MALAYSIAeBiz
WEEKLY BUSINESS ROUNDUP 22 - 26 JUNE, 2015

June 26, 2015

# This Week's Highlight : Performance-Based Incentive Systems For SMEs By 2016 - Najib

Prime Minister Datuk Seri Najib Tun Razak accompanied by SME Corp CEO Datuk Hafsah Hashim (right) to the 18th National SME Development Council meeting at the Finance Ministry in Putrajaya Thursday.--FotoBERNAMA

PUTRAJAYA -- The government will intoduce a performance-based incentive system for small and medium enterprises (SMEs) by 2016 to grow the sector nationwide, says Datuk Seri Najib Tun Razak. The prime minister said Thursday, the incentives, which could include tax exemption, transport rebates and bank loans, would be based on criteria such as productivity, export value and job creation.

## This Week's Top Stories

Monday

### BNM's Int Reserves At RM390.2 Bln At June 15

KUALA LUMPUR -- Bank Negara Malaysia (BNM)'s international reserves amounted to RM390.2 billion (equivalent to US$105.3 billion) as at June 15, 2015. The reserves position is sufficient to finance 8.1 months of retained imports and is 1.1 times the short-term external debt, the cental bank said in a statement Monday.



Tuesday

### Ringgit Fluctuations Manageable - Wahid

KUALA LUMPUR -- The current fluctuations in the ringgit are still manageable and their impact on the companies are very minimal, said Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar. "It is still a sizeable surplus and we do expect, notwithstanding the lower oil prices, the current account would remain in the surplus this year," he said after the #TanyaGomen chat session, where he was invited to speak on the impact of the Eleventh Malaysia Plan.

Wednesday

### NCER Rakes In RM7.8 Bln Investments H1 2015

PUTRAJAYA -- The Northern Corridor Economic Region (NCER) raked in private investments of RM7.8 billion for the first half of this year. In a statement Wednesday, the Northern Corridor Implementation Authority (NCIA) said the key attraction for investors into the NCER continued to be driven by the manufacturing sector.

Thursday

### M'sia To Achieve Modest Net Investment Inflows 2015

KUALA LUMPUR -- Malaysia is expected to achieve a modest increase in net investment inflows this year or maintain the level achieved last year, driven by sustained investors' confidence. Minister of International Trade and Industry, Datuk Seri Mustapa Mohamed said Thursday, the trend for the first quarter seemed to support the projection with a higher gross foreign direct investments (FDIs) of RM28.73 million from RM26.01 million registered in the first quarter last year.

Friday

### Approved Investments In Medical Devices Hit RM11 Bln

KUALA LUMPUR -- Malaysia's approved investments in the medical devices industry totalled RM11 billion from 2010 to 2014, while exports rose 12.6 per cent to RM13.49 billion in 2014 from RM11.94 billion in 2013. International Trade and Industry Minister Datuk Seri Mustapa Mohamed said Friday, a total of 42 projects were approved in 2014 alone, with investments worth RM2.15 billion.

## SMEbrief

### SME Corp Eyes 500 Participants For TUBE 2.0 Programme

KUALA LUMPUR -- SME Corporation Malaysia (SME Corp) targets 500 participants for the Bumiputera Youth Entrepreneurs (TUBE) 2.0 programme in efforts to uplift the bottom 40 per cent household income group (B40).

Its executive chairman Datuk Hafsah Hashim said a total of RM15,000 would be channelled to each participant who succeeded in passing the first and second phases of the programme. "The Bumiputera Agenda Steering Unit (Teraju) committee meeting has also allocated RM10 million for TUBE 2.0 programme this year, and we have identified sectors with high business potential that could be ventured into by the participants," Hafsah said at a press conference after the TUBE 2.0 programme pre-launch here Tuesday.

### MATRADE Wants More SMEs To Venture Into Myanmar

KUALA LUMPUR -- The Malaysia External Trade Development Corporation (MATRADE) wants more small and medium enterprises (SMEs) to venture into Myanmar's growing market, particularly in the oil and gas, franchising and services sectors. Chief Executive Officer Datuk Dzulkifli Mahmud said, SMEs should grab the opportunity to increase their presence in Myanmar like what neighbouring countries such as Singapore and Thailand have done.

"From the feedback we received, increasing numbers of Malaysian companies have shown interest to invest in Myanmar," he told reporters after the signing of a memorandum of understanding between Viva Global Education Sdn Bhd and academic partners Malaysia-Myanmar Institute of Vocational Training here Thursday.

### GOIC: US$15.3 Bln GCC Investments In SME Industries

DOHA -- The Gulf Organisation for Industrial Consulting (GOIC) revealed that the number of small and medium sized factories in the Gulf Cooperation Council (GCC) countries was around 13,480 in 2014, including 10,809 small factories and 2,671 medium factories, reports Qatar News Agency (QNA).GOIC secretary-general Abdulaziz Hamad Al-Ageel said Friday, the total investments in small and medium industries throughout GCC countries touched US$15.3 billion in 2014, which is the equivalent of 4.1 per cent of the total investments in the Gulf industrial sector, amounting to US$380.1 billion. Al-Ageel noted that US$6 billion were invested in small-scale industries and US$9.4 billion in medium industries.

## PropUP — Property update

### AmanahRaya Reit To Dispose Land For RM78 Mln

KUALA LUMPUR -- AmanahRaya Real Estate Investment Trust's (AmanahRaya REIT) trustee, CIMB Islamic Trustee Bhd, has entered into a conditional sale and purchase agreement with Annex Sentral Sdn Bhd to dispose of two pieces of land in Kuala Lumpur for RM78 million. In a filing to Bursa Malaysia Tuesday, AmanahRaya REIT said the proposed disposal was an opportunistic disposal and the proceeds from the exercise was intended to be redeployed for more yield and value accretive properties.

### Gamuda, JV To Buy S$345.86 Mln Singapore Land

KUALA LUMPUR -- Gamuda Bhd, in a joint venture with Evia Real Estate (7) Pte Ltd and Maxdin Pte Ltd, will acquire a 12,154.6 square metre leasehold land in Toa Payoh, Singapore, for SG$345.86 million (RM967.2 million). In a filing to Bursa Malaysia Thursday, Gamuda said the Gamuda-Evia-Maxdin joint venture had on June 23, 2015 obtained the approval from the Housing Development Board of Singapore to acquire the land.

### PKNS Cassia Housing Project Reaps RM19.5 Mln Sales

KUALA LUMPUR -- Perbadanan Kemajuan Negeri Selangor's (PKNS) latest prestige housing project, Cassia, located in Antara Gapi, Rawang, Selangor, has raked in sales of RM19.5 million. In a statement Wednesday, its public relations manager, Ishak Hashim, said the housing project comprised 54 semi-detached units with a price tag of as low as RM681,000 to RM795,000 each.

