for foreign exchange solutions would rise.

MFPC Receives Nod For Shariah RFP Programme

KUALA LUMPUR -- The Malaysian Financial Planning Council (MFPC) has received the nod from the Securities Commission for recognition of its Shariah Registered Financial Planner (RFP) programme. In a statement Tuesday, MFPC said the programme is aimed at enabling practitioners to be equipped with Takaful and Islamic finance knowledge to better serve the needs of the market and crystallise the national agenda to make Malaysia an Islamic Financial centre.

Global Islamic Asset Management Set To Grow

KUALA LUMPUR -- The size of asset management in the global Islamic market is expected to improve from the current four per cent due to the increasing number of high net-worth investors, says Bank of London and the Middle East plc (BLME) Chief Executive Officer, Humphrey Percy. "We think it is a very interesting opportunity for banks to explore the wealth management segment," he told reporters on the sidelines of an exchange of a memorandum of understanding between the BLME and local Malaysian bank, Bank Muamalat Malaysia, here Tuesday.

BSN Surpasses Target Of Providing 5,000 Banking Agents

TUMPAT -- Bank Simpanan Nasional (BSN) has surpassed its target of providing 5,000 registered banking agents throughout the country, Deputy Finance Minister Datuk Ahmad Maslan said. He said this lived up to the prime minister's expectation of having 5,000 BSN banking agents over three years as spelt out in the 2012 Budget. "All mukim (counties) throughout the country are now served by BSN banking agent services," he told reporters during a visit to the Pengkalan Kubor BSN office here Tuesday.

No Impact On Islamic Finance Players With Newcomers – Bahrain EDB

By Siti Radziah Hamzah

KUALA LUMPUR -- Malaysia and the Gulf Cooperation Council (GCC) countries remain the leaders in the Islamic finance industry, despite the emergence of new participants vying to get a piece of the pie. Speaking to Bernama via an e-mail interview, Bahrain Economic Development Board Chief Economist Dr Jarmo Kotilaine said an established financial industry required many component parts for its sustained development and the Islamic finance architecture was much more developed and complete in the Gulf and Malaysia than any other part of the world.

Islamic Banking Industry Needs More Awareness To Grow - Al-Hilal Bank

KUALA LUMPUR -- More awareness on Islamic banking should be done in an effort to attract more countries and corporate to establish Islamic banks, thus growing the industry size, said Al-Hilal Bank Chief Executive Officer, Prasad Abraham. Speaking at the sidelines of the three-day Global Islamic Finance Forum here Wednesday, he said countries, especially non-Muslim countries, needed to know the benefits of Islamic banking so that they could adopt Shariah-compliant banking. Prasad said Al-Hilal, a bank wholly-owned by the Abu Dhabi government, had managed to establish a presence in Kazakhstan as a result of increased awareness on Islamic banking in that region.

Maybank Sets Up US$5 Bln Euro-Commercial Paper Programme

KUALA LUMPUR -- Maybank has successfully established a euro-commercial paper programme (CP Programme) of up to US$5 billion or its equivalent in alternative currencies in nominal value. In a filing to Bursa Malaysia here Thursday, the bank said the CP Programme, which has been assigned a final short-term debt rating of P-2 by Moody's Investors Service Inc, would give it the flexibility to raise funds.

Khazanah Issues US$500 Mln Exchangeable Sukuk At Negative Yield

KUALA LUMPUR -- Khazanah Nasional Bhd has priced a US$500 million (RM1.59 billion) exchangeable sukuk to be issued via its Labuan incorporated independent special purpose company, Cahaya Capital Ltd. The sukuk is exchangeable into Tenaga Nasional Bhd's ordinary shares, it said in a statement here Thursday. "The exchangeable sukuk, priced through an accelerated book-building process at -0.05 per cent yield to maturity with a 15 per cent exchange premium, is the first seven-year put four exchangeable sukuk priced at a negative yield," it said.

M'sia Can Lead Islamic Financing In Halal Mart

KUALA LUMPUR -- Islamic finance has the opportunity to grow into the halal sector, and Malaysia can be the first country to lead the convergence, said a board member of Dinarstandard, Advisory Board for Crescentrating and Falah Capital, Rushdi Sidduqui. He said if Malaysia took this vision and pushed it ahead, it has the credibility to have the world looking at it seriously. "At the end of the day, it's all about getting the institutional support, but the thing about Islamic finance and the halal space are both have to be politically-supported," he told reporters during a discussion on 'Financing the Halal: Why Not Islamic Finance' in conjunction with the Global Islamic Finance Forum here Thursday.

More Sukuk Issuances From Conventional Hub Needed For Growth

KUALA LUMPUR -- The global sukuk market must see more issuances from conventional financial hubs such as Japan, South Korea and the US and increased issuances in diverse currencies, said the Association of Islamic Banking Institutions Malaysia (AIBIM). In a statement here Thursday, AIBIM said these issuances were needed for the global sukuk market to sustain its growth momentum. Moody's Investors Service Global Head of Islamic Finance, Khalid Howladar, said once these countries and non-Islamic sovereigns entered the market, they would completely change the dynamics of the sukuk market going forward.

