BERNAMA
MALAYSIAeBiz
WEEKLY BUSINESS ROUNDUP JAN 12 - JAN 16, 2015

January 16, 2015

This Week's Highlight :
Najib To Issue Full Statement On Malaysian Economy Next Week

FLOOD RELIEF AID...Prime Minister Datuk Seri Najib Tun Razak (right) shaking hands with Chinese Ambassador to Malaysia Dr Huang Huikang (middle) at the presentation of flood relief aid from China to the Malaysian government at Wisma Perwira Angkatan Tentera Malaysia (ATM) in Kuala Lumpur Tuesday. Also present, Home Minister Datuk Seri Dr Ahmad Zahid Hamidi (left). --fotoBERNAMA

KUALA LUMPUR -- Prime Minister Datuk Seri Najib Tun Razak will issue a full statement next week on the country's economic situation. "I will come out with a statement next week," he told reporters Tuesday in response to a question on the economy, budget and fiscal targets in view of declining global oil prices and floods that hit the east coast of Peninsular Malaysia.

This Week's Top Stories

MONDAY

Malaysian Economy Well-Diversified To Cushion Falling Oil Prices

KUALA LUMPUR -- Institute of Strategic and International Studies Chairman and Chief Executive Officer Tan Sri Rastam Isa said Monday, although crude oil is a large component of the country's exports, the base is well-diversified to cushion the impact. "In fact, if the downtrend continues, other countries with an interest in the oil and gas sector would surely react to stabilise oil prices.

TUESDAY

PM Pledges Aid For Businesses Hit By Floods

PUTRAJAYA -- Prime Minister Datuk Seri Najib Tun Razak said Tuesday, the government would provide help for all types of flood-hit business, including retail and stall, to resume their operations. He said the government would determine the form of assistance to be given to the traders after getting a comprehensive picture of the problems they faced.

WEDNESDAY

CIMB, RHB & HBSB Cease Talks On Mega Merger

KUALA LUMPUR -- CIMB Group Holdings Bhd, RHB Capital Bhd and Malaysia Building Society Bhd (MBSB) announced Wednesday that they have ceased discussions on the proposed merger and creation of a mega Islamic bank in light of the current economic conditions. "We had thoroughly deliberated the merger, and while we remain convinced that the combination of our three franchises follows sound strategic logic, we ultimately were not able to arrive at a value-creating transaction for all stakeholders," CIMB Group Acting Group Chief Executive Tengku Datuk Zafrul Tengku Abdul Aziz said in a joint statement.

THURSDAY

SapuraKencana Signs Largest Islamic Facility of US$2.3 Bln

KUALA LUMPUR -- Leading global upstream oil and gas services provider, SapuraKencana Petroleum Bhd (SKPB), has signed an agreement with 11 local, regional and international banks for the largest Islamic facility in Malaysia valued at US$2.3 billion. In a statement here Thursday, SKPB said the transaction, via wholly-owned unit, SapuraKencana TMC Sdn Bhd, involved conversion of a portion of its existing conventional Multi-Currency Facility (MCF) borrowings into a facility based on the syariah principle of Murabahah.

FRIDAY

Malaysia Hopeful Of Concluding RECP Talks In 2015

By M. Saraswathi

NEW DELHI -- Malaysia is hopeful that negotiations for the Regional Comprehensive Economic Partnership (RCEP) can be concluded by year-end, International Trade and Industry Minister Datuk Seri Mustapa Mohamed said. "It is a crucial year for Malaysia as we hold the chairmanship of Asean in 2015 and our target is to conclude the RCEP negotiations," he said. However, there are challenges in achieving it as it involved 16 countries, he said.

SMEbrief

Locus-T Appointed Google SME Partner

KUALA LUMPUR -- Locus-T Online Sdn Bhd announced that the company has been appointed as a Google AdWords Premier SME Partner by Google Inc from Jan 1. Its Head of Sales Joseph Ting said in a statement Monday, the appointment affirms the company's position as the leading pioneer experts in internet marketing as well as web development and e-commerce in Malaysia.

26 Entrepreneurs Receive RM13 Mln Superb Grants

PUTRAJAYA -- Twenty-six winners of the third and fourth series of the Bumiputera Entrepreneurs Scheme Initiation (Superb) received grants worth RM500,000 each from Datuk Seri Najib Tun Razak Tuesday. In his speech, the Prime Minister said the winners were selected based on their ability, creative and innovative ideas, as well as displaying high potentials in business. He said successful Superb applicants from series one to four accounted for only 1.5 per cent or 54 entrepreneurs.

SME Corp Offers RM80,000 Loan For Pahang Flood-Hit SMEs

MARAN -- The SME Corporation Malaysia (SME Corp) is offering loan facilities of up to RM80,000 to enable small and medium enterprises (SMEs) in Pahang affected by the recent floods to resume their businesses. State Cooperatives, Entrepreneurship and Consumerism Committee chairman Datuk Seri Shahiruddin Ab Moin said Tuesday, all loan applications for the SME Emergency Fund will be processed as soon as possible, with a three per cent interest.

FTZ.my To Help Entrepreneurs Taps Marketplace

KUALA LUMPUR -- Operion Ecommerce and Software Sdn Bhd has launched FTZ.my, a general classified website, that encourages budding entrepreneurs to leverage on online facilities without having to spend money on setting up e-commerce website and maintenance. The e-commerce and Internet marketing company said Friday, FTZ.my was in line with the government's masterplan for small and medium enterprises (SMEs) to help entrepreneurs learn, adapt technology and compete in this borderless world.

PropUP Propertyupdate

Property Market Outlook To Remain Challenging

KUALA LUMPUR -- The property sector outlook remains challenging and is likely to see a lull in demand post-Goods and Services Tax (GST) implementation that could last for six to nine months, due to affordability issues and subdued buyer sentiment. Maybank Investment Bank Research (Maybank IB) said in a note Monday, developers were in the final push for sales before the implementation of the six per cent GST in April 2015 by bringing forward their property launches and are now offering very attractive marketing packages.

Tropicana, GEMS To Develop Subang Jaya School Campus

KUALA LUMPUR -- Property developer Tropicana Corporation Bhd has teamed up with Dubai-based GEMS Education to develop a school campus at the Tropicana Metropark integrated development in Subang Jaya, Selangor. The township is Tropicana's latest development in the Klang Valley. Tropicana in a filing to Bursa Malaysia Tuesday said, the school campus would house an integrated international school, offering foundation to primary and secondary stages of learning.

NCIA To Focus On Growth Nodes To Spur NCER

PUTRAJAYA -- The Northern Corridor Economic Region (NCER) will focus on growth nodes development this year based on the six studies that have been conducted by the Northern Corridor Implementation Authority (NCIA). The six studies are Perlis Strategic Development Plan; Border Economic Transformation Programme; Belum-Temenggor Tropical Rainforest; Kulim Hi-Tech Park, Langkawi Tourism Blueprint and Greater Kamunting. NCIA Chief Executive Datuk Redza Rafiq Abdul Razak said Thursday, the growth nodes would spur the four main sectors namely manufacturing, agriculture, tourism and logistics in selected areas using their available resources.

NCER Draws RM18.8 Bln Private Sector Investment In 2014

PUTRAJAYA -- The Northern Corridor Economic Region (NCER) attracted RM18.8 billion in private sector investment in 2014, surpassing its earlier target of RM10 billion by 88 per cent. This represents the best year ever for investment in the region, said Northern Corridor Implementation Authority (NCIA) chief executive officer Datuk Redza Rafiq Abdul Razak Thursday.