### Reselling TH Land At TRX Ongoing - Jamil Khir

KUALA LUMPUR -- The process of reselling the Tabung Haji (TH) land at the Tun Razak Exchange (TRX), here, is ongoing but there is no final decision yet whether to cancell the resale plan. Minister in the Prime Minister's Department, Datuk Seri Jamil Khir Baharom said Thursday, TH's decision to resell the land was made to avoid more controversies and baseless accusations against the agency, although the asset purchase was based on business considerations and was syariah-compliant.

### Bina Puri To Build RM195 Twin Towers In Iskandar

KUALA LUMPUR -- Bina Puri Holdings Bhd will build two blocks of 23-storey office towers in Medini's Central Business District, Iskandar Malaysia, Johor costing RM195 million. The company said Thursday, the skyscraper project to be completed within 29 months will be developed by its wholly-owned subsidiary, Bina Puri Sdn Bhd.

# MARKET

BURSA MALAYSIA

## Scoreboard

Gainers - 345

Losers - 441

Not Traded - 732

Unchanged - 320

Value - 1431549108

Volume - 13509607

### BURSA: KL Shares End On Bearish Note

KUALA LUMPUR -- Shares on Bursa Malaysia ended on a bearish note with losses in heavyweights continuing to weigh on market sentiment. At 5 pm Friday, the FTSE Bursa Malaysia KLCI (FBM KLCI) finished at 1,710.47, down 6.34 points, after fluctuating between 1,709.87 and 1,716.64 throughout the day. Losers thumped gainers 441 to 345, with 320 counters unchanged, 732 untraded and 48 others were suspended. Total volume decreased to 1.35 billion units, worth RM1.43 billion, from Thursday's 1.65 billion units worth RM2.08 billion. HLIB Research said the local market was tracking sluggish regional markets amid concerns of a potential Greece debt default and the country exiting the European Union after days of talks in Brussels failed to yield a breakthrough. Main Market volume decreased to 837.10 million shares, worth RM1.28 billion, from 1.16 billion shares, worth RM1.94 billion, recorded on Thursday.

## Exchange Rate

(Ringgit : Foreign Currency)

| | Buying | Selling |
|---|---|---|
| USD | 3.7660 | 3. 7690 |
| EUR | 4.2194 | 4.2235 |
| GBP | 5.9318 | 5. 9369 |
| 100 YEN | 3.0516 | 3. 0543 |
| SGD | 2.7996 | 2.7020 |

Source: Bank Negara Malaysia

### FOREX: Ringgit Ends Lower Against US Dollar

KUALA LUMPUR -- The ringgit ended lower against the US dollar Friday on persistent demand for the safe haven currency, dealers said. At 5 pm, the local note was quoted at 3.7660/7690 against the greenback from 3.7550/7580 on Thursday. A dealer said besides the ringgit, most other emerging Asian currencies were also on a downtrend, as demand for the US dollar rebounded. This followed the strong economic data posted by the US, signalling a possible hike in interest rates this September. The local note also traded lower against a basket of currencies. Against the Singapore dollar, it fell to 2.7996/7020 from 2.7956/7001 Thursday and weakened to 3.0516/0543 from 3.0351/0380 against the yen. Compared with the British pound, the ringgit declined to 5.9318/9369 from 5.8931/8982 and versus the euro, it depreciated to 4.2194/2235 from 4.2007/2045.

### Money-Market: Short-Term Rates End Stable

KUALA LUMPUR -- Short-term interbank rates ended stable Friday on Bank Negara Malaysia's (BNM) intervention to absorb surplus liquidity from the financial system. The liquidity surplus in the conventional system fell to RM28.55 billion from RM33.02 billion earlier, while in the Islamic system, it eased to RM2.94 billion from RM7.29 billion. In the morning, BNM called for five tenders comprising three conventional money market, Qard and Commodity Murabahah programme. The central bank also conducted a late conventional money market tender for RM28 billion and a RM2.9 billion Qard tender, both for three-day money. The overnight Islamic reference rate stood at 3.21 per cent, while the one-, two- and three-week rates stood at 3.27 per cent, 3.32 per cent and 3.35 per cent, respectively.

### KLIBOR Futures End Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contracts on Bursa Malaysia Derivatives ended untraded Friday. July 2015, August 2015, September 2015 and December 2015 remained at 96.34, 96.36, 96.37 and 96.38, respectively. Open interest amounted to 944 contracts. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.69 per cent.

### KLCI Futures End Lower

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts (FKLI) on Bursa Malaysia Derivatives closed lower Friday in line with the weaker cash market. June 2015 eased 12 points to 1,705, July 2015 decreased 16 points to 1,698.5, September 2015 declined 17 points to 1,695.50 and December 2015 was 22 points lower at 1,694.50. Turnover advanced to 28,521 lots from 33,522 lots on Thursday. Open interest climbed to 69,751 contracts from 73,654 contracts previously. The benchmark FBM KLCI ended 6.34 points lower at 1,710.47

## Bank Rakyat Eyes Expansion Of Services To Indonesia Via Tie-Up

KUALA LUMPUR -- Bank Rakyat is optimistic to start expanding its services to Indonesia beginning January 2016 through a collaboration with the republic's biggest bank, PT Bank Rakyat Indonesia. President/ managing director, Datuk Mustafha Abd Razak, said the collaboration was expected to materialise by year-end. "We have established a working committee for the collaboration. We plan to offer our remittances and withdrawals services in Indonesia, which will benefit the people from both countries," he told reporters here Monday. Meanwhile, Bank Rakyat expected its total loan growth to increase by five to seven per cent during its financial year ended Dec 31, 2015 from RM3 billion it recorded in the last financial year.

## Hong Leong Bank Develops Security System For Mobile Banking

KUALA LUMPUR -- Hong Leong Bank Bhd has developed a prototype for the next generation of biometric authentication security system for its mobile banking platform. "This security system is the way forward for the future of mobile banking," Digital Innovation & Transactional Banking (Retail), General Manager, Galvin Yeo said. He said the system will undergo rigorous testing to ensure that it is the safest and most secure solution for customers in terms of security and protection of their interest and financial assets.

## Ringgit's Depreciation Encourages More Bond Investors - MUST Don

KUALA LUMPUR -- The ringgit's depreciation might encourage new investors in the bond market, says Malaysia University of Science and Technology (MUST), Dean of Business, Dr Yeah Kim Leng. He said new investors should grab the temporary opportunity in the weaker ringgit environment as it offered a cheap entrance point to the bond market. "Malaysia just needs to ensure it has the credible policy. Maintaining and consistencies in policies, are key, because investors want a predictable environment," said Dr Yeah after the Asian Development Bank (ADB) presented its latest Asia Bond Monitor (ABM) report. The report said despite market volatility due to rising global concerns, the first quarter of 2015 saw the local bond market, in emerging East Asia, continuing to expand.