Bank Islam Expects 20 Pct Growth In Financing This Year

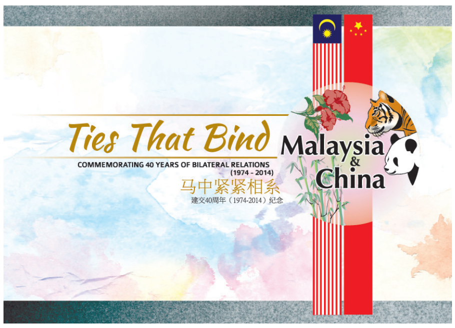
KUALA LUMPUR -- Bank Islam Malaysia Bhd, the nation's first Islamic Bank, expects a 20 per cent growth in its financing activities this year, says Managing Director, Datuk Seri Zukri Samat. Speaking to reporters after the signing of a Memorandum of Understanding between Bank Islam, the National Cooperative Body of Malaysia (Angkasa), Visa Malaysia and Clixster Mobile Group, he said this would be slightly lower compared with the 25 per cent growth registered last year. Zukri added that this was probably impacted by some of Bank Negara Malaysia's measures to slow down the debt growth in the household sector.

EPF Has Not Been Part Of Proposed Mega-Bank Merger Talks

KUALA LUMPUR -- The Employees Provident Fund (EPF) has reiterated that it has not been part of any discussions on the details of the proposed merger that would create the country's largest bank. The banks involved are CIMB Group Holdings Bhd, RHB Capital Bhd and Malaysia Building Society Bhd. In a statement here Friday, the EPF said it has merely asked the RHB board to consider the fund's unique position as the guardian of the rights and savings of 14 million working Malaysians, who deserved a voice in determining the future of their investments.

SME Bank Extends Reach To Customers

KUALA LUMPUR -- SME Bank is extending its reach to small and medium entrepreneurs by organising a 'Customers Open Day' programme scheduled for later this month and in October. The bank said the engagement programme, which was designed to expose entrepreneurs to its host of financing schemes and services, would be held at its 16 enterprise centres located throughout the country. "The customers would have the opportunity to interact with the bank's Relationship Managers to discover how to expand their businesses to the next level with the bank's help," it said in a statement here Friday. For more information, customers can visit the bank's website at www.smebank.com.my or call the customer contact centre at 1-800-88-3131.



Chevrolet Targets 2,400-Unit Sales Of Malibu LTZ

KUALA LUMPUR -- NAZA Quest Sdn Bhd targets to sell 2,400 units of its brand new Chevrolet Malibu LTZ executive sedan in the next 12 months, driving on positive track record of the model regionally. "We expect this new model to contribute around 10 to 12 per cent to our total sales during the same period," its Chief Operating Officer Norzahid Mohd Zahudi told reporters after the launch of the model here, Tuesday.

FTAs Enhance Businesses' Export Growth - Survey

KUALA LUMPUR -- Malaysian businesses leveraging on the free trade agreements (FTAs) have experienced moderate to significant export growth, according to a HSBC survey. The inaugural FTA survey, conducted by the Economist Intelligence Unit, also found that only less than a fifth of local companies were taking advantage of such trade agreements, said HSBC Bank Malaysia Bhd in a statement Tuesday.

EPF Posts RM10.40 Billion Income Q2

KUALA LUMPUR -- The Employees Provident Fund (EPF) has recorded a 13.47 per cent surge in investment income to RM10.40 billion for the second quarter ended June 31, 2014 compared with RM9.16 billion in the corresponding quarter last year. The improved global and the emerging markets investment climate had facilitated EPF in carrying out investment and profit taking activities, its Chief Executive Officer, Datuk Shahril Ridza Ridzuan said. "We are able to maintain the previous quarter's momentum on the back of a stable and encouraging Malaysian economy," he said in a statement here Tuesday.

Khazanah Eyes Sukuk Issuance In Eastern Europe

KUALA LUMPUR -- Khazanah Nasional Bhd is considering the issue of sukuk or Islamic bonds in Eastern Europe following the opening of its office in Istanbul, Turkey, last November. Executive Director and Chief Financial Officer Mohd Izani Ghani said the office was established to tap investment opportunities around Turkey, North Africa and Eastern Europe. He, however, said Khazanah was not planning on issuing a foreign currency sukuk. "We haven't quite covered Europe yet as an investment haven. "So, if there any good assets for us to invest in this region, we will be happy to consider," he said during his presentation on "Sukuk: Malaysia as the Global Marketplace" at the Global Islamic Finance Forum (GIFF) 2014 here Wednesday.

July Passenger Travel Shows Strong Growth - IATA

KUALA LUMPUR -- The global passenger traffic results for July shows a 5.3 per cent demand growth from the corresponding period last year, the International Air Transport Association (IATA) said. It said the capacity expanded in tandem with demand, resulting in a global load factor of 82.3 per cent, unchanged from last year. IATA Director-General and Chief Executive Officer Tony Tyler said in a statement here Wednesday, July was another strong month of growth for air travel and people were connected by air in ever greater numbers.