MARKET

BURSA MALAYSIA

Scoreboard
Gainers - 366
Losers - 426
Not Traded - 659
Unchanged - 296
Value - 1882590070
Volume - 17861919

BURSA: KL Shares Close Easier

By Zarul Effendi Razali

KUALA LUMPUR -- Shares on Bursa Malaysia closed lower Friday as investors booked profit ahead of the weekend, with losses mostly seen in selected heavyweights, dealers said. At 5 pm, the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) stood at 1,743.57, down 1.43 points, after hovering between 1,732.35 and 1,745.58 throughout the day.

Head of Retail Research at Affin Hwang Investment Bank, Datuk Dr Nazri Khan Adam Khan, said the global market tone came under fresh pressure from ongoing weakness in currency and commodity markets, highlighted by a huge overnight weekly decline in the euro and yen as well as oil and copper.

"Oil prices saw renewed volatility, with Brent and Light Crude continuing to fall below the psychological US$50 per barrel," he told Bernama Friday. On other scoreboard, the FBM Emas Index declined 14.66 points to 12,001.81, the FBMT100 Index slipped 13.03 points to 11,722.52, while the FBM Emas Shariah Index lost 20.91 points to 12,518.47. On the broader market, losers led gainers by 407 to 353 with 290 counters unchanged, 697 counters untraded and 22 others suspended.

Total volume declined to 1.78 billion shares worth RM1.88 billion from 1.93 billion shares worth RM2.3 billion on Thursday. Main Market volume slipped to 1.17 billion shares worth RM1.69 billion from Thursday's 1.28 billion shares worth RM2.08 billion.

FOREX: Ringgit Ends Marginally Higher Against US Dollar

By S. Joan Santani

KUALA LUMPUR -- The ringgit continued to close marginally higher for the second consecutive day against the US dollar Friday in line with other regional currencies, dealers said. Speaking to Bernama, they said the ringgit edged up due to market positioning,

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	3.5580	3.5610
EUR	4.1319	4.2361
GBP	5.4096	5.3156
100 YEN	3.0522	3.9561
SGD	2.6867	2.6898

Source: Bank Negara Malaysia

with Switzerland's move to scrap its cap on the franc contributing to the local currency's movements. At 5 pm, the local note was quoted at 3.5580/5610 against the greenback compared with 3.5590/5620 on Thursday. However, they said, uncertainties over the direction of the market, despite the boost, had put investors in a cautious mood.

Most Asian currencies were firmer versus the greenback. The ringgit was traded mixed against other major currencies. It strengthened against the euro to 4.1319/2361 from 4.1850/2889 on Thursday, but weakened against the yen to 3.0522/9561 from 3.0261/9299 Thursday.

The local unit edged up against the British pound to 5.4096/3156 from Thursday's 5.4150/3203, but eased against the Singapore dollar to 2.6867/6898 from 2.6735/6778 Thursday.

KLIBOR Futures Untraded At Close

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives was untraded Friday. Spot month January 2015, February 2015, March 2015 and June 2015 remained pegged at 96.14, 96.15, 96.18 and 96.17, respectively.

Open interest stood at 1,320 contracts. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.86 per cent.

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

KUALA LUMPUR -- Short-term interbank rates ended steady Friday on Bank Negara Malaysia's (BNM) intervention to absorb excess liquidity from the financial system. The liquidity surplus in the conventional system slipped to RM19.02 billion from RM21.10 billion earlier, while in the Islamic system, it decreased to RM5.33 billion from RM10.20 billion.

In the morning, the central bank called for six tenders, namely a conventional money market, two Al-Wadiah, a repo and two commodity murabahah. The central bank also conducted a late conventional money market tender for RM19 billion and a RM5.3 billion Al-Wadiah money market tender, both for three-day money. The overnight Islamic reference rate stood at 3.22 per cent, while the one-, two- and three-week rates stood at 3.28 per cent, 3.32 per cent and 3.36 per cent, respectively.

KLCI Futures End Lower

By Zarul Effendi Razali

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts on Bursa Malaysia Derivatives closed lower today tracking losses on the cash market. Phillip Futures Sdn Bhd dealer Ong Su Ling said the negative impact on the KLCI futures contracts were due to overnight crude oil prices which reversed earlier gains to settle lower.

"Also, the Swiss central bank's unexpected move to decouple its currency to the euro and lowered the deposit rate added volatility to index market, leading investors to switch their interest to safe-haven assets.

"Market players would turn focus and hope for the European Central Bank to unveil a bond-buying programme to counter deflationary pressure for the coming week," he told Bernama. January 2015 declined 9.0 points to 1,735, February 2015 slipped 9.5 points to 1,734, March 2015 lost 8.5 points to 1,734.5 while June 2015 fell 10.5 points to 1,731.

Turnover increased to 9,050 lots from 6,932 lots on Thursday, while open interest widened to 40,387 contracts from 37,982 contracts previously. The underlying FBM KLCI ended 1.43 points lower Friday at 1,743.57.

Mah Sing Enters Underwriting Pact With 3 Banks

KUALA LUMPUR -- Mah Sing Group Bhd has entered into an underwriting agreement with CIMB Investment Bank Bhd, Maybank Investment Bank Bhd and Affin-Hwang Investment Bank Bhd for a RM630 million rights issue exercise. In a statement here Monday, the property developer said CIMB Investment and Maybank Investment were appointed joint managing underwriters and joint underwriters while Affin-Hwang Investment, joint underwriter.

Govt Urged To Allow Extensive Tech Use In Banking

PETALING JAYA -- The Asian Shadow Financial Regulatory Committee (ASFRC) urged the government to allow extensive use of technology in banking including shadow banking to promote competition and efficiency, while implementing effective monitoring. ASFRC representative, Prof Datuk Woo Wing Thye, said Tuesday, shadow banking exists to fulfill a market need for both savers and borrowers.

1MDB Has Fully Redeemed US$2.318 Bln Cayman Investment

KUALA LUMPUR -- 1MDB, the strategic development company wholly-owned by the government of Malaysia, has now redeemed in full the US$2.318 billion invested by the company in a Cayman Islands registered fund. In a statement Tuesday, President and Group Executive Director Arul Kanda said these funds originated from the repayment of a loan provided to PetroSaudi in 2011 in the form of Murahaba notes following the termination of an earlier agreement to enter into a joint venture with the company.

CIMB, MBSB & RHB Mega Merger Still On

KUALA LUMPUR -- CIMB Group Holdings Bhd, Malaysia Building Society Bhd (MBSB) and RHB Capital Bhd Tuesday clarified that they are still in discussions with respect to the proposed mega merger. CIMB Group said the Group's board of directors would be meeting Wednesday to discuss the proposed merger. "Should there be any material development on the proposed merger which warrants disclosure, the appropriate announcement will be made on Bursa Securities accordingly," it said. The three parties simultaneously answered Bursa Malaysia's query Tuesday following a news report saying that the merger deal "is off and an announcement is expected before the end of the week…".

Nazir Denies Merger Plan Called Off

KUALA LUMPUR -- CIMB Group Chairman Datuk Seri Nazir Razak has denied reports saying that its proposed merger with RHB Capital Bhd and Malaysia Building Society Bhd (MBSB) has been called off. "Negotiations are still ongoing and we will make an announcement, on whether it will be on or off, very soon," he told reporters after the launch of the special report titled "Re-drawing the Asean Map: How Companies are Crafting New Strategies in Southeast Asia" Wednesday.

