BERNAMA
MALAYSIAeBiz
WEEKLY BUSINESS ROUNDUP MARCH 30 - APRIL 03, 2015
April 3, 2015

This Week's Highlight : GST To Lower Cost Of Doing Business - Najib

GST COMES INTO FORCE...The Goods and Services Tax (GST), which takes effect Wednesday, will lower the cost of doing business, said Prime Minister Datuk Seri Najib Tun Razak at the official launch of the World Halal Summit 2015 in Kuala Lumpur.--fotoBERNAMA Anuar Isman

KUALA LUMPUR -- Prime Minister Datuk Seri Najib Tun Razak said the Goods and Services Tax (GST), which comes into force Wednesday, will benefit Malaysian firms as the cost of doing business will fall as they recover input taxes. Najib said the GST was a key part of the biggest series of tax reforms in the country's history as the aim was to make the taxation system more efficient, effective, transparent and business-friendly. "This is good news for the halal industry, since most of the ingredients -- fish, meat, poultry, vegetables and the like -- will incur zero GST," he said at the launch of the Word Halal Summit 2015 (WHS 2015) here.

This Week's Top Stories

MONDAY

Cutting 6,000 Jobs Unavoidable For MAS - Ex-Minister

KUALA LUMPUR -- Ailing Malaysia Airlines (MAS) is facing a "do-or-die" situation and its plan to cut 6,000 jobs is unavoidable and should proceed, former Transport Minister Tan Sri Ong Tee Keat said Monday. Khazanah Nasional Bhd, which owns MAS, had done thorough reassessments under its RM6 billion Recovery Plan for the national carrier and the need to rightsize the workforce was critical to the plan, he told Bernama.

TUESDAY

Pan Borneo Highway To Be Toll-Free - Najib

BINTULU -- The Pan Borneo Highway will be toll-free, Prime Minister Datuk Seri Najib Tun Razak said Tuesday. He said the highway was the main artery connecting Sarawak and Sabah and there were no alternative routes between the two states. This was unlike the case in peninsular Malaysia where the North-South Expressway was the main link and there were many alternative routes, he said when launching the first phase of the highway, the Pan Borneo Sarawak, that costs RM13 billion.

WEDNESDAY

GST: Teething Problems To Be Ironed Out - Ahmad Maslan

SHAH ALAM -- The Finance Ministry expects the teething problems on the Goods and Services Tax (GST), which comes into force Wednesday, will be ironed out within three to four months' time, said its Deputy Minister, Datuk Ahmad Maslan. "We expect the GST to be stabilised within three to four months though in reality it will take seven to eight months," he told reporters after making a working visit to Tesco Extra hypermarket to monitor the GST implementation here Wednesday.

THURSDAY

Najib Launches TH's RM200 Mln Bumiputera Al-Ansar Fund

KUALA LUMPUR -- Prime Minister Datuk Seri Najib Tun Razak Thursday launched the RM200 million Dana Bumiputera Al-Ansar Lembaga Tabung Haji (TH) which aimed to strengthen and lift the economy of Muslim Bumiputera entrepreneurs in the country. He said the fund, launched under the restricted investment account and syariah-compliant, was expected to help catalyse the development of small and medium enterprises (SMEs) and compete at a higher level.

FRIDAY

M'sia Posts RM4.52 Bln Trade Surplus In Feb 2015

KUALA LUMPUR -- Malaysia registered the 208th consecutive month of trade surplus in February 2015, with a value of RM4.52 billion, the Ministry of International Trade and Industry (MITI) said. Trade for the month amounted to RM101.81 billion with exports and imports valued at RM53.17 billion and RM48.65 billion respectively, compared with RM58.91 billion and RM48.48 billion respectively in February 2014. In a statement here Friday, MITI said the performance was similar to other regional countries which recorded lower growth in trade for February 2015. "Among the factors that contributed to this were lower commodities prices, weak global demand particularly in China and the European Union as well as shorter working days," it said.

SMEbrief

SME Bank Allocates RM200 Mln Fund For Women Entrepreneurs

KUALA LUMPUR -- SME Bank has allocated an initial RM200 million for its newly-launched Women Entrepreneur Financing Programme (WEP) fund, tailored for women entrepreneurs. Group Managing Director Datuk Mohd Radzif Mohd Yunus said the financing would be tied together with capacity building and the allocation would be increased depending on the demand and needs from capable young women entrepreneurs. “And this capacity building role will be played by our fully-owned subsidiary, the Centre for Entrepreneur Development and Research (CEDAR),” he told a press conference after the launch by International Trade and Industry Minister Datuk Seri Mustapa Mohamed.

Najib Launches Hawkers & Petty Traders Micro Credit Scheme Worth RM30 Mln

KUALA LUMPUR -- Datuk Seri Najib Tun Razak Thursday launched the Chinese Hawkers and Petty Traders Micro Credit Scheme involving an allocation of RM30 million to help develop their business and facilitate their access to loans. The Prime Minister said under the scheme, each applicant was able to borrow between RM5,000 and RM15,000 depending on the stipulated conditions and approvals. “Development (of the country) must be inclusive and fair especially to the lower income group. That is why we launch the micro credit scheme today, as the government believes this group must be assisted. Regardless of their ethnicity, hawkers and petty traders must be given the assistance as they play a role (for the nation),” he said during his speech ahead of the launch of the scheme in Jalan Alor here, Thursday.

TM Continues To Promote ICT Adoption Among SMEs

KUALA LUMPUR -- Telekom Malaysia Bhd (TM) continues to provide support to the small office-home office, micro as well as Small and Medium Enterprises (SMEs) to enhance their business models in line with the nation’s economic development. Executive Vice President, Consumer and SME, Imri Mokhtar said it was vital to further support their business in terms of Internet connectivity and the adoption of the right productivity tools, thus enabling SMEs to penetrate their service beyond boundaries. “We want them to reach a larger market and broader customer base, by also leveraging on the right software and financing tools, through which they can play a bigger role in contributing to the business ecosystem,” he said at the launch of TM’s fourth edition of SME BizFest 2015 showcase here, Thursday.

Young Entrepreneurs Urged To Participate In ‘Rural Business Challenge’

PETALING JAYA -- The Minister of Rural and Regional Development (KKLW) is hoping that a larger number of young entrepreneurs will embrace the Rural Business Challenge (RBC) this year. Its Minister Datuk Seri Mohd Shafie Apdal said the objective of the contest, now in its fourth edition, is to encourage the aggressive participation of youth, particularly in the rural areas to make entrepreneurship their field of choice. “In doing so, the RBC objective is also to create more job opportunities and enhance the income level of the rural folk,” he said in a statement here Thursday. Mohd Shafie also said that the KKLW by creating the RBC, hoped the younger generation of entrepreneurs can compete by putting forth effective business plans.

