BERNAMA
MALAYSIAeBiz
WEEKLY *BUSINESS ROUNDUP JUNE 29 - JULY 3, 2015*

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This Week's Highlight : Fitch Revises Upwards Msia's Outlook To Stable

POSITIVE RESULTS...Minister in the Prime Minister's Department Datuk Seri Wahid Omar says the government's prudent fiscal management is paying off.-- fotoBERNAMA

KUALA LUMPUR -- Malaysia's zest in continously improving its economic fundamentals and the government's prudent fiscal management is paying off as rating agency Fitch has affirmed the country's long-term foreign currency rating at A- and revised upwards its outlook to stable from negative. Responding to the confidence shown by the international rating agency on Malaysia's fiscal prudence, an elated Datuk Seri Wahid Omar said Wednesday, Fitch's rating was now in line with S&P (A-, Stable Outlook) and Moody's (A3, Positive Outlook).

This Week's Top Stories

MONDAY

State Reserve Fund To Get RM880 Mln

PUTRAJAYA -- The National Finance Council has agreed that the federal government provide an additional RM350 million to the State Reserve Fund (KWRN) for 2015 and 2016, said Prime Minister Datuk Seri Najib Tun Razak. Najib, who is also Finance Minister said Monday, the federal government will also provide RM530 million to KWRN for 2017. He said the overall contributions to KWRN for the three years amounted to RM880 million.

TUESDAY

Agrobank To Become A Full-Fledged Islamic Bank

KUALA LUMPUR -- Agrobank will move away from its conventional-based operations and become a full-fledged Islamic bank starting Wednesday. Agriculture and Agro-based Industry Minister, Datuk Seri Ismail Sabri Yaakob, said Tuesday, Agrobank's transition to an Islamic banking system was in line with the government's aim to increase Islamic funding to 40 per cent of total financing in Malaysia by 2020.

WEDNESDAY

Najib: Govt Addressing Concerns Raised By Fitch

KUALA LUMPUR -- The government is taking firm steps to address concerns including the country's narrowing current account surplus and smaller external liquidity ratio as raised by Fitch Ratings Agency, says Prime Minister Datuk Seri Najib Tun Razak. "While Malaysia is pleased with the credit ratings and upward revision of Malaysia's outlook by Fitch Rating Agency, we are determined to maintain our fiscal sustainability policy and have in place the most firm economic foundation for our high-income ambition," Najib said in a statement Wednesday.

THURSDAY

Fitch Upgrade Clears Up Lingering Investor Misperceptions - Mustapa

KUALA LUMPUR -- Fitch Rating's decision to upgrade Malaysia's outlook to 'stable' from 'negative' will help clear up lingering misperceptions among investors and could further enhance Malaysia's attractiveness as a preferred investment destination. In a statement Thursday, Minister of International Trade and Industry, Datuk Seri Mustapa Mohamed, said the upgrade came on the heels of several other reports by independent international organisations, including World Bank and World Economic Forum, that had seen Malaysia continued doing well as the preferred place to do business.

FRIDAY

Malaysia Registers RM115.4 Bln Trade In May

KUALA LUMPUR -- Malaysia's total trade in May 2015 rose by 1.3 per cent to RM115.4 billion compared with the previous month while exports remained steady at RM60.45 billion and imports increased by 2.76 per cent to RM54.94 billion. A trade surplus of RM5.51 billion was recorded in May 2015, making it the 211th consecutive monthly trade surplus since November 1997, said the Ministry of International Trade and Industry (MITI) Friday.

SMEbrief

Malaysia SME Media Group Launches 'SME Aid'

SHAH ALAM -- The 'SME Aid' charitable organisation launched Monday by Malaysia SME Media Group (Malaysia SME), aims to provide a helping hand to eligible small and medium enterprises (SMEs) when they encounter various problems that threaten their businesses. Malaysia SME Group Chief Executive Officer and Group Chief Editor, Wayne Lim, said the aid was set up to be a kind of 'legal aid' which included giving advice to the entrepreneurs.

NEC To Focus On 7 Areas To Enhance Exports

KUALA LUMPUR –- Malaysia will focus on seven areas to enhance exports in efforts to drive the nation towards achieving a high-income status by 2020. This was decided at the Second National Export Council (NEC) meeting held here Tuesday, chaired by Prime Minister Datuk Seri Najib Tun Razak. In a statement, the Malaysia External Trade Development Corporation (Matrade) said 30 initiatives were finalised, out of which 16 were targeted at the small and medium enterprises (SMEs), which are expected to contribute at least 23 per cent to total exports by 2020.

CGC Wins International Award For SME Wholesale Guarantee

KUALA LUMPUR -- Credit Guarantee Corporation Malaysia Bhd (CGC) recently secured the Development Award 2015 from the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) in recognition of its forward-looking Islamic Wholesale Guarantee (WG-i) scheme. CGC President and Chief Executive Officer Mohd Zamree Mohd Ishak said Tuesday, the award reflected its ability and expertise in developing and delivering innovative financing products that can have a great impact on small and medium enterprises (SME) growth and outreach. Launched in April 2014, he said the country's first Islamic SME wholesale guarantee scheme was developed to ensure that banks continued to have the ability to lend to SMEs with the benefit of a CGC guarantee.

