BERNAMA
MALAYSIAeBiz
WEEKLY BUSINESS ROUNDUP 20 - 24 JUNE 2016

June 24, 2016

This Week's Highlight :

Govt Committed To SMEs With RM7.34 Bln Allocation

COMMITTED... Prime Minister Datuk Seri Najib Tun Razak launching the MalaysiaBiz portal at the Putra Building in Putrajaya Thursday. Pix Mahayudin Mohamad FotoBERNAMA

PUTRAJAYA -- The government is committed to develop the small and medium enterprises (SMEs) with an allocation of RM7.34 billion to implement 152 SME programmes this year, says Prime Minister Datuk Seri Najib Tun Razak. The government is also committed to ensure that the implementation of High-Impact Programme under the SME Masterplan 2012-2020 would be implemented smoothly, said Najib, who is also Finance Minister when launching Portal MalaysiaBiz here Thursday.

This Week's Top Stories

MONDAY

Samalaju Draws RM25.29 Bln Investment

KUCHING -- Samalaju Industrial Park (SIP) in Bintulu, Sarawak, the biggest single industrial park in Malaysia, has attracted and approved 16 projects with a total investment of RM25.29 billion, said Sarawak State Secretary Tan Sri Mohamad Morshidi Abdul Ghani Monday. He said the 16 projects approved so far would create 13,302 job opportunities and in the immediate years ahead could create a significant industrial base that can generate more employment and business opportunities.

TUESDAY

Using Another Name For klia2 Violates Aviation Laws - MAHB

PUTRAJAYA -- Using another name for klia2, the official brand of the KL International Airport 2, violates the aviation laws, Malaysia Airports Holdings Bhd (MAHB) Managing Director Datuk Badlisham Ghazali said Tuesday. He said the campaign carried out by low-cost carrier AirAsia to brand klia2 as LCCT2 is against the International Air Transport Association (IATA) and International Civil Aviation Organisation (ICAO) regulations.

WEDNESDAY

No Name Change For klia2: Liow

KUALA LUMPUR -- There is no name change for Kuala Lumpur International Airport 2 (klia2) since it is registered in the International Air Transport Association as part of KLIA's official code, namely 'KUL'. Transport Minister Datuk Seri Liow Tiong Lai said Wednesday thus, "names should not be changed for the sake of changing.

THURSDAY

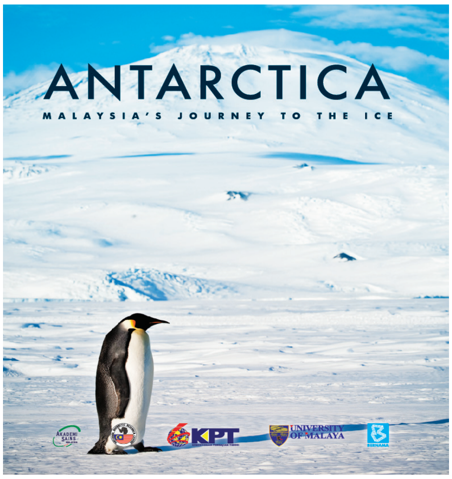
Brexit: Malaysia Still Keen On Malaysia-EU FTA

KUALA LUMPUR -- Malaysia is still keen to pursue negotiations on the Malaysia-European Union (EU) Free Trade Agreement (FTA) should the United Kingdom (UK) decide to exit the economic bloc. International Trade and Industry Ministry Secretary-General Tan Sri Dr Rebecca Fatima Sta Maria said the EU would still have 27 economies under the bloc that Malaysia could tap into with the FTA.

FRIDAY

TH Continues To Improve Documents On Haj Operation

MAKKAH -- The Pilgrims Fund Board (Tabung Haji-TH) is fine-tuning its haj operation procedures and ISO Quality Management System certification to provide better service for Malaysian haj pilgrims. Head of the Malaysian Haj delegation Datuk Syed Saleh Syed Abdul Rahman said Friday, it was an on-going project to ease the worry of pilgrims who might still be traumatised by incidents which occurred during previous haj season.



SMEbrief

Amir Hakimin, An Inspiration To Young Entrepreneurs

KUALA TERENGGANU -- The success of Amir Hakimin Che Razak to become one of the five best participants of the Tunas Usahawan Belia Bumiputera (TUBE) programme nationwide proves the capability of the departments and state agencies in Terengganu in churning outstanding entrepreneurs. State Rural Development, Entrepreneurship, Cooperatives and Consumerism Committee chairman Roslee Daud said the owner of Shredded Gym, 25, has been sent to the 'World Boot Camp' in New Jersey, United States of America, under the sponsorship of SME Corp Malaysia.

CIMB-Lazada Tie-Up For SME Expansion

KUALA LUMPUR -- CIMB Bank Berhad and Lazada Malaysia have signed a partnership agreement to offer CIMB Bank's Enterprise Clean Loans (ECL) to Lazada merchants to support the expansion of Malaysian SMEs. This customised ECL, a non-collateral financing with competitive interest rates, offers financing of up to RM300,000 per company with loan tenures of up to five years.

M'sian SMEs Major Contributors To Nation - SME Corp

By Manik Mehta

NEW YORK -- The small and medium-sized enterprises (SMEs) and young entrepreneurs are major contributors in the country's nation-building process, said SME Corp Malaysia's Chief Executive Officer, Datuk Hafsah Hashim. Hafsah, who completed a week's tour of the US, was invited to Washington by the World Bank to speak about Malaysia's masterplan for SMEs and the role of government in development of the SMEs.

Najib Outlines 2 Approaches To Improve SMEs' Position

KUALA LUMPUR -- Prime Minister Datuk Seri Najib Tun Razak has outlined two approaches, increase labour productivity and inclusivity, to improve the position of SMEs in particular and the country in general. "First, to increase the country's labour productivity under the 11th Malaysia Plan of 3.7 per cent, SMEs needed to be more innovative in their businessess," he said.

