MALAYSIAeBiz
WEEKLY BUSINESS ROUNDUP 6 - 10 OCTOBER, 2014

This Week's Highlight : Najib Unveils A Budget For The People

PEOPLE FRIENDLY...Prime Minister Datuk Seri Najib Tun Razak tabling the Budget 2015 in Parliament Friday.

KUALA LUMPUR -- Responding to the pulse of the people on their grievances over the rising cost of living, Datuk Seri Najib Tun Razak Friday presented Budget 2015 that focuses on easing the financial burden of the people in tandem with the efforts to grow the national economy. Tabling the budget, which carried the theme "People Economy", in the Dewan Rakyat, the prime minister said the approach gave emphasis to striking a balance between the capital economy and the people's economy. "This budget will focus on the people's economy as the bedrock in prioritising the interests of the rakyat. Hence, we can achieve advanced nation status; the benefits of the nation's wealth and prosperity will be enjoyed by the Rakyat," he said. Budget 2015 allocates a total of RM273.9 billion, of which RM223.4 billion is for operating expenditure and RM50.5 billion for development expenditure.

This Week's Top Stories

Monday

Fiscal Consolidation Key To M'sia's Rating Upgrade - Moody's

KUALA LUMPUR -- Expectations of fiscal consolidation and reform, and macroeconomic stability are factors that would be important for any upgrade in Malaysia's rating outlook, Moody's Investors Service (Moody's) said Monday. In a statement, it described Malaysia's (A3 positive) move to reduce fuel subsidy for the second time in just over a year last Thursday as credit positive for the sovereign as it would help reduce the government's subsidy bill and contribute to its fiscal consolidation.

Tuesday

Search For MAS CEO Ongoing - Khazanah

KUALA LUMPUR -- Malaysia Airlines System Bhd has not appointed a new Chief Executive Officer (CEO) as speculated by some sources, says Malaysian investment holding arm, Khazanah Nasional Bhd. It said the search is still ongoing for a new CEO and the final decision would only be made after due consideration and in consultation with the special shareholder, Minister of Finance Incorporated. "The outcome will be announced in due course, within the timeframe indicated previously," it said in a statement here Tuesday.

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Wednesday

2014 Trade Growth To Surpass 4.7 Pct

KUALA LUMPUR -- The Ministry of International Trade and Industry is optimistic that trade growth this year will surpass the 4.7 per cent achieved last year, propped up by the bright prospects of world economic growth, its minister, Datuk Seri Mustapa Mohamed says. "There will be some slight increase in total trade growth. We are expecting somewhere around six per cent," he said after the interaction session with non-governmental organisations (NGOs) on Asean economy and the economic integration vision post-2015 here Wednesday.

Thursday

M'sia's Economy Set To Outpace IMF's Forecast

PUTRAJAYA -- Malaysia's economic growth next year is expected to outpace the International Monetary Fund's (IMF) revised global economic growth of 3.8 per cent, says Minister in the Prime Minister's Department, Datuk Seri Abdul Wahid Omar. Malaysia has been boosting its domestic consumption and investment and at the current momentum, the economy should be able to continue growing by between five-six per cent over the next couple of years, he said at a media briefing.

Friday

Malaysia's Economy To Grow 5-6 Pct In 2015

KUALA LUMPUR -- Malaysia's economic growth momentum in 2015 is expected to remain resilient and register a growth of between 5.0 per cent and 6.0 per cent, said the Ministry of Finance (MOF). The growth would be private-led in line with the government's effort to strengthen the private sector's role in the economy, as well as driven by improving external demand and resilient domestic economic activity. "On the supply side, all economic sectors are expected to record positive growth next year with the services and manufacturing sectors remaining the major contributors," said the ministry in its 2014 in 2015 Economic Report.

Newsbriefs@7
Updated Daily

SMEbrief

klia2 Targets 50 Pct Bumiputera Outlets By 2018

SEPANG -- Malaysia Airports Holdings Bhd (Malaysia Airports) has targeted to raise Bumiputera's participation in business at the Kuala Lumpur International Airport 2 (klia2) from 35 per cent to 50 per cent by 2018, said its Managing Director, Datuk Badlisham Ghazali. He asserted that the 35 per cent involvement was high compared with that of shopping malls which registered only between five per cent and 10 per cent Bumiputera's participation. Malaysia Airports is committed to increasing the Bumiputera's participation at klia2 to 38 per cent by the end of 2014, he said at its corporate social responsibility (CSR) programme at klia2 here Wednesday.

SMEs Urged To Explore New Markets

KUALA LUMPUR -- Small and Medium Enterprises (SMEs) can grow more rapidly if they are willing to collaborate in exploring new markets overseas, particularly in China and Middle East countries, Minister in the Prime Minister's Department Datuk Wee Ka Siong said. He called on Bumiputera and Chinese SMEs to work together to penetrate China and West Asian markets to reap big profits. "If Chinese and Malay SMEs can cooperate and collaborate, they can help each other explore the Chinese and Middle East markets," he told Bernama at Parliament House here Wednesday.

MITI Targets 30 Pct SME's Global Participation

KUALA LUMPUR -- The Ministry of International Trade and Industry targets a 30 per cent participation rate for Small and Medium Enterprises (SMEs) in gthe lobal business by next year, its minister Datuk Seri Mustapa Mohamad said. Todate, 25 per cent of local companies have established networking in the foreign market, and to go global they have to comply with all established commercial standards before sending their goods and services, he told reporters at the National Mark of Malaysian Brand (NMMB) Forum Thursday where he also presented certificates and trophies to 24 recipients.

RM375 Mln Allocation For SME Investment Partner

KUALA LUMPUR -- To accelerate the participation of small and medium enterprises (SMEs) in the economic activity, the government has proposed the implementation of SME Investment Partner, whereby RM375 million will be provided for a period of five years, said Prime Ministers, Datuk Seri Najib Tun Razak. In his speech when tabling the budget at parliament Friday, themed 'Budget 2015:People Economy', Najib said under the programme, SMEs will be given financing assistance in the form of loans, equity or both, particularly at the startup stage. "From the RM375 million, RM250 million will be coming from the SME Bank and RM125 million from private investors. In addition, RM10 million will be allocated for the Business Accelerator Programme under SME Corp," he said.

PropUP — Property update

iProperty.com Launches Property Industry Awards

KUALA LUMPUR -- Malaysia's No.1 property website, iProperty.com, has launched the country's first property awards selected by consumers. The iProperty.com People's Choice Awards are in recognition to unsung heroes in the property industry who have successfully shaped Malaysia's skylines, iProperty.com. Malaysia Sdn Bhd said in a statement here Monday.

Govt To Build 80,000 Units Under PR1MA

KUALA LUMPUR -- The government will address the issue of home ownership at affordable houses by building 80,000 units under the 1Malaysia People's Housing Programme (PR1MA) with an allocation of RM1.3 billion. Tabling the budget, themed 'Budget 2015: People Economy' in Parliament Friday, Prime Minister Datuk Seri Najib Tun Razak said to enable more people to own houses, the ceiling of household income was raised from RM8,000 to RM10,000. In addition, a Rent-To-Own Scheme would be introduced specifically for individuals who are unable to obtain bank financing, he said. Najib, who is also Finance Minister, said besides that, RM644 million was allocated for National Housing Department to build 26,000 units houses under the People's Housing Programme (PPR).