MIDA Confident Approved Investment Will Surpass RM53 Bln

KUALA LUMPUR -- Malaysian Investment Development Authority (MIDA) is optimistic that approved investments in manufacturing sector will surpass the initial target of RM53 billion this year. Executive Director, Manufacturing Development (non-resource), Datuk Wan Hashim Wan Jusoh said the investments were driven mainly from the electrical and electronics sector as well as stronger contributions from the oil and gas sector especially petrochemical and chemical-based products. "Petrochemical is coming strongly because of the Pengerang's Refinery and Petrochemical Integrated Development (Rapid) project," he told a media briefing here Wednesday.

PPB Expects Better Financial Performance In 2nd Half

KUALA LUMPUR -- Conglomerate, PPB Group Bhd, expects its financial performance in the second half of the year to be better than the first half given the substantial contribution anticipated from its associate, Wilmar International Ltd. "We expect Wilmar to perform better in the second half driven by its improved sugar and oil palm plantation businesses," Managing Director Lim Soon Huat told reporters after a briefing on the group's financial performance here Wednesday. PPB Group chalked up a 20 per cent lower pre-tax profit of RM366 million against RM455 million recorded in the same period in 2013, due to reduced profit contribution from Wilmar.

Worldwide Airline Share Prices Up 3 Pct In Aug - IATA

KUALA LUMPUR -- Worldwide airline share prices rose three per cent in August compared with July this year, supported by further easing in jet fuel prices. All regions experienced a rise in airline share prices, with airlines in the US experienced the strongest rise of up to five per cent, the International Air Transport Association (IATA) said in a statement here Thursday. In its Airline Financial Monitor report for July-August 2014, IATA said the rise was consistent with the second-quarter (Q2) financial results of the airlines which showed a significant improvement for North American carriers on a year ago.

M'sia's Total Trade In July Increases To RM118.59 Bln

KUALA LUMPUR -- Malaysia's total trade in July 2014 increased to RM118.60 billion from RM118.59 billion recorded in the same month last year while trade surplus was recorded at RM3.64 billion, said the Ministry of International Trade and Industry (MITI) Friday. In its Malaysia External Trade Statistics reports, MITI said exports in July expanded 0.6 per cent, year-on-year, to RM61.12 billion while imports decreased by 0.7 per cent to RM57.48 billion. "Increases in trade were recorded with Singapore which rose by RM1.41 billion, Australia (RM775.4 million), Taiwan (RM763.5 million), Kuwait (RM577.2 million), Hong Kong (RM529.6 million), the Philippines (RM479.2 million), Saudi Arabia (RM361.3 million) and the United States (RM291.6 million)," it said here Friday.

Rubber Glove Industry Urged To Tap Growing Market

KUALA LUMPUR -- Deputy Prime Minister Tan Sri Muhyiddin Yassin has urged rubber glove industry players to take full advantage of the growing global market opportunities by continuing to be dynamic in addressing its needs. "The government has always been supportive of the total development of the Malaysian rubber sector, which has contributed immensely to the social economic agenda of the country," he said at the opening of the 7th International Rubber Glove Conference and Exhibition 2014 here Tuesday.

Toshiba Wins EPC Contract For Jimah Power Project

KUALA LUMPUR -- A consortium comprising Toshiba Corp and international companies, has won an engineering, procurement and construction (EPC) contract for a 2,000 megawatt ultra-super-critical coal-fired power generation project in Jimah, Negeri Sembilan. The international companies include IHI Corp, Hyundai Engineering Co, Ltd and Hyundai Engineering & Construction Co. Ltd., Toshiba Corp said in a statement Tuesday.

Johor To Develop Technical Education Hub In Tenggara

JOHOR BAHARU -- The Johor government will develop a technical education hub on a 200-hectare site in Tenggara, near Kota Tinggi, next year, Menteri Besar Datuk Seri Mohamed Khaled Nordin said. The hub would replicate the EduCity Iskandar Malaysia where basic facilities would be provided for technical institutions to be set up, he told reporters after addressing new students at Universiti Teknologi Malaysia's (UTM), Skudai near here Tuesday.

Public, Private Sector Commitment Vital - Mustapa

KUALA LUMPUR -- Enhancing Malaysia's competitiveness requires concerted efforts and commitment from both the public and private sectors, says International Trade and Industry Minister Datuk Seri Mustapa Mohamed. "This commitment does not only serve to facilitate the ease-of-doing business but also encourage the private sector to step up efforts to invest in technology and pursue innovation continuously," he said in a statement Wednesday. Malaysia continues its upward trend making it among the top 20 most competitive economies.The Global Competitiveness Report (GCR) 2014-2015 of the World Economic Forum ranked Malaysia 20th out of 144 economies compared with its 24th position out of 148 countries recorded previously.

Financial Results Below Expectations – Alliance DBS

KUALA LUMPUR -- The financial results for the second quarter of calendar year 2014 were below expectations as negative surprises overwhelmed the positives, said Alliance DBS Research Wednesday. In a research note here, Alliance DBS said within the company's coverage universe -- aviation, chemicals, construction, media, property, gloves, gaming and telecommunications -- the reported results were below expectation. Meanwhile, not a single sector had beaten expectation, it said.