## Emerging East Asia's Local Bond Mart Rises To US$8.3 Tln

KUALA LUMPUR -- The size of emerging East Asia's local currency (LCY) bond market continued to expand in the first three months of 2015, reaching US$8.3 trillion (US$1=RM3.74), up from US$8.2 trillion in the previous quarter, says the Asian Development Bank (ADB). ADB's Director Macroeconomics Research and Regional Cooperation Department Dr Joseph Zveglich Jr, in presenting the bank's latest Asia Bond Monitor (ABM) report, said despite markets' volatility due to rising global concerns, the first quarter of 2015 saw the LCY bond market in emerging East Asia continuing to expand. "Growth however is moderating, growing only 1.6 per cent in first quarter 2015 compared to two per cent in the last quarter of 2014. Government bonds comprised 60 per cent of the total bonds," said Zveglich here Tuesday.

## Maybank Islamic Stresses Innovations To Maintain Position In Sukuk Mart

KUALA LUMPUR -- Maybank Islamic Bhd will focus on innovations to maintain its leadership position as a sukuk issuer, says its Chief Executive Officer, Muzaffar Hisham. "Maybank Islamic, together with Maybank Investment Bank, will strive to maintain its leadership position in the market as well as in terms of corporate size. "The bank expects some challenges in the market and will monitor the trend closely," he told reporters here Wednesday. The bank's RM1.5 billion Basel 111-compliant subordinated Sukuk Murabahah received the 'Leadership Issuer of the Year' award for a financial institution at the Asset Triple A Islamic Finance Awards 2015. It was the single largest deal of its kind launched by an Islamic financial institution.

## Khazanah Provides Foundation RM3 Bln Endowment

KUALA LUMPUR -- Khazanah Nasional Bhd has provided its foundation, Yayasan Hasanah, with a RM3 billion endowment, which will be invested to provide returns that will enable a targeted RM150 million in annual funding for the foundation. The funding will cater to the foundation's work in five core areas: education; community development; environment; arts, heritage and culture; and knowledge, as well as three other strategic initiatives, namely capacity building, public spaces and incubation of social enterprises. Hasanah was established in 2014 to consolidate and expand Khazanah's existing corporate responsibility work in these core areas, it said in a statement here Wednesday.

## EPF To Include ASB2 Under Members Investment Scheme

KUALA LUMPUR -- The Employees Provident Fund (EPF) will include the Amanah Saham Bumiputera 2 (ASB2) under its EPF Members Investment Scheme (EPF-MIS), effective July 1. "With the inclusion of the ASB2, there will be nine funds offered under the EPF-MIS and managed by Amanah Saham Nasional Bhd (ASNB)," said Deputy Chief Executive Officer (Investment), Mohamad Nasir Ab Latif in a statement here Thursday. "Members who wish to subscribe for the ASB2 units can do so through ASNB," he added. The EPF-MIS allows members to voluntarily transfer a portion of savings from their Account 1 for investments in approved unit trust funds through 24 Fund Management Institutions (FMIs) appointed under the EPF-MIS, and offering them an option to enhance retirement savings.

## IRM Group Expects To Return To The Black In Fy2016

By Harizah Hanim Mohamed

KUALA LUMPUR -- IRM Group Bhd expects to return to the black in the financial year ending Dec 31, 2016, following the completion of its corporate restructuring exercise. IRM Group Chief Executive Officer and Executive Director Datuk Abdul Karim Ahmad Tarmizi said via the reverse take-over by Saujana Petroleum Sdn Bhd (SPSB), the company was expected to accrue benefits in the first quarter of next year from new businesses. “The earliest it could contribute is in the first quarter of next year after SPSB injects its business into IRM. We are now preparing to forward a submission to Bursa Malaysia and the Securities Commission by end-July,” he told Bernama here Monday.

## Bioalpha Set To Increase Market Share To 4 Pct

KUALA LUMPUR -- Bioalpha Holdings Bhd is set to end the year with a four per cent market share, up slightly from 3.8 per cent currently, driven by various business expansion initiatives, says Managing Director William Hon. He said the company, in partnership with MyAngkasa Holdings Sdn Bhd, would offer licensing arrangements for its existing ‘LifeSprings’ retail outlet to more than 10,000 registered cooperatives. “We have already identified several potential locations for the retail outlets in the Klang Valley and are currently in discussions with several potential cooperatives on the licensing arrangements. “In the meantime, we are planning to launch a royalty programme and e-commerce portal by the fourth quarter of this year,” he told reporters here Tuesday.

## Gamuda’s Q3 Pre-Tax Profit Declines To RM209.03 Mln

KUALA LUMPUR -- Gamuda Bhd’s pre-tax profit for the third quarter ended 30 April, 2015 declined to RM209.03 million against RM223.62 million recorded in the same quarter last year. Revenue trimmed to RM553.78 million from RM633.83 million registered in the corresponding period in 2014. The group said in a filing to Bursa Malaysia that the decrease in revenue and pre-tax profit mainly resulted from the completion of the electrified double tracking railway project in November 2014.

## Maxis Eyes 1.4 Mln Waze Users Nationwide

KUALA LUMPUR -- Maxis Bhd aims to capture over 1.4 million Waze users nationwide with its newly-launched Safe Mode Kids, a navigation application on Waze using voices of Malaysian children. Maxis head of marketing services, Sulin Lau, said the Safe Mode Kids used voices of children to give safety reminders, traffic alerts and directions to motorists. “A survey showed that 97 per cent of Malaysian parents claimed they drove much safer when their children were in the car with them. However, most of the time the kids can’t accompany them on their daily commute and therefore Maxis teamed up with Waze to create a little add-on application for safe driving,” she told reporters after the launch of the world’s first Safe Mode Voice Pack here Wednesday.

## Eastspring Declares Income Distribution For Target Income Fund 3

KUALA LUMPUR -- Eastspring Investments Bhd has announced a 2.32 sen per unit gross income distribution for existing unitholders of the Eastspring Investments Target Income Fund 3. In a statement here Wednesday, it said all unitholders, who have maintained their holdings in the fund as at June 22, 2015, will be entitled to the income distribution. “This distribution is consistent with the fund’s objective which endeavours to distribute income on a semi-annual basis from the coupon payments received from the bonds invested,” it said. The fund chartered a return of 4.62 per cent since inception, outperforming its benchmark by 1.54 per cent.