MK Land Completes Condo Project Ahead Of Schedule

PETALING JAYA -- Property developer MK Land Holdings Bhd completed its Metropolitan Square development in Damansara Perdana here in September and ahead of schedule. The project comprising 444 condominium units has a gross development value of RM288 million. Senior Group General Manager Zulkipli Sidin said here Wednesday the project was completed three months ahead of the original schedule.

Govt To Continue Prioritising Infrastructure Project Next Year

KUALA LUMPUR -- The government is likely to continue its commitment to prioritising infrastructure projects in 2015 as a measure to accelerate growth, says MIDF Research here Wednesday. In its quarterly statistics note on the construction sector, the research house said among the key projects the government would focus on is the affordable or low cost housing programme and the East Coast Economic Region. "In addition, we believe the sector will continue to excite investors with timely progress updates on other large-scale projects such as the RM26 billion Tun Razak Exchange and Rapid, alongside power plants, going forward," it added.

MK Land To Provide More Affordable Housing

PETALING JAYA -- Property developer MK Land Holdings Bhd is seeking to complement the government's efforts in providing more affordable houses to benefit all Malaysians, Chairman Tan Sri Mustapha Kamal Abu Bakar said. "We are always on the look out for new land for affordable housing. We understand the government's plan to help the people and would like to be among the key players to complement its efforts," he told the media during the handing over of keys to owners of its Metropolitan Square condominium project in Damansara Perdana here Wednesday

MARKET

BURSA MALAYSIA

Scoreboard

Gainers - 152

Losers - 747

Not Traded - 439

Unchanged - 254

Value - 2345901785

Volume - 22258529

BURSA: FBM KLCI Ends 1.14 Pct Lower

KUALA LUMPUR -- The benchmark FTSE Bursa Malaysia KLCI closed sharply lower Friday in tandem with Asian equity markets as overall sentiment remained weak due to global growth concerns.

The key index settled 20.85 points or 1.14 per cent lower at 1,808.88 after moving between 1,808.09 and 1,822.92 throughout the day.

Japan's Nikkei 225 slid 1.15 per cent to 15,300.55, Hong Kong's Hang Seng fell 1.90 per cent to 23,088.54 and Singapore' Straits Times weakened 0.93 per cent to 3,229.08.

Market breadth was negative with decliners trouncing advancers by 747 to 152 while 254 counters were unchanged, 439 untraded and 12 others suspended.

A total of 2.22 billion shares worth RM2.34 billion were transacted on Friday compared with 1.81 billion shares worth RM1.85 billion Thursday.

Main Market volume rose to 2.22 billion units worth RM2.34 billion from 1.29 billion units worth RM1.73 billion Thursday.

Turnover on the ACE Market increased to 550.06 million shares valued at RM127.65 million from 467.28 million shares valued at RM109.57 million Thursday.

Exchange Rate

(Ringgit : Foreign Currency)

	Buying	Selling
USD	3.2560	3. 2580
EUR	4.1254	4. 1282
GBP	5.2285	5. 2327
100 YEN	3.0154	3.0181
SGD	2.5593	2. 5613

Source: Bank Negara Malaysia

Ringgit Ends Lower Versus US Dollar

KUALA LUMPUR -- The ringgit ended lower against the US dollar and mixed versus other major currencies Friday on global growth concern, dealers said.

At 5 pm, the ringgit was quoted at 3.2560/2580 against the greenback compared with 3.2400/2430 on Thursday.

A dealer said the local notes would rise after the market had digested the positive domestic budget unveiled by Prime Minister Datuk Seri Najib Tun Razak Friday.

Strengthening economic growth and enhancing fiscal governance were among the strategies outlined in Budget 2015.

The ringgit ended higher against the British pound to 5.2285/2327 from 5.2504/2566 on Thursday and strengthened against the euro to 4.1254/1282 from 4.1346/4.1390.

It weakened against the Singapore dollar to 2.5593/5613 versus Thursday's 2.5514/5541 and was down against the yen to 3.0154/0181 from 3.0031/0067 Thursday.

Short-Term Rates Close Stable

KUALA LUMPUR -- Short-term interbank rates closed stable Friday following Bank Negara Malaysia's (BNM) intervention to absorb excess liquidity from the financial system.

The liquidity surplus in the conventional system fell to RM18.18 billion from the RM23.98 billion estimated in the morning, while in the Islamic system, it was trimmed to RM3.36 billion from RM8.38 billion. In the morning, the central bank called for three conventional money market tenders, two repo tenders, an Islamic range-maturity auction and a commodity murabahah programme tender.

BNM also conducted a late conventional money market tender for RM18.20 billion and a RM3.40 billion Al-Wadiah money market tender, both for three-day money.

The overnight Islamic reference rate stood at 3.21 per cent, while the one-, two- and three-week rates stood at 3.27 per cent, 3.31 per cent and 3.34 per cent respectively.

KLIBOR Futures End The Week Untraded

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

At the close, October 2014, November 2014, December 2014 and March 2015 remained pegged at 96.27, 96.26, 96.27 and 96.19, respectively.

Open interest stood at 2,660 contracts. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.75 per cent.

KLCI Futures Close Lower

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts (FKLI) on Bursa Malaysia Derivatives ended higher Friday.

October 2014 declined 23 points to 1,808.0, November 2014 fell 23.5 points to 1,810.0, December 2014 depreciated 22 points to 1,811.0 and March 2015 eased 21 points to 1,810.0.

Turnover rose to 10,065 lots from yesterday's 6,205 lots, while open interest appreciated to 29,556 contracts from 27,213 contracts previously.

The benchmark FBM KLCI ended 20.85 points lower at 1,808.88 points.

Household Debt Rises At Slowest Pace Since 2010

KUALA LUMPUR -- Total household debt increased at the slowest pace since 2010 by 9.9 per cent to RM904.3 billion as at June 2014, accounting for 86.7 per cent of nominal Gross Domestic Product (GDP). This compared to household debt rising 11.5 per cent to RM855.9 billion, accounting for 86.7 per cent of nominal GDP as at end-2013, said the Finance Ministry in the 2014/2015 Economic Report.

Focus On Developing Progressive Financial Sector

KUALA LUMPUR -- As Malaysia's economic growth is projected to remain steady at between five and six per cent next year, underpinned by resilient domestic demand and higher exports, the government will continue to focus its efforts on the development of a progressive, sustainable and inclusive financial sector. The Ministry of Finance said this was to support the country's transformation towards a high value-added and high-income economy by 2020. "As guided by the Financial Sector Blueprint, this will include further increasing the capacity of financial institutions and financial markets to provide value-enhancing products and services," the ministry said in its 2014-2015 Economic Report released Friday.