SC To Facilitate Ecosystem For Islamic Capital Mart

KUALA LUMPUR -- The Securities Commission Malaysia (SC) aims to nurture a facilitative ecosystem that will enable the Islamic capital market to serve its objective on gaining a delicate balance between commercial requirement and social equity. Speaking at the International Islamic Capital Market Forum in conjunction with the Global Islamic Finance Forum (GIFF) 2014 here Wednesday, Deputy Chief Executive Officer, Datuk Dr Nik Ramlah Mahmood, said the aspiration was to propel the Islamic capital market to move towards the new frontier and that the Islamic capital market has developed to become a viable alternative to its conventional counterpart as an avenue for fund-raising and investment.

Manulife Completes Merger With MAAKL

KUALA LUMPUR -- Manulife Holdings Bhd Wednesday announced the successful completion of the merger between its wholly-owned subsidiaries MAAKL Mutual Bhd (MAAKL) and Manulife Asset Management Services Bhd (MAMSB). In a statement here Wednesday, Manulife said the merger followed Manulife's acquisition of MAAKL last year and marked the full consolidation of both companies into a single entity, which will retain the MAMSB name. Manulife Holdings Group Chief Executive Officer Mark O' Dell said the completion of the merger was the final milestone of MAAKL's acquisition.

Chinese Business Community Upbeat On M'sian Economy For 2nd Half

KUALA LUMPUR -- The Chinese business community is generally upbeat on the Malaysian economy for the second half of the year, buoyed by steady export orders. Speaking at a press conference to present Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) survey report on Malaysia's economic outlook here Wednesday, Deputy chairman of ACCCIM Socio-Economic Research Committee, Peck Boon Soon, said many businesses foresaw a pickup in their businesses in the second half.

Make Sukuk Structures Easier To Adapt – Cagamas

KUALA LUMPUR -- Cagamas Bhd has called for the regulators to simplify the sukuk structures to make it more attractive and easier for other countries and corporate to adapt, said Chief Executive Officer, Chung Chee Leong. He said the complexity of the Shariah-compliant sukuk structures had made investors especially from non-Muslim countries to continue issuing bonds, which is the conventional debt investment. “If the yield for the sukuk is equally the same as bonds, they will still prefer to issue bonds as it is simpler,” he said during a parallel breakfast and networking session entitled ‘Cross-border Challenges and Enhancing Liquidity Visibility in Islamic Banking, here Wednesday.

Gas Malaysia Gets Petronas Contract

KUALA LUMPUR -- Gas Malaysia Bhd has agreed on the terms for the engineering, procurement, installation and commissioning of Coriolis Meter complete with data logger at 151 Petronas’ natural gas vehicle stations for RM11 million. The project cost RM9.6 million and Gas Malaysia would charge an additional 15 per cent, or RM1.4 million, as the project management costs, it said in a filing to Bursa Malaysia here Wednesday. “The completion date for the installation works is by September 2015,” it said.

BHIC Gets Contract To Service Scorpene Submarines

KUALA LUMPUR -- Boustead Heavy Industries Corporation Bhd (BHIC) announced it has received a formal contract to provide in service support (ISS) for two Royal Malaysian Navy’s Prime Minister Class Scorpene submarines. In a statement here Wednesday, BHIC said its subsidiary, Boustead DCNS Naval Corporation Sdn Bhd had earlier received a letter of award (LOA) on Aug 13, 2010 from Government of Malaysia to undertake the ISS contract worth 193 million euro and RM532 million and was effective till Nov 30, 2015.

Musim Mas Targets RM700 Mln Investment

JOHOR BAHARU -- Musim Mas Group, one of the world’s biggest palm oil players, plans to increase its investment up to RM700 million in Malaysia through its wholly owned subsidiary, Musim Mastika Oils & Fats (M) Sdn Bhd. International Trade and Industry Minister Datuk Seri Mustapa Mohamed said this would contribute significantly to investment from Indonesia. “We hope to see more investment coming from Indonesia, especially with the realisation of Asean Economic Community by 2015,” he said at the opening of Musim Mastika Oils & Fats in Tanjung Langsat near here Wednesday.

Govt Extends Incentives For GBI, Other Green Technologies

KUALA LUMPUR -- The Energy, Green Technology and Water Ministry has finalised the new gazette to extend incentives for owners of buildings and properties certified with Green Building Index (GBI) and other green technologies. Deputy Minister Datuk Seri Mahdzir Khalid said this was due to the remarkable progress of GBI, a green rating tool for buildings and towns, since its inauguration about five years ago. “To mark the government’s support of our GBI, Prime Minister Datuk Seri Najib Tun Razak had also announced incentives in the form of tax exemption and stamp duty waiver, respectively for owners of building with GBI certificates and buyers of GBI certified properties,” he said at the ‘100 Million Sq Feet Certified Green Building Celebration’ gala dinner here Wednesday night.

MAS Needs Appropriate Business Structure To Be Viable – Wahid Omar

KUALA LUMPUR -- The Malaysia Airlines (MAS) revamp plan should compose an appropriate business structure for the national carrier in the face of stiff competition in the aviation industry, said Minister in the Prime Minister’s Department Datuk Seri Abdul Wahid Omar. He said there is a need to undertake a strategic reset or a hard reset for MAS to be viable. “It needs to operate on a fresh structure that is efficient as the airline industry is extremely competitive,” he told reporters at the Channel NewsAsia’s Business Insights Malaysia 2014 Forum here Thursday.