Khazanah Not Concerned About Call-Off In Merger

KUALA LUMPUR -- CIMB Group Holdings Bhd's major shareholder, Khazanah Nasional Bhd, is not concerned about the call-off in the merger and believed in the corporate governance of the bank. Khazanah managing director Tan Sri Azman Mokhtar said Wednesday, there will be other opportunity for CIMB to merge in the future once the bank found a good opportunity.

Maybank To Renew ASN Account Books Lost/Damaged In Floods

KUALA LUMPUR -- Malayan Banking Bhd (Maybank) has been authorised to facilitate the renewal of Amanah Saham Nasional Bhd (ASNB) account books which had been lost or damaged in recent floods on working days from tomorrow until Feb 13. The Permodalan Nasional Bhd (PNB) Cares Squad, comprising ASNB officers, will assist selected Maybank branches in the exercise in Kelantan, Terengganu, Perak and Pahang, which were severely affected by the floods recently.

Maybank Investment Issues 8 New Call Warrants

KUALA LUMPUR -- Maybank Investment Bank Bhd (Maybank IB) is issuing eight new European style cash settled call warrants over ordinary shares, with an an issue size of 100 million each. In a statement here, Maybank IB said the structured warrants, which will be listed Wednesday, were issued to AirAsia Bhd (AirAsia), AirAsia X Bhd (AAX), Coastal Contracts Bhd (Coastal), Inari Amertron Bhd (Inari), Malaysian Bulk Carriers Bhd (Maybulk), MSM Malaysia Holdings Bhd (MSM), Pos Malaysia Bhd (Pos) and Scomi Energy Services Bhd (Scomies).

Other Domestic Merger Unlikely Short-Term - Kenanga

KUALA LUMPUR -- Kenanga Investment Bank Bhd has upgraded RHB Capital Bhd (RHBCAP) to 'outperform', cut Malaysia Building Society Bhd's (MBSB) target price but made no changes to CIMB Group Holdings Bhd (CIMB), following the cessation of discussions on a proposed merger. "Taking a cue from this development, we are of the view that there is lower likelihood to see any other domestic merger efforts in the short run," it said in a note Thursday.

Khazanah Open To Private Sector Proposal to Revamp MAS

KUALA LUMPUR -- Khazanah Nasional Bhd is open to proposal from the private sector to participate in Malaysia Airlines's (MAS) restructuring plan, but stressed the ailing airline would not be stripped off. Managing director Tan Sri Azman Mokhtar said Wednesday, the government investment arm had received 34 proposals from various parties for the restructuring of MAS and it was seriously looking at a few of them which fit the airline's restructuring plan.

Bank Rakyat Announces New Financing Product For Flood Victims

KUALA LUMPUR -- Prime Minister Datuk Seri Najib Tun Razak Thursday announced the latest product from Bank Rakyat for flood victims, Peribadi-i. The product offers maximum financing of RM50,000, at a profit rate starting from as low as 3.9 per cent, and loan period of up to seven years. "The Peribadi-i financing will help the flood victims in Kelantan, Terengganu, Pahang, Perak and Johor. "It is open to civil servants, private sector employees and retirees," the Prime Minister said in his speech at the launch of Bank Rakyat Twin Towers.

Zeti Stresses Islamic Finance's Vital Role In Connecting World Economies

KUALA LUMPUR -- The Islamic financial system is envisaged to play a more important role in connecting the world economies through the strengthening of financial linkages, said Bank Negara Malaysia (BNM) Governor, Tan Sri Dr Zeti Akhtar Aziz said Thursday. She said Islamic finance brought immense benefits to the overall economy as it was a form of financial intermediation that was well-anchored to the real economy.

NR Exports Down 15.1 Pct In November

KUALA LUMPUR -- Malaysia's natural rubber (NR) exports in November 2014 decreased 15.1 per cent to 46,425 tonnes compared with October 2014, the Statistics Department says. In a statement Monday, it said the commodity was exported mainly to China (53.4 per cent) followed by Germany (9.5 per cent), the US (7.2 per cent), Iran (5.6 per cent), South Korea (2.6 per cent), Brazil (1.8 per cent), Mexico (1.8 per cent), Turkey (1.5 per cent), and Taiwan (1.4 per cent).

December Palm Oil Stocks Ease 11.55 Pct

KUALA LUMPUR -- Malaysia's palm oil stocks eased 11.55 per cent to 2.01 million tonnes at end-December 2014 against the 2.27 million tonnes recorded the previous month. In a statement Monday, the Malaysian Palm Oil Board (MPOB) said crude palm oil (CPO) stocks declined 23.61 per cent to 995,529 million tonnes, while that for processed palm oil grew 4.61 per cent to 1.02 million tonnes for the month under review.

Stable Rating For Malaysia If Oil Prices Breach US$100

KUALA LUMPUR -- Malaysia's sovereign rating could move to stable if oil prices recover to the US$100 per barrel level and if policymakers continue with the fiscal consolidation exercise. Standard Chartered regional head of research for Southeast Asia, Edward Lee Wee Kok said Monday, this would include the implementation of Goods and Services Tax (GST) and fuel subsidy elimination.

Malaysia's 2015 GDP Seen At 5.5 Pct

KUALA LUMPUR -- Standard Chartered Research has maintained its Malaysia's gross domestic product (GDP) growth forecast at 5.5 per cent for 2015 on the back of its positive export growth. Its regional head of research, South-East Asia, Edward Lee Wee Kok said Monday, the forecast was made earlier in November before the fall in global oil prices. Lee said Malaysia is a big exporter of non-commodities, which comprises 70 per cent of its total exports.These would benefit from the positive shock effects of the fall in oil prices, he said.

Weaker Ringgit Positive Shock To Malaysian Economy

KUALA LUMPUR -- The weaker ringgit presents a "positive shock" to Malaysia's economy as it will boost the nation's competitiveness, said Standard Chartered (StanChart) Research. Its Regional Head of Research for South-east Asia, Edward Lee Wee Kok said Monday, the weaker ringgit also provided some competitive edge although it was a result of the tumbling global oil prices and not due to Bank Negara's intervention.

2014 Airport Passenger Traffic Up 4.7 Pct

KUALA LUMPUR -- Airports operated by Malaysia Airports Holdings Bhd (MAHB) recorded 83.3 million passenger movements in 2014, a growth of 4.7 per cent over 2013, despite the unprecedented Malaysia Airlines' aircraft incidents. In a filing to Bursa Malaysia Monday, the airport operator said this was the first time that passenger movements exceeded the 80 million mark.

Higher GST Revenue Can Offset Lower O&G Contribution

KUALA LUMPUR -- Higher government revenue from the Goods and Services Tax (GST) driven by higher number of registered companies could potentially partially offset the lower contribution from oil and gas, said Kenanga Investment Bank. As of Dec 31 last year, 300,730 companies had registered for the GST, exceeding the initial target of 140,000 registrations. "Judging from the recent GST registrations, it looks like the additional tax revenue may be more than what the government expects," head of research Chan Ken Yew told reporters at the bank's briefing on the Malaysia Economic Outlook 2015 here Tuesday.

Airbus Exceeds Targets For 2014

By Nurul Hanis Izmir and Farhana Poniman

KUALA LUMPUR -- Airbus has exceeded its targets for 2014, achieving a new record of 629 aircraft deliveries for 89 customers, its president and chief executive officer, Fabrice Brégier said Tuesday. He said the production achievement showed that aircraft deliveries last year went up for the 13th year in a row, surpassing the previous record set in 2013.

UOBAM: M'sian Equity Mart To Improve 2nd Half

KUALA LUMPUR -- UOB Asset Management (UOBAM) expects the Malaysian equity market to improve in the second half of this year as oil prices gradually recover, with the FBM KLCI target at 1,750. Its chief investment officer, Francis Eng Tuck Meng, said Tuesday, in the short term, the oil prices may exert a bit of pressure on the market.