Govt To Continue Consolidating Fiscal Sustainability Efforts

KUALA LUMPUR --The government will continue with its consolidation efforts by reviewing all aspects of fiscal management including revenue enhancement, ongoing subsidy rationalisation, prudent government spending, increasing efficiency of the public sector and managing off-budget spending. In the 2014/2015 Economic Report, the Ministry of Finance said in cognisant of the need to broaden the tax base and reduce dependence on oil revenue, the government would implement the Goods and Services Tax (GST) on April 1, 2015.

Govt Allocates RM273.9 Bln For 2015 Budget

KUALA LUMPUR -- The government is allocating a sum of RM273.9 billion for the next year budget, an increase of RM9.8 billion from last year's budget, said Prime Minister Datuk Seri Najib Tun Razak when tabling the 2015 Budget in Parliament Friday. Of the amount, RM223.4 billion is for operating expenditure and RM50.5 billion for development expenditure. Under the operating expenditure, RM65.6 billion is for emoluments, RM38.1 billion for supplies and services, RM116.54 billion for fixed charges and grants, RM1.5 billion for purchase of assets while RM1.8 billion for others. For development expenditure, RM29.3 billion is for economic sector, RM12.6 billion for social sector, RM4.9 billion for security sector, RM1.7 billion for general administration while RM2.0 billion for contingencies.

Govt To Continue Invigorating Economic Activities

KUALA LUMPUR -- The government will continue to implement pro-growth policies and provide a business-friendly environment to attract investment and enable private sector activity to thrive. The services sector, which remains the driver of economic growth, is narrowing its gap towards the national aim of achieving 60 per cent share of Gross Domestic Product (GDP) by 2020. It is because as of the first half of this year, the sector had already contributed 54.9 per cent to GDP, said the Treasury in the Economic Report 2014/2015 released here Friday in conjunction with Budget 2015.

Malaysia Maintains Lead In Islamic Capital Mart

KUALA LUMPUR -- Malaysia is maintaining its lead in the Islamic capital market as it continues to actively promote and create a vibrant sukuk market through the provision of supportive banking and capital market legislations. The Finance Ministry, in its Economic Report 2014-2015 released Friday, said the country has a large base of domestic institutional investors, namely pension funds, banks and insurance companies to sustain growth of the sukuk market. As at end-July this year, the report said 664 Shariah-compliant securities were listed on Bursa Malaysia, representing 73.2 per cent of total listed securities with RM1,0845.5 billion of total market capitalisation and the trading volume of Shariah-compliant securities increased to 205 billion units valued at RM199.8 billion.

Public Mutual Launches PB Global Equity Fund

KUALA LUMPUR -- Public Bank's wholly-owned subsidiary, Public Mutual, has launched a new fund, the PB Global Equity Fund (PBGEF). PBGEF is a global equity fund that seeks to achieve capital growth over the medium to long-term period by investing in global markets. In a statement here Tuesday, Public Mutual said the PBGEF gives investors an opportunity to participate in the long-term growth potential of a diversified portfolio of blue chip stocks, index stocks and growth stocks listed on selected global markets, including the United States, Europe and the Asia Pacific.

RAM Reaffirms Besraya's RM700 Mln Sukuk Issuance

KUALA LUMPUR -- RAM Ratings Services Bhd has reaffirmed the AA3/Stable rating of toll concessionaire, Besraya (M) Sdn Bhd's RM700 million Sukuk Mudharabah Issuance Facility (2011/2028). The rating reflected Besraya's strong debt-coverage levels and the elimination of construction risk following the company's Besraya Eastern Extension's completion (BEE) in April 2014, the rating agency said in a statement here Tuesday.

SC Issues Shariah Parameters On Islamic ETF

KUALA LUMPUR -- The Securities Commission Malaysia (SC) Tuesday issued the Shariah parameters on Islamic Exchange-Traded Fund (i-ETF) based on gold and silver. In a statement here Tuesday, SC said the initiative, to further develop the Islamic capital market in Malaysia, is the first Shariah parameters issued by the SC and has been endorsed by SC's Shariah Advisory Council.

M'sia's Furniture Exports To US Strengthen 1st Half

KUALA LUMPUR -- Exports of Malaysian furniture to the United States are enjoying robust demand judging from exports in the first half of the year which showed signs of strength, says Malaysia External Trade Development Corporation (Matrade) Trade Commissioner in Los Angeles Rusiah Mohamed. Statistics released by the US Department of Commerce showed that the US imported RM1.28 billion worth of furniture from Malaysia in the first six months of this year, up 8.18 per cent from last year, and accounted for 1.6 per cent of the market share, he said in a statement Monday.

ALTS 2014 Exhibitors To Generate RM20 Mln Sales

KUALA LUMPUR -- Exhibitors at the recently concluded three-day Asean Logistics and Transport Show 2014 (ALTS 2014) are expected to generate sales of about RM20 million over the next 12 months. The exhibition, organised by Fair and Events Management Sdn Bhd (FEMSB), saw 220 companies participating in the exhibition which ended on Sept 27. Chief Executive Officer Jonathan Kan Tuesday here said the overwhelming response was due to the forthcoming integration of the Asean Economic Community next year.

M'sia's August Trade Rises To RM123.9 Bln

KUALA LUMPUR -- Malaysia's total trade in August 2014 increased to RM123.90 billion from the RM118.58 billion recorded in the same month last year, the Ministry of International Trade and Industry (MITI) says. The trade surplus, meanwhile, stood at RM3.86 billion, it said in its Malaysia External Trade Statistics report. Exports in August expanded 1.7 per cent, year-on-year to RM63.88 billion, while imports surged 7.6 per cent to RM60.02 billion. "Increases in trade were recorded with Singapore which rose by RM1.80 billion, the United States (RM870.50 million), India (RM870.40 million), Japan (RM819.80 million) and Thailand (RM500.70 million)," it added.

Manufacturing Sector Sales Up 5 Pct In August

KUALA LUMPUR -- The sales value of the manufacturing sector in August 2014 rose 5.0 per cent (RM2.7 billion) to RM55.8 billion from RM53.1 billion reported a year ago, said the Statistics Department. In a statement today, it said on a month-on-month (m-o-m) basis, the sales value increased by 1.7 per cent or RM1.0 billion compared with the preceding month. The total number of employees engaged in the sector in August 2014 rose 0.2 per cent to 1.03 million from July.

M'sian Pharmaceuticals Expect RM65 Mln Sales From Paris Fair

KUALA LUMPUR -- Malaysian pharmaceutical companies are expected to generate sales of RM65 million at the upcoming CPhi Worldwide 2014 in Paris, France. This, according to the Malaysia External Trade Development Corporation (Matrade), is an increase of nearly 10 per cent compared to last year. In a statement here Tuesday, the national trade promotion agency said participation in the event, is an effort to strengthen Malaysia's export of pharmaceuticals to Europe. Nine local companies will participate in the CPhi Worldwide 2014 which starts Tuesday.