12th WIEF: Opportunities For Malaysia-Indonesia Business Collaboration

KUALA LUMPUR -- The 12th World Islamic Economic Forum (WIEF) will serve as a good platform for potential tie-ups between Indonesian micro, small and medium enterprises (MSMEs) and Malaysian investors in the area of infrastructure. Indonesia's largest state enterprise, PT Pertamina President, Tanri Abeng, said Thursday, infrastructure was currently very high on Indonesia's priority list as it would lead to improved connectivity.

PropUP Propertyupdate

IProperty Launches Property Chat Platform

KUALA LUMPUR -- The iProperty Group, owner and operator of property websites, has launched Rebecca, the industry's first artificial intelligence (AI)-powered property chat platform. In a statement Monday, iProperty said, the platform was designed to give property buyers and investors another revolutionary avenue to search for properties.

Gamuda To Develop Two Projects Worth RM11 Bln

KUALA LUMPUR -- Gamuda Land will be developing a 364.21-hectare site in Kuang, Sungai Buloh into a township and a residential area with a combined gross development value of RM11 billion. In a statement here Monday, the company said the Gamuda Gardens and Kundang Estates projects, both situated at the intersection of the North-South Expressway, the Guthrie Corridor Expressway and the Kuala Lumpur-Kuala Selangor Expressway, are scheduled for completion in two years.

Sunway Reit To Buy Penang Land For RM17.2 Mln

KUALA LUMPUR -- Sunway Real Estate Investment Trust (Sunway REIT) has entered into a sale and purchase agreement with Commercial Parade Sdn Bhd, a subsidiary of Sunway Bhd, to acquire a parcel of leasehold land in Seberang Perai Tengah, Penang for RM17.20 million. Sunway REIT in a filing to Bursa Malaysia Monday said the proposed acquisition would be fully funded through its existing debt financing.

Sime Darby Property Exits Hotel Business In Melaka

KUALA LUMPUR -- Sime Darby Bhd's wholly-owned unit, Sime Darby Property Bhd, has disposed of its entire stake in Syarikat Malacca Straits Inn Sdn Bhd (SMSI), which owns and operates Hotel Equatorial in Melaka for RM55.36 million. In a filing to Bursa Malaysia Thursday, Sime Darby said following the disposal to Permodalan Nasional Bhd, SMSI has ceased to be an indirect subsidiary of the group.

PR1MA To Acquire PR1MA Homes From Gabungan AQRS

KUALA LUMPUR -- Gabungan Strategik Sdn Bhd, a unit of Gabungan AQRS Bhd, has received a letter of intent (LOI) from PR1MA Corporation Malaysia to acquire 1,149 units of PR1MA homes from the company and AQRS The Building Company Sdn Bhd. Gabungan Strategik is the developer, while AQRS The Building Company is the proprietor of the PR1MA homes, Gabungan AQRS said in a filing to Bursa Malaysia Thursday.

MARKET

BURSA MALAYSIA

Scoreboard

- Gainers - 179
- Losers - 760
- Not Traded - 509
- Unchanged - 277
- Value - 2356994454
- Volume - 22271575

Bursa Recovers To Close At 1,634.05, Sentiments Remain Weak On Brexit

KUALA LUMPUR -- Bursa Malaysia staged a rebound from earlier losses as global stock and financial markets were spooked by Britain's referendum to exit the European Union (EU), or Brexit, dealers said. The benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) ended the day at 1,634.05, down 5.93 points, after recovering from its intraday low of 1,611.88. "The financial markets and spectators across the globe are in a complete state of shock following the unexpected outcome to the EU referendum," said Vice President of Market Research at FXTM, Jameel Ahmad.

He said markets were completely reliant on the final lead up to the vote following the bookmakers, who heavily favoured a one-sided remain and as such, were simply positioned for only a remain outcome. Hence, Bursa Malaysia's performance Friday was in line with the regional markets, said Mercury Securities Head of Research Edmund Tham. "Although it has rebounded a little, the overall market is still negative," he said, adding the the stock market would remain volatile in the short term. On the local bourse, losers outnumbered gainers by 760 to 179 while 277 counters were unchanged, 509 untraded and 20 suspended. Turnover stood at 2.23 billion shares worth RM2.36 billion from Thursday's turnover of 1.10 billion shares worth RM1.43 billion. Tham opined that it would take about two weeks before the global stock and financial markets factor in the absolute effect of Brexit. And as an outcome of this, the local bourse would continue to struggle amid a weaker global market and remain below the 1,620 level, he said. Asked on Brexit impact on Malaysian companies that are either operating or have investments in the United Kingdom, he said: "We have to wait as we don't know how the regulations will actually change." Malaysian companies which have substantial businesses in the UK saw their share prices slipping into the red, among them, SP Setia slid 19 sen to RM2.98, Genting Malaysia dropped 15 sen to RM4.35, EcoWorld shed seven sen to RM1.22 and YTL Power eased six sen to RM1.39. Main Market turnover increased to 1.35 billion shares worth RM2.17 billion from Thursday's 750.31 million shares worth RM1.38 billion.

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	4.0850	4.0950
EUR	4.5450	4.5573
GBP	5.6806	5.6961
100 YEN	3.9668	3.9777
SGD	3.0148	3.0246

Source: Bank Negara Malaysia

FOREX: Ringgit Ends Easier Against US Dollar

By Mohd Khairi Idham Amran

KUALA LUMPUR -- The ringgit ended easier against the US dollar Friday, derailed by Britain's referendum to exit European Union, or 'Brexit', which triggered risk-averse sentiment, dealers said. At 5 pm, the ringgit fell to 4.0850/0950 against the US dollar from Thursday's 4.0150/0220. MIDF Research Economist, Izzuddin Yussof, said Brexit caused funds to flow into the US and safe haven assets as investors sought shelters from uncertainty from the outcome of the referendum.