PropUP — Property*update*

Amprop To Undertake RM5.5 Bln GDV Project In London

KUALA LUMPUR -- Amcorp Properties Bhd (Amprop) is set to redevelop Sampson House and Ludgate House in London into a mixed development project with a total gross development value of RM5.5 billion. The project, on a 5.3-acre (2.14-hectare) site on the South Bank of the River Thames, will be redeveloped via a special vehicle company set by Amprop, Temasek, Hotel Properties Ltd and United Kingdom-based developer Native Land. Amprop, Temasek and HPL each holds a 30 per cent stake in the entity, with NL holding the remaining 10 per cent, Amprop said in a statement here Monday. The joint-venture company has acquired Sampson House and Ludgate House for a total of RM1.694 billion (£308 million).

KISB To Acquire Land Worth RM14.8 Mln From TPC

KUALA LUMPUR -- Karex Industries Sdn Bhd (KISB), a wholly-owned subsidiary of Karex Bhd, has signed two agreements with Tropical Produce Co (Pte) Ltd (TPC) to purchase two pieces of land measuring about 4.53 hectares in Pontian, Johor for RM14.8 million. In a statement here Tuesday, Karex Chief Executive Officer Goh Miah Kiat said the acquisition is timely due to the new Pontian plant coming on stream by June 2016.

Vigilant On Costs, Property Developers Urged

KUA LUMPUR -- Property developers have been urged to remain vigilant in their cost measures to ensure that properties are still attractive after the implementation of the Goods and Service Tax (GST) on April 1. Making the call, Tourism and Culture Minister Datuk Seri Mohamed Nazri Abdul Aziz said as responsible developers, they should take the lead in overcoming problems of over development so that home prices are within reach of citizens. “I hope the social responsibility of developers to continue helping the Government in achieving progress by offering quality and affordable products to the masses will continue,” he said at the Malaysia Property Insight Prestigious Developer Awards 2015 here Monday.

Penang’s Secondary Property Market To Remain Resilient

GEORGE TOWN -- Penang’s secondary property market transaction volume is expected to remain resilient with the implementation of the Goods and Services Tax (GST). Malaysian Institute of Estate Agents (MIEA) Penang branch Chairman Mark Saw said the GST would have a minimal impact on the secondary property market, driven by high demand especially for residential properties. He said as long as there was population growth, the demand for properties would always be there. “There won’t be too much impact from GST in property, and in fact I believe by August, GST will be fully understood by all,” he told reporters after introducing the MIEA Youth Penang Branch here Wednesday.

MARKET

BURSA MALAYSIA

Scoreboard

Gainers - 383

Losers - 360

Not Traded - 701

Unchanged - 345

Value - 1282293064

Volume - 17890947

BURSA: FBM KLCI Ends Higher, Tracking Regional Markets

KUALA LUMPUR -- The benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) ended the week higher in tracking the positive regional markets. The index closed 2.55 points better at 1,834.52, after hovering between 1,829.74 and 1,836.82 throughout the day. HLIB Research said the local bourse would likely extend its upside gains towards the 1,843 and 1,850 levels in the short-term, given the FBM KLCI's recent decisive breakout from stiff resistance at the downtrend line of 1,813 and 1,821 this week. "The anticipation of an easing of more monetary policies from China will also potentially spur growth," it said in a note. Gainers outpaced losers by 383 to 360, while 345 counters were unchanged, 701 untraded and 11 others suspended. Total volume was lower at 1.78 billion units worth RM1.28 billion from Thursday's 2.16 billion units worth RM2.03 billion. Main Market volume decreased to 807.98 million shares worth RM1.08 billion from Thursday's 1.04 billion shares worth RM1.79 billion.

FOREX: Ringgit Ends Almost Flat Against US Dollar

KUALA LUMPUR -- The ringgit ended almost flat against the US dollar in thin trading Friday as most market participants were away for the Good Friday and Easter holidays. At 5 pm, the ringgit was quoted at 3.6680/6720 against the greenback from 3.6680/6710 Thursday. International forex broker ForexTime Chief Market Analyst, Jameel Ahmad, said traders were also showing slight caution towards the US dollar before the release of the US non-farm payroll report later Friday.

"This caution is due to the possibility of increased market volatility, with the stakes for a reaction to the non-farm payroll report perhaps being even higher than usual," he said. Job creation has been the major driver behind the US economic recovery and the consistently impressive non-farm payroll reports have also been a major underlying aspect behind the greenback reaching milestone highs, said Jameel. The ringgit also closed mixed against other major currencies. It was higher against the yen at 3.0643/0687 from Thursday's 3.0671/0709 and gained against the British pound to 5.4352/4426 from 5.4396/4459. The local note fell against the euro to 3.9904/9955 from 3.9717/9761 and declined against the Singapore dollar to 2.7028/7082 from 2.6988/6018 on Thursday.

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	3.6680	3.6720
EUR	3.9904	3.9955
GBP	5.4352	5.4426
100 YEN	3.0643	3.0687
SGD	2.7028	2.7082

Source: Bank Negara Malaysia

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

KUALA LUMPUR -- Short-term interbank rates ended stable Friday on Bank Negara Malaysia's (BNM) intervention to absorb excess liquidity from the financial system. The liquidity surplus in the conventional system fell to RM22.59 billion from RM27.38 billion earlier, while in the Islamic system, it eased to RM5.93 billion from RM13.44 billion. In the morning, BNM called for eight tenders comprising two conventional money market tenders, two repo tenders, two al-Wadiah tenders and two Commodity Murahabahah Tenders. The central bank also conducted a late conventional money market tender for RM22.6 billion and a RM5.9 billion Al-Wadiah money market tender, both for three-day money. The overnight Islamic reference rate stood at 3.21 per cent, while the one-week, two and three-week rates stood at 3.27 per cent, 3.32 per cent and 3.35 per cent, respectively.

KLIBOR Futures Flat At Close

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contracts on Bursa Malaysia Derivatives closed flat Friday. Both April 2015 and May 2015 stood at 96.32, while June 2015 and September 2015 remained pegged at 96.35 and 96.42 respectively. Open interest totalled 922 contracts. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.73 per cent.

KLCI Futures End Higher In Cautious Trading

By Farhana Poniman

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts on Bursa Malaysia Derivatives closed higher in cautious trading Friday. Phillip Futures Sdn Bhd dealer Ahmad Danial Zainudin said traders were cautious ahead of the US non-farm payrolls data release scheduled for later tonight. "The report will give clues as to the health of the giant economy and drive the index higher if it proves encouraging," he told Bernama. Spot month April 2015 and September 2015 added 6.0 points each to 1,841 and 1,824.5, May 2015 gained 4.5 points to 1,837.5 and June 2015 appreciated 5.5 points to 1,833.5. Turnover fell to 4,491 lots from 5,862 lots yesterday, while open interest decreased to 35,543 contracts from 37,795 contracts previously. The benchmark FBM KLCI ended 2.55 points higher at 1,834.52.