Fortinet Cautions Companies Against Over Reliance On ISPs

KUALA LUMPUR -- Fortinet, a global leader in high-performance network security, is urging Malaysian organisations to stop relying on Internet Service Providers (ISPs) to protect them from Distributed Denial of Services (DDoS) attacks. DDoS is one of the oldest Internet threats which targets specific applications and services to slowly exhaust resources at the application level and continues to be the top risk to networks around the world, says Eric Chan, Fortinet Southeast Asia and Hong Kong Solution Consulting Director here Thursday. To help Malaysian enterprises protect against escalating DDoS attacks, he advised that they enable DDoS protection on firewall or IPS or have dedicated DDoS Attack Mitigation Appliances.

GST Main Component Of Strategic Fiscal Transformation Package – Wahid Omar

KUALA LUMPUR -- The Goods and Services Tax (GST), which is scheduled for implementation on April 1 next year, is an integral component of the strategic fiscal transformation package to fulfill the fundamental structure of the country’s economy, said Minister in the Prime Minister’s Department, Datuk Seri Abdul Wahid Omar. Speaking at Channel NewsAsia Business Insights Malaysia 2014 Forum here Thursday, he said GST has been proven to be a better tax system as it was more effective, efficient, transparent and business friendly, and could spur economic growth as well as increase competitiveness in the global market.

OCK Gets Nod For PT Mulia Acquisition

KUALA LUMPUR -- Shareholders of OCK Group Bhd Tuesday agreed to the proposed acquisition of a 85 per cent equity interest in PT Putra Mulia Telecommunication (PMT) for RM21.25 million. Speaking after the company's extraordinary general meeting here, Group Chief Executive Officer Ooi Chin Khoon said the acquisition would be completed in a month's time and is expected to contribute between RM7 million to RM10 million in revenue to the company by year-end.

Marks & Spencer To Open 7th Outlet

JOHOR BAHARU -- UK-based retailer Marks & Spencer (M&S), is looking at opening at least one more outlet in Malaysia by the end of this year following encouraging demand from local consumers. "We will definitely open more outlets but we have yet to choose the locations. At least one will be opened by the end of this year," M&S Malaysia Assistant General Manager Allicia Thau told reporters at a media preview of the sixth M&S outlet in Malaysia at Komtar Johor Baharu City Centre (JCBB) here Tuesday.

AirAsia X Appoints New CFO

KUALA LUMPUR -- AirAsia X Bhd, the leading long-haul low-cost carrier, has appointed Chew Eng Loke as its Chief Financial Officer (CFO) effective immediately. As CFO, Chew is responsible for corporate finance and treasury matters, financial planning and analysis, external reporting and investor relations. In a statement Tuesday, AirAsia X said Chew replaced Yvonne Abdullah, who has decided to pursue other opportunities.

MIDA To Review Incentive Policies - Chairman

GEORGE TOWN -- The Malaysian Investment Development Authority (MIDA) will continue to review its incentive policies to stay relevant, says chairman, Senator Tan Sri Amirsham Abdul Aziz. MIDA will also continue to upgrade itself to ensure the country remain competitive and attract quality investments to generate more job opportunities, he said after opening ViTrox Technologies Sdn Bhd's Centre of Excellence for machine vision at Bayan Lepas Industrial Park here Tuesday.

Bursa Malaysia To Hold First ETF, SBL Conference

KUALA LUMPUR -- Bursa Malaysia Bhd will hold its inaugural exchange-traded funds (ETFs) and securities borrowing and lending (SBL) conference on Sept 10, 2014. In a statement Tuesday, Bursa Malaysia said the conference, themed 'Enhancing Portfolio Returns using ETF and SBL', will bring together global thought leaders in ETFs and SBL to share inights into global trends and best practices.

IRB Approves Pantai Holdings' Equity Transfer

KUALA LUMPUR -- IHH Healthcare Bhd's (IHH) indirect unit, Parkway Pantai Ltd (PPL), has received the approval from the Inland Revenue Board of Malaysia (IRB) for the transfer of 100 per cent equity interest in Pantai Holdings Bhd (PHB) to PPL. In a filing to Bursa Malaysia Tuesday, IHH Healthcare said the exercise took effect from July 21, 2014. "The internal reorganisation was undertaken in order to streamline the PPL Group structure," it said.

Malaysian Firm To Be Listed On Aussie Stock Exchange

MELBOURNE -- AdvanceTC Limited, a Malaysian premier company specialising in the design, development and commercialisation of high-tech mobile wireless computing and telecommunication devices, will be listed on the National Stock Exchange of Australia (NSX) Thursday. It will be witnessed by Advance TC Executive Chairman and Executive Officer Loi Cheng Peng and other directors of the firm who have flown in from Malaysia. "NSX is attracting innovative companies from all around the world," NSX Chief Executive Emlyn Scott said in a statement Wednesday.

RedONE Goes Paperless

By Sajad Hussein

KUALA LUMPUR -- The registration process, for redONE - one of Malaysia fastest growing postpaid mobile services - is going paperless, Chief Executive Officer Farid Yunus announced Wednesday. With the new innovation, the company's 2000 sales partners throughout the country would be able to register new subscribers - anywhere anytime- using Andriod application running on Samsung's Galaxy Note 8.0 tablets, he said, Farid told Bernama.