## Glomac Posts RM143.7 Million Profit In FY15

KUALA LUMPUR -- Glomac Bhd posted lower revenue of RM472.2 million for the financial year ended April 30, 2015, compared to RM676.66 million registered in the preceding year. Profit before tax declined to RM143.7 million from RM157.28 previously, according to its filing to Bursa Malaysia Wednesday. Glomac achieved total sales of RM506 million in the financial year 2015, of which more than 80 per cent came from landed residential projects and affordable townships. This year, the property developer is bringing to market new launches with an estimated Gross Development Value (GDV) of RM802 million, where the strategic focus continues to be in landed residential projects such as Lakeside Residences in Puchong and Suria Residen in Cheras.

## Encorp Construction Division To Return To The Black By Year-End

KUALA LUMPUR -- Encorp Bhd will continue to bid for construction projects this year despite the losses registered by the division. Group Director of Operations, Roslee Ismail said the company would continue to bid for government-related construction projects and undertake a restructuring process at the construction division to iron out issues. “We will announce it (result of project tender) by year-end and at the moment we are focusing on solving the issues of non-profitable construction projects that we have in hand,” Roslee said, adding the segment was expected to return to the black this year. He said the orderbook for the construction segment stands at RM800 million currently. The group’s external construction segment recorded a pre-tax loss of RM1.80 million in the first quarter ended March 31, 2015 from a pre-tax profit of RM500,000 in the same quarter a year ago, while revenue declined by RM3.53 million or 23 per cent to RM11.64 million from RM15.18 million previously.

## Green Energy Park Projects Overseas Provide Recurring Income For KNM

SERI KEMBANGAN -- The green energy projects in the United Kingdom (UK) and Thailand are expected to provide KNM Group Bhd with recurring income. The four-year green energy park project contract with Peterborough Renewable Energy Ltd in Peterborough (UK), is expected to contribute 25 per cent of revenue in its financial year 2017. Chief Executive Officer/ Executive Director Lee Swee Eng said the profit generated from the project would be one of the recurring incomes for the company for at least five years. "The UK government has been encouraging renewable energy and introduced a unique policy called the Renewable Energy Obiligation Certificate (ROC), whereby we receive an incentive for every megawatt produced from waste (garbage). "So, the income will come from the ROC," he told reporters after the company's annual general meeting (AGM) here Wednesday.

**Farm's Best Hit By Lower Sales Price, Broiler Volume**

MELAKA -- The 2014 revenue of Farm's Best Bhd, one of the country's largest integrated poultry producers, was dampened by a decrease in average selling prices of live broilers and lower sales volumes of live broilers and table eggs. Group Chairman Datuk Zainal Shamsudin said the company's revenue for the financial year ending Dec 31, 2014 slipped eight per cent to RM418.4 million from RM455.4 million recorded previously. He said a net profit of RM2.2 million was recorded for 2014 as compared to a net profit of RM4.3 million in the financial year ended Dec 31, 2013. "Overall, the group's adverse results during the current year under review, compared to the previous year, was due to a decrease in average selling prices of live broilers during the financial year under review," he said in the company's annual report.

**TPC Plus Expects To Perform Better This Year**

JASIN -- Poultry farming group, TPC Plus Bhd expects to perform better this year with improvement in farm conditions and effective cost management. Chairman Lim Yeow Her said nevertheless the group anticipated a challenging year due to market competitiveness, volatility of raw material prices and the implementation of Goods and Services Tax. The increase in the average selling price of eggs and stable feed price had improved the company's financial performance in 2014, he said in the company's annual report. TPC Plus registered a profit after tax of RM4.76 million for the year ended Dec 31, 2014 compared to a loss after tax of RM4.07 million a year ago. Revenue rose to RM83.6 million from RM73.23 million recorded previously. Lim said in-house training programmes had also been conducted for the employees to increase their efficiency and productivity.

**TA Global Q1 Pre-Tax Profit Falls To RM83.2 Mln**

KUALA LUMPUR -- TA Global Bhd's pre-tax profit for the first quarter ended April 30, 2015 fell to RM83.2 million from RM94.1 million recorded in the same quarter last year. Revenue fell to RM140.1 million from RM158.2 million previously, it said in a filing to Bursa Malaysia Thursday. On the prospects for the current financial year, TA Global said it expected the domestic economy to be more challenging due to slower export growth. "The private consumption following the implementation of Goods and Services Tax on April 1 is also expected to be moderate," it said. TA Global said although the recovery in the US economy was gaining momentum, the global economy was expected to remain subdued in view of the lower oil prices and China's slowdown in growth.

**Aeon Credit Posts RM76.27 Mln Q1 Pre-Tax Profit**

KUALA LUMPUR -- Aeon Credit Service (M) Bhd's pre-tax profit for the first quarter ended May 31, 2015 stood at RM76.27 million while revenue amounted to RM232.44 million. As the company has changed its financial year end from Feb 20 to Feb 28, the pre-tax profit and revenue cannot be compared with the results of the period from Feb 20, 2015 to Feb 28, 2015, it said in a filing to Bursa Malaysia Thursday. The finance receivable as at May 31, 2015 was RM4.67 billion, an increase of 21.61 per cent from RM3.84 billion as at May 20, 2014 while the non-performing loans ratio was 2.74 per cent as at May 31, 2015, compared to 2.18 per cent as at May 21, 2014.

**PNB Declares 6.6 Sen Income Distribution For Amanah Saham Didik**

KUALA LUMPUR -- Amanah Saham Nasional Bhd (ASNB), a wholly-owned subsidiary of Permodalan Nasional Bhd (PNB), announced an income distribution of 6.60 sen per unit for Amanah Saham Didik (ASD) for the financial year ending June 30, 2015. PNB chairman Tun Ahmad Sarji Abdul Hamid said the income distribution involved a total payout of RM336.53 million, an increase of 7.3 per cent compared with RM313.66 million paid out last year. He said the income distribution would benefit a total of 318,221 unitholders who collectively own 5.11 billion units in the fund. "Up to June 23, 2015, the ASD fund had achieved gross income of RM446.77 million, out of which profit from sale of shares in investee companies contributed RM246.65 million or 55.2 per cent," Ahmad Sarji said when announcing the income distribution for ASD here Thursday.

**Felda Travel Eyes 600 Buyers Of New 'Ibrah' Travel Packages**

KUALA LUMPUR -- Felda Travel Sdn Bhd, a subsidiary of Felda Global Ventures Holdings Bhd, is projecting 120 people to purchase each of its five 'Ibrah di Bumi Anbiyya' holiday packages this year. The tours with a spiritual dimension are to the historic destinations of Jordan-Petra-Jerusalem, Turkey-Urfa-Adiyaman, Spain-Morocco, Egypt and Uzbekistan, Chief Executive Officer Nora Azmin Radzuan told reporters after their launch today by Felda Chairman Tan Sri Mohd Isa Abdul Samad. Prices start at RM5,888 (Uzbekistan), RM6,888 (Turkey), RM7,888 (Spain-Morocco), RM7,888 (Egypt) and RM7,888 (Jordan-Petra-Jerusalem). Felda Travel, set up in 1983, has won awards including MAS' Diamond award, 'Outstanding Performance' award from Etihad, and 'Top Agent' from Abacus.