Banking, Financial Sector Sees Little Impact From GST

PUTRAJAYA -- The implementation of the Goods and Services Tax (GST) on banking and financial sector will have minimal impact on consumers, said Senior Assistant Director of the Royal Malaysian Customs Department (Banking and Finance), Rozila Saad. Speaking to reporters here Monday, she said the new tax would only be imposed on fees in every banking transaction and not on the amount of the transaction. Most banks and finance companies were ready to implement the GST, she added. "The impact on this sector is rather small as most of the activities carried out are exempted except for transactions that are based on fee only," she said at a media briefing ahead of the GST implementation this Wednesday.

AIBIM: Minimal Charges On Islamic Banking Products & Services

KUALA LUMPUR -- The impact of the Goods and Services Tax (GST) on Islamic banking fees and charges will be minimal, said the Association of Islamic Banking Institutions Malaysia (AIBIM) Monday. In a statement, AIBIM said Islamic banks and commercial banks would have similar treatment on GST. The association said it has been working closely with authorities including the Finance Ministry, Royal Malaysian Customs, Bank Negara Malaysia and Association of Banks Malaysia to improve the treatment of GST towards financial services and products. The cooperation would also ensure a seamless transition process for consumers, it added. "Although there are expectations of an increase in fees and charges, the Islamic banks will strive to create value and increase efficiency to better service their customers," said AIBIM President Datuk Haji Mohd Redza Shah.

Netting Of Financial Agreements Act 2015 Comes Into Force Monday - MOF

KUALA LUMPUR -- The Netting of Financial Agreements Act 2015, which provides a legal framework governing close-out netting for financial transactions in Malaysia, comes into force, effective Monday. Close-out netting is an important risk management mechanism which is used by financial institutions and other financial market participants in financial derivative transactions and repurchase transactions, said the Ministry of Finance in a statement here Monday. It said the Act, which was in line with international practices, provided assurance that the close-out netting mechanism for financial transactions was enforceable under the law. The enforceability of close out netting would provide credit risk reduction benefits by allowing counter parties to net off credit risk exposures instead of having gross exposures and hence improve operational efficiency and reduce systemic risk of the financial system.

Public Bank To Grow Consumer Financing Segment This Year

KUALA LUMPUR -- Public Bank Bhd expects to continue its organic growth strategy of expanding its core business of consumer financing this year. Chairman Tan Sri Teh Hong Piow said the bank would focus on home mortgages, passenger vehicle hire purchase financing and lending to viable Small and Medium Enterprises (SMEs) across various economic sectors, as well as maintain its earnings momentum and record satisfactory performance in 2015. "On the strategic direction and outlook for the group, the challenging and increasingly regulated business environment as well as intense competition for loans and deposits will continue to impact margins," he said in his address to shareholders at the bank's 49th annual general meeting (AGM) here Monday.

Ringgit Outflows Rise To RM32.1 Bln From 2011-2014

KUALA LUMPUR -- The ringgit outflows increased by 146 per cent to RM32.1 billion from 2011 to Dec 31, 2014, Deputy Finance Minister Datuk Chua Tee Yong said. He said based on the Bank Negara Malaysia's records, the amount of money sent abroad until Dec 31, 2010 amounted to RM13.4 billion. "But after the Money Services Business Act 2011 enforcement, it enables the government and Bank Negara to monitor the amount of money sent abroad that has increased by 146 per cent," he told the Dewan Rakyat here Tuesday. He was replying to a supplementary question from Datuk Kamarul Baharin Abbas (PKR-Telok Kemang) on the Global Financial Integrity report alleging that billions of ringgit had illegally flowed out of the country.

Market Uncertainty Causes Ringgit's Fluctuation Verses US Dollar - Maybank

By Tengku Noor Shamsiah Tengku Abdullah

SINGAPORE -- Uncertainties in the currency market driven by greed and fear have led to the fluctuation of the value of the ringgit, which should be trading at RM3.30 verses the US dollar based on the currency fundamentals, says Malayan Banking Bhd president and chief executive Datuk Abdul Farid Alias. Asked whether rising interest rates would affect the local currency, Abdul Farid said a lot of volatility is driven by liquidity movement. "And liquidity movement is driven by only two things -- by greed or by fear. A lot of these things are happening because there is a lot of uncertainty and we don't only have one variable at the same time. We have external variables that we are working on with respect to the economies of the US, Europe, China and Japan, we also have the domestic variables moving at the same time, and within that environment there are other variables as well," he he told reporters at a press conference held in conjunction with the Asean Invest 2015 conference here Tuesday.

Focus On Infrastructure Financing Will Help Narrow Economic Disparity Among Members

By Azizul Ahmad

KUALA LUMPUR -- ASEAN finance ministers have taken the right step by emphasising, among others, infrastructure financing as a vital component towards the realisation of the ASEAN Economic Community as it will hasten the narrowing of economic gap among the 10 members. It is imperative that measures are taken to utilise quickly the US$485.3 million ASEAN Infrastructure Fund (AIF) for projects such as power transmission, airports, roads, bridges as they promote connectivity and attract foreign direct investments. The wide economic gap among member countries, with Singapore's gross domestic product's (GDP) 55 times that of Cambodia, ought to be narrowed if ASEAN were to function as an effective regional economic grouping like the European Union (EU) where the maximum disparity is only six times among members.

FAA Outlines Initiatives To Bridge Talent Gap In Financial Services Industry

KUALA LUMPUR -- The Finance Accreditation Agency (FAA), an independent quality assurance and accreditation body supported by Bank Negara Malaysia and the Securities Commission, has outlined several initiatives to bridge the talent gap in the financial services industry. Chief Executive Officer Dr Amat Taap Manshor said the agency would introduce an additional 100 learning programmes for the industry. FAA would also provide training for between 100 and 120 industry trainers under the Certified Training Professional programme by year-end. To date, Amat said FAA had accredited 17 institutions with more than 200 learning modules.

Astro Pre-Tax Profit Rises To RM720.9 Mln FY15

KUALA LUMPUR --Astro Malaysia Holdings Bhd's pre-tax profit for financial year ended Jan 31, 2015 (FY15) rose to RM720.88 million from RM569.23 million in the previous year. Revenue grew to RM5.23 billion from RM4.79 bllion a year ago, following the expansion in its customer base and increase in average revenue per user (ARPU) in sales of value-added products and services as well as cost control. "Our customer base grew by 547,000 to 4.4 million representing 63 per cent penetration of the total Malaysian households," Chief Executive Officer Datuk Rohana Rozhan told a press conference here Monday.

ACCCIM Sees Recovery In Malaysian Exports 2015

KUALA LUMPUR -- The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) foresees a recovery in exports with the weak ringgit and stronger growth in the United States. For the month of January, Malaysian exports dropped 0.6 per cent to RM63.60 billion from RM63.97 billion recorded in the same month in 2014. The chamber's Socio-Economic Research Committee Deputy Chairman Peck Boon Soon said Monday, this might not be enough to cushion three major domestic headwinds affecting the economy, namely the implementation of the Goods and Services Tax (GST), falling oil prices and a tightening property market.