Etiqa Appoints Sue CEO Of S'pore Unit

KUALA LUMPUR -- Etiqa Insurance and Takaful has appointed Sue Chi Kong as Chief Executive Officer (CEO) of its Singapore-based insurance unit, Etiqa Insurance Pte Ltd, and Luisa Evaristo as Chief Risk Officer effective July 1 and Aug 1, 2014 respectively. In a statement here Wednesday, Etiqa Insurance said Sue has over 30 years' experience in the insurance industry, including two in Great Eastern Life Assurance prior to joining Maybank Group in March 2003. It said Evaristo, who took over from Rogier Willem Peters, would be responsible to further strengthen the risk management practices of the group.

More Than 3,000 Expected To Attend GST Info Programme

KUALA LUMPUR -- Over 3,000 participants are expected to attend the National Goods and Services Tax (GST) Information Programme, which will be launched by Prime Minister Datuk Najib Tun Razak at the Putra World Trade Centre on Sept 10. Speaking at a media briefing after giving a briefing on GST at Universiti Teknologi Mara here Wednesday, Deputy Finance Minister, Datuk Ahmad Maslan, said the programme participants would include those from government-linked companies, government agencies, Barisan Nasional component party leaders, representatives from non-governmental organisations, youth representatives and students.

KLIFF 2014 To Be Held On Nov 10-13

KUALA LUMPUR -- The Kuala Lumpur Islamic Finance Forum 2014 (KLIFF 2014) is scheduled to be held on Nov 10-13 at Hotel Istana, with the theme, "Positioning and Repositioning for Sustainable Globalised Market". KLIFF is the most prominent event held annually by the Centre for Research and Training (CERT), in collaboration with the Association Islamic Banking Institutions Malaysia (AIBIM), Amanie Advisors and Messrs. Hisham, Sobri & Kadir. KLIFF 2014 will highlight the Ninth KLIFF Shariah Forum, 11th KLIFF Main Forum, KLIFF Awards Dinner Presentation, Third KLIFF Roundtable and the first KLIFF Law Conference.

KUALA LUMPUR -- Achieving a significantly lower cost structure is a crucial antidote to ensure the success of Khazanah Nasional Bhd's RM6 billion recovery plan for Malaysia Airlines (MAS) unveiled last Friday. This entails MAS gravitating to a regional focus on destinations within the radius of eight hours of flying time. Beyond that, the airline can penetrate longer destinations with partner airlines through the OneWorld Alliance via code-sharing agreements. That means route rationalisation must aggressively penetrate South-East Asia, the Middle East, China, India, Japan, Australia and New Zealand as well as domestic airlines. For cost cutting to happen, it is also incumbent on the workers to pull up their socks and be both productive and cost-effective for there is no denying that MAS, with 20,000 employees, has undoubtedly a bloated workforce.

NOT A BAILOUT..Khazanah Nasional Bhd Managing Director Tan Sri Azman Mokhtar says, the RM6 billion recovery plan for Malaysia Airlines (MAS) is not a bailout.--FotoBERNAMA

30 Per Cent Cut In Employees

That is why the 30 per cent cut in employees, or some 6,000 people, is a step in the right direction in creating quality personnel and making the airline focused on revenue yield management. Besides this, improved supply contracts are vital to cut costs and boost savings, which means the hundreds of existing supply contracts with MAS need to be reviewed so that it is a win-win situation for both sides. After six quarters of losses, the national carrier's financial state of health is critical and MAS cannot continue to bleed without other stakeholders doing their part to help MAS get on a firmer financial footing. The announcement Friday is timely as the two tragedies -- the disappearance of the Boeing 777 MAS370 on March 8 and the shooting down of another jet, MH17 on July 17 over eastern Ukraine -- led to a loss of RM2 billion. Coupled with the continuing losses over six consecutive quarters, it would have led to dire straits as by December this year, its cash balance would have been depleted to only RM500 million and practically be in the red.

MAS Becomes Newco

From July 1, 2015, MAS will become a new company (Newco), where it would sign contracts with suppliers on terms that are fair and takes into account its financial difficulties. At the same tine, the enactment of a MAS Act would give power to effect certain changes, especially where agreements are lop-sided and which would have to be reviewed or renegotiated under Newco. If contractors don't play ball, then the MAS Act can be invoked. Undeniably, there is political will since the government has given the blessings to its investment arm, Khazanah, to work out the recovery plan, but there must be no political interference. Those implementing the recovery plan must be left to do their jobs so that it is executed expeditiously, with the company's bottomline foremost among its objectives. Khazanah has undoubtedly taken the middle road in working out the plan. There must be fundamental changes to how business contracts are signed and future agreements must not be lop-sided and neither should they contain elements of corruption, cronyism or leakages.