Newsbriefs@7
Updated Daily

### Maxwell Int'l Seeks Partner To Co-Market Fashion Apparel

KUALA LUMPUR -- Footwear manufacturer Maxwell International Holdings Bhd, which plans to diversify into the fashion apparel market, is looking for a partner to co-market its products. Chief Financial Officer Tan Swee Song said given the competitive fashion business landscape, it plans to leverage on the e-commerce platform and market the clothes online, besides setting up a physical store. "We are now in the process of evaluating which brands under us can be profitable," he told reporters here Monday. Tan said the group began diversifying into the retail and branding of garment and the fashion business in late 2012 although there has been no significant contribution to the group's overall revenue and profitability.

### 7-Eleven To Spend RM80 Mln To Build New, Refurbish Stores

KUALA LUMPUR -- 7-Eleven Malaysia Holdings Bhd plans to spend RM80 million to RM90 million to open 200 7-Eleven stores and refurbish 200 nationwide this year, said Chief Executive Officer, Gary Brown. Brown said the company wanted to create a more inviting and warm environment to attract more customers. "We have also included more fresh foods, use light-emitting diode lighting at our stores which are energy-saving as well as organise on-going strategic promotions," he told reporters here Tuesday. He said 30 to 35 per cent of the new stores would likely be in the Klang Valley.

### FGV Reaffirms Commitment To Transformation Plan

KUALA LUMPUR -- Felda Global Ventures Bhd (FGV) has reaffirmed its commitment to its five-year transformation plan for revenue enhancement, cost optimisation and operational excellence. In this process, FGV had made strategic decisions to yield the returns that it has projected, it said in a statement here Tuesday. "FGV would like to emphasise its commitment to all shareholders and to give its assurance that continuous proactive engagement with shareholders and analysts will be taken to drive the organisation's singular focus on achieving efficiency and profitability. FGV has always delivered value to its shareholders and will continue to do so irrespective of share price movements and changes in shareholders," it said.

### Boeing, Thai Airways International Celebrates 25th Direct 777 Delivery

KUALA LUMPUR -- Boeing and Thai Airways International Plc Co Ltd celebrated the Thailand flag carrier's 25th direct 777 delivery, a 777-300ER (Extended Range), from the Boeing delivery center in Everett, Washington. "This is a very special delivery for us – our 25th 777 delivery from Boeing," said Thai Airways' President Charamporn Jotikasthira. "The flexibility of the 777 family has played a significant role in our continued success and our latest 777-300ER will ensure we continue to expand our long haul markets efficiently and economically, while providing our passengers the best possible experience," he said in a statement here Wednesday. Thai Airways has operated nearly every model of the 777 over the last two decades and also currently operates five 787 Dreamliners.

### Govt Faces Challenge In Turning Biotech Companies Into World-Class Entities

From Zarul Effendi Razali

PHILADELPHIA (US) -- The government faces a challenge in turning biotechnology companies it has nurtured into world-class entities. "The government has done what it needs to do, in nurturing these companies. But now, it is a different kind of challenge. "It is not just to attract big biotechnology companies to come to Malaysia, but turn those it has already nurtured into world-class entities," said the US-based Larta Institute Chief Executive Officer, Rohit Shukla. He said even if one of the companies did extremely well internationally, it would lift the image of Malaysia and the government must remain focused on this vision. Rohit told Bernama this on the sidelines of the International Bio Convention (BIO) 2015 here.

### Cash-Rich Salcon On Lookout For Good Investments

PETALING JAYA -- Salcon Bhd, which will be sitting on a RM310 million cash pile from its divestments in China, is on the lookout for good investments. Executive Director Datuk Eddy Leong Kok Wah said the company now has cash of RM270 million, after having completed the disposal of eight water concessions out of nine in China. "The disposal of the last concession in Shandong should be resolved by the third quarter. We will then have further cash of RM40 million. We have had an exciting and rewarding journey from our China's investments made since 2004," he said after the company's annual general meeting (AGM) here Thursday.

### Courts Malaysia Allocates RM15 Mln To Refurbish Stores In 2016

KUALA LUMPUR -- Courts Malaysia Sdn Bhd plans to invest RM15 million to refurbish its 15 stores nationwide in financial year 2016, said Chief Executive Officer/Group Chief Marketing Officer, Tim Luce. "We are committed to invest more in Malaysia and develop our stores despite the challenging macroeconomic environment," he said at a media briefing on its 2015 Business Plan here Thursday. So far this year, Courts Malaysia has opened six new stores, bringing its total to 63 and had refurbished 11 stores. He said Malaysia remained a key growth market for the company given the country's increasing population, home ownership and average income.

**Japanese Cutlery Firms Plan To Invest In Malaysia**
From Kenny Teng Khoon Hock

TSUBAMESANJO (Japan) -- Japan's cutlery manufacturers and exporters are planning to set up their presence in Malaysia as a springboard to penetrate other Southeast Asian countries. Various companies located in Japan's most famous city of stainless steel kitchenware, TsubameSanjo, in the Niigata Prefecture, have revealed their intentions to expand abroad. Tadafusa Co, a 67-year-old manufacturer of knives and other cutting tools, is planning to export its products to the Malaysian or Singaporean market over the next few years. Its president and chief executive officer, Tadayuki Sone, said the group planned to pick Malaysia and Singapore as the stepping stone to penetrate the Southeast Asian region. He said the group has been exporting its products especially good quality kitchen knives for the past 30 years to most European countries and the United States.

**M'sia, China To Reap Benefits Of Growing Prosperity -- Mustapa**
KUALA LUMPUR -- The combined efforts of Malaysia and China and those of Malaysia-China Chamber of Commerce (MCCC) will ensure that the citizens of both countries reap the benefits of this growing prosperity. Minister of International Trade and Industry, Datuk Seri Mustapa Mohamed, said with China being Malaysia's largest trading partner since 2009 and one of the top ten foreign investors in Malaysia, the prospects appeared excellent for even larger growth in the economic ties in the future. "Malaysia's total trade with China in 2014 amounted to US$63.50 billion. This accounted for 14.3 per cent of Malaysia's total trade in 2014, and an increase of 2.2 per cent from 2013 (in ringgit terms). "For the period January-April 2015, Malaysia's total trade with China increased by 1.2 per cent to US$18.48 billion (RM67 billion) compared with the corresponding period in 2014," he said in his speech at the MCCC 25th Anniversary Dinner here Thursday.