Malaysian Exports Likely To Bounce Back 2nd Half

KUALA LUMPUR -- Malaysia's export sector is expected to bounce back positively from the second half of this year despite the ringgit's depreciation. Eastspring Investments Global Strategist Robert Rountree said Tuesday, the positive outlook was based on the "J curve" trend which denotes the trend of a country's trade balance following the devaluation or depreciation of its currency under a certain set of assumptions.

Kenanga Sets Moderate 2015 GDP Target Of 5.1 Pct

KUALA LUMPUR -- Kenanga Investment Bank sets a moderate gross domestic product (GDP) growth target of 5.1 per cent for 2015 against an estimated growth of 5.8 per cent in 2014. Head of Research Chan Ken Yew said Tuesday, the 2015 projection was on the back of the impending implementation of the Goods and Services Tax (GST) and a generally weak global economy.

Biotech Aims To Reap RM2 Bln Revenue

KUALA LUMPUR -- Malaysian Biotechnology Corp (BiotechCorp) aims to reap RM2 billion in revenue from 248 BioNexus-status companies in 2015, its Chief Executive Officer, Datuk Dr Mohd Nazlee Kamal said Tuesday. These companies generated revenue of RM1.4 billion in 2014 from RM1.169 billion in 2013.

ESCAP: M'sia To See 5.2 Pct Growth 2015

By Minggu Simon Lhasa

BANGKOK -- Malaysia is forecast to achieve a robust growth of 5.2 per cent this year, driven by private consumption, investments and exports, although falling oil prices in recent months have put pressures on exports and government budget. The forecast reflected moderation of growth from the 5.7 per cent estimated last year due to the introduction of the Goods and Services Tax in April, higher inflation and a tighter monetary stance, said the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) in its year-end update Tuesday.

Khazanah Records Steady Performance

KUALA LUMPUR -- Khazanah Nasional Bhd has reported a steady performance in 2014, with its net worth adjusted (NWA) up 9.2 per cent to RM110.8 billion as at Dec 31, 2014 compared with RM101.5 billion a year ago. Its managing director Tan Sri Azman Mokhtar said Wednesday, since the start of Khazanah revamp in May 2004, the NWA had increased to RM77.5 billion, or 233 per cent, from RM33.3 billion.

Singapore Retail Investors See Gloomy Period

By Tengku Noor Shamsiah Tengku Abdullah

SINGAPORE -- Singapore retail investors are anticipating a gloomy period for the next six months amid growing expectations of a weaker global economy, said J.P. Morgan Asset Management's (JPMAM) half-year survey of investor sentiment. In a statement Wednesday, chief executive officer Steven Billiet said, the JPMAM Investor Confidence Index fell eight points to 113 in December 2014 from 121 in June 2014.

CAB Cakaran Eyes 20 Pct Revenue Growth In 2015

BUTTERWORTH -- Poultry group CAB Cakaran Corporation Bhd expects to achieve more than 20 per cent revenue growth for the financial year ending Sept 30, 2015 (FY15), riding on its business expansion in Singapore. Group Managing Director Christopher Chuah said Wednesday, the acquisition of a 51 per cent stake in Tong Huat Poultry Processing Factory Pte Ltd would allow the group to expand its broiler business to Singapore.

Boeing Delivered 723 Commercial Airplanes In 2014

KUALA LUMPUR -- Boeing set a global industry record for the most commercial airplanes delivered in a single year at 723 in 2014, maintaining its position as the world's largest airplane manufacturer for the third consecutive year. Last year, Boeing booked 1,432 net orders, valued at US$232.7 billion at list prices. The company also grew its backlog of unfilled commercial orders to a historic high of 5,789 airplanes. Boeing Commercial Airplanes President and Chief Executive Officer Ray Conner said Wednesday, what the Boeing team achieved in 2014 was truly unprecedented, especially in the face of fierce competition.

Perodua Targets 2015 Sales To Surpass 200,000 Units

KUALA LUMPUR -- Perusahaan Otomobil Kedua Sdn Bhd (Perodua) has set a sales target of 208,000 units for 2015, an increase of about six per cent from 195,600 units recorded in 2014, on continued demand for its current model line-up. Its President and Chief Executive Officer Datuk Aminar Rashid Salleh said Thursday, the carmaker has also retained its position as the most preferred compact automotive brand for nine years in a row.

Matrade: Oil Slump To Benefit Plastics, Petrochemical Firms

KUALA LUMPUR -- The Malaysia External Trade Development Corporation (Matrade) says, industries which use crude oil as main components in their products will benefit from the lower global crude oil prices. Its Chief Executive Officer Datuk Dr Wong Lai Sum said Thursday, as an oil producing country, Malaysia will not be affected by the current scenario although certain industries like plastics and petrochemicals which use oil as feedstock would be more competitive.

Moody's Lower Tariffs Possible To Reflect Lower Fuel Costs

KUALA LUMPUR -- Moody's expects most private power producers in the Asia-Pacific region, including Malaysia, to lower their tariffs to reflect lower fuel costs. The rating agency said Thursday, most utilities in Australia, China, Hong Kong, India, the Philippines, Malaysia and Singapore and private power producers in the Asia-Pacific region might also maintain a minimal reliance on oil or oil price-linked natural gas.

Scomi Energy Bags RM300 Mln Contracts

KUALA LUMPUR -- Scomi Energy Services Bhd's (SESB) oilfield services division has secured RM300 million worth of contracts in the last three months. In a statement Thursday, SESB said these contracts were for the provision of drilling fluids and drilling waste management services in Australia, Pakistan, India, West Africa and the Asia Pacific region.

GST Unlikely To Affect Business, Says Public Gold

GEORGE TOWN -- Local physical gold and silver trading company Public Gold Group says its business is unlikely to be affected by the Goods and Services Tax (GST) to be mplementated on April 1. Its executive chairman Datuk Louis Ng Chun Hau said Thursday, the impact of the GST would be minimal as most of its products are London Bullion Market Association (LBMA) accredited following the partnership with Nadir Metal Rafineri San. Ve Tic. A.S.

Stronger AirAsia Earnings Forecast On Easing Jet Fuel Price

KUALA LUMPUR -- Hong Leong Investment (HLIB) Bank expects AirAsia Group to register stronger earnings in 2015, given the significant benefits from lower jet fuel price. "We have conservatively assumed average yields (including surcharge) to drop 7.6 per cent in 2015 after an assumed decline of 5.8 per cent in 2014," it said in a note Friday.

Colombia Woos Malaysian Investments In Oil Palm, O&G

By Mohd Khairi Idham Amran

KUALA LUMPUR -- Colombia is keen to increase bilateral trade and investment with Malaysia and is inviting Malaysian companies to invest in its oil palm and oil and gas industries. In 2013, Colombia-Malaysia bilateral trade stood at US$295 million with Malaysia exporting US$189 million worth of products to Colombia and importing US$106 million from Colombia. Foreign direct investment (FDI) from Malaysia, however, contributed only 0.001 per cent to the total FDI inflows into Colombia. Colombian Minister of Foreign Affairs Maria Angela Holguin Cuellar told Bernama Monday, the South American country, which has been rapidly growing in the last decade, is keen to invite Malaysia's national oil company Petronas to invest there.

Clone Algo To Invest RM500 Mln In Algorithms For Trading

By Tengku Noor Shamsiah Tengku Abdullah

SINGAPORE -- The Clone Algo Group, owned by Singapore-based businessmen Niraj Goel, is investing RM500 million in new technology facilities in Malaysia over the next two years. Las Vegas-based Group Chief Executive Officer Nitin Damodaran said in a statement Tuesday: "We will establish a research & development centre, marketing, as well as, programming and back office."