"There is a flight to safety in the financial market. Investors are withdrawing their money and pumping them into the US Treasury, US dollar, yen and gold since there will be a lot of uncertainty in the economy and political front after this. "As such, the US dollar has appreciated significantly and most of our depreciation against the greenback is more due to the appreciation of US dollar," he told Bernama. The ringgit was mixed against other major currencies. It fell against the Singapore dollar to 3.0148/0246 from 3.0028/0096 on Thursday and decreased against the yen to 3.9668/9777 from 3.8406/8492 Thursday. The local unit was firmer against the British pound at 5.6806/6961 from 5.9342/9465 Thursday and strengthened against the euro to 4.5450/5573 from 4.5566/5666 previously.

Money-Market: Short-Term Rates Close Stable

KUALA LUMPUR -- Short-term interbank rates closed stable Friday on Bank Negara Malaysia's (BNM) intervention to absorb excess liquidity in the financial system. The liquidity surplus in the conventional system fell to RM28.15 billion from RM31.69 billion earlier, while in the Islamic system, it declined to RM6.01 billion from RM11.91 billion previously. BNM had earlier called for five tenders comprising a range maturity auction money market, a reverse repo and three Qards. The central bank also conducted a conventional money market tender for RM25 billion and a Qard money market tender for RM5.7 billion, both for three-day money. The overnight Islamic reference rate stood at 3.20 per cent, while the one-, two- and three-week rates were pegged at 3.31 per cent, 3.35 per cent and 3.40 per cent, respectively.

KLIBOR Futures Close Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contracts on Bursa Malaysia Derivatives closed untraded Friday. Spot month July 2016 and August 2016 were pegged at 96.35, while September 2016 and December 2016 stood at 96.40. Open interest was nil. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.65 per cent.

KLCI Futures Contracts End Lower

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts (FKLI) on Bursa Malaysia Derivatives ended lower Friday in line with the performance of the cash market. Spot month June 2016 and July 2016 slid 18 points each to 1,625.50 and 1,624.50 respectively, September 2016 fell 17.5 points to 1,616.50 and December 2016 waned 10.5 points to 1,607.00. Turnover widened to 19,909 lots from 8,302 lots on Thursday, while open interest was higher at 58,365 contracts from 45,300 contracts. The benchmark FBM KLCI closed at 5.93 points or 0.36 per cent lower at 1,634.05.

EPF Not Worried Over Brexit Effect, Says CEO

KUALA LUMPUR -- The Employees Provident Fund (EPF) is not worried over uncertainty surrounding the United Kingdom's (UK) European Union (EU) referendum considering the fund's low exposure to the pound sterling. Chief Executive Officer, Datuk Shahril Ridza Ridzuan, told reporters here Monday, out of the fund's 26 per cent of global assets, its pound sterling exposure stood at about one per cent.

Maybank Expects e-Duit Raya Transactions To Rise Six-Fold

KUALA LUMPUR -- Maybank expects at least a six-fold increase in the number of e-Duit Raya transactions via its online channels during Aidilfitri this year compared with that of 2015. Maybank Head of Community Financial Services Malaysia Datuk Hamirullah Boorhan said in a statement here Tuesday, 3,000 e-Duit Raya transactions totalling RM600,000 were recorded during the six-week period in the run-up to Hari Raya Puasa last year.

BNM'S Int'l Reserves At RM383.2 Bln As At June 15

KUALA LUMPUR -- Bank Negara Malaysia's (BNM) international reserves amounted to RM383.2 billion (equivalent to US$97.4 billion) as at June 15, 2016 from RM382.6 billion (equivalent to US$97.3 billion) a fortnight ago. "The reserves position is sufficient to finance 8.1 months of retained imports and is 1.2 times the short-term external debt," BNM said in a statement Tuesday.

Islamic Finance Not Cruel - AIBIM

KUALA LUMPUR -- The Association of Islamic Banking Institutions Malaysia (AIBIM) has dismissed claims by the Malaysian Muslim Consumers' Association (PPIM) that customers of Islamic finance are at higher risk of bankruptcy compared to customers of conventional finance, saying there is no element of cruelty in Islamic finance. In a statement here Tuesday, AIBIM said PPIM's allegations did not take into consideration the various initiatives taken by the former to address the problems faced by customers of Islamic finance.

RHB Establishes GWB Strategic Biz Sector Effective July 1

SINGAPORE -- RHB Banking Group has further enhanced its organisational structure with the establishment of the Group Wholesale Banking (GWB) strategic business sector, effective July 1, 2016. This is in line with the Group's recent corporate reorganisation which will see RHB Bank Bhd becoming the financial holding company of the Group.

SCC Pays RM16.2 Mln Dividend To Sabah Govt

KOTA KINABALU -- Sabah Credit Corporation (SCC) paid RM16.2 million in dividends to the Sabah government while RM1 million was in payment of interest and loan to the state government for 2015. In a statement here Wednesday, SCC said it also contributed tithe amounting to RM107,000 to Pusat Zakat Sabah. The payments were made in the presence of Sabah Chief Minister Datuk Seri Musa Aman.

Malaysia And IDB To Strengthen Collaboration

PUTRAJAYA -- Malaysia and the Islamic Development Bank Group (IDB) will strengthen it collaboration to facilitate the transfer of expertise and sharing of development experience especially with low income member countries. In a statement here Wednesday, Second Finance Minister Datuk Seri Ahmad Husni Hanadzlahsaid IDB had the connectivity and could play the lead role in uplifting the economic strength of its member countries.

China's Debt Crisis Can Be Averted If Policy Makers React Fast - Deputy BNM Governor

By Massita Ahmad

SINGAPORE -- China's debt crisis can be averted if policy makers react pre-emptively and forcefully, says Bank Negara Malaysia Deputy Governor Dr Sukudhew Singh. "They should deal with the problem early," he told Bernama here Wednesday. Based on Malaysia's experience during the Asian financial crisis, he said the government and the central bank had moved early to tackle the problem in the banking system so that the supply of credit to the economy was not disrupted.

FinTech A Great Platform To Combat Cyber Crime - PwC

KUALA LUMPUR -- Financial technology or FinTech is a great platform for industries to combat cyber crime, says the Managing Director of PricewaterhouseCoopers (PwC), Sridharan Nair. He told reporters here Thursday, FinTech would provide security to consumers, in protecting their personal information and data, as well as ensuring the safeguard that others cannot break into and steal valuable information.