**Halex Leverages On DKSH's Tender Soft Product Outlets**
KUALA LUMPUR -- Halex Woolton (M) Sdn Bhd is set to leverage on DKSH Holding (M) Bhd's 25,000 outlets in Malaysia for its flagship Tender Soft tissue, cotton products and other healthcare disposables. Halex Holdings Bhd's Executive Director Benny Lim Pang Yan said currently Halex Woolton has fewer than 1,000 outlets with a 15 per cent share of the country's healthcare disposable products market. Lim said the company hopes to expand the market share for Tender Soft products nationwide and increase its presence and footprint as well as expand to over 5,000 distribution points. "With the assistance of DKSH, we also anticipate an improvement to our financial position, not only from the potentially higher revenue, but also from more favourable collection days and also better economies of scale which should lower costs," he told reporters after the signing of an agreement with DKSH Business Unit Consumer Goods here Friday.



**Fitters To Supply Renewable Energy To National Grid**
KUALA LUMPUR -- Fitters Diversified Bhd, via wholly-owned unit, Future Biomass Gasification Sdn Bhd, has signed a Renewable Energy Power Purchase Agreement with Tenaga Nasional Bhd for the sale of renewable electricity to the national grid for a period of 16 years beginning in February 2016. In a statement here Friday, Fitters said the signing followed after future biomass recently received a feed-in approval from the Sustainable Energy Development Authority Malaysia to generate up to two megawatts of electricity from renewable resources. Managing director, Datuk Richard Wong, said the renewable electricity will be produced at Fitter's green mill in Baling, Kedah, which will generate biogas from palm oil mill effluent in a biogas capture plant and convert into electricity using highly efficient biogas engine generators.

**Rajawali To Receive Only 2.55 Pct Stake In FGV**
KUALA LUMPUR -- Felda Global Ventures Holdings Bhd (FGV) Friday reiterated that it will provide Indonesia's Rajawali Corporation with only 2.55 per cent stake as per agreement announced on June 12. "FGV wishes to clarify that no such agreement regarding an increased stake has been made nor have discussions taken place at this point in time," said Group President and Chief Executive Officer Datuk Mohd Emir Mavani Abdullah in clarifying wire agency reports that Rajawali was seeking at least a 21 per cent stake in FGV. Rajawali was seeking to increase its stake should FVG decide to seek a controlling stake in PT Eagle High Plantations Tbk in which Rajawali is currently a major shareholder with 65.54 per cent equity interest.

## Al Rajhi Appoints Maslamani As Chief Compliance Officer

KUALA LUMPUR -- Al Rajhi Bank (Malaysia) has appointed V.Maslamani as its Chief Compliance Officer. In a statement here Monday, the bank said Maslamani held honours degrees in economics and accountancy from Universiti Kebangsaan Malaysia (UKM). “He is a compliance professional with more than 27 years experience in the banking industry,” it added. With 24 branches in Malaysia and over 600 branches in the Kingdom of Saudi Arabia, Al Rajhi Bank’s presence has now extended to Kuwait and Jordan.

## PCG Wins Asia Responsible Entrepreneurship Award

KUALA LUMPUR -- Petronas Chemicals Group Bhd (PCG), the petrochemical arm of Petronas, has been bestowed the Asia Responsible Entrepreneurship Award in the Green Leadership Category for its signature environmental conservation initiative, the ecoCare programme. The award was presented at a ceremony held on June 18 in Macau. President/ Chief Executive Officer Datuk Sazali Hamzah said the award was recognition for PCG’s long-standing commitment and efforts in upholding sustainable and responsible entrepreneurship. “Petronas is committed to contributing to the well-being of the people and the nation where it operates and strives to balance business and societal value creation towards generating sustainable growth,” he said in a statement here Monday.

## MAS Appoints CEO For New Ground Handling Subsidiary

KUALA LUMPUR -- Malaysia Airlines (MAS) has appointed Mohd Nadziruddin Mohd Basri as Chief Executive Officer (CEO) of Malaysia Airlines Bhd’s new subsidiary, MAB Ground Handling Services Sdn Bhd, effective Sept 1, 2015. “Nadziruddin brings with him over 20 years of experience in airline operations, investment and finance. “In his new position, Nadziruddin will focus on enhancing the efficiency and effectiveness of ground handling services provided to our new airline’s passengers and aircraft, as well as to third party airlines,” MAS CEO Christoph Mueller said in a statement here Monday. Nadziruddin has been in MAS since late 2013 during which held the position of Chief Financial Officer until his appointment to lead the Restructuring Management Office as Chief Restructuring Officer in late 2014.

## PNS Appoints Datuk Seri Syed Ali Syed Abbas As Chairman

KUALA LUMPUR -- Perbadanan Nasional Bhd (PNS) has appointed Datuk Seri Syed Ali Syed Abbas Al–Habshee as its Chairman, effective Monday. He will replace former chairman Datuk Idris Hashim who had served from June 10, 2009 until June 10, 2015. Currently, Syed Ali is serving as a director of several corporates, government-linked companies and Tourism Malaysia, Companies Commission of Malaysia and the Federal Territory Foundation. PNS is a Minister of Finance Incorporated–owned company and an agency under the Ministry Of Domestic Trade, Cooperative and Consumerism with the mandate to lead the development of Malaysia’s franchise Industry.

## ETCM Notifies Customers To Replace Airbag Inflator Module Via Campaign

KUALA LUMPUR -- Edaran Tan Chong Motor Sdn Bhd (ETCM), together with Tan Chong Express Auto Service Centre, have undertaken a service campaign to notify its customers to replace an airbag inflator module for the front passenger airbag of affected Nissan vehicles. In a statement here Tuesday, ETCM said a total of 12,444 Nissan units in Malaysia were involved in the front passenger airbag inflator service campaign, including Nissan, X-Trail, Teana and Liberty. “All labour and replacement parts for this service will be at no cost to owners,” said ETCM, the sole distributor and assembler of Nissan vehicles in Malaysia.

## ASEAN, Japan To Enhance Relationship In Science & Technology

KUALA LUMPUR -- Representatives from ASEAN member states and Japan have converged for the Science and Technology in Society (STS) Forum Thursday to further discuss the relationship in S&T between the two parties. The forum, which has attracted 100 policymakers, business, non-governmental organisations and the media, aims to enhance the role of S&T towards finding solutions for sustainable future. Among the issues discussed during the workshop were future energy supply, environmental degradation, society well-being, human health and gender and youth, the Malaysian Industry-Government Group for High Technology (MIGHT) said in a statement here Thursday.