M'sian Furniture Maker Versalink Wins RM28.7 Mln Orders

By Tengku Noor Shamsiah Tengku Abdullah

SINGAPORE -- Malaysia-based manufacturer of mid- to high-end system furniture Versalink Holdings Ltd has secured several new orders worth RM28.7 million since the beginning of the 2015 calendar year. In a statement Monday, the Singapore Exchange (SGX) Catalist-listed company said out of these orders, RM17.7 million was contributed by project sales from the Malaysian market, with the remainder coming from the international market.

Market Uncertainty Causes Ringgit's Fluctuation - Maybank

By Tengku Noor Shamsiah Tengku Abdullah

SINGAPORE -- Uncertainties in the currency market driven by greed and fear have led to the fluctuation of the value of the ringgit, which should be trading at RM3.30 verses the US dollar based on the currency fundamentals, says Malayan Banking Bhd president and chief executive Datuk Abdul Farid Alias. Asked whether rising interest rates would affect the local currency, Abdul Farid said a lot of volatility is driven by liquidity movement. "And liquidity movement is driven by only two things -- by greed or by fear. A lot of these things are happening because there is a lot of uncertainty and we don't only have one variable at the same time, he tod reporters at a press conference held in conjunction with the Asean Invest 2015 conference here Tuesday.

PNB Announces 7.75 Sen Dividend For ASB2

KUALA LUMPUR --Amanah Saham Bumiputera 2 (ASB2) unit holders will receive a 7.75 sen dividend per unit for the financial year ending March 31, 2015. It comprised a 7.5 sen per unit of annual income distribution and 0.25 sen per unit of special income distribution. Permodalan Nasional Bhd chairman Tuesday, Tun Ahmad Sarji Abdul Hamid, said the total payout for the ASB2 income distribution amounted to RM92 million, involving 2.06 billion units subscribed by some 103,546 investors.

TA Global Pre-Tax Profit Surges To RM201 Mln

KUALA LUMPUR -- TA Global Bhd's pre-tax profit for the financial year ended Jan 31, 2015 surged to RM201.28 million from RM116.78 million recorded in the same period last year. Revenue rose to RM757.81 million from RM692.41 million previously. TA Global, in a filing to Bursa Malaysia Tuesday, said the improvement in pre-tax profit was contributed to the better performance of all division, as well as, lower losses from the investment holding division.

TA Enterprise Records RM211.33 Mln Profit

KUALA LUMPUR -- TA Enterprise Bhd's pre-tax profit for the financial year ended Jan 31, 2015, increased to RM211.33 million compared with RM191.27 million recorded in the previous year. Revenue rose to RM979.50 million from RM870.73 million previously, the company said in a filing to Bursa Malaysia Tuesday.

Malaysia's Reserves Remain Usable And Unencumbered - BNM

KUALA LUMPUR -- Malaysia's reserves remained usable and unencumbered as at end-February 2015, based on the detailed breakdown of international reserves under the International Monetary Fund's Special Data Dissemination Standard (SDDS) format. Bank Negara Malaysia (BNM) said in a statement Tuesday, official reserve assets amounted to US$110.48 billion, while other foreign currency assets amounted to US$1.05 billion.

Crescendo Profit Falls To RM155.53 Mln FY15

KUALA LUMPUR -- Crescendo Corporation Bhd's pre-tax profit for the financial year ended Jan 31, 2015 (FY15) declined to RM155.53 million from RM159.01 million recorded in the previous year. Revenue slipped to RM268.55 million from RM310.36 million a year ago, the company said in a filing to Bursa Malaysia Tuesday.

GST Revenue From The People, To The People

By Mohd Iswandi Kasan Anuar

KUALA LUMPUR -- Governments throughout the world need to collect taxes to earn the revenue to enable them to meet the people's needs such as basic amenities, education, healthcare services and security, but some Malaysians seem unprepared for the Goods and Services Tax (GST) due to insufficient knowledge about the new tax regime and its benefits. In reality the GST introduced Wednesday, which replaces the Sales and Service Tax, will be refunded to the people. Under the 2015 Budget tabled last year, the government has allocated RM60 billion for teaching and learning, RM23.3 billion for health services and facilities, RM4.9 billion for the 1Malaysia People's Aid (BR1M) scheme, and RM4.5 billion for infrastructure.

Star To Acquire Victory Hill Exhibitions For SG$21 Mln

KUALA LUMPUR -- Star Publications (M) Bhd has proposed to acquire the entire stake in Victory Hill Exhibitions Pte Ltd (VHE) worth SG$21million. In a filing to Bursa Malaysia Wednesday, Star said its 64.1 per cent owned Singapore listed unit, Cityneon Holdings Ltd would acquire the Singapore-based VHE from Philadelphia Investments Pte Ltd.

Protasco Unit Gets RM77 Mln Contract

KUALA LUMPUR -- Protasco Bhd's wholly-owned unit, HCM Engineering Sdn Bhd, has received a RM77 million contract from the Public Works Department to undertake maintenance works on federal roads in Zone 2A, Sarawak. In a filing to Bursa Malaysia Thursday, Protasco said the award encompassed construction of four overtaking lanes in Sibu and Bintulu divisions.

Ringgit Depreciation Positive For Timber Sector

By Nurunnasihah Ahmad Rashid

KUALA LUMPUR -- The depreciation of the ringgit has a positive impact on the timber industry as exports have increased, said director-general of Malaysian Timber Industry Board, Dr Jalaludin Harun. "The ringgit depreciation will result in export of more timber or wood-based products like furniture which is one of the main export items. "The country was the eighth largest furniture exporter in the world last year," he told Bernama Thursday. Jalaludin said timber exports rose by 5.1 per cent to RM20.5 billion last year from RM19.53 billion in 2013.

MIHAS Posts RM443.16 Mln Sales Via Buying Mission

KUALA LUMPUR -- The Malaysia International Halal Showcase (MIHAS) has registered total sales of RM443.16 million (US$122.17 million) via its incoming buying mission (IBM) programme on March 31. The sales came from 2,787 pre-arranged business meetings between international companies and 850 Malaysian exporters from 465 companies. "The major participating countries at the IBM included China, Algeria, Indonesia, Thailand and Qatar," the Malaysia External Trade Development Corporation (Matrade) said in a statement Friday.

Malaysian Firms Reap RM75.20 Mln Sales At Indonesia's Auto Expo

KUALA LUMPUR -- Malaysian companies generated sales worth RM75.20 million from their participation at the recent Indonesia International Auto Parts, Accesories and Equip Exhibition 2015 (INAPA). "INAPA served as a good market assessment platform for Malaysian companies in promoting their auto parts and components to Indonesia," Malaysia External Trade Development Corporation (MATRADE) quoted the companies as saying Friday.

Dialog Gets Shareholders' Nod For RM2.6 Bln Investment

KUALA LUMPUR -- Integrated oil and gas company Dialog Group Bhd has received the shareholders' nod for two Pengerang projects with a total investment cost of RM2.6 billion. The projects are a storage facility service via Pengerang Terminal (Two) Sdn Bhd and a LNG regassification plant via Pengerang LNG (Two) Sdn Bhd. Executive chairman Tan Sri Dr Ngau Boon Keat said Friday, with the approval, the company would pursue fund raising of about RM1 billion according to their stakeholding in the projects.