LPI Capital Q3 PBT Rises To RM77.4 Mln

KUALA LUMPUR -- LPI Capital Bhd posted a pre-tax profit (PBT) of RM77.4 million for its third quarter ended Sept 30, 2014, up 7.6 per cent from RM71.9 million in the same period last year. The company's revenue grew to RM301.24 million from RM283.5 million in the same quarter last year. The group's strong performance was contributed by the continued good results reported by its wholly-owned insurance subsidiary Lonpac Insurance Bhd (Lonpac), the company said in a statement here Wednesday.

World Muslim Biz Expos To Generate RM800 Mln Deals

KUALA LUMPUR -- The Fifth OIC World BIZ and Muslim World BIZ Exhibition and Conference 2014, to be held on Nov 10-14, 2014 at the Putra World Trade Centre here, are expected to generate some RM800 million worth of transactions. Recognised as one of the most efficient and powerful Muslim world trade platforms, the event will see the signing of 40 memorandum of understandings and about 30 business matching sessions. Organised by the OIC International Business Centre with the cooperation of the Islamic Centre for Development of Trade, an organ of the OIC (Organisation of Islamic Cooperation), the theme of the event is "Towards Excellent Global Economies".

1MDB Has Total Assets Worth M44.67 Bln

KUALA LUMPUR -- 1Malaysia Development Bhd (1MDB) has accumulated assets amounting to RM44.67 billion until March 31 last year, said Prime Minister Datuk Seri Najib Tun Razak. He said the agency was tasked with raising funds by bringing in foreign direct investments for national projects and issuing bonds, apart from securing loans from domestic and international financial institutions. "1MDB, set up by the government in 2009, has secured loans guaranteed by the government amounting to RM5.8 million, but has not received any government guarantee for bonds or other financing. "It issued RM5 billion guaranteed Islamic medium-term notes (IMTNs) for a tenure of 30 years and borrowed RM800 million," he said in a written reply to Liew Chin Tong (DAP-Kluang) at the Dewan Rakyat here Wednesday.

Mercedes-Benz M'sia Posts 16 Pct Y-O-Y Sales

KUALA LUMPUR -- Mercedes-Benz Malaysia, after a phenomenal first half, maintained recorded a 16 per cent rise in year-on-year (y-o-y) sales in the third quarter. As at September 2014, the luxury marque recorded sales of 6,642 units vehicle, up from 5,747 units sold during the same period last year. Mercedes-Benz Malaysia's continued growth was mainly attributed to the passenger car segment, which attained sales of 4,817 units, a 28 per cent increase from 2013, it said in statement here Thursday.

Finance, Insurance To Sustain Growth At 1.8 Pct

KUALA LUMPUR -- The finance and insurance sub-sector is expected to sustain growth at 1.8 per cent in 2014 after having moderated to 1.5 per cent in the first half of the year.The finance segment rose 1.4 per cent during the first six months of this year due to the slower growth in net interest and fee-based income, said the Finance Ministry in the 2014/2015 Economic Report released Friday. In the first seven months of this year, total loan applications contracted to 1.9 per cent to RM463 billion while total loans approved declined 2.4 per cent to RM223 billion, partly due to macroprudential measures to rein in household debt.

MBSB Shares Rise On Merger News

KUALA LUMPUR -- Shares of Malaysia Building Society Bhd (MBSB) rose 9.7 per cent or 23 sen to a high of RM2.60 on news of the three-way merger.

The counter was actively traded with 32.97 million shares changing hand as at 12.06 pm. On the CIMB Group Holdings Bhd (CIMB)-RHB Capital Bhd (RHB)-MBSB's mega-merger, analysts opined that the outright winner was MBSB, with a potential cash option at RM2.82 per share after it is being taken private. The trio Thursday announced that an application has been made to Bank Negara Malaysia to seek approval for a three-way merger involving a share swap between CIMB Group and RHB Capital, while MBSB was to be taken private at RM2.82 per share.

IPI Up 6.5 Pct In August

KUALA LUMPUR -- The Industrial Production Index (IPI) grew 6.5 per cent in August 2014 compared with the same month last year, contributed by the positive growth in all three indices of manufacturing, mining and electricity. In a statement Friday, the Statistics Department said manufacturing rose 7.4 per cent, mining increased by 3.6 per cent and electricity went up by 8.4 per cent. It also revised the IPI for July to 0.6 per cent, year-on-year, from 0.5 per cent announced earlier. On a monthly basis, the August IPI had also increased by 3.4 per cent due to increases in all the indices of manufacturing (2.6 per cent), mining (9.4 per cent) and electricity (2.5 per cent).

Matrade Eyes RM400 Mln Sales At Turkchem 2014

KUALA LUMPUR -- The Malaysia External Trade Development Corporation (Matrade) targets RM400 million sales in its first specialised marketing mission to Turkchem Show Eurasia 2014 (Turkchem 2014) in Turkey. Matrade Director of Oil and Gas Chemical Section, Trade and Services Promotion Division, Abu Bakar Koyakutty said that 10 local chemical companies with 18 representatives would be participating in the three-day specialised mission beginning October 16. "This programme includes pre-arranged individual business meetings for Malaysian participants with potential Turkish and foreign companies," he told a media briefing here, Friday.

Sept CPO Output Down 6.64 Pct

KUALA LUMPUR -- Malaysia's crude palm oil (CPO) production fell by 6.64 per cent to 1.897 million tonnes in September from 2.032 million tonnes in August, the Malaysian Palm Oil Board (MPOB) said. In a statement here today, it said palm kernel decreased to 483,176 tonnes while crude palm kernel oil and palm kernel cake production increased to 225,377 tonnes and 250,185 tonnes respectively. CPO stocks increased by 3.93 per cent to 1.178 million tonnes in September compared with 1.133 million tonnes previously.

Kenanga Remains Positive Over Sime Darby's Acquisition Plan

KUALA LUMPUR -- Kenanga Research remains positive over Sime Darby Bhd's long term prospects, following the proposal by Sime Darby Plantation Sdn Bhd to acquire New Britain Palm Oil Ltd (NBPOL) from Kulim (Malaysia) Bhd. To recap,Sime Darby Plantation, the plantation and agri-business arm, has made an offer to acquire the entire 48.97 stake in NBPOL for 1.073 billion pounds as part of its brownfield expansion. "We are positive on the deal as we expect Sime Darby's core earnings to increase by four per cent in the financial year 2015 (FY15E) and seven per cent in FY16E from our current earnings base, assuming the deal is successful," Kenanga said in a note Friday.

Ekuinas Allocates RM600 Mln To Spur Bumi Ownership

KUALA LUMPUR -- The government, via Ekuiti Nasional Bhd (EKUINAS), will allocate RM600 million to increase Bumiputera ownership in private companies and government-linked companies, said Prime Minister Datuk Seri Najib Tun Razak. He said the allocation was set to boost the Bumiputera agenda as their corporate equity ownership had yet to achieve the 30 per cent target while their control over corporations were currently only around 10 per cent. To date, EKUINAS has cumulative investments of RM2.3 billion in various sectors.