Malaysia Remains China's Top Asean Trading Partner

By Niam Seet Wei

BEIJING -- Malaysia remained as China's top trading partner among Asean's 10 member nations despite the slowdown in trade volume in 2014. Trade between Malaysia and China reached US$102 billion in 2014, down 3.8 per cent as compared to a 11.8 per cent hike registered in 2013, according to data released by the General Administration of Customs (GAC) on Tuesday. Last year, trade between Malaysia and China hit a historic high of US$106 billion, with the trade volume exceeding US$100 billion.

MAS Offers Discounts On International, Domestic Flights

KUALA LUMPUR -- Malaysia Airlines (MAS) is offering low all-inclusive return tickets to London, Paris or Istanbul at RM2,499 as well as to Sydney or Melbourne at RM1,450 for travel from Jan 17 or March 1 until Nov 30, 2015. The sale, which runs from tomorrow until Jan 24, 2015, will enable travellers to plan their travel for the entire year, MAS Regional Senior Vice-President for Malaysia Datuk Muzammil Mohamad said in a statement Tuesday.

Takaso Land Bags RM37.44 Mln Construction Contract

KUALA LUMPUR -- Takaso Resources Bhd (TRB)'s wholly-owned unit, Takaso Land, has secured a RM37.44 million contract from OCR Land Holdings Sdn Bhd to construct a 21-storey commercial building. In a filing to Bursa Malaysia Tuesday, TRB said Takaso Land would be the main contractor for the construction of the building in Jalan Kuching, Kuala Lumpur. The project is expected to be completed in the fourth quarter of 2016 and contribute positively to overall earnings of TRB Group for the financial years ending July 31, 2016 and July 31, 2017," it added.

EA Technique Gets RM24.64 Mln Bareboat Charter Contract

KUALA LUMPUR -- EA Technique (M) Bhd has secured about RM24.64 million bareboat charter contract for the provision of one unit of fast support vessel for Classic Marine and Services (M) Sdn Bhd. In a filing to Bursa Malaysia Tuesday, EA Technique said the contract would be for a period of five years with an option to extend, with work commencing on Jan 15, 2015 and expired on Jan 14, 2020.

Mustapa On Trade And Investment Mission To India

By Saraswathi Muniappan

NEW DELHI -- Minister of International Trade and Industry Datuk Seri Mustapa Mohamed is leading a three-day trade and investment mission to India starting Wednesday and is scheduled to participate at the Confederation of Indian Industry (CII) Partnership Summit 2015. The minister is set to have several business meetings with potential investors from India as well as Malaysian businesses that already have an establishment here.

Nazir: Govt Should Have Mitigating Plan To Meet Budget Target

KUALA LUMPUR -- It would be good if the government could announce mitigating initiatives to meet its Budget target in the wake of the drop in oil prices and the recent floods, said CIMB Group Chairman Datuk Seri Nazir Razak. Nazir said Wednesday, investors are very concerned about the fiscal deficit target with the oil price slump and would be keen to see the government take mitigating measures.

Mercedes-Benz Malaysia To Invest RM280 Mln Till 2019

KUALA LUMPUR -- Mercedes-Benz Malaysia will invest RM280 million until 2019, mainly to upgrade its production facilities, paint shops and dealer networks as well as to introduce new models, its president and chief executive officer, Roland Folger said. He said the company had invested RM500 million since its incorporation in 2003.

China Auction Firm Investing RM50 Mln In Melaka

MELAKA -- Chinese auction house Duo Yun Xuan is investing RM50 million in Melaka to open an auction centre, with the first auction to be held in August, said Chief Minister Datuk Seri Idris Haron Wednesday. He said the centre will be located in an existing buidling on Lorong Hang Jebat near the tourist attractions of Jonker Street and the Stadhuys.

Water Deal Terms And Conditons Not Fully Met

SHAH ALAM -- Puncak Niaga Holdings Bhd (PNHB) is negotiating with Pengurusan Air Selangor Sdn Bhd (Air Selangor) for an extension to fulfill the terms and conditions stipulated under the sales and purchase agreement (SPA) for the disposal of its water assets to Air Selangor. PNHB executive chairman Tan Sri Rozali Ismail said Wednesday, there were still terms and conditions which have not been fully met under the SPA signed between both parties on Nov 11, 2014.

Zero-Duty Perks Set To Boost Intra-Asean Trade

KUALA LUMPUR -- Intra-Asean trade is likely to expand from current 24 per cent to 34 per cent, spurred by zero-duty incentives on Asean Free Trade Area (AFTA). Ministry of International Trade and Industry senior director of Asean Economic Cooperation Division, P. Ravidran said Wednesday, 34 per cent was an ideal target as intra-trades in the European Union and North American Free Trade Agreement currently stood at 70 per cent. Intra-Asean share of total trade stood at US$608.63 billion, or 24.2 per cent, as of July 2014, from a total trade of US$2.51 trillion in the same period.

Asean Businesses Must Develop Regional Strategy

KUALA LUMPUR -- Businesses within Asean must develop a strategy oriented around the region to capitalise on the integrated regional economy. CIMB Asean Research Institute (CARI) Chairman, Tan Sri Dr Munir Majid said Asean companies must understand that the Asean Economic Community (AEC) would materialise this year and that non-Asean companies were already taking a regional approach on how to operate here Wednesday.

Salamander, Sona Petroleum Terminate Thai O&G Pact

KUALA LUMPUR -- Salamander Energy Plc (Salamander) and Sona Petroleum Bhd intend to mutually terminate the sale and purchase agreement (SPA) for the proposed acquisition of a 40 per cent participating equity interests in two oil and gas (O&G) concessions in Thailand for US$281.2 million. In a filing to Bursa Malaysia Wednesday, Sona Petroleum said notwithstanding the aborted acquisition, given its knowledge of the asset, Sona Petroleum remained interested in acquiring a stake in the Greater Bualuang area.

TMC Life To Invest RM300 Mln On Hospital Expansion

KUALA LUMPUR -- Private healthcare operator, TMC Life Sciences Bhd, will expand the facilities at its flagship hospital, Tropicana Medical Centre, with the first phase costing between RM250 million and RM300 million. In a filing to Bursa Malaysia Wednesday, TMC Life said the first-phase expansion included the construction of a new building to house another 180 in-patient beds, 11,891 sq metre of specialist outpatient clinics, five extra operating theatres and 15,793 sq metre of commercial/retail space.

BHIC Formalises RM66.5 Mln Subcontract With Boustead Shipyard

KUALA LUMPUR -- Boustead Heavy Industries Corporation Bhd (BHIC) announced that its subsidiary, BHIC Navaltech Sdn Bhd (BNT), has formalised a RM66.5 million sub-contract with Boustead Naval Shipyard (BNS) for the administration and implementation of an original contract between BNS and the Ministry of Defence. The letter of award from BNS formalising the sub-contract, dated Jan 14, 2015, was for a contract period of three years effective Sept 10, 2012, BHIC said in a statement here, Wednesday.

PSNB Allowed To Extract Water For Another 3 Months

KUALA LUMPUR -- Kumpulan Darul Ehsan Berhad (KDEB) has allowed Puncak Niaga Holdings Bhd's wholly-owned subsidiary, Puncak Niaga (M) Sdn Bhd (PSNB) to extract water from the Bernam River Headworks for another three months. In a filing to Bursa Malaysia Wednesday, Puncak Niaga said the rights to siphon water from the New Bernam River Headworks, Jalan Sungai Besar, Selangor from Feb 1 until April 30, 2015 was conveyed in a letter.