Proton Sees Higher Sales This Year

SHAH ALAM -- Proton Holdings Bhd is optimistic of recording higher sales of about 130,000 units this year compared with 115,000 units in 2014, amid lower car prices following the Goods and Services Tax (GST). Chief Executive Officer Datuk Abdul Harith Abdullah said the target was also driven by positive sales record for the Iriz and Saga models as well as the higher industry growth projection of two to three per cent. "Currently, Iriz contributes about 50 per cent to our sales and Saga about 40 per cent," he told the media after the site visit by the Deputy Finance Minister Datuk Ahmad Maslan to Proton Centre of Excellence here, Friday. Abdul Harith said the national car maker was on its way to recovery after hitting its lowest sales last year with less than 10,000 units per month.

LBS Bina Aims To Launch New Projects Worth RM6 Bln In Next 3 Years

PETALING JAYA -- Property developer, LBS Bina Group Bhd aims to launch about RM6 billion worth of new projects in the next three years. Managing Director Datuk Seri Lim Hock San said 60 per cent of the residential and non-residential projects would be located in Selangor, 15 per cent in Pahang and 25 per cent in Johor. New projects will mainly be featured in the group's key development areas namely, Bandar Saujana Putra and D'Island Residence in Klang Valley; Cameron Highlands in Pahang; as well as Batu Pahat in Johor. "Residential projects this year is worth RM1.3 billion and RM369 million for non-residential," he told reporters at a media conference here, Friday.

MAS: Customers Subject To 6 Pct GST On Applicable Goods, Services

KUALA LUMPUR -- Beginning April 1, Malaysia Airlines customers will be subjected to the six per cent Goods & Services Tax (GST) on applicable goods and services supplied by the national carrier. This implementation adheres to the government's announcement during the tabling of its Budget 2014 on Oct 25, 2013, said the company in a statement here Monday. The GST, however, will be replacing the company's existing Sales Tax and Service Tax. In order to be fully compliant, Malaysia Airlines said it will be enhancing its tax invoices issued to customers to enable them to claim GST with input tax credits, where entitled. For further information, customers can visit http://www.malaysiaairlines.com/my/en/footer/goods-and-services-tax.html and refer to Malaysia Airlines' GST Frequently Asked Questions (FAQ) or contact Malaysia Airlines' call centre at 1300 88 3000.

TNB Fulfils 50 Pct Stakeholding Condition In Integrax Revised Offer

KUALA LUMPUR -- Tenaga Nasional Bhd (TNB) has now more than a 50 per cent stake in Integrax Bhd, thus fulfilling the condition set in its revised offer to acquire all the remaining ordinary shares in the Lumut port operator at RM3.25 per share. At 5 pm Monday, TNB's stakeholdings in Integrax stood at 152.87 million shares or 50.82 per cent including valid acceptances in respect of the revised offer.

Halal Cert Management System Opens New Chapter In Halal Industry

PUTRAJAYA -- The Halal Certificate Management System launched Monday opens a new chapter in the global halal industry technology development, said Minister in the Prime Minister's Department Datuk Seri Jamil Khir Baharom. He said the HCMS, which supplements the Halal Verified Engine being used currently, offers more stringent security features, enabling halal certification bodies to more efficiently verify halal certificates from around the world. The HCMS also enables halal certification bodies to handle large-scale data transactions smoothly, improving efficiency and reducing costs, he said when opening the Sixth International Halal Certification Bodies Convention here Monday night.

O&G Players Urged To Come Up With Breakthrough Cost Management Solutions

KUALA LUMPUR -- Oil and gas industry players in Asia have been urged to come up with breakthrough solutions in managing cost and operational efficiencies during the current weak global oil price environment. Making the call, Petronas Chief Operating Officer and Executive Vice President (Downstream) Datuk Wan Zulkiflee Wan Ariffin said the solutions could be built through leveraging on one another's expertise, knowledge and experience in managing new market realities. "Asia's relevance is beyond just about contributing to demand in terms of population growth. The attraction of our vibrant region is really in our proven resilience, innovativeness and adaptability to change," he said in his speech at the soft launch of the Offshore Technology Conference (OTC) Asia 2016 here Monday.

Allow Members To Claim 10 Pct Sales Tax, Association Urges Govt

KUALA LUMPUR -- The Perodua Dealers Association has pleaded with the government to allow its members to reclaim the 10 per cent sales tax on invoices issued prior to the implementation of the Goods and Services Tax (GST) on April 1, 2015. In a statement here Monday, its president, Wan Kamal Wan Ismail, said currently a 10 per cent sales tax was imposed on new vehicles and this would be replaced by the six per cent GST after April 1. "This means unsold stocks, in which the 10 per cent sales tax has already been paid, will be hit by an additional six per cent GST after April 1. "Each independent dealer will stand to lose an average of RM230,000 on double taxation after April 1," he said.

Avis Allocates RM24 Mln For Fleet Replacement

KUALA LUMPUR -- DRB-Hicom EZ-Drive Sdn Bhd, an industry leader in the car rental business, is allocating more than RM24 million to undertake an expansion plan to restructure the company's fleet management system. DRB-Hicom EZ-Drive is the franchise holder of Avis Rent A Car (Avis) and a member of DRB-Hicom Group. In a joint statement here Monday, Avis said the restructuring plan would involve the latest range of car models of various marques. "Avis will strengthen its path of excellence and remain competitive in reaching out to a wider Malaysian market," said EON Bhd Chief Executive Officer, Datuk Hisham Othman. Under the first phase, DRB-Hicom EZ-Drive would acquire 130 new Proton cars to replace its fleet.

MMC To List Malakoff In Mid May

KUALA LUMPUR -- MMC Corp Bhd's 51 per cent-owned unit Malakoff Corp Bhd will be listed on the Main Market of Bursa Malaysia tentatively in mid-May. Minority shareholders of MMC Corp approved the proposed listing at an extraordinary general meeting (EGM) here Monday, officials from MMC Corp confirmed with Bernama. As revealed in a circular to shareholders by MMC Corp, Malakoff's initial public offering will be offered at an indicative retail price of RM1.80 per share, tentatively beginning in the middle of next month. Based on the illustrative RM1.80 per share pricing, the total market capitalisation of Malakoff upon the listing is expected to reach RM9.0 billion.

Govt Has No Plan To Peg Ringgit

KUALA LUMPUR -- The government has no plan to peg the ringgit against the US dollar to address its depreciation, Deputy Finance Minister Datuk Chua Tee Yong said. He said the current situation is different from the financial crisis in 1997-1998 when such measure was taken as the country's economic condition now is on a strong footing. "The current situation is driven by global development that have also affected other countries in the region. "What is important our economic activities are not affected and a drastic measure like pegging the ringgit is only for extreme situations and we are not embroiled in the quandary," he said when replying to a supplementary question from Datuk Seri Abdul Ghafur Salleh (BN-Kalabakan) at the Dewan Rakyat Monday. Chua said Bank Negara Malaysia also has provisions to prevent speculation of the ringgit.