BNM Reserves Reach RM416.9 Bln At Sept 30

KUALA LUMPUR -- The international reserves of Bank Negara Malaysia amounted to RM416.9 billion (equivalent to US$127.3 billion) as at Sept 30, 2014. The reserves position is sufficient to finance 8.7 months of retained imports and is 1.2 times the short-term external debt, Bank Negara said in a statement here Wednesday. Foreign currency reserves which amounted to US$116.9 billion contributed to the bulk of the reserves, while International Monetary Fund reserves totalled US$1 billion, Special Drawing Rights (US$1.9 billion), Gold (US$1.4 billion) and other reserve assets (US$6.1 billion).

Cheaper Car Expected Post-GST

By S. Joan Santini

KUALA LUMPUR --Prices for new cars are generally expected to come down by between one and three per cent after the implementation of the Goods and Services Tax (GST), but the gains could be offset by higher prices of imported auto parts due to foreign exchange factors. Auto components are mainly imported from Japan and if the yen appreciates against the ringgit, the savings of one to three per cent could be much less because the components would now cost more and that would affect retail car prices, Royal Malaysian Customs Department GST Director Datuk Subromaniam Tholasy said.

M'sia Must Push Innovation To The Limits

By Nurul Hanis Izmir and Nurunnasihah Ahmad Rashid

PETALING JAYA -- Malaysia, relatively limited by the size of its small economy, must push innovation to the limits to ensure its economic survival amid fierce competition under the Asean Economic Community (AEC). Executive Chairman of the QI Group of Companies, Datuk Seri Vijay Eswaran said, this entailed local firms looking outward and forging alliances with Asean partners in exploiting the vast and lucrative markets of China and India. To this end, Malaysia should leverage on the strength of its wide-ranging diversity to exploit to the fullest the benefits of innovation so as to ensure sustainable and long-term economic returns, Vijay told Bernama here recently.

Incentives For Tourism, Education & Property Crucial

By Wan Nor Azura Mior Abdul Aziz

KUALA LUMPUR -- Perks to boost the tourism industry which is a crucial component of the services sector, greater investments in education and definitive measures to ensure affordable housing, are among proposals in the wishlist for Budget 2015. Malaysian aviation tycoon and AirAsia founder Tan Sri Tony Fernandes has called on the government to look for innovative ways to drive the tourism industry for it to continue contributing to the nation's coffers. "It is important to keep tourism growing and to do whatever needed to aid the sector as it is a great job creator," he told Bernama.

Petronas, British Columbia To Undertake LNG Project

KUALA LUMPUR -- Petroliam Nasional Bhd (Petronas) and the British Columbia government have agreed on clear milestones, action plans and deliverables for both parties to undertake the final investment decision (FID) regarding the Pacific NorthWest liquefied natural gas (PNW LNG) project by mid-December 2014. "Fundamentally, we believe the PNW LNG project has the ability to monetise, add value and link the British Columbia natural gas to the global market, to the benefit and prosperity of Canadians, especially to British Columbians," it said in a statement here Tuesday.

NCG In Talks To Accept More Cashless Payment

KUALA LUMPUR -- The National Cards Group (NCG) is joining hands with relevant industry parties to encourage more local merchants to accept cashless payment. "We will engage more merchants to adopt point of sales systems by the middle of next year, because the cost structure is much lower if they accept credit and debit card payments," said Chairman, Perry Ong. He made the remarks on the sidelines of the launch of the "Think Online Safety, Think CARD Campaign" here Tuesday.

M'sia Moves Up Four Spots In Global Innovation

KUALA LUMPUR -- Malaysia's relentless initiatives in pursuing innovation have enabled it to move up four spots to the 21st place in the Global Competitiveness Report 2014-2015 in private sector innovation, Science, Technology and Innovation Minister Datuk Dr Ewon Ebin said. He attributed the achievement to improvement on the perception on the availability of scientists and engineers, the private sector's research and development (R&D) expenditure, and quality of scientific research institutions. "Government procurement of technology products ranked third and is regarded as one of the best in the world," he said in a statement here Tuesday.

Perodua Axia Delivery Delay Due To Parts

GEORGE TOWN -- The delay in the delivery of the fuel-efficient Axia is not due to capacity issue but having the right parts, said Perusahaan Otomobil Kedua Sdn Bhd (Perodua) President/Chief Executive, Datuk Aminar Rashid Salleh. He said the delivery could be delayed by six months and the company hoped to reduce it to 1.5 months by year-end. "The delay is due to the overwhelming response. Perodua has received 32,000 bookings since it was launched Aug 15. "It (the delay) is not due to the issue of capacity as Perodua's plant produces 7,000 to 8,000 units a month. It is the issue of having the right parts and we are now working closely with the vendors," he said after the signing of a MoU between Perodua Sales Sdn Bhd and Wawasan Open University (WOU) on the offer of a specialised Graduate Diploma in Sales and Services Management (GDSSM) to Perodua's employees, here Thursday.

MAS Signs Bimodal Agreement With France's TGVAIR

KUALA LUMPUR -- Malaysia Airlines (MAS) Thursday announced a bimodal agreement with TGVAIR, a high-speed rail network that is operated by SNCF, France's national state-owned railway company. The agreement would allow MAS to commercialise a journey from start to finish including a TGV journey between a province train station and the Charles de Gaulle (CDG) Airport TGV station as well as a connecting flight on MAS at CDG Airport, MAS said in a statement here Thursday.

Foreign Investors Find M'sia Ideal For High Value-Added Activities

SEREMBAN -- Foreign investors are finding Malaysia to be the ideal location for high value-added manufacturing activities due to its strong, diversified base across multiple industries. Malaysian Investment Development Authority (MIDA) Deputy Chief Executive Officer, Datuk Phang Ah Tong said foreign investments in approved manufacturing projects for the January-May period this year amounted to RM25.2 billion, accounting for 60.3 per cent of total investment approved in the sector. "Japan was the largest source of foreign investments for the first five months of 2014, with investments totalling RM8.9 billion in 33 projects, which is a 147 per cent growth over the RM3.6 billion recorded for the whole of 2013," he told reporters at the opening ceremony of Kayaku Safety Systems (M) Sdn Bhd at Sendayan TechValley, Bandar Sri Sendayan near here Thursday.

MAS, Tourism M'sia Offer Holiday Deals For Indian Travellers

By M.Saraswathi

NEW DELHI -- Malaysia Airlines together with Tourism Malaysia will give away the best deals to Indian travellers visiting Malaysia in conjunction with Visit Malaysia Year 2014. The campaign, beginning Wednesday until Oct 20, 2014, is for immediate travel until May 31, 2015 on economy class, announced Malaysia Airlines in a statement here Wednesday. "Being the national carrier, Malaysia Airlines is delighted to offer unbeatable bargains in collaboration with Tourism Malaysia," said Malaysia Airlines Regional Senior Vice-President, South Asia and Middle East, Azahar Hamid.