PropUP Property update

PropertyGuru Appoints Sheldon Fernandez As New Country Manager

KUALA LUMPUR -- Online residential and commercial property group, PropertyGuru, has appointed Sheldon Fernandez as its new country manager, effective Monday. Fernandez brings over 13 years of online and sales leadership experience to PropertyGuru, having honed his experience with general management roles in Adecco, Nextel Communications, Marcus Evans and most recently, JobsDB in Singapore and Malaysia.

Recent Commercial 1MDB, IPIC Transaction Not Govt-Guaranteed - 1MDB

KUALA LUMPUR -- 1Malaysia Development Bhd (1MDB) Monday clarified that neither the Ministry of Finance nor the government have provided guarantees for the recent commercial transaction between the company and International Petroleum Investment Corporation (IPIC). "It is publicly known that IPIC issued guarantees in 2012 for the payment of interest and principal on two US$1.75 billion bonds issued by 1MDB, totalling US$3.5 billion of principal and up to US$2 billion of interest.

Kg Baru Mosque Redevt Started In 2011 - 1 MDB

KUALA LUMPUR -- 1Malaysia Development Bhd (1MDB) Monday said the Kampung Baru mosque redevelopment started in 2011, contrary to recent statements by various parties. "The redevelopment of the Kampung Baru Jamek Mosque was first announced by Prime Minister Datuk Seri Najib Tun Razak during his visit to Kampung Baru on Feb 5, 2011," it said in a statement Monday.

UEM Sunrise Unit Sells Nusajaya Building For RM137.8 Mln

KUALA LUMPUR -- UEM Sunrise Bhd's unit, UEM Land Bhd, is selling the Imperia Building in Nusajaya to UEM Group Bhd for RM137.8 million cash. In a filing to Bursa Malaysia Tuesday, the company said the gross proceeds from the sale would be used to redeem part of the RM450 million redeemable convertible preference shares (RCPS) issued by Bandar Nusajaya Development Sdn Bhd (BND), a unit of UEM Land, to UEM Group.

UDA To Launch RM2 Bln Projects In Penang 2015

BUTTERWORTH -- UDA Holdings Bhd (UDA) plans to launch three projects in Penang this year with a Gross Development Value (GDV) close to RM2 billion. Group Chief Operating Officer for Property Development Datuk Mohamed Marzuk Basir said Thursday night, the projects were an integrated commercial and residential development with a GDV of RM1.2 billion, lifestyle project in Bertam worth RM600 million and two blocks of apartments, on wakaf land, with a GDV of RM23 million.

MARKET

BURSA MALAYSIA

Scoreboard
Gainers - 259
Losers - 459
Not Traded - 747
Unchanged - 298
Value - 1390734607
Volume - 14562554

BURSA: Last Minute Buying Lifts Bursa Malaysia To Close Marginally Higher

By S.Joan Santani

KUALA LUMPUR -- Last minute buying pushed shares prices into the positive territory at close on Bursa Malaysia Friday, dealers said. At 5pm, the FTSE Bursa Malaysia KLCI finished at 1,734.24, up 0.36 of a point, after moving between 1,724.50 and 1,738.09 throughout the day. Market breadth was negative with losers thumping gainers 459 to 259, with 298 counters unchanged, 747 untraded and 13 others were suspended. Total volume eased to 1.45 billion units, worth RM1.39 billion, from Thursday's 1.46 billion units valued at RM1.85 billion. Affin Hwang Investment Bank Vice-President and Head of Retail Research Datuk Dr Nazri Khan, however, expected the FBMKLCI to ease to the next support level of 1,700. "Since we expect possible profit taking by investors after a three-day rally streak, the local bourse should find support at 1,700 and 1,680 in the near-term," he told Bernama. Nazri viewed the recent sharp gain as a temporary relief as two major catalysts were still keeping investors jittery and on the sidelines namely Greece's exit (Grexit) from the Eurozone and the three-day US Federal Open Market Committee meeting (FOMC) beginning July 6 which may decide on raising interest rates. Main Market volume decreased to 776.91 million shares, worth 1.22 billion, from 895.17 million shares, worth RM1.67 billion, on Thursday.

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	3.7760	3.7790
EUR	4.1936	4.1977
GBP	5.9000	5.9054
100 YEN	3.0684	3.0711
SGD	2.7997	2.7024

Source: Bank Negara Malaysia

FOREX: Ringgit Ends Flat Ahead Of Weekend

By Zairina Zainudin

KUALA LUMPUR -- The ringgit ended the week flat against the US dollar Friday as buyers stayed on the sidelines, rather than take major position ahead of the weekend. At 5 pm, the local currency was quoted at 3.7760/7790 from 3.7760/7800 Thursday. It hovered between 3.785 and 3.7850 throughout the day. "The market sentiment was clouded by the fall in commodity prices and that of West Texas Intermediate despite Fitch Ratings' upgrade of Malaysia's sovereign rating outlook. "The ringgit has been under pressure recently and as a commodities exporter, this indirectly impacted our currency," a dealer told Bernama. Against other major currencies, the ringgit was traded marginally lower. It fell against the Singapore dollar to 2.7997/7024 from 2.7912/7963 on Thursday and eased against the yen to 3.0684/0711 from 3.0567/0607 previously. The local currency also weakened vis-a-vis the pound sterling to 5.9000/9054 from Thursday's 5.8