## Boeing Names Muilenburg Chief Executive Officer

KUALA LUMPUR -- The Boeing board of directors has elected Dennis A. Muilenburg as the company’s Chief Executive Officer (CEO) to succeed W. James (Jim) McNerney, Jr., who held the position for 10 years. Muilenburg, 51, a 30-year company veteran, has served as Boeing president and chief operating officer since 2013, and would become President and CEO on July 1, said a Boeing statement. “Dennis is an extremely capable, experienced and respected leader with an immense passion for our company, our people, and our products and services,” said McNerney, who made priorities of succession planning and leadership development at the outset of his tenure.

# Malaysia Exports RM6 Mln Durians To China Q1

From Rohani Ibrahim

DURIAN GALORE...A group of China nationals received a truly Malaysian hospitality by sampling the King of Fruits at Sungai Rusa in Balik Pulau, Penang. The programme was organised in collaboration with the Agriculture Department recently. -- fotoBERNAMA

XIAMEN (China) -- Malaysia exported durians worth US$1.7 million (RM 6.12 million) to China from January to March this year.

Of this figure, US$700,000 (RM2.52 million) in exports were to Xiamen, the capital of Fujian province.

Agriculture and Agro-Based Industry Minister Datuk Seri Ismail Sabri Yaakob said Malaysia hoped, agriculture trade with China can be leveraged through the establishment of the Food and Agro Council For Export (FACE), under his ministry in 2013.

“Malaysia is serious in meeting the demand for durians in China,” he said in his speech at the launch of durian-based products here by Duria Manufacturing Sdn Bhd last month.

The products launched on May 29 include frozen durian, durian pancakes, frozen durian Musang King, durian mooncake, durian crispy role, durian ice-cream and durian spring role.

## NICHE MARKET

Ismail Sabri said the ministry had assisted Duria Manufacturing Sdn Bhd to build a durian processing plant in Kamunting, Perak, which is capable of processing 200 tones of fresh durian daily.

“This plant is using an advanced sterilisation technology through high pressure processing with an immediate quick freeze, that ensures quality and food safety,” he added.
He said Duria started operations seven years ago as a small manufacturing company in Shah Alam, targeting the niche market for durian tempura.

“Duria’s work with the ministry started with a durian pilot project in Tangkak, Johor.

“In 2012, Duria was appointed an anchor company to participate in the Entry Point Project 8: Food Park (EPP8), an initiative introduced under the Economic Transformation Programme (ETP),” he said.

## ADVANCED TECHNOLOGY

Earlier, Ismail Sabri and senior ministry officers held a meeting with Xiamen’s Entry-Exit Inspection and Quarantine Bureau, Department of Food Safety Supervision Deputy Director, Pang Jin.

Meanwhile, Duria Manufacturing Sdn Bhd chairman, Datuk Khamsiyah Yeop in her speech said the company was looking at investing RM20 million in the most advanced manufacturing lines techonology.

“In future, we will join forces with the Agriculture and Agro-Based Industry Ministry to improve on the hardware and software facilities for production and marketing, with our aim of being internationally famous in the durian processing industry,” she said.

Duria Manufacturing Sdn Bhd distributes its products in China through two branches, Duria Trading (Xiamen) Co Ltd and Duria F & B Management (Guangzhou) Co Ltd.

Ismail Sabri has been on a nine-day working visit to China from May 23 to promote Malaysian halal products in the cities of Xi’an, Chengdu, Suining, Fujian and Shenzen, as well as Hong Kong.

-- BERNAMA

## LIST OF MARKET REPORTS :



## BURSA MALAYSIA

### BURSA: FBM KLCI To Trend Lower Next Week

By Sharifah Pirdaus Syed Ali

KUALA LUMPUR -- The ringgit's volatility and lack of progress in Greece's bailout will continue to keep the local stock market nervous and weigh heavily on the benchmark index next week.

Affin Hwang Investment Bank Vice-President and Head of Retail Research Datuk Dr Nazri Khan said following the bearish performance of the global stocks, the FTSE Bursa Malaysia KLCI (FBM KLCI) could stage a further correction with the 1,700 points level as the immediate target.

He said sentiment would be weighed down by Greece's failed negotiations, ringgit's renewed weakness, negative global data, potential Federal Reserve rates hike and absence of local catalyst.

In the Asian region, he said there was rising volatility as reflected by a wild ride endured by Chinese stocks as the Shanghai Composite index fell 4.8 per cent before rallying to climb up 2.5 per cent.

Oil prices also remained volatile, with Brent oil falling 1.5 per cent to US$63.49 even after data showed another drop in the US crude stockpiles last week.

However, Nazri told Bernama that local sentiment could be supported by the latest statistics which showed that the median for 2014 Malaysian monthly household income had increased to RM4,585 from RM3,626 in 2012.

"This data suggest economic resilience, improved consumer power and continuous prosperity among Malaysians despite having multiple economic challenges on external front," he added.
On a Friday-to-Friday basis, the benchmark FBM KLCI eased 11.3 points to 1,710.47 from 1,721.77. Weekly turnover decreased to 7.35 billion units worth RM8.19 billion from 7.72 billion units worth RM9.18 billion traded previously.

The FBM Emas Index decreased 73.45 points to 11,833, the FBMT100 Index fell 86.12 points to 11,510.66, the FBM Emas Shariah Index gave up 70.4 points to 12,306.36 and the FBM 70 declined 133.9 points to 12,881.76 but the FBM Ace added 98.35 points to 6,398.35.

Main market volume slipped to 4.65 billion units valued at RM7.35 billion from 4.91 billion units valued RM8.31 billion registered last week.

### FOREX: Ringgit To Trend Downwards On Lower Demand

KUALA LUMPUR -- The ringgit is expected to be on a downtrend next week against the US dollar as investors gained confidence in the greenback after the release of strong US economic data. He said the positive data signalled a possible hike in interest rates in September.

"This weakened the local note and other emerging Asian currencies," he told Bernama.

Meanwhile, Affin Hwang Investment Bank Vice-President and Head of Retail Research Datuk Dr Nazri Khan Adam Khan said he expected the local note's depreciation to encourage more medium term investments particularly in foreign direct investment (FDI) and bond portfolios.

"Last week the ringgit continued to weaken one per cent against the US dollar at 3.7610 while compared with the Singapore dollar it was down 1.5 per cent to 2.8005.

"It is likely that new investors will grab the temporary opportunity in the undervalued weaker ringgit as it offers a cheap entrance point to the medium to long-term FDI and bond market," he added.

On a Friday-to-Friday basis, the ringgit weakened to 3.7660/7690 against the US dollar from 3.7430/7460 last Friday.

Against other major currencies, the ringgit was traded mixed.