Celcom's Platform For Youths To Showcase Skills, Talents

KUALA LUMPUR -- Celcom Axiata Bhd Wednesday launched the ultimate anime music-based genre fantasy festival, 'School of Xpax (SOX) 2014 Fantasy Fest', a platform for youths to showcase their skills and talents in cosplay, competitive gaming and anime or comic. Its Chief Marketing Officer Zalman Aefendy Zainal Abidin said the company is currently number one in terms of share of the youth market in Malaysia across all states and demographics, and it aimed to maintain this position. "We hope these activities will contribute to achieving the target because the youth segment is the fastest growing and biggest proportion of customers in the market," he said at the launch of the SOX fantasy festival here Wednesday.

Private Investment To Remain Vibrant In 2015

KUALA LUMPUR -- The final year of the 10th Malaysia Plan next year will see a steady push from the private sector, with private investment remaining vibrant and registering a double-digit growth. According to the Economic Report 2014-2015 issued by the Finance Ministry, the positive performance is due to the supported ongoing implementation of the plans - Economic Transformation Programme (ETP) and Government Transformation Programme (GTP).

Cushioning Effects Of Rising Cost Of Living

KUALA LUMPUR -- The government has been taking continuous steps to ease the burden of the rakyat (people), especially the low-income group in addressing the rising cost of living. According to the 2014/2015 Economic Report issued by the Finance Ministry, the group is recognised by the government as the most vulnerable, as their income growth has not kept pace with the rise of prices of goods and services. The report points out that based on the Household Expenditure Survey, conducted every five years by the Department of Statistics, the monthly household expenditure had soared 88.6 per cent from 1993 to 2010, with four main groups indicating substantial increases.

Private Investment To Remain Vibrant In 2015

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More Funds For Building Affordable Houses

KUALA LUMPUR -- The government will continue to allocate funds to build affordable houses in an effort to provide adequate housing for the low-income group. The Economic Report 2014/2015 said the houses were being built under various government programmes such as Rumah Mesra Rakyat (RMR), Rumah Mampu Milik (RMM), Rumah Idaman Rakyat (RIR), Rumah Mesra Rakyat 1Malaysia and the 1Malaysia Housing Programme (PR1MA). The new category, Rumah Mesra Rakyat, was introduced in Budget 2013 with the sale prices ranging from RM45,000 to RM65,000 per unit. The new category comes with a government subsidy of RM15,000 and RM20,000 per unit. The government has also allocated RM1 billion under PR1MA to build 80,000 units.

Malaysia To Focus On Economic Transformation Process

KUALA LUMPUR -- Malaysia will continue to focus on the economic transformation process in the management of the economy to achieve a more equitable and balanced growth, says the Ministry of Finance. The economy is expected to sustain the positive growth trajectory next year supported by improved global economic conditions and resilient domestic demand, said the ministry in its 2014-2015 Economic Report.

Boeing To Expand St Louis Composites Facility

KUALA LUMPUR -- Boeing will expand its current St Louis composites facility to accommodate the production of the 777X airplane parts there in 2017. The American multinational corporation had earlier announced that it would be doing so, bringing back inside, the company work that is currently performed at suppliers or overseas for the current 777 programme. "The design for these parts will be done in St Louis BAA and other Boeing sites. The parts built there will support 777X work at the composite wing centre in Everett, Washington, home of the 777X programme. "The new composite wing centre is currently under construction and will be more than one million square feet," said Bob Feldmann, Vice President and General Manager of the 777X programme, Boeing Commercial Airplanes, in a statement here Tuesday.

Boeing Forecasts 4.7 Pct Global Air Cargo Traffic Growth

KUALA LUMPUR -- Boeing has projected that the world's air cargo traffic to grow at an annual rate of 4.7 per cent over the next 20 years, with air freight traffic expected to more than double by 2033. The company released its biennial World Air Cargo Forecast on the opening day of the three-day International Air Cargo Forum and Exhibition in Seoul, Tuesday. Boeing Commercial Airplanes Vice-President of Marketing Randy Tinseth said the company saw strong signs of a recovery as air freight traffic levels continued to strengthen after several years of stagnation. "The air cargo market is now growing at nearly the long-term rates," he said in a statement here Tuesday.

Yinson Eyes Gulf Of Mexico Market

JOHOR BAHARU -- Integrated offshore services provider Yinson Holdings Bhd (YHB) wants to be more actively involved in the Gulf of Mexico, said Group Chief Executive Officer Lim Chern Yuan. "The Gulf of Mexico is expected to see more oil and gas activities in the coming years, and we are very interested in it," Lim told reporters after the company's extraordinary general meeting (EGM) here Tuesday. Lim said the company, with an established presence in the oil and gas services industry in West Africa and Asia having opened offices in Nigeria, Gabon and Vietnam, plans to open more offices in Africa.

Axis-REIT AUM To Reach RM2 Bln With Latest Acquisition

KUALA LUMPUR -- The total assets under management (AUM) of Axis Real Estate Investment Trust (Axis-REIT) is set to increase to RM2 billion following its latest proposed acquisition. Axis REIT Managers Bhd (ARMB), the manager of Axis-REIT, Tuesday announced the proposed acquisistion of an industrial facility in Southern Industrial and Logistics Clusters (SiLC), Johor, for RM153.5 million in cash from Yongnam Engineering Sdn Bhd (Yongnam). "Together with the earlier three proposed acquisitions announced in August2014 of RM280.5 million, the total AUM of the fund will increase to RM2billion," said ARMB in a statement here Tuesday.

Maybank Kim Eng Awarded 'Most Innovative Investment Bank'

KUALA LUMPUR -- Maybank Kim Eng has been named the "Most Innovative Investment Bank from Asia-Pacific" in 2014 by The Banker magazine, a subsidiary of the Financial Times Group. The magazine's editor Brian Caplen said Maybank Kim Eng is a leading player in the Malaysian and Asian markets across a wide range of activities from bonds to Islamic finance to project finance and syndicated loans. "The judges recognised its innovative skills in coming up with solutions for clients. Maybank Kim Eng is a deserving winner of this award," he said in a statement here Wednesday.

Alaska Airlines Orders 10 Boeing Aircraft Worth US$990 Mln

KUALA LUMPUR -- Boeing Commercial Airplanes and Alaska Air Group's subsidiary, Alaska Airlines, announced an order for 10 Next-Generation 737-900ER (Extended Range) airplanes, building on Alaska's all-Boeing fleet. The purchase, which brings Alaska's total Boeing jets on order to 74, means the airline's customers will enjoy expanded service from its Seattle hub and a commitment to a locally manufactured fleet of the most fuel efficient airplanes in the market. "We love having Seattle as our home and buying locally built airplanes is a point of pride for us. These new planes will allow us to serve our customers even better with improved in-cabin experience, including our new leather Recaro seats with added leg room, power outlets at every seat and larger overhead bins," said Alaska Airlines' President and Chief Executive Officer (CEO) Brad Tilden in a joint statement here Tuesday.