Not A Bail-Out

Before critics cast aspersions or accuse it of a bailout, it must be remembered that the plan is conditional upon Khazanah completing the acquisition of the remaining 30.4 per cent equity in MAS it does not already own. Hopefully, MAS would become Khazanah's wholly-owned subsidiary possibly by November so that the airline can be delisted. Then, the government's investment arm would have a free hand in executing the recovery plan, where clear targets have been laid down, including returning to profitability by end-2017 and thereafter relisting by 2018 or 2019. Khazanah would be able to recoup its investment from the relisting. Against such a backdrop, Khazanah's RM6 billion recovery plan is not a blank cheque for MAS because the plan includes cost restructuring, retrenchments as well as a voluntary separation scheme. Also, 3,500 employees would be taught new skills at a corporate re-skilling centre and redeployed in companies under Khazanah's stable while MAS would have to move its headquarters from Subang to Kuala Lumpur International Airport to achieve operational efficiency. The process of instituting the recovery plan would take about 10 months and culminate in MAS coming under the Newco on July 1, 2015.

LIST OF MARKET REPORTS :

BURSA: KL Shares To Trade Sideways Next Week

By Siti Radziah Hamzah

KUALA LUMPUR -- Share prices on Bursa Malaysia are likely to trade sideways at between 1,860 and 1,880 points next week, on lack of local leads, continuous tension in Ukraine and interest rate uncertainty in the US. Affin Investment Bank Vice President and Head of Retail Research, Dr Nazri Khan Adam Khan said global equities are vulnerable to more consolidation as the US Federal Reserve shifts towards normalising monetary policy and the European Central Bank's soft interest rate cuts.

Based on historical precedent, Nazri Khan said Malaysian equities are expected to perform the strongest in the last quarter of the year, especially on a relative basis during a volatile time. "We expect short-term excitement in the local market supported by year-end institutional accumulation following the launching of various large-scale initial public offerings (IPOs) in the medium term," he told Bernama. The upcoming IPOs include 1Malaysia Development Bhd, Carimin Petroleum Bhd and Iskandar Waterfront Holdings Bhd. For the week-just-ended, the FBM KLCI went up 2.35 points to 1,868.46 from 1,866.11 last Friday.

Weekly turnover fell to 11.03 billion shares valued at RM8.65 billion from 15.18 billion shares valued at RM11.57 billion recorded last week. Main market volume decreased to 7.923 billion units worth RM8.10 billion from last week's 10.92 billion units worth RM10.67 billion.

FOREX: Ringgit Likely To Weaken Further Next Week

By Zarul Effendi Razali

KUALA LUMPUR -- The ringgit is likely to weaken further against the US dollar next week as investors are expected to remain cautious over the economic uncertainty and political tension in Ukraine, a dealer said. He said the sentiment had worsened after Ukraine's Prime Minister Arseni Yatsenyuk dismissed the proposal on ceasefire plan in eastern Ukraine by Russian President Vladimir Putin on Wednesday. He said the bearish outlook for the local unit could affect the commodity market as well. Affin Investment Bank Vice-President and Head of Retail Research Dr Nazri Khan Adam Khan said given that the ringgit has a positive inter-market correlation with the Commodity Index and euro, this trend might be not positive for the broad local commodities and local market. "The best evidence of rising aversion is that the dollar has surged against most Asian currencies including the ringgit, against which the US dollar put on 4.8 per cent while the ringgit was down 2.2 per cent since August 2014.

"The big question for the markets remains whether the European Central Bank (ECB) would ultimately undertake a full-scale quantitative easing (QE) programme as there is no consensus of ECB on outright QE in the eurozone," he told Bernama. Compared to the ECB's policy fireworks, Nazri Khan said the central banks' meetings in the UK and Japan were tame affairs, with neither resulting in any shifts to clear-cut stimulus policy. "We believe the ECB's soft rate cuts and continued upward US surprises suggest global equities are vulnerable to more consolidation as the Federal Reserve shifts towards normalising monetary policy," he added.

On Friday, the ringgit shed to 3.1810/1840 per US dollar against 3.1510/1530 last Friday. It ended the week mostly higher against other major currencies. The local unit depreciated against the Singapore dollar to 2.5345/5387 from 2.5256/5277 last week but strengthened against the British pound to 5.1895/1957 from 5.2300/2337. The ringgit was up against the euro at 4.1194/1239 from 4.1527/1560 last Friday and advanced against the yen to 3.0220/0255 from 3.0324/0349 previously

Short-Term Rates Expected To Remain Stable Next Week

KUALA LUMPUR -- Short-term rates are expected to remain stable next week as Bank Negara Malaysia (BNM) continues to intervene to stabilise the financial market, dealers said. The central bank is expected to call for tenders to absorb excess funds from the system.

For the week, the overnight Islamic reference rate stood at 3.22 per cent, while the one-, two- and three-week rates stood at 3.26 per cent, 3.30 per cent and 3.33 per cent respectively. BNM intervened on a daily basis to mop up excess funds by conducting tenders, including conventional, repo, range maturity auction, Commodity Murabahah Programme and Al-Wadiah. It also called for late tenders to reduce the surplus and offered repo tenders on a daily basis. Total liquidity surplus in conventional operations this week amounted to RM15.8 billion while excess in the Islamic system stood at RM3.23 billion.

KLCI Futures To See Range-Bound Trading Next Week

KUALA LUMPUR -- The FTSE Bursa Malaysia (FBM) KLCI futures contracts (FKLI) on Bursa Malaysia Derivatives are likely to move sideways next week, tracking the cash market. The cash market is expected to trade in a tight band given the external headwinds. On a Friday-to-Friday basis, September 2014 eased three points to 1,861, October 2014 fell five points to 1,862 and December 2014 declined 4.5 points to 1,859.5. Turnover for the week reduced to 18,071 lots from 75,366 lots last week while open interest fell to 27,884 contracts from 41,603 contracts previously.