China Welcomes Denmark, Australia To AIIB

By Niam Seet Wei

BEIJING -- China's Ministry of Finance welcomed the decision by Denmark and Australia to join the China-led Asian Infrastructure Investment Bank (AIIB). The ministry said in a statement here Monday that Denmark filed its application letter on Saturday while Australia made its application on Sunday. China would first seek the opinions of other existing members, and if approved, both Denmark and Australia would officially be founding members of the AIIB on April 12 and April 13 respectively, the ministry said in the statement which was posted on its official website. Recently, France, Germany, Italy and Luxembourg had announced their intention to join the AIIB, following United Kingdom's confirmation to become one of the founding members of the financial institution on March 12. The AIIB is the idea mooted by Chinese President Xi Jinping last October, aimed at helping to fund infrastructure projects in poor Asian countries.

Fuel Prices Remain Unchanged For April

KUALA LUMPUR -- The retail prices of RON95, RON97 and diesel for April 2015 remain unchanged, according to the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC) Tuesday. The price of RON95 is unchanged at RM1.95 per litre, RON97 at RM2.25 per litre and diesel at RM1.95 a litre as in March. These prices are effective 12.01 am, April 1, said the ministry's spokesperson when contacted by Bernama. However, according to the spokesperson, RON97 is not exempted from the Goods and Services Tax (GST) of 6.0 per cent. GST will be implemented from Wednesday.

GST Right Thing For M'sian Economy - Maybank Group President

By Tengku Noor Shamsiah Tengku Abdullah

SINGAPORE -- The implementation of the Goods and Services Tax (GST) to be enforced by the government on April 1, is the right thing for the economy, said Maybank Group President and Chief Executive Officer, Datuk Abdul Farid Alias. "We are the second last country in Southeast Asia that is implementing GST. The rest of the countries (in the region) have already implemented it," he told Bernama after a press conference held in conjunction with the two-day Invest ASEAN conference here beginning Tuesday. Abdul Farid said the GST is a progressive tax system. "For us as a nation, no matter where we stand on political divide we should support it. There will be some hiccups to the respective system, and to the numbers that we will see in the economy but it will be temporary...It is the right thing for the economy. So I think it will stabilise in due time, so I don't think we should worry about it."

MOSTI Allocates RM50 Mln For 'Buy-Back' Policy Of Innovative Products

KUALA LUMPUR -- The Ministry of Science, Technology and Innovation (MOSTI) has allocated RM50 million for the 'buy back' policy of high innovative products produced by local companies. Deputy Minister, Datuk Dr Abu Bakar Mohamad Diah said the ministry would use the RM50 million out of the total RM290 million allocated by the government through the Budget 2015. He said the ministry was reviewing few issues with the Ministry of Finance on the 'buy back policy' procedure and would implement the policy soon. Abu Bakar said this after witnessing the signing of two memoranda of understanding between Kuala Lumpur Malay Chamber of Commerce (DPMMKL) with Women's Institute of Management and DPMMKL with Sirim Bhd. He said MOSTI aimed to commercialise at least 60 innovative products a year in line with the government's expectation of 360 innovative products by 2020.

GST Helps In Combating Black Economy

KUALA LUMPUR -- The introduction of the Goods and Services Tax (GST) from Wednesday is one of the ways to combat the existence of black market activities. Under the GST, only traders who have updated sales and purchase records are eligible to get various facilities such as claim input tax and apply for bank loans. If the traders have registered for the GST but still purchase from the black market, they are not only ineligible to claim any input tax but this also increase their business costs. Under GST transactions, all sales and purchases must be recorded and it is very important to keep invoices and receipts. In actual fact, GST assists the traders in improving their sale and purchase record system so as to be more efficient in line with good business practice. This will facilitate them in identifying the actual cost that has been invested and the actual profit made.

MAS: Customers Subject To 6 Pct GST

KUALA LUMPUR -- Beginning April 1, Malaysia Airlines (MAS) customers will be subjected to the six per cent Goods & Services Tax (GST) on applicable goods and services supplied by the national carrier. MAS said in a statement Monday, it will be enhancing its tax invoices issued to customers to enable them to claim GST with input tax credits, where entitled.

Affin Appoints Kamarul Ariffin As New Group CEO

KUALA LUMPUR -- Affin Holdings Bhd (Affin Holdings) has appointed Kamarul Ariffin Mohd Jamil as its new Group Chief Executive Officer (Group CEO) and Managing Director (MD)/CEO of Affin Bank Bhd (Affin Bank). This follows the retirement of Datuk Zulkiflee Abbas Abdul Hamid, effective April 1, 2015.

Hotlines, Web Portals To Help Consumers On GST Matters

KUALA LUMPUR -- Consumers who need assistance on matters relating to the Goods and Services Tax (GST) can channel their feedback and enquiries to the web portals and hotlines provided. The Royal Malaysian Customs Department has provided a hotline number 1-300-888-500 and 03-8882 2111, or through its website http://gst.customs.gov.my, where consumers can also drop their feedback and contact the respective headquarters/station help desk located in each state. Complaints and suggestions related to the department may also be e-mailed to ccc@customs.gov.my or 03-7806 7200. For enquiries to the Ministry of Domestic Trade, Cooperatives and Consumerism (KPDNKK), consumers may contact the hotline number at 1-800-886-800 or call 03-8000 8000 or 03-8882 5983. They can also drop their feedback and complaints at its website www.kpdnkk.gov.my or its portal eaduan.kpdnkk.gov.my, or they can e-mail eaduan@kpdnkk.gov.my.

AmInvest Named 'Best Islamic Investment Strategist'

KUALA LUMPUR -- AmInvest has been named the "Best Islamic Investment Strategist of the Year" at the inaugural Islamic Finance News (IFN) Islamic Investor Awards 2014 held in Dubai Tuesday. In a statement Thursday, chief executive officer, Datin Maznah Mahbob, said the awards honoured key players who drove forward the fast-growing syariah-compliant funds industry.

Fuel Prices Remain Unchanged For April

KUALA LUMPUR -- The retail prices of RON95, RON97 and diesel for April 2015 remain unchanged, according to the Ministry of Domestic Trade, Cooperatives and Consumerism (KPDNKK) Tuesday. The price of RON95 is unchanged at RM1.95 per litre, RON97 at RM2.25 per litre and diesel at RM1.95 a litre as in March. These prices are effective 12.01 am, April 1, said the ministry's spokesperson when contacted by Bernama.

GST Knocks Down Car Prices

KUALA LUMPUR -- More companies have announced price reductions for their vehicles, following the implementation of the Goods and Services Tax (GST) effective Wednesday. Edaran Tan Chong Motor Sdn Bhd, Mercedes-Benz, Perodua and Sime Darby Auto Connexion have lowered their prices by up to RM10,000, in line with the government's recommendation and the Anti-Profiteering Act 2011. Prices of Mercedes-Benz cars sold in Malaysia have gone down by up to

EPF: No GST On Withdrawals

KUALA LUMPUR -- Withdrawals from the Employees Provident Fund (EPF) are not subjected to the Goods and Services Tax (GST), which took effect Wednesday. In a statement Thursday, the EPF reminded its members not to appoint agents or third parties to assist in making any withdrawals. "Members who meet the requirements are advised to deal directly with the EPF to make withdrawals.