IOSCO Re-Elects Ranjit Ajit Singh As Vice Chairman

KUALA LUMPUR -- The International Organisation of Securities Commissions (IOSCO) Tuesday re-elected the Chairman of the Securities Commission Malaysia, Ranjit Ajit Singh, as Board Vice Chairman. Ranjit had prior to this been re-elected Chair of the IOSCO Growth and Emerging Market (GEM) Committee, the IOSCO said in a statement here Tuesday. The board also re-elected Greg Medcraft as Chairman of the IOSCO Board and Howard Wetson, Chair of the Ontario Securities Commission, as its Vice Chairman.

Exabytes To Host MIBS 2014

KUALA LUMPUR -- Exabytes Network Sdn Bhd, Malaysia's Web hosting provider, will host the inaugural 'Malaysia Internet Business Summit (MIBS)' to emphasise the potential for business growth as exemplified by real statistics and business cases. To be held on Oct 15–16 at the One World Hotel in Petaling Jaya, MIBS 2014 aims to accelerate the uptake of the online-based business model in Malaysia via the viewpoints and perspectives of prominent businesses, Exabytes said in a statement here Tuesday. These, it said, include Twitter and Zalora on leveraging social media for business and the outlook of e-commerce Malaysia respectively.

Najib Unveils 'People Economy' Budget 2015

By Azlina Aziz and Soraya Jamal

FOR THE PEOPLE... Prime Minister Datuk Seri Najib Tun Razak waving his hands after presenting a 'People-Economy' Budget 2015 at the Parliament House Friday. --fotoBERNAMA

KUALA LUMPUR -- Budget 2015, unveiled by Prime Minister Datuk Seri Najib Tun Razak Friday, continued to be business and investor-friendly as well as inclusive, taking into account the concerns of the rakyat by emphasising on the needs of the middle and lower income group.

Noteworthy among the proposals highlighted for businesses are the promotion of high quality investments, encouraging the establishment of principle hub by multinational companies, spurring creative industry, increasing capacity of high speed broadband and developing small and medium enterprises, as well as developing innovation and commercialisation.

Taking the opportunity to speak directly to the rakyat, via live-telecast through mainstream television channels, Najib, who is also the Finance Minister also proposed many measures to ease the concern over rising cost of living.

These include increasing the amount of 1Malaysia People's Aid (BRIM), education aid, accelerating the private and public investments, widening the scope of items that would not be subjected to the Goods and Services Tax (GST) and other tax incentives.

Themed, "People Economy", it outlined seven main strategies namely strengthening economic growth; enhancing fiscal governance; developing human capital and entrepreneurship; advancing the Bumiputera agenda; upholding the role of women; developing national youth transformation programme; and prioritising the well being of the rakyat.

Challenge In Preparing The Budget

The premier said the main challenge in preparing the RM273.9 billion budget, whcih was an increase of RM9.8 billion compared to the previous budget, was to balance between policies that are populist and policies based on economic and financial imperatives.

Budget 2015 is the last budget in the 10th Malaysia Plan period (2011-2015). Najib, clad in a bright tangerine Baju Melayu, presented the 2015 Budget at the Dewan Rakyat, his sixth national budget since assuming leadership of the administration.

The prime minister was confident the country would achieve a strong economic growth of between 5.5 per cent and 6.0 per cent this year and 5.0 per cent to 6.0 per cent in 2015. Fiscal deficit would continue to improve to 3.5 per cent this year and reduce further to 3.0 per cent by end 2015, he said.

GST To Generate RM23.2 Bln Revenue

Touching on the GST, Najib said its implementation was estimated to generate RM23.2 billion in revenue next year.

"However, as a caring government we have exempted several goods from GST amounting to RM3.8 billion," he said, adding that with the implementation of GST, the Sales and Services Tax (SST) would be abolished.

"This will result in revenue foregone of RM13.8 billion. This means that after deducting RM13.8 billion and RM3.8 billion from a revenue RM23.2 billion, the government will have a balance of RM5.6 billion," Najib said.

Out of this, he said RM4.9 billion would be channelled back to the rakyat through assistance programmes such as the increase in BR1M.

"Finally, net revenue collection from GST would only amount to RM690 million," he said.

Proving that the government was listening to the rakyat, Najib said consumers and targeted groups would not have to pay GST on the purchase of RON95 petrol, diesel and LPG.

Committed To Subsidy Rationalisation

Najib said in improving public finance position, the government was committed to implement subsidy rationalisation, particularly for petroleum. This rationalisation was aimed at ensuring a more targeted subsidy, reduce leakages and smuggling. Najib said in 1994, the government allocated RM588 million for various subsidies but the amount had swelled to RM40.5 billion in 2014.

To ensure a more targeted subsidy and taking into account the rakyat's awareness and readiness to subsidy rationalisation, the government would develop a new mechanism to provide petroleum subsidy.

"I will announce the new mechanism soon," he said.

LIST OF MARKET REPORTS :

BURSA MALAYSIA

BURSA: FBM KLCI To Dip Further Next Week

By Siti Radziah Hamzah

KUALA LUMPUR -- The benchmark FBM KLCI is expected to dip further next week and test the 1,800 level following a weak external environment.

Affin Hwang Investment Bank Vice-President/Head of Retail Research Dr Nazri Khan Adam Khan said several factors would drive the market lower next week including the on-going protest in Hong Kong and the International Monetary Fund's trimming of its global growth outlook for 2015 to 3.8 per cent from 4.0 per cent in an early estimate.

"Generally, the equity market will experience volatility in October and will stabilise as it moves into November," he told Bernama.

Meanwhile, the Budget 2015 announcement by Prime Minister Datuk Seri Najib Tun Razak on Friday would provide a cushion for the local market next week.

The FBM KLCI dived 20 points at close to a nearly 10-month low of 1,808.88 on Friday weighed down by financial stocks.

For the week just ended, the FBM KLCI fell 31.94 points to end at 1,808.88 from 1,840.82 last Friday.

The weekly turnover decreased to 8.80 billion shares valued at RM8.77 billion from 11.39 billion shares valued at RM9.43 billion last week.

Main market volume eased to 6.41 billion units worth RM8.30 billion from 7.91 billion units worth RM8.850 billion registered previously.

Warrant turnover reduced to 218.42 million units valued at RM25.34 million from 303.09 million units worth RM45.69 million transacted last week. The ACE market volume depreciated to 2.14 billion units worth RM441.44 million from 3.15 billion units valued at RM532.35 million recorded last Friday.

Ringgit Could Rally Next Week On Positive Budget

By Azizul Ahmad

KUALA LUMPUR --The ringgit could rally next week on positive sentiment following the 2015 Budget and buoyed by prospects of an improving fiscal condition in Malaysia, said a currency trader.

"Strengthening economic growth and enhancing fiscal governance were among the strategies observed in Budget 2015," he said, adding such moves were positive for Malaysia.

"Measures and incentives announced in the 2015 Budget, like the introduction of a new Shariah-compliant investment product, will strengthen Malaysia's financial services industry especially by promoting Islamic finance at the domestic and international levels," he said.

The US Federal Reserve's hint that it will delay raising interest rates could buoy demand for emerging market assets, and expectations that Chinese export data is improving could also provide strength in Asian currencies like the ringgit.