It fell versus the Singapore dollar to 2.7996/7020 from 2.7985/8018 and depreciated against the yen to 3.0516/0543 from 3.0428/0460 previously. Meanwhile, against the British pound, the local currency rose to 5.9318/9369 from 5.9327/9385 and strengthened against the euro to 4.2194/2235 from 4.2345/2382 last Friday.

.

## Short-Term Rates To Remain Stable Next Week

KUALA LUMPUR -- Short-term interest rates are likely to remain stable next week as Bank Negara Malaysia (BNM) continues its intervention to mop up excess liquidity. A dealer said the central bank is expected to continue to call for money market tenders on a daily basis.

For the week just-ended, BNM intervened daily by conducting conventional, Qard, repo and Commodity Murabahah programme tenders to reduce excess liquidity in the system.

The overnight rate for the week 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.

On Friday, the central bank conducted a late conventional money market tender for RM28 billion and a RM2.9 billion Qard tender, both for three-day money.

Total surplus in the conventional system this week was increased to RM28.55 billion while RM2.94 billion remained in Islamic funds.

The underlying three-month interbank rate stood at 3.69 per cent.

## KLCI Futures Likely To Trend Lower Next Week

By Sharifah Pirdaus Syed Ali

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract (FKLI) on Bursa Malaysia Derivatives is likely to trend lower next week in tandem with the negative outlook for the cash market, a dealer said.

Affin Hwang Investment Bank Vice-President and Head of Retail Research Datuk Dr Nazri Khan said the local bourse was likely to stage a further correction following the expected bearish performance of global stocks next week.

Greece's failed negotiations, ringgit's renewed weakness, negative global data, potential Federal Reserve rates hike and absence of local catalyst is also to pressure the futures contract lower.

Nazri told Bernama the next downside support was now pegged at 1,700 and 1,680 levels while resistance was now spotted at 1,730 and 1,750 levels respectively.

For the week just-ended, the futures market saw range trading between the 1,694.5 and 1,734 points levels.

On a Friday-to-Friday basis, spot month June 2015 lost 9.5 points to 1,705, July 2015 shed 13.5 points 1,698.5, September 2015 slipped 12.5 points to 1,695.5 and December 2015 fell 14 points 1,694.5.

Turnover for the week jumped to 94,629 lots from 43,642 lots last week while open interest rose to 69,751 contracts from 37,141 contracts previously..

## CPO Expected To Trade Lower On Subdued Demand

KUALA LUMPUR -- The crude palm oil (CPO) futures contract on Bursa Malaysia Derivatives is expected to hover around RM2,200 and RM2,240 next week on lower demand, a dealer said.

Interband Group of Companies Senior Palm Oil Trader Jim Teh said demand for the tropical oil was expected to weaken in the near-term as top consumers, China and India, have reduced the purchases of CPO.

Meanwhile, Phillip Futures Sdn Bhd Derivative Product Specialist David Ng told Bernama that the market was expected be bearish in rangebound trading next week due to lack of market moving news.

"The market is awaiting the release of June export data by cargo surveyors next week but the performance of the soybean market and the ringgit will also influence sentiment," he added.

On a weekly basis, July 2015 jumped RM46 to RM2,278 a tonne, August 2015 gained RM42 to RM2,278 a tonne, September 2015 rose RM41 to RM2,283 a tonne and October 2015 increased RM44 to RM2,283 a tonne.

Weekly turnover decreased to 155,732 lots from 201,910 lots last week while open interest narrowed to 212,548 contracts from 222,931 contracts previously.

On the physical market, July South appreciated RM25 to RM2,285 a tonne.

## Rubber Market To Be Rangebound Next Week

KUALA LUMPUR -- The Malaysian rubber market is expected to continue its downward momentum in rangebound trading on lack of buying interest, said a dealer.

Market sentiment is expected to be affected by the overall negative global economic condition.

"The rubber market will be weak despite lower production as a result of the  current dry spell now," he told Bernama.

For the week-just-ended, rubber prices were traded mostly lower due to the erratic crude oil prices, regional market movements and concerns over a drop in rubber demand from top consumer, China.

The Chinese government will adopt a new standard for compound rubber beginning July, which will reduce natural rubber usage.

On a Friday-to-Friday basis, the Malaysian Rubber Board's sellers official physical price for tyre-grade SMR 20 added one sen to 575 sen per kg while latex-in-bulk eased 16 sen to 477.50 sen per kg.

The unofficial sellers' closing price for tyre-grade SMR 20 was unchanged at 575 sen per kg while latex-in-bulk declined 15.5 sen to 475 sen per kg.

**KLIBOR Futures To Remain Flat Next Week**

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives is likely to remain flat next week due to lack of demand.

For the week just-ended, the market remained untraded.

Open interest remained at 944 contracts. July 2015, August 2015, September 2015 and December 2015 stood unchanged at 96.34, 96.36, 96.37 and 96.38 respectively.

The underlying three-month KLIBOR was pegged at 3.69 per cent.

**KLTM To Continue Downward Trend Next Week**

KUALA LUMPUR -- The Kuala Lumpur Tin Market (KLTM) is expected to continue its downward trend next week as sellers are expected to remain on the sidelines.

The metal is anticipated to hover around US$15,000 per tonne as sellers were uncomfortable to unload their stocks at current levels as the price had hit a five-year-low. The market traded mostly lower for the week just-ended in tandem with the sentiment on the London Metal Stock Exchange (LME).

The Kuala Lumpur Tin Market (KLTM) ended the week US$200 lower at US$15,100 per tonne on the lack of buying interest.

Meanwhile, Japanese, European and local players accounted for the week's turnover of 275 tonnes against 226 tonnes registered last week.

The premium between the KLTM and LME widened to US$355 per tonne on Friday versus US$110 per tonne last Friday.

**Gold Futures To Consolidate Amid Concerns Over Greece Debt Talks**

KUALA LUMPUR -- Gold futures contract on Bursa Malaysia Derivatives is expected to consolidate next week as investors cautiously digest the progress on Greece's debt talks.

Against this backdrop, focus was shifting to safe haven assets like gold as the bailout was set to expire at month-end.

Phillip Futures Sdn Bhd Dealer Azim Faris Ab Rahim added that the market was concerned over an imminent interest rate hike by the United States Federal Reserve.

"However, the weakening ringgit may limit the downside potential for the local gold market," he added. For the just-ended trading week, the precious metal traded mostly lower.

June 2015 slipped 43 ticks to RM142.50, July 015 dropped 42 ticks to RM142.90, August fell 41 ticks to RM143.35 and September declined 40 ticks to RM143.80 a gramme.

Weekly turnover totalled 683 lots worth RM9.74 million from 225 lots worth RM3.213 million traded last week. Open interest on Friday fell to 1,851 contracts from 2,190 contracts previously.