Malaysia To Pioneer Foray Into Global Halal Vaccine Mart

KUALA LUMPUR -- Malaysia will pioneer efforts to explore the global halal vaccine market which has a US$80 billion (US$1.00=RM3.68) potential. The Halal Industry Development Corporation (HDC) said Wednesday, this would be possible with the establishment of a Saudi Arabian-owned halal vaccine plant, AJ Pharma Holding, which is set to start operations in Nilai, Negeri Sembilan in 2017.

Proton Reduces Car Prices By Up To 3.25 Pct

KUALA LUMPUR -- In light of the implementation of the Goods and Services Tax (GST) which comes into force Wednesday, Proton Holdings Bhd has announced the new prices for its models, with reduction of up to RM1,475, or 3.25 per cent, per unit on selected variants. The new on-the road prices include all models under the Proton family comprising the Saga, Persona, Inspira, Staria Neo, Exora, Prevé, Suprima S and Iriz, said Proton in a statement here.

Malaysia To Decide On TPPA Q3

KUALA LUMPUR -- Malaysia will decide whether it will be part of the Trans-Pacific Partnership Agreement (TPPA) in the third quarter of this year after the completion of the talks, said International Trade and Industry Minister Datuk Seri Mustapa Mohamed. Mustapa said Thursday, the TPPA has already gone through a five-year negotiating process and leaders of its participating countries had committed to conclude discussions by the first half of 2015.

Malaysia Joins 160 Nations In Embracing The GST

By Siti Hawa Othman

GST QUERIES...A consultant at the integrated Goods and Services Tax operation centre responding to queries on the GST at the Domestic Trade, Cooperatives and Consumerism Ministry (KPDNKK). in Putrajaya on Wednesday. --fotoBERNAMA

KUALA LUMPUR -- After much hype, Malaysia finally joined the ranks of 160 other countries globally in embracing the Goods and Services Tax (GST). It will see a more transparent tax system which has long been adopted by most of the country's ASEAN neighbours. Interestingly in ASEAN, Indonesia was the first to implement the GST in 1984 at 10 per cent, followed by Thailand in 1992 (10 per cent), and Singapore in 1993 (three per cent). Then, the Philippines adopted the GST in 1998, followed by Cambodia and Vietnam in 1999 and Laos in 2009, all at a similar rate of 10 per cent.

Thailand has now reduced its rate to seven per cent, while the rest have maintained at 10 per cent, with Singapore increasing its rate to seven per cent and the Philippines, 12 per cent. Brunei and Myanmar have yet to introduce the GST, while Malaysia has now taken the bold step to implement it.

CUSTOMS INTO OVERDRIVE

The government has emphasised the need for people to understand the GST before its actual implementation and hence, no efforts were spared by the Customs Department, other relevant agencies and the media, toward this. Much information on the GST has been provided on relevant government websites and constantly reported to educate the public. Many had no qualms about paying the tax but others took advantage of the situation, leading to public confusion and hoarding. But continuous promotional efforts will hopefully help add clarity to the GST. The government will take stern action to ensure that businesses do not take advantage of the GST implementation to increase prices of goods to make excessive profits. The GST, also known as the value added tax (VAT), is a multi-stage consumption tax, levied on the supply of goods and services at each stage of the supply chain, from the supplier up to the retail stage of the distribution.

NEGATIVE RESPONSE

However, the six per cent tax does not become part of the cost of the product because GST paid on the business inputs is claimable. Efforts to introduce the GST to replace the existing Sales and Service Tax (SST), were earlier met by negative response or rather confusion by the general public, which felt that the former would cause prices of goods to increase. But then, few realised, they were all along, already paying the SST at the rate of 10 or five per cent.

The sales tax was already embedded in the prices of goods, for example, electrical products, clothes and household appliances, as the tax is imposed at the manufacturers level or at the point of import. By the time the goods reach consumers, the sales tax paid at the manufacturers level, would have cascaded into the sales price at each level of the distribution or supply chain.

ELIMINATES DOUBLE TAXATION

On the other hand, the GST which will be applied at every stage of the distribution or supply chain, enables businesses to claim it back as credit. Hence, the GST is a better tax system as it eliminates the double taxation under the current SST and consumers end up paying fair prices for most goods and services. Nor, will it victimise small businesses or favour big corporations. For businesses, they are able to reduce the cost of doing business in being able to claim the GST incurred on business inputs. To make exports more competitive, GST on exports will be zero-rated and the exporter can recover all the input tax incurred in the course of his business. As for imported goods, these are subject to import duty and sales tax. But the sales tax will be replaced with the GST.

--BERNAMA

MALAYSIAeBiz
April 4, 2015
Market Outlook

LIST OF MARKET REPORTS :

1. Bursa Malaysia
2. Forex
3. Money Market
4. FBM KLCI Futures
5. Crude Palm Oil (CPO) Futures
6. Rubber Futures
7. KLIBOR Futures
8. Kuala Lumpur Tin Market (KLTM)
9. Gold Futures

BURSA: FBM KLCI To Continue Upside Momentum

By Farhana Poniman

KUALA LUMPUR -- The benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) is expected to continue its upside momentum and trade within a narrow range of 1,840 to 1,850 points next week, driven by favourable external factors. Affin Hwang Investment Bank vice-president/ head of retail research, Datuk Dr Nazri Khan Adam Khan, said the momentum would be driven by positive global macro data, reduced geopolitical tension in Iran and broad stimulus from the European Central Bank as well as The People's Bank of China. The local equities market ended the first quarter of 2015 firmer on hopes that China would adopt further stimulus measures to bolster growth, supported by reduced Iran-Greece geopolitical tension. "The FBM KLCI remains firm despite the perception that it is going to be a rough year for Bursa Malaysia given the Goods and Services Tax (GST) implementation and softening ringgit. "However, we see no negative impact from the GST implementation on investor sentiment, as proven by the consumer and properties sectors, the two most sensitive sectors to consumption tax, which gained 0.3 per cent and 0.4 per cent week-on-week, respectively," he told Bernama.

He said in fact, the GST should have a positive impact on corporate earnings and the stock market as it would reduce business cost, encourage transparent and cheaper pricing, reduce shadow economic activities and boost export. On Friday-to-Friday basis, the FBM KLCI gained 21.15 points to 1,834.52 from 1,813.37 last Friday. Weekly turnover increased to 10.94 billion units worth RM9.06 billion from 10.21 billion units worth RM9.5 billion last week. Main market volume fell to 4.89 billion shares valued at RM7.95 billion from 6.06 billion shares valued at RM8.59 billion the previous week.