"As the market is still on global growth concerns, we expect a wide range of 3.21 to 3.28 next week," he told Bernama.

On a weekly basis, the ringgit was traded stronger against the US dollar at 3.2560/2580 from last Friday's 3.2570/2600.

It ended the week mixed against other major currencies.

The local unit firmed against the British pound to 5.2285/2327 from last Friday's 5.2386/2437 but weakened against the Singapore dollar to 2.5593/5613 from 2.5545/5587 last Friday.

It was softer against the yen at 3.0154/0181 from 2.9900/9930, as well as against the euro at 4.1254/1282 versus 4.1136/1177 last Friday.

Short-Term Rates To Remain Stable Next Week

By Azizul Ahmad

KUALA LUMPUR -- Short-term rates are likely to remain stable next week on Bank Negara Malaysia's (BNM) intervention in the money market to absorb excess funds, dealers said.

They said they do not anticipate the central bank to amend the overnight policy rate in the near term as the US Federal Reserve recently hinted low interest rates would stay for some time.

"Less inflationary threat for the short term is seen as September's consumer price index (CPI) due next week is expected to dip to around 2.4 per cent as a result of the higher base stemming from the cutback in petrol subsidy last September," he told Bernama.

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

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

The liquidity surplus in the conventional system amounted to RM18.18 billion while the excess in the Islamic system stood at RM3.36 billion.

The overnight Islamic reference rate was unchanged at 3.21 per cent, while the one-, two- and three-week rates stood at 3.27 per cent, 3.31 per cent and 3.34 per cent, respectively.

On a week-to-week basis, the benchmark three-month KLIBOR inched up to 3.75 per cent from last week's 3.74 per cent.

KLCI Futures Likely To Retreat Further Next Week

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI futures contracts on Bursa Malaysia Derivatives are likely to trend lower next week, tracking the negative outlook on the cash market.

A dealer said the FBM KLCI is expected to dip further next week, weighed down by concerns over weaker global economic outlook.

On a Friday-to-Friday basis, October 2014 fell 35.5 points to 1,808.0, November 2014 weakened 35.0 points to 1,810.0, December 2014 shed 34.0 points to 1,811.0 and March 2015 slid 33.5 points to 1,810.0.

Turnover for the week fell to 51,040 lots from 61,758 lots last week while open interest declined to 29,556 contracts from 23,316 contracts previously.

For the week just ended, the benchmark FBM KLCI trimmed 20.85 points to end at 1,808.88 points.

CPO Futures To Trade Lower Next Week

By Zairina Zainudin

KUALA LUMPUR -- Crude palm oil (CPO) futures contracts on Bursa Malaysia Derivatives are likely to trade lower next week on weak sentiment in overseas markets, a dealer said.

Phillip Futures Sdn Bhd Derivative Products Specialist David Ng told Bernama that the CPO prices would hover between RM2,150 and RM2,250 per tonne on the back of sluggish crude oil prices.

He also said the recent high inventory level and weaker-than-expected CPO export data for September released by the Malaysian Palm Oil Board (MPOB) would curb buyers' appetite.

CPO stocks in September increased by 3.93 per cent to 1.178 million tonnes compared with 1.133 million tonnes previously.

On a Friday-to-Friday basis, November 2014 and December 2014 rose RM13 each to RM2,196 per tonne and RM2,182 per tonne respectively, while January 2015 gained RM7 to RM2,191 per tonne. October 2014 was last traded on Thursday at RM2,220 per tonne, while new contract month February 2014 was introduced at RM2,198 per tonne.

Weekly turnover decreased to 169,911 lots from 188,762 lots last week while open interest widened to 321,075 contracts from 294,471 contracts previously.

On the physical market, October South was unchanged at RM2,200 per tonne.

The local market was closed on Monday for the Hari Raya Aidil Adha holiday.

Rubber Market To Remain Under Pressure Next Week

By Zairina Zainudin

KUALA LUMPUR -- The Malaysian rubber market is likely to continue its downtrend next week following the recent decline in crude oil prices and weak regional markets.

A dealer said the movement of the ringgit against the US dollar would also influence the trading of rubber next week.

"The plunge in rubber futures on the Tokyo Commodity Exchange and weak demand from China put pressure on demand.

"This sentiment is likely to continue next week," he told Bernama.

On a Friday-to-Friday basis, the Malaysian Rubber Board's sellers' official physical price for tyre-grade SMR 20 rose six sen to 461 sen per kg while latex-in-bulk slipped three sen to 369 sen per kg.
The unofficial sellers' closing price for tyre-grade SMR 20 gained three sen to 457.5 sen per kg and latex-in-bulk shed 2.5 sen to 368.5 sen per kg.

KLIBOR Futures To Remain Quiet Next Week

KUALA LUMPUR -- The three-month Kuala Lumpur

Interbank Offered Rate (KLIBOR) futures contracts on Bursa Malaysia Derivatives are expected to remain quiet as the overnight policy rate (OPR) is expected to stay at 3.25 per cent.

A dealer said the futures market has been quiet ever since the central bank raised the OPR, and now players are awaiting new potential market-moving events.

For the week just ended, no contract was traded throughout the week and open interest remained unchanged at 2,660 contracts.

On a Friday-to-Friday basis, October 2014, November 2014 and December 2014 remained pegged at 96.27, 96.26 and 96.27 respectively.

The underlying three-month KLIBOR ended higher at 3.75 per cent from 3.74 per cent last Friday..

KLTM To Hover Around US$20,300 A Tonne

KUALA LUMPUR -- The Kuala Lumpur Tin Market (KLTM) is expected to hover around US$20,300 a tonne next week, with consumer support from European and Japanese traders, said a dealer.

He said the current tin price is at a 14-month low and sellers are not keen to sell at this level.

For the week just ended, the KLTM moved between US$20,170 and US$20,450 a tonne, mostly influenced by the trend on the London Metal Exchange (LME).

Turnover fell to 203 lots from 220 lots last week with Japanese, European and local buyers dominating trade.

The price differential between the KLTM and LME widened to a premium of US$320 a tonne from US$310 a tonne last Friday.

Gold Futures To Track Benchmark CME Gold

B Azlee Nor Mahmud

KUALA LUMPUR -- Gold futures contracts on Bursa Malaysia Derivatives are expected to track a similar trend on the benchmark CME gold next week which may face resistance at US$1,240 but strong support near US$1,215 an ounce.

"The monthly inflation data from several major economies to be released next week would also be the preliminary reading for the investors to gauge the global financial stability in the near term, especially the almost deflated Eurozone," Phillip Futures Sdn Bhd dealer Low Cheng Yang told Bernama.

On a Friday-to-Friday basis, October 2014 rose 31 ticks to RM128.35 a gramme, while November 2014, December 2014 and January 2015 increased 34 ticks each to RM128.75 a gramme, RM128.95 a gramme and RM129.15 a gramme respectively.

Volume decreased to 610 lots worth RM7.816 million, from 1,213 lots valued at RM15.5 million recorded last week.

Open interest on Friday stood at 2,279 contracts compared with last week's 2,901 contracts.