Companies Must Honour Duty To Pay Tax: Customs

By Nashir Mansor

KOTA KINABALU -- The Sabah Customs Department would ensure that companies that are eligible to pay tax under the law, including the Goods and Services Tax (GST) system, fulfill their responsibilities to do so, said its Director, Datuk Dr Janathan Kandok Thursday. He told Bernama, if there were companies that do not understand the GST concept and how to register for the new tax system, they can contact the agency for clarifications.

MCT Consortium Eyes Listing Via RTO By End-March

By Azizul Ahmad

SUBANG JAYA -- Property developer, MCT Consortium Bhd expects to get listed on the Main Market of Bursa Malaysia by end-March this year, following the completion of its reverse takeover (RTO) exercise with GW Plastics Bhd. MCT Consortium managing director and co-founder, Datuk Seri Tong Seech Wi, said Friday, GW Plastics' shareholders, at an extraordinary general meeting on Jan 15, had approved the acquisition of MCT Consortium for RM1.154 billion.

Guocoland Bullish On Damansara City's Take-Up Rate

By Zairina Zainudin

KUALA LUMPUR -- Property developer, GuocoLand (M) Bhd, is bullish of its flagship project, Damansara City, which will be launched by the first quarter of the year. "We are very optimistic of a positive take-up rate," Managing Director Tan Lee Koon of the RM2.5 billion integrated development Friday.

Rajasthan Seeks Malaysian Firms' Participation In Road Projects

By Saraswathi Muniappan

JAIPUR (Rajasthan) -- The northern Indian state of Rajasthan has an ambitious plan to build a 20,000 km road network and wants Malaysian firms to participate in the projects. The plan, to be executed through public-private partnership (PPP) mode, was announced during the state's 2014-15 Budget. The first phase of 29 packages will comprise of 8,910 km or 132 highways. "We are really keen to have the investments from Malaysia," Chief Minister Vasundhara Raje said during her bilateral meeting with Minister of International Trade and Industry Datuk Seri Mustapa Mohamed on the sidelines of the Confederation of Indian Industry (CII) Partnership Summit 2015 here Friday.

SMRT, Creator 11 LLC Finalise Masterskill Buy

KUALA LUMPUR -- SMRT Holdings Bhd's subsidiary, Strategic Ambience Sdn Bhd (SASB) and Creador II LLC's unit, Arenga Pinnata Sdn Bhd (APSB), are finalising plans to acquire a 30.75 per cent stake in Masterskill Education Bhd for RM122 million. Creador Founder and Chief Executive Officer Brahmal Vasudevan said Monday, the acquisition is expected to be completed by end-March 2015.

Petronas' Evaluation Of SSGP Ongoing

KUALA LUMPUR -- Petronas is in the midst of conducting a comprehensive evaluation of its Sabah – Sarawak Gas Pipeline (SSGP). The evaluation, which includes tests and assessments on both external and internal parts of the pipeline, could take a few months to complete as it requires an in-depth study and systematic tests to ensure the integrity of the pipeline, it said in a statement Monday.

BSN Offers 6-Month Moratorium For Flood Victims

KUALA LUMPUR -- Bank Simpanan Nasional (BSN) is offering a six-month moratorium on loan repayments for customers affected by the recent floods. In a statement here Monday, the bank said the moratorium from December 2014 to May 2015 is intended to help ease the financial burden of the flood victims, and also covers BSN credit card holders but excludes customers who make loan repayments through salary deductions.

Telekom Appoints Sulaiman New Chairman

KUALA LUMPUR -- Telekom Malaysia Bhd (TM) has appointed Tan Sri Dr Sulaiman Mahbob as the new chairman effective Monday. Sulaiman succeeds Datuk Seri Dr Halim Shafie, who has been appointed new chairman of Malaysian Communications and Multimedia Commission's (MCMC). Sulaiman, 66, is currently chairman of the Minority Shareholders Watchdog Group, Malaysian Institute of Economic Research and Jambatan Kedua Sdn Bhd.

Sunway Listed On FTSE4Good Bursa Malaysia Index

KUALA LUMPUR -- Sunway Bhd has been listed on the FTSE4Good Bursa Malaysia Index for consistently demonstrating socially-responsible business practices. In a statement here Monday, the property-construction group said the index was designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices. Sunway said it was one of only 24 stocks to be identified and included as a constituent of the FTSE4Good Bursa Malaysia Index.

Roselan Appointed BIMB-EAGA Business Council Chairman

KOTA KINABALU -- The Brunei, Indonesia, Malaysia, the Philippines - East Asean Growth Area (BIMP-EAGA) Business Council (BEBC) board of directors has has appointed Datuk Roselan Johar Mohamed as new chairman for a three-year term starting Jan 9. Roselan is the chairman of the BIMB-EAGA Malaysia Business Council (BEMBC). In a statement Tuesday, BEBC said Roselan took from Pengiran Yura Kesteia Pengiran Setia Negara Pengiran Mohd Yusof from BEBC - Brunei Darussalam, who had served the council from 2012.

GCH Retail To Open 4 More Giant Outlets

KUCHING -- GCH Retail (Malaysia) Sdn Bhd, the owner of Giant, Cold Storage, Mercato, Jason's and G-Express stores, is to open four new Giant hypermarkets and supermarkets nationwide this year to add to the 126 it already has. They will be in the Klang Valley, Sarawak, Perlis and Trengganu and will further strengthen its position as the country's largest hypermarket group in the country.

Might-Meteor, City & Guilds In RPE Tie-Up

KUALA LUMPUR -- Might-Meteor Advanced Manufacturing Sdn Bhd (Might-Meteor) Tuesday signed a Memorandum of Understanding with City & Guilds International Ltd for a pilot Recognition of Prior Experience (RPE) programme in Cyberjaya. The RPE scheme gives Malaysian candidates credit for skills, knowledge and experience gained through working and learning to determine the credit outcomes of an individual application for recognition.

MHB Appoints New MD/CEO Effective March 1

KUALA LUMPUR -- Malaysia Marine and Heavy Engineering Holdings Bhd (MHB) will appoint Abu Fitri Abdul Jalil as its Managing Director (MD) and Chief Executive Officer (CEO) effective March 1, 2015. In a filing to Bursa Malaysia Tuesday, MHB said Abu Fitri would succeed the incumbent Dominique de Soras, who has served MHB as MD and CEO since Feb 2011.

GreenTech Appoints MES IGEM2015 Strategic Partner

KUALA LUMPUR -- Malaysian Green Technology Corp (GreenTech Malaysia) has appointed Malaysian Exhibition Services Sdn Bhd (MES) as strategic partner to co-organise the International Greentech and Eco Products Exhibition and Conference (IGEM 2015). In a statement Wednesday, GreenTech Malaysia said IGEM 2015, which would be held from Sept 9-12, would be spearheaded by the Ministry of Energy, Green Technology and Water.

Celcom Teams Up With Blackberry To Launch Smartphone

KUALA LUMPUR -- Celcom Axiata Bhd has teamed up with BlackBerry to launch the latest smartphone, Blackberry Classic, under Celcom's First Plan. "The new phone with the package is retailed at RM1,588 and is available at all Celcom Blue Cube and Celcom Xclusive outlets beginning Wednesday. "Currently, we have about 200,000 Celcom-Blackberry customers from two million post-paid customers and we hope to get more users," said Celcom chief marketing officer, Zalman Aefendy Zainal Abidin, at the launch of the phone here Wednesday.