CPO Futures To Trade Within RM1,900-RM2,100 Next Week

By S. Joan Santani

KUALA LUMPUR -- Crude palm oil (CPO) futures contracts on Bursa Malaysia Derivatives are likely to trade mixed next week with prices ranging between RM1,900 and RM2,100 per tonne. Interband Group of Companies Senior Palm Oil Trader Jim Teh said market players are expected to remain cautious ahead of the release of official data by industry regulator, Malaysian Palm Oil Board (MPOB), next week. "Traders are awaiting the release of the MPOB data which would provide fresh leads to the market. So we expect demand to be a little bit slower next week," he told Bernama.

The local CPO market would also closely track other vegetable oils market for direction, he added. Teh said exports are expected to pick up as the government exempted CPO export taxes for September and October. According to Cargo Surveyor Intertek Testing Services, Malaysian data showed that shipments of palm oil exports fell 4.8 per cent to 1.3 million tonnes in August from a month earlier.

On a Friday-to-Friday basis, spot month September 2014 increased RM100 to RM2,041 per tonne, October 2014 rose RM110 to RM2,039 per tonne, November 2014 added RM96 to RM2,025 per tonne and December 2014 gained RM91 to RM2,057 per tonne. Weekly turnover rose to 283,968 lots from 238,169 lots last week while open interest increased to 348,491 contracts from 316,694 contracts previously. On the physical market, September South ended RM60 higher at RM2,060 per tonne.

Rubber Market To Trade Mixed Next Week

By S. Joan Santani

KUALA LUMPUR -- The Malaysian rubber market is likely to trade mixed next week, tracking the movement on the Tokyo Commodity Exchange on weak demand, a dealer said. She said the market would also continue to perform weaker as it would be dependent on crude oil prices which are expected to be on the downtrend. "The downtrend in crude oil prices coupled with the sale of rubber from Thailand's stockpile will also be seen as pressuring the prices next week," she added.

The Thai military government sold half of the country's 200,000 tonnes rubber stockpile to a leading exporter and targeted to sell the remaining by end-September. "This situation has affected the global rubber market where demand is already slow-moving," she told Bernama. The market was closed on Monday for the country's Independence Day. For this holiday-shortened week, the Malaysian Rubber Board's sellers' official physical price for tyre-grade SMR 20 slipped 0.5 sen to 508.50 sen per kg while latex-in-bulk decreased three sen to 407.50 sen per kg. The unofficial sellers' closing price for tyre-grade SMR 20 declined two sen to 507 sen per kg and latex-in-bulk fell five sen to 406 sen per kg.

KLIBOR Futures To Remain Quiet Next Week

KUALA LUMPUR --The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contracts on Bursa Malaysia Derivatives are expected to remain quiet next week. For the week just-ended, the market was only traded on Wednesday. The market was closed on Monday due to Malaysia's Independence Day holiday. September 2014, October 2014, November 2014 and December 2014 settled the week at 96.29, 96.26, 96.24 and 96.25 respectively. Volume declined to 400 lots from 500 lots recorded last Friday while open interest was unchanged from last week's 3,110 contracts.

Tin Price Likely To Move Higher Next Week

By Farhana Poniman

KUALA LUMPUR -- The Kuala Lumpur Tin Market (KLTM) is likely to appreciate to between US$21,600 and US$21,700 a tonne next week on higher demand. A dealer expects next week's price to be supported by better consumer demand, mainly from Europe and Japan.

"Sellers are reluctant to sell below this level after it touched a one-year low at US$21,500 a tonne on September 4 this year," he told Bernama. On a Friday-to-Friday basis, the KLTM ended US$410 lower at US$21,550 a tonne compared with US$21,960 a tonne last week. Total turnover for the four-day trading decreased to 143 tonnes from 201 tonnes last week.

The local tin market was closed on Monday due to the country's Independence Day celebration. Meanwhile, the tin price on the London Metal Exchange (LME) fell by US$275 to close at US$21,525 a tonne compared with US$21,800 a tonne recorded last Friday. The premium between the KLTM and the LME narrowed to US$430 per tonne from US$565 per tonne last week.

Gold Futures To Remain Weak Next Week

By Farhana Poniman

KUALA LUMPUR -- Trading in gold futures contracts on Bursa Malaysia Derivatives will likely remain weak next week due to slowing demand. Speaking to Bernama, Phillip Futures Sdn Bhd dealer, Lim Eng Wee said gold prices are expected to remain under pressure on improving US economy and the stronger US dollar.

A stronger greenback would make the dollar-denominated precious metal more expensive for investors of other currencies. On a Friday-to-Friday basis, September 2014 fell 20 ticks to RM129.70 a gramme, October 2014 declined 19 ticks to RM130 a gramme, November 2014 depreciated four ticks to RM130.20 and December 2014 lost 21 ticks to RM130.75 a gramme.

Volume decreased to 794 lots worth RM10.3 million from 1,988 lots worth RM26.02 million transacted last week. Open interest on Friday fell to 4,325 contracts from 6,159 contracts previously.