FOREX: Ringgit Expected To Strengthen Further

By Siti Radziah Hamzah

KUALA LUMPUR -- The ringgit is likely to strengthen against the US dollar next week on further short-covering, said an analyst. Inter-Pacific Research Sdn Bhd Head of Research Pong Teng Siew said positive buying sentiment for the local unit was aided by weak economic reports in the US, including a slight gain in private payrolls. "The strength of the US dollar is waning as expectations that the US Federal Reserve will raise its interest rates have started to ease off," he told Bernama. Pong said the market was bracing for a disappointing US non-farm payrolls report late Friday. The ringgit was traded mostly higher throughout the week just ended. On Friday-to-Friday basis, the ringgit was traded stronger against the US dollar at 3.6680/6720 from 3.6830/6870 last Friday. It, however, ended the week mixed against other major currencies.

The domestic unit appreciated against the yen to 3.0643/0687 from 3.0830/0874 last week and strengthened against the British pound to 5.4352/4426 from 5.4586/4663 last week. The ringgit weakened against the Singapore dollar to 2.7028/7082 from 2.6844/6883 last Friday and fell against the euro to 3.9904/9955 from 3.9854/9901 previously.

Short-Term Rates Likely To Remain Steady

KUALA LUMPUR -- Short-term rates are likely to remain steady next week as Bank Negara Malaysia would continue its intervention to stabilise the money market. The central bank intervened on a daily basis during the week to mop up excess funds from the system by conducting conventional, range maturity auction, Islamic range maturity auction, Al-Wadiah, repo and Commodity Murabahah programme tenders. It also called for late tenders to further reduce the surplus on a daily basis.

For the week just-ended, the overnight rate was at 3.21 per cent while the one, two- and three- rates were at 3.27 per cent, 3.32 per cent and 3.35 per cent respectively. The liquidity surplus for conventional operations ended the week at RM22.59 billion, while for the Islamic system, it amounted to RM5.93 billion.

KLCI Futures Expected To Trade Higher Next Week

By Farhana Poniman

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts (FKLI) on Bursa Malaysia Derivatives are expected to trade higher next week, tracking the positive outlook of the underlying cash market. Affin Hwang Investment Bank vice-president and head of retail research, Datuk Dr Nazri Khan Adam Khan, said the FBM KLCI would extend its gains next week due to favourable external factors. "The momentum would be driven by positive global macro data, reduced geopolitical tension in Iran and broad stimulus from the European Central Bank as well as the People's Bank of China," he told Bernama. On a Friday-to-Friday basis, contract month April 2015 rose 31.5 points to 1,841, May 2015 was pegged at 1,837.5, June 2015 added 31 to 1,833.5 and September 2015 gained 27 points to 1,824.5. Turnover for the week fell to 39,303 lots from 82,085 lots last week while open interest narrowed to 35,543 contracts from 67,231 contracts previously. For the week just-ended, the benchmark FBM KLCI rose 2.55 points to 1,836.82 on Friday.

MPOB Report Expected To Influence CPO Futures

KUALA LUMPUR -- The Malaysian Palm Oil Board report on crude palm oil (CPO) stocks to be released next week is expected to have a major impact on the market on Bursa Malaysia Derivatives, a dealer said. CPO futures prices on the local bourse was expected to trade between RM2,120 and RM2,200 per tonne next week, said Interband Group of Companies Senior Trader Jim Teh.

"However, I anticipate the market to be traded mixed as major CPO producer, Indonesia, has implemented zero import duty on the commodity, which will see demand shifting to the country," he said. On a Friday-to-Friday basis, April 2015 rose RM27 to RM2,178 a tonne, May 2015 rose RM21 to RM2,196, June 2015 was up RM22 to RM2,191 and July 2015 improved RM20 to RM2,180. Weekly turnover fell to 147,734 lots from 229,624 lots last week while open interest narrowed to 188,415 contracts from 201,351 contracts previously. On the physical market, April South added RM20 to RM2,210 a tonne from last week's RM2,190 per tonne.

Rubber Market To Continue Downtrend Next Week

KUALA LUMPUR -- The Malaysian rubber market is likely to continue its downtrend next week on negative sentiments due to fluctuating crude oil prices and the oversupply situation in Asia. "The market is expected to be volatile next week given that the demand for the commodity has slowed down as top consumer China has reduced consumption," he said.

On a Friday-to-Thursday basis, the Malaysian Rubber Board's official physical price for tyre-grade SMR 20 slipped two sen to 511 sen a kg while latex-in-bulk eased 6.5 sen to 423.50 sen a kg. The unofficial closing price for tyre-grade SMR 20 was down 2.5 sen to 509.50 sen a kg while latex-in-bulk dropped six sen to 423.50 sen a kg. The rubber market was closed on Friday for Good Friday holiday.

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. Throughout the week, only September 2015 contract was traded on Monday and Wednesday.

Turnover for the week stood at 20 lots while open interest amounted to 922 contracts. On a week-to-week basis, both April 2015 and May 2015 eased one tick each to settle at 96.32 while June 2015 and September 2015 fell one tick each to 96.35 and 96.42 respectively. The underlying three-month KLIBOR stood at 3.73 per cent.

Tin Price To Trade Around US$17,000 A Tonne

By Nurunnasihah Ahmad Rashid

KUALA LUMPUR -- Tin price on the Kuala Lumpur Tin Market (KLTM) is expected to trade around US$17,000 a tonne next week, supported by demand from European and Japanese traders, a dealer said. The dealer said traders would likely remain on the sidelines next week ahead of the release of US and China economic data. “We expect to see some positive economic data from the US and China, which would support the metal industry,” he told Bernama. For the week just-ended, the KLTM moved between US$16,550 and US$17,180 a tonne, mostly influenced by the trend on the London Metal Exchange (LME) and scattered buying from foreign traders.

Turnover fell to 204 lots from 214 lots last week with the European, Japanese and local buyers dominating trading. The price differential between the KLTM and LME narrowed to a premium of US$265 a tonne from US$325 a tonne last Friday.

Gold Futures On Uptrend Next Week

KUALA LUMPUR -- Gold futures contracts on Bursa Malaysia Derivatives are likely to be on the uptrend next week supported by continued buying momentum, a dealer said. After bouts of profit taking this week, the local gold was expected to increase next week, the dealer said. “Gold prices are expected to continuously be affected by external factors, such as crude oil prices in the near term. Additionally, the Iran nuclear deal will remain the heat around gold markets.

“However, the downside bias might be limited as physical buying in the biggest gold consumer market regains to boost demand for the safe-haven asset,” he added. For the week just-ended, the local market was traded mostly lower, weighed down by lack of buying interest. On a Friday-to-Friday basis, April 2015 added six ticks to RM141.90 a gramme, May 2015 increased five ticks to RM142.40 a gramme, June 2015 rose 26 ticks to RM143.50 a gramme and July 2015 was up 17 ticks to RM144.25 a gramme.

Volume for the week fell to 582 lots worth RM8.31 million from 932 lots worth RM13.19 million last week. Open interest was lower at 2,797 contracts from 3,062 contracts registered last Friday.