WB Land, Redtone Sign Broadband Pact

JOHOR BAHARU -- WB Land Sdn Bhd and REDtone International Bhd Wednesday signed a memorandum of understanding (MOU) to provide high-speed broadband facility in Frontier Industrial Park in Desa Cemerlang. WB Land director, Wong Yen Yap, said the MOU was in line with the company's goal to constantly innovate and add value to its businesses in the industrial park.

GST To Benefit Economy, Stops Serial Tax Dodgers

By Massita Ahmad

GST BRIEFING...Deputy Finance Minister Datuk Ahmad Maslan briefing the audience on the GST at the Batu Lintang Teachers Institute in Kuching, Sarawak in December, 2014.

KUALA LUMPUR --- Malaysia's economic fundamentals, which continue to be strong, will be further reinforced with the introduction of the Goods and Services Tax (GST) as it will make tax collection more efficient and thereafter generate more revenue and boost growth. This is crucial given the weakening ringgit and the decline in global crude oil prices as the government is expected to rake in a revenue of about RM23 billion in the first nine months after the GST is implemented on April 1 this year.

Malaysia's GST at six per cent, one of the lowest in the world, is also likely to bring in RM32 billion in revenue for 2016 and offset any fall in revenue from petroleum. As such, calls by certain quarters to postpone the GST do not make economic sense for it is crucial to boost finances at a time when the oil-producing countries are adversely affected by low oil prices. The GST is also timely as its transparency would bring to book those who evade paying taxes or under-declare their earnings and in the process will plug leakages in the economy by significantly reducing the size of the shadow economy.

Shadow Economy, 30 Pct Of GDP

Shadow economy, or underground economy, is estimated to account for about 30 per cent of the country's gross domestic product. Postponing the GST would only benefit the unscrupulous as well as serial tax evaders. This brings to question whether the opposition parties, which are calling for the GST to be postponed, are genuinely fighting for the lower-income groups, or in reality protecting businesses that want to evade taxes. In Malaysia, lower-income households spend most of their earnings on goods and services which are either zero-rated or exempted. Hence, GST in Malaysia is naturally progressive.

GST, Transparent & Efficient

Therefore, the GST, as a more transparent and efficient tax collection system, must be implemented according to schedule on April 1 and there is no need to entertain opposition calls for it to be postponed. Besides GST, supporting the nation's economic fundamentals is Malaysia's ability to reduce the budget deficit given the continued inflow of investments. Analysts say that long-term investors, some more than 100 years, and continue to stay put in the country, is evident that Malaysia continues to be a stable investment destination.

Based on the approvals for the first seven months of 2014 alone, Malaysian Investment Development Authority (MIDA) has surpassed the total approved investments for the whole of 2013. MIDA had approved investments amounting to RM53.2 billion for the seven months period, compared with RM52.1 billion in 2013.

Weakening Ringgit No Cause For Alarm

While there is understandably concern now over the weakening ringgit against the US dollar and the steep fall in world crude oil prices, there is no need to be alarmed as Malaysia has gone through financial crises before. Malaysia has been tested during the Asian financial crisis 17 years ago which saw the ringgit attacked by unscrupulous currency traders forcing it to hit a low of RM5.20 against the greenback at one point in 1998.

Thereafter, it introduced capital controls, including pegging the ringgit at RM3.80 to a dollar, which though seen as controversial back then, later emerged as an economic life-saver. The Malaysian currency is currently hovering at RM3.6 compared with RM2.93 in August 2011. Another positive note for Malaysia is that policymakers have been gradually undertaking subsidy reforms which would save billions of ringgit and this, together with the GST, would provide a boost to revenue.

RM2 billion Savings

Lower crude oil prices have helped the government's subsidy reform, saving about RM2 billion a month for fuel subsidy for the past two months. With crude oil prices below US$70 per barrel, the government managed to set petrol price at the pump for RON95 at RM1.91 and RON97 at RM2.11 for December. Subsidy reform in Malaysia was initiated in July 2010 via a reduction in subsidies for fuel and sugar.

Further cuts in subsidies for these and other products are being planned over a three- to five-year period to strengthen government finances by reducing deficit level. Malaysia's deficit stood at seven per cent in 2009 and the country aims for three per cent for this year. Malaysia has also diversified its sources of revenue whereby oil revenue made up only about 30 per cent of total revenue of about RM130 billion.

The implementation of the new tax regime, GST, would further lessen dependency on oil revenue, which is why postponing it would prevent Malaysia from joining the 130 or so countries which have gained immensely from GST.

LIST OF MARKET REPORTS :

BURSA: KL Shares May See More Upside Next Week
By Zarul Effendi Razali

KUALA LUMPUR -- Bursa Malaysia is expected to drive lower next week, dragged by global economic uncertainties, including emerging currencies' softness and continuous plunge in commodity prices. Affin Hwang Investment Bank head of retail research Datuk Dr Nazri Khan said, the global economic calendar is expected to be busy next week with the anticipated release of China's gross domestic product and Japan's monetary policy statement. "There has been a noted increase in equity market volatility in recent sessions, which is expected to continue over the short-term due to the active data flow," he told Bernama.

He said concerns over the prospects for global growth helped drive equity sharply lower and bolstered demand for safe havens and core government bonds as participants pushed back expectations of a rise in US interest rates. On the technical front, Nazri said the intermediate trend for the FBM KLCI supported the bear camp with momentum showing an acceleration to the downside. "The market tilt is now negative with the next downside target pegged at 1,700 and 1,680 while the next area of resistance is spotted around 1,730 and 1,750," he added. Meanwhile, he said the ringgit continued to drift downward, a more measured response towards external situation, fuelled by US dollar strength and commodities' weakness rather than due to the deterioration of Malaysian fundamentals. For the week just-ended, the FBM KLCI rose 11.13 points to 1,743.57 from 1,732.44 on Friday.

The FBM Emas Index surged 101.5 points to 12,001.81, the FBMT100 Index jumped 86.05 points to 11,722.52 and the FBM Emas Syariah Index was 69.13 points higher at 12,518.47. The FBM 70 increased 139.3 points to 13,076.63 while the FBM Ace improved 291.7 points to 6,103.67. Sector-wise, the Industrial Index gained 20.23 points to 3,182.34 and the Finance Index climbed 186.7 points to 15,366.83 while the Plantation Index trimmed 21.87 points to 7,776.16. Weekly turnover increased to 8.78 billion units worth RM10.24 billion from 8.03 billion units worth RM8.95 billion last week. Main market volume rose to 5.72 billion shares valued at RM9.22 billion from 5.27 billion shares valued at RM8.12 billion previously.

Warrant turnover narrowed to 788.98 million units valued at RM279.4 million from 956.46 million units valued at RM372.05 million last week. The ACE market volume also increased to 2.26 billion shares worth RM732.8 million from 1.79 billion shares worth RM457.05 million last week.

Ringgit To Trade Between 3.51 And 3.59 Versus US Dollar

By Joan Santani Santanasamy

KUALA LUMPUR -- The ringgit, which ended the week on a weaker note, is expected to trade between 3.51 and 3.59 against the US dollar next week, a dealer said. The direction of crude oil prices coupled with the US dollar's performance and Switzerland's surprising move to scrap its cap on the franc continued to weigh on the local unit. The ringgit fell to a five-and-a-half year low against the greenback on Tuesday, dented by renewed slide in crude oil prices. On Friday, however, the ringgit edged up due to market positioning following Switzerland's unexpected move to cut its cap on the franc, contributing to the local currency's movements.