BNM: Financial Markets Well Positioned To Face Volatility From Brexit

KUALA LUMPUR -- Liquidity in the domestic market remains ample and the financial markets are well positioned to face any major volatility arising from United Kingdom's (UK) referendum on European Union (EU) membership (Brexit). In a statement here Thursday, Bank Negara Malaysia (BNM) said financial market players stand ready to support the orderly functioning and smooth intermediation in the financial markets.

Shareholders Give Nod For RHB Capital Wind Up

KUALA LUMPUR -- Following the approval of RHB Capital Bhd's shareholders to wind up the company at an Extraordinary General Meeting (EGM) Friday, RHB Banking Group is now able to procure the approval of Bursa Securities and list RHB Bank Bhd on the Main Market of Bursa Malaysia. RHB in a statement here said RHB Bank would assume the listing status of RHB Capital with an entire issued and paid-up capital of approximately 4.01 billion shares targeted for listing on June 28 this year.

Top Glove Eyes 25 Pct Higher Net Profit For FY16

SHAH ALAM -- The world's largest rubber glove manufacturer, Top Glove Corp Bhd, expects to achieve 25 per cent higher net profit for the financial year ending Aug 31, 2016 (FY16), said Chairman Tan Sri Dr Lim Wee Chai. Lim said it is going to be another record year driven by growth in volume and better raw material prices. "For the first nine months of this year, the company achieved RM297 million, more than the RM281 million profit garnered in the full 12 months of last year," he told reporters here Tuesday.

Colourful Aidilfitri Promotion Sale May Reach RM3 Million

KUALA LUMPUR -- The Malaysian Handicraft Development Corporation expects the sale during the Colourful Aidilfitri Malaysia promotion programme, from Wednesday to July 3, to breach RM3 million this year. Its director-general Zuraida Mokhtar said here Wednesday the target was achievable through the 220 entrepreneurs taking part in the programme at the Kuala Lumpur Craft Complex here.

Farlim Expects FY16 To Be Better With An Increase In Profit

SUBANG JAYA -- Farlim Group Bhd expects the financial year ending Dec 31, 2016 (FY16) to be better with an increase in profit. Chairman and Chief Executive Tan Sri Lim Gait Tong said the increase would be driven basically by cash-based investments, ongoing projects which are nearing completion and new ventures, as well as fresh launches in the pipeline. "We have two ongoing projects in Penang and Selangor and a new launch in Perak that are expected to give good returns to company revenue this year," he told reporters here Thursday.

JPDC Targets Investors From China, Japan & S. Korea

JOHOR BAHARU -- Johor Petroleum Development Corporation Bhd (JPDC) is focusing on investors from China, Japan and South Korea to invest in petrochemical-related industries in the Pengerang Integrated Petroleum Complex (PIPC). Chief Executive Mohd Yazid Ja'afar told reporters here Thursday, the PIPC project, which would generate billions of ringgit in investments, was expected to be operational in 2019.

Ambank Aims To Attract RM1.8 Bln Additional Fixed Deposits

KUALA LUMPUR -- AmBank (M) Bhd aims to attract an additional RM1.8 billion in fixed deposits through its "Win an All-New 2016 Toyota Vellfire with AmBank!" campaign. Retail Banking acting head Anthony Chin told reporters here Thursday, the campaign, which runs from May 1 to Oct 31, has already garnered RM500 million in deposits. "On a monthly basis, we have been doing about 15,000 new deposit account openings for the last couple of months," he said.

MClean Plans To Expand Business By Developing Co-Businesses

KUALA LUMPUR -- Cleaning and surface treatment service provider, MClean Technologies Bhd, is planning to expand its business by developing its co-businesses. Executive Chairman Yeo Hock Huat told reporters here Thursday, the company had been conducting certain adjustments on cost structures more efficiently since acquiring a 55 per cent stake in DWZ Industries Sdn Bhd (DWZ) in October last year.

NTPM Pre-Tax Profit Increases To RM78.18 Mln

KUALA LUMPUR -- NTPM Holdings Bhd's pre-tax profit for financial year ended April 30, 2016 rose to RM78.18 million from RM59.31 million in the previous year. Revenue surged to RM601.7 million from RM547.51 million previously, it said in a filing to Bursa Malaysia here Thursday. NTPM said the higher pre-tax profit was mainly due to the increase in sales and improved in margin.

Magni-Tech FY16 Pre-Tax Profit Rises To RM107.27 Mln

KUALA LUMPUR -- Magni-Tech Industries Bhd's pre-tax profit for the financial year ended April 30, 2016 increased to RM107.27 million from RM69.41 million recorded in the previous year. In a filing to Bursa Malaysia here Thursday, the company said its revenue rose to RM854.07 million from RM716.38 million previously.

Vivocom Units Clinch RM37.8 Mln Contracts

KUALA LUMPUR -- Vivocom Intl Holdings Bhd units have clinched two contracts worth RM37.8 million which will further enhance its already strong earnings and net assets to-date. In a statement here Thursday, Vivocom said its construction arm, Vivocom Enterprise Sdn Bhd, Thursday received and accepted a Letter of Award (LOA) for a RM25 million construction project from Kiara 5 Development Sdn Bhd to be a turnkey contractor for the construction of a block of 19 units of low-density apartments at Kampung Kayu Ara, Selangor.

Willowglen Unit Bags RM5.73 Mln Contract From SP PowerAssets

KUALA LUMPUR -- Willowglen MSC Bhd's wholly-owned unit, Willowglen Services Pte Ltd, has bagged a RM5.73 million contract from SP PowerAssets Ltd. In a filing to Bursa Malaysia here Thursday, it said, the contract was for the supply, delivery, installation and commissioning of remote terminal units for transmission substations.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Telenor: Malaysians Digital Frontrunners In Mobile Communication

KUALA LUMPUR -- A new study by Telenor Group's research arm, Telenor Research, shows that Malaysians are the overall digital frontrunners in mobile communication compared with Asian and European counterparts. The study revealed that a resounding 62 per cent of respondents in Malaysia consider messaging apps the most important communication service on a mobile phone while only 19 per cent agree voice calls to be the most essential.

Firms Must Familiarise With New US Food Safety Regulation - MATRADE

KUALA LUMPUR -- The Malaysia External Trade Development Corp (MATRADE) is urging Malaysian companies to familiarise themselves with the new food safety regulation introduced by the US Food and Drug Administration (FDA) which was announced in May this year. In a statement here Tuesday, MATRADE said, the new rule required companies within the country and abroad to take steps to prevent intentional adulteration of the food supply.

MRT Sungai Buloh-Kajang Line 85 Pct Complete

KUALA LUMPUR -- The construction of the Sungai Buloh-Kajang Line is 85 per cent complete and progressing well and is scheduled for operations this December, said Mass Rapid Transit Corp Sdn Bhd here Tuesday. Its Strategic Communications and Stakeholder Relations Director, Datuk Najmuddin Abdullah, said all civil structural works for the elevated stations were completed as well as for the elevated guideways and track work on viaduct section.

AirAsia To Buy Aircraft From Caterhamjet For US$10 Mln

KUALA LUMPUR -- AirAsia Bhd has Tuesday entered into a sale and purchase agreement with Caterhamjet Global Ltd (CJG) to acquire one unit of Bombardier BD-700-1A10 Global Express 9M-CJG for US$10 million. In its filing to Bursa Malaysia, AirAsia said the purchase price would be satisfied by cash from the company's internally available funds. Payment will be in two parts -- a deposit amount of US$1.5 million when the agreement is signed; and the remaining amount when the aircraft is delivered.

TPS To Expedite Malaysia's Services Export To OIC Countries

KUALA LUMPUR -- Malaysia's export of services to the Organisation of Islamic Cooperation (OIC) countries is expected to improve after the Trade Preferential System (TPS) starts to operationalise. The TPS-OIC is set to operationalise once the members which have signed and ratified it fulfilled their obligations stipulated in the provisions of the agreements. Out of the 57 OIC members, nine members -- Malaysia, Saudi Arabia, Somalia, Syria, Jordan, Oman, Qatar, Turkey and the United Arab Emirates (UAE) have signed the TPS-OIC agreements.

MDEC, TM Join LoRa Alliance For Stronger IoT Ecosystem

KUALA LUMPUR -- The Malaysia Digital Economy Corporation (MDEC) and Telekom Malaysia Bhd (TM) via its unit, VADS Lyfe Sdn Bhd, have joined LoRa Alliance in an effort to establish a stronger Internet of Things (IoT) ecosystem in the country. In a joint statement here Thursday, they said the collaboration with the LoRa Alliance, an open non-profit association for driving the adoption of IoT, is aimed at sharing best practices to create awareness and support the development and implementation of the LoRa protocol in Malaysia.

Britain's EU Referendum Positive For M'sia - AmBank CEO

KUALA LUMPUR -- Britain's referendum on European Union (EU) membership will have a positive effect on Malaysia's economy regardless of the outcome of the voting, said AmBank Group Chief Executive Officer Datuk Sulaiman Mohd Tahir. He said if Britain, which has the world's fifth largest economy, decides to stay in the EU, it would bring back stability into the economic bloc after a period of volatility due to the possibility of the country exiting the EU or "Brexit".

RCE Capital Announces Sukuk Programme Of Up To RM900 Mln

KUALA LUMPUR -- RCE Capital Bhd Thursday announced the establishment of a Sukuk Murabahah asset-backed securitisation programme of up to RM900.0 million via Al Dzahab Assets Bhd (ADA), backed by loan receivables originated by RCE Marketing Sdn Bhd (RCEM). In a filing to Bursa Malaysia here Thursday, it said ADA was a trust-owned special purpose bankruptcy remote vehicle incorporated solely for the sukuk programme and had successfully launched its first issuance of RM155.48 million on June 21, 2016.

MAHB-AirAsia-MOT Showdown Talks Soon Over klia2 Rebranding

SEPANG -- Showdown talks are expected to be held soon among Malaysia Airports Holdings Bhd (MAHB), the Transport Ministry and AirAsia Bhd over the rebranding of Kuala Lumpur International Airport 2 (klia2). MAHB Managing Director Datuk Badlisham Ghazali said the airport operator is open for discussion on the matter to achieve a common goal -- the growth of Malaysia's aviation industry.

Cradle's Co-Investment Fund Worth RM161.2 Mln With 6 More Partners

KUALA LUMPUR -- Early stage and start-ups influencer Cradle Fund Sdn Bhd has joined forces with six more co-investment partners to support Malaysian technology start-ups, making the co-investment fund now worth RM161.2 million from the RM159.2 million in its fifth batch in February. The six new partners -- Crowdo, Crowdplus Asia, pitchIN, FundedbyMe, ATA Plus and Quest Ventures -- will result in Cradle Fund having 25 equity co-investment partners from the current 19. Similar to Cradle Fund's co-investment practice in the fifth batch, each partner will inject up to RM500,000 for Malaysian technology start-ups of high calibre.

Pos Malaysia To Invest Over RM100 Mln For New Pos Laju Outlets

BANGI -- Pos Malaysia Bhd will invest over RM100 million to open 13 new Pos Laju outlets, mostly in the Klang Valley, in the current financial year ending March 31, 2017. Group Chief Executive Officer, Datuk Mohd Shukrie Mohd Salleh, told reporters here Friday, to-date, the company has 68 Pos Laju outlets nationwide.

Takaful Malaysia Hopes To Maintain Leadership In Family Takaful Business

PETALING JAYA -- Syarikat Takaful Malaysia Bhd (Takaful Malaysia) hopes to maintain its leadership in the family takaful business and increase market share in this category to 30-35 per cent by 2017. Group Managing Director Datuk Seri Mohamed Hassan Kamil told reporters here Friday the Islamic insurer's market share currently stands at 26 per cent. "This year has been quite difficult due to the challenges in the economic environment, but we will have to work extremely hard to grow the business," he said.

MATRADE Partners Online Platforms To Boost E-Commerce Adoption

KUALA LUMPUR -- Malaysia External Trade Development Corporation (MATRADE) has partnered with two online platforms, 11street and DagangHalal, via its eTRADE programme to boost the adoption of e-commerce in export among businesses. In a statement here Monday, MATRADE said its collaboration with 11street would see both parties work together to equip and nurture local business owners especially small and medium enterprises in utilising e-commerce platform.

Registration For EPF's Simpanan Shariah Option Opens On Aug 8

KUALA LUMPUR -- The Employees Provident Fund (EPF) will open registration for its new retirement savings option, Simpanan Shariah, which will be launched next year, to members on Aug 8, 2016. Chief Executive Officer Datuk Shahril Ridza Ridzuan said here Monday the EPF has allocated an initial fund size of RM100 billion, which is equivalent to about 15 per cent of the EPF's total investment asset of RM681.71 billion as at end-March 2016.

AEON Credit To Open Four Digital Branches

KUALA LUMPUR -- Credit provider AEON Credit Service (M) Bhd plans to further enhance its customer service in the country by establishing four digital branches by the end of its financial year in February 2017. Chief Financial Officer and Executive Director Lee Kit Seong said the new branches would be opened in Shah Alam, Kota Baharu, Segamat and Sungai Petani. "We are (also) transforming our (60 existing) branches into digitalised and web-based branches for better customer experience," he told reporters here Tuesday.

AirAsia Adamant On klia2 Being LCCT2

SEPANG -- AirAsia is adamant on using the word 'LCCT2' when referring to klia2, the new budget passenger terminal, and for Malaysia Airports Holdings Bhd (MAHB) to acknowledge the low cost carrier's role as the biggest tenant at the airport. Chief Executive Officer Aireen Omar said as in the group's campaign launched a fortnight ago, AirAsia would be stating klia2 as LCCT2 on its websites, tickets and promotional materials soon. "We will bear all the costs for the rebranding of the airport, and the campaign (to acknowledge klia2 as LCCT2) may continue forever," she told reporters here Tuesday.

Pos Laju Launches Prepaid Dropbox Service

KUALA LUMPUR -- Pos Malaysia Bhd Tuesday launched the Pos Laju Prepaid Dropbox service which allows customers to drop off their prepaid parcels at self-service automated machines. In a statement here Tuesday, Post Malaysia said, currently the service is only available in the Klang Valley and will be expanded nationwide by this October.

AirAsia To Fly 'Kabali' Contest Winner For Its Premiere In Chennai

KUALA LUMPUR -- AirAsia, the official airline partner for the most anticipated movie in India titled 'Kabali' starring superstar Rajinikanth, will be flying one lucky winner, along with a friend, to Chennai India, for the movie's premiere in July. The contest is open to everyone residing in Malaysia and the public can participate by posting their very own impersonations video of Rajinikanth's famous signature moves in the most creative way on Instagram and include hashtag #AirAsiaKabali.

MMMSL Trains To Operate Round The Clock For Haj Pilgrims

KUALA LUMPUR -- Prasarana Malaysia Berhad (Prasarana) will start pre-test operations on the Al Mashaaer Al Mugaddassah Metro Southern Line (MMMSL) to prepare for Haj pilgrims in Makkah this Sept. "The 24-hour operation which started on June 1 will continue until June 30, to carry out maintenance work, preparations for operation, facilities and train management," said MMMSL spokesman Mohamad Hashim Mamot, in a statement here Wednesday.

Honda Malaysia Recalls 147,894 Vehicles

KUALA LUMPUR -- Honda Malaysia Thursday announced that it is extending its proactive measure to ensure customer safety by recalling 147,894 units of Honda vehicles to replace the front passenger airbag inflator. "The replacement works will be carried out once the parts are ready. Parts and labour charges related to this recall will be borne by Honda Malaysia," said Honda Malaysia in a statement Thursday.

Ikea Recalls Patrull Safety Gates

KUALA LUMPUR -- Ikea has urged customers who have a Patrull safety gate and extension, Patrull Klamma safety gate and extension, and Patrull Fast safety gate to immediately stop using it and to bring it back to any Ikea store for a full refund. In a statement here Thursday, Ikea Malaysia said while there were no incidents of injury reported in Malaysia, it had received customer reports whereby the Patrull safety gates opened unexpectedly and children falling down stairs with some incidents requiring medical attention.

OK Group To Launch Online Market, 'OK Mall'

MELAKA -- Herbal drink producer, Orang Kampung Holdings (M) Sdn Bhd (OK Group) will launch an online market for its products, known as 'OK Mall', by the end of this year. General Manager Ismail Ali told reporters here Thursday, the initiative was to ensure the company could penetrate a wider market to increase its sales.

Britons Defy Market To Leave EU

By Siti Radziah Hamzah

PM EXITS...David Cameron said Friday he would resign as Prime Minister by October after Britons ignored his pleas to stay in the European Union and voted in a referendum to leave. File Photo (2015). Pix: Anuar Isman FotoBERNAMA

KUALA LUMPUR (Bernama) -- British vote to exit from the European Union (EU) has defied market assumption that the United Kingdom (UK) will stay in the economic bloc it joined since 1973, in a historic referendum held on June 23, 2016.

The referendum, which acted as an advice to the British government, will undergo two years of negotiation to finalise the 'divorce' from the economic bloc, which generated about €13.920 trillion in gross domestic product in 2014. A tight race saw 51.9 per cent of Britons vote to leave the EU (Brexit) while the remaining 48.1 per cent chose to remain in the bloc. The long-term impact of Brexit will depend on the new relationship between the UK and EU while the short-term impact will, to some extent, depends on damage control responses by leaders of the UK and EU. A 'leave' vote will essentially put an end to the UK's existing participation in the Europe-wide economic and political circle.

POSSIBLE TECHNICAL RECESSION

A direct market reaction to Brexit was a sharp depreciation of the pound sterling, as fears rekindle over a potential slowdown in the UK. It should be kept in mind that the Bank of England has repeatedly warned of a possible technical recession from a Brexit outcome, with expectations mounting over a probable future UK interest rate cut as a method of retaining stability.

The pound sterling suffered the most volatile session on Friday (June 24) and hit the lowest level since 1985 as investors fled into safe-haven currencies including the yen and US dollar. On a wider scope, Brexit will essentially heighten global economic uncertainties. FXTM Vice President of Corporate Development and Market Research Jameel Ahmad said with the UK's exit from the EU, the appeal towards its economy could come under risk.

UNDERLYING THREAT

He pointed out that the EU represented the major trading partner of the UK and one of the main reasons why the UK was extremely appealing for foreign direct investment was due to its accessibility to the EU market. "Major businesses are publicly making it clear that employment could be a threat due to the economic uncertainty over Brexit," he told Bernama in an email interview.

Jameel added that there was an underlying threat that with Brexit, other nations could begin to reconsider their own stance on EU membership, which was one of the reasons why there has been a recent drive in volatility coming out of the Scandinavian region over the past week.

Malaysian Rating Corp Bhd Chief Economist Nor Zahidi Alias said Britain's exit from the EU would magnify financial market volatility – equities, bonds and currencies as the two largest economies - US and China - were already confronting their own challenges at this juncture. "Business sentiment will also take a hit due to increasing uncertainties and this will likely put a lid on a possible recovery of the global economy in the near term," he added.

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June 25, 2016

Market Outlook

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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 Malaysia To Be Volatile On Weak Sentiment

KUALA LUMPUR -- Bursa Malaysia is likely to see volatile trading next week due to weak investor sentiment after the historic referendum, Brexit, that will break the United Kingdom from the European Union, dealers said. Affin Hwang Investment Bank Vice-President/Retail Research Head, Datuk Dr Nazri Khan Adam Khan, said following the bearish performance of the global stocks, the FTSE Bursa Malaysia KLCI (FBM KLCI) could stage a correction with the 1,700-point level as the immediate target. “At the moment investors are adopting a wait-and-see stand on the stock movements as they are cautious due to the Brexit.

“The investors are now shifting their interest to the safe haven assets such as bond and gold,” he told Bernama. He said Bursa Malaysia was expected to trade at 1,600 level for the short term. However, he said, its performance will also depend on the ringgit’s movements against the US dollar. On the technical front, Kenanga Research Head of Research, Chan Ken Yew, said the FBM KLCI would likely remain range-bound next week, so long as it was still capped below the 1,605-1,625 resistance. “As indicators have weakened, we do not rule out further correction towards the expected level in the near term,” he said. On a weekly basis, the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) added 9.87 points to 1,634.05 from 1,624.18 last week. Weekly turnover advanced 2.33 billion units valued at RM2.3 billion from 1.12 billion units valued at RM1.42 billion last week. Main market volume rose to 1.35 billion shares worth RM2.17 billion from 701.96 million shares worth RM1.36 billion previously.

Ringgit To Experience Further Correction Over Brexit

KUALA LUMPUR -- The ringgit is likely experience further correction next week to RM4.15 per US dollar following the shocking referendum by Britain to exit the European Union (EU). Affin Hwang Investment Bank Vice-President/Head of Retail Research, Datuk Dr Nazri Khan Adam Khan, said the correction was a knee-jerk reaction and was out of regulatory control as it also happened in other emerging economies. “Nevertheless, the situation provides an opportunity to buy cheap. But what is more important is investors’ psychology and hopefully there is no panic selling,” he told Bernama.

For the holiday-shortened week just-ended, the ringgit was traded mostly higher against the US dollar driven by optimism on Britain staying in the EU but the sentiment quickly faded on Friday after the UK vote to exit the economic bloc took the lead during vote counting. The market was closed on Wednesday for the Nuzul Al-Quran holiday. On a Friday-to-Friday basis, the local unit was higher at 4.0850/0950 against the US dollar from 4.0970/0030 in the previous week. It also ended higher against other currencies except for the yen. The ringgit was up against the Singapore dollar to 3.0148/0246 from last week's 3.0332/0397, appreciated against the British pound to 5.6806/6961 from 5.8550/8652 previously and rose against the euro to 4.5450/5573 from 4.6112/6196 previously. However, it fell against the yen to 3.9668/9777 from the previous week's 3.9277/9350.

Short-Term Rates To Remain Steady On BNM Intervention

KUALA LUMPUR -- The Malaysian money market is likely to remain steady next week on Bank Negara Malaysia (BNM) intervention in the financial market to manage surplus liquidity. The central bank is expected to conduct daily tenders to reduce excess liquidity from the financial market. For the holiday-shortened week just-ended, BNM intervened on a daily basis to absorb excess funds by conducting several tenders -- conventional money market, Qard, Qard tender-iRMA, repo, reverse repo, money market range maturity auction and Commodity Murabahah Programme.

The market was closed on Wednesday for the Nuzul Al-Quran holiday. On Friday, BNM's action helped to reduce the market's liquidity surplus in the conventional system to RM28.15 billion from RM31.69 billion earlier. The market liquidity in the Islamic system fell to RM6.01 billion from RM11.91 billion previously. The overnight rate stood at 3.20 per cent while the one-, two- and three-week rates were at 3.31 per cent, 3.35 per cent and 3.40 per cent respectively throughout the week. Meanwhile, the benchmark three-month interbank rate was at 3.65 per cent.

KLCI Futures To Be Lower Next Week

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts (FKLI) on Bursa Malaysia Derivatives are expected to be lower next week, in line with the weak outlook for the cash market. Affin Hwang Investment Bank Vice-President/Retail Research Head, Datuk Dr Nazri Khan Adam Khan, said the FBM KLCI would decline further with sentiment weighed down by the unexpected referendum by Britain to exit the European Union.

“However, Bank Negara Malaysia's measures which increased international reserves by RM300 million to RM382.6 billion would cushion any weakness,” he told Bernama. For the holiday-shortened week just just-ended, the futures market was mixed on cautious trading. Spot month June 2016 fell 1.5 points to 1,625.50, July 2016 and December 2016 eased three points each to 1,624.50 and 1,607.00 while September 2016 down two points to 1,616.50. Turnover increased to 39,276 lots from 36,091 lots last week while open interest increased to 58,365 contracts versus 42,463 contracts previously. The benchmark FBM KLCI settled at 1,634.05, up 9.87 points from 1624.18 last Friday. The market was closed on Wednesday for the Nuzul Al-Quran holiday.

CPO Futures To Trade On Cautious Mode Next Week

By Nurul Hanis Izmir

KUALA LUMPUR -- Crude palm oil (CPO) futures contracts on Bursa Malaysia Derivatives are expected see cautious trading next week, influenced by the UK's decision to leave the European Union (EU), said Interband Group of Companies Senior Trader, Jim Teh. “The vote to exit the EU, or 'Brexit', is expected to trigger market fear across all major asset classes, including the palm oil,” he told Bernama. According to Teh, the CPO will be traded between RM2,350 and RM2,420 a tonne next week. In a historic referendum on June 23, 2016, the UK voted to exit the EU, which it joined in 1973. However, he said, demand from China and India will still support the market ahead of the Muslim Hari Raya Aidilfitri. "We don't expect prices to stay permanently depressed as exports are expected to start recovering towards Aidilfitri," he added.

On a Friday-to-Friday basis, July 2016 delivery fell RM15 to RM2,470 per tonne, August 2016 declined RM49 to RM2,413 per tonne, September 2016 eased RM71 to RM2,379 per tonne, while October 2016 was RM76 lower at RM2,365 per tonne. Weekly turnover declined to 226,919 lots from 275,228 lots last week while open interest increased to 319,239 contracts versus 288,553 contracts previously. On the physical market, July South was RM60 lower at RM2,480 per tonne from last Friday's RM2,540 per tonne. The market was closed on Wednesday for the Nuzul Al-Quran holiday.

Rubber Market To Be Uncertain Next Week

KUALA LUMPUR -- The Malaysian rubber market is expected to be uncertain next week on the performances of the ringgit and its regional peers as well as the movements of crude oil prices. A dealer said the soft commodity prices were expected to be range-bound on the back of the current firmer trend of the ringgit against the US dollar. "The recovery in crude oil prices towards US$50 per barrel (for Brent crude futures), meanwhile, could influence the price of SMR grades and latex-in-bulk positively. "Additionally, the local market will likely move in line with the Tokyo Commodity Exchange (TOCOM)," he said. For the holiday-shortened week just-ended, the local rubber market was mostly on the downtrend similar with TOCOM, except for one day when TOCOM edged higher as a result of a weakening yen versus the US dollar. This was due to the investors who are cautiously waiting for the Britain's vote whether to stay in the European Union or exit the economic bloc it had joined since 1973. On June 23, in a historic referendum, British has voted to exit from the EU. On a Friday-to-Friday basis, the Malaysian Rubber Board's official physical price for tyre-grade SMR 20 rose three sen to 503.50 sen per kg while latex-in-bulk added 1.5 sen to 445.50 sen per kg. The 5 pm unofficial closing price for SMR 20 lost 15 sen to 499 sen per kg while latex-in-bulk was 0.5 sen easier at 444.50 sen per kg. The market was closed on Wednesday for the Nuzul Al-Quran holiday.

KLIBOR Futures To Be Flat Next Week

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contracts on Bursa Malaysia Derivatives are likely to remain quiet next week on lack of trading interest. The futures market was also untraded for the holiday-shortened week just-ended with open interest remaining nil. The market was closed on Wednesday for the Nuzul Al-Quran holiday. On a week-to-week basis, spot month July 2016 and August 2016 remained pegged at 96.35 while September 2016 and December 2016 stood at 96.40. The underlying three-month KLIBOR on the cash market was unchanged at 3.65 per cent.

KLTM To See Cautious Trading Next Week

KUALA LUMPUR -- The Kuala Lumpur Tin Market (KLTM) is likely to see cautious trading again next week on lack of fresh leads, dealers said. A dealer said that traders were expected to be cautious following Britain's decision to leave the European Union. He said the referendum, known as 'Brexit', would not have much impact on the local tin market as most of KLTM transactions were only among the regional markets. "Our market largely depends on India, China and Indonesia, among other South-East Asia markets," he said. For the holiday-shortened week just-ended, tin price ended US$30 higher at US$17,130 a tonne compared to US$17,100 a tonne last Friday Weekly turnover declined to 148 lots from 238 lots last week. On a Friday-to-Friday basis, the differential between the KLTM and LME narrowed to a discount of US$120 a tonne from a premium of US$95 a tonne. The market was closed on Wednesday for the Nuzul Al-Quran holiday.

Gold Futures To Continue Upward Momentum
By Zarul Effendi Razali

KUALA LUMPUR -- Gold futures contracts on Bursa Malaysia Derivatives are expected to continue their upward momentum next week, on effects by the UK's exit from the European Union. Phillip Futures Sdn Bhd Dealer, Ler Wee Liang, expected the ringgit-based gold futures to continue its bullish momentum for some time due to a weaker ringgit against the US dollar. "On the US-based gold side, we also predict it to be bullish in the coming week as it had broken the US$1,300 resistance level and it may continue its upside movement," he told Bernama. On a Friday-to-Friday basis, June 2016 rose 56 ticks to RM172.30 a gramme while July 2016, August 2016 and September 2016 increased 61 ticks each to RM172.90, RM173.20 and RM173.55 a gramme. Weekly turnover rose to 264 lots worth RM3.90 million from 237 lots valued at RM3.91 last Friday. Open interest on Friday rose to 493 contracts from 421 contracts previously. The market was closed on Wednesday for the Nuzul Al-Quran holiday.