The dealer said uncertainties over the market's direction despite the boost, created caution among investors. "However, I doubt that the ringgit would breach 3.6 next week," he told Bernama. Affin Hwang Investment Bank head of retail research Datuk Dr Nazri Khan said the local note continued to drift downwards, a more measured response towards external situation including the greenback's strength and commodities' weakness rather than due to the deterioration of Malaysian fundamentals. For the week just-ended, the ringgit inched up to 3.5580/5610 against the US dollar from last Friday's 3.5610/5640 and traded mixed against other major currencies.

It depreciated against the yen to 3.0522/9561 from 2.9819/9857 last Friday and weakened vis-à-vis the Singapore dollar to 2.6867/6898 compared with 2.6596/6623 previously. The local unit strengthened against the euro to 4.1319/2361 from last Friday's 4.2038/2084 but fell against the British pound to 5.4096/3156 from 5.3825/3881 last week.

Short-Term Rates Expected To Be Steady Next Week

KUALA LUMPUR -- Short-term rates are expected to be steady next week as Bank Negara Malaysia is expected to intervene in the money market. The central bank intervened on a daily basis this week to mop up excess funds from the system by conducting conventional, Al-Wadiah, repo and Commodity Murabahah Programme tenders. For the week just-ended, the overnight rate stood at 3.22 per cent while the one-week, two-week and three-week rates were pegged at 3.28 per cent, 3.32 per cent and 3.36 per cent respectively. The underlying three-month Kuala Lumpur Interbank Offered Rate was fixed at 3.86 per cent.

On Friday, the total liquidity surplus in the conventional system was reduced to RM19.02 billion from an earlier estimate of RM21.10 billion while in the Islamic system, the liquidity surplus was reduced to RM5.33 billion from an earlier forecast of RM10.20 billion. Following this, the central bank issued a late conventional tender for RM19 billion and a late Al-Wadiah tender for RM5.3 billion, both for three-day money.

KLCI Futures To Trade Easier Next Week

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract on Bursa Malaysia Derivatives is likely to trade easier next week, driven by the bearish outlook on the cash market. Affin Hwang Investment Bank head of retail research Datuk Dr Nazri Khan said Asian equities were mixed as investors deciphered varying signals in the bond and commodities market. "The Bank of Korea held its key interest rate at two per cent for a third straight month, acknowledging the twin threats of weak demand and falling oil prices.

"We note that the latest bout of investor worries came from the World Bank, which lowered its forecasts for global expansion this year and next year, and warned that global growth was overly reliant on the US," he told Bernama. He said a further blow for bulls came from the release of a much weaker than expected set of US retail sales figures, which defied predictions that the recent slide in crude oil prices, and thus gasoline prices, would boost consumer spending.

On a Friday-to-Friday basis, January 2015 rose 7.5 points to 1,735, February 2015 added 8.0 points to 1,734, March 2015 gained 8.5 points to 1,734.5 while June 2015 was flat at 1,731. Turnover for the week declined to 38,252 lots versus last week's 47,935 lots while open interest rose to 40,387 contracts from 36,251 contracts registered on Friday. For the week just-ended, the benchmark FBM KLCI rose 11.13 points to finish at 1,743.57.

Good Weather Expected To Support CPO Prices

By Rosemarie Khoo Mohd Sani

KUALA LUMPUR -- Good weather forecast in major crude palm oil (CPO) producing states next week is a welcome news as planters will be able to carry on with their work. Interband Group of Companies senior palm oil trader Jim Teh said even though CPO production is expected to be lower due to the recent floods, planters would be able to continue collecting palm fruits as the weather improves. "I hope physical foreign buyers will take advantage of the situation to buy cheaper palm oil here due to the weakening ringgit. "This will eventually lead to lower CPO inventory," he told Bernama. He said the support level is expected to be between RM2,250 and RM2,300 a tonne.

On a Friday-to-Friday basis, new spot month February 2015 fell RM10 to RM2,348, March 2015 slipped RM19 to RM2,329, April 2015 declined RM14 to RM2,312 and May 2015 dropped RM25 to RM2,284 a tonne. The week's turnover amounted to 251,913 lots, down from 212,399 lots the previous week, while open interest rose to 78,450 contracts on Friday from 40,857 contracts previously. On the physical market, January South was unchanged at RM2,360 per tonne.

Rubber Market Likely To Be Uncertain Next Week

KUALA LUMPUR -- The Malaysian rubber market is likely to be uncertain and would adopt a wait-and-see attitude next week as there is no direction for the market, a dealer said. He said the market direction has yet to be determined as traders are cautiously monitoring the volatility of the ringgit and global oil prices. He noted that the lack of demand and buying support from Chinese buyers would also affect the market next week. "Usually, Chinese buyers would start buying the natural rubber to accumulate their stocks before the Chinese New Year holidays. "However, it turns out that they lack buying interest in the local market as stocks are still available to them," he told Bernama, adding that China is the world's largest consumer of the commodity. For the week just-ended, the market was traded mostly lower. On a Friday-to-Friday basis, the Malaysian Rubber Board's official physical price for tyre-grade SMR 20 declined 14 sen to 492.50 sen a kg while latex-in-bulk eased 11 sen to 375.50 sen a kg. The unofficial closing price for tyre-grade SMR 20 slipped 18 sen to 491.50 sen a kg and latex-in-bulk dropped 13 sen to 373.50 sen a kg.

KLIBOR Futures Expected To Remain Sluggish Next Week

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives is expected to remain sluggish next week. For the week just-ended, no contract was traded throughout the week and open interest remained unchanged at 1,320 contracts. On a Friday-to-Friday basis, January 2015, February 2015, March 2015, and June 2015 remained pegged at 96.14, 96.15, 96.18 and 96.17 respectively. The underlying three-month KLIBOR remained unchanged at 3.86 per cent.

KLTM To Move Between US$19,200-US$19,400 Next Week

KUALA LUMPUR -- The tin price on the Kuala Lumpur Tin Market (KLTM) is expected to move between US$19,200 and US$19,400 per tonne next week, a dealer said. He said the tin price is expected to get some support from foreign traders, mainly Europeans. "On average, the tin price will be trading at US$19,300," he said, adding that the KLTM would continue the previous week's trend next week. For the week just-ended, the tin price moved between US$19,300 and US$19,800 a tonne. It opened the week at US$19,475 a tonne before reaching its peak for the week at US$19,800 a tonne but ended lower at US$19,300 a tonne at Friday's close. Weekly turnover was down at 244 lots from 282 lots last week with trade dominated by Japanese, European and local buyers. The premium between the KLTM and LME was US$93 higher at US$290 a tonne from US$197 a tonne last Friday.

Gold Futures Likely To Be On Uptrend Next Week

KUALA LUMPUR -- Gold futures contract on Bursa Malaysia Derivatives is likely to be on the uptrend next week, supported by some buying momentum. Phillip Futures Sdn Bhd dealer Ong Su Ling said the market players anticipated that the European Central Bank could impose more stimulus to overcome deflationary pressures, due to lower oil prices. "This could prompt the US Federal Reserve to delay interest rates hike, thus boost the market," she said. Another dealer said there would be some buying support from Chinese buyers ahead of the Chinese Lunar New Year Festival in February.

On a Friday-to-Friday basis, January 2015 jumped 100 ticks to RM144.50 a gramme, while February 2015, March 2015 and April 2015 improved 102 ticks to RM145, RM145.40 and RM145.40 a gramme, respectively. Volume for the week surged to 1021.6 lots worth RM32.6 million from 927 lots worth RM13.02 million last week. Open interest on Friday was lower at 3,424 contracts compared with last week's 3,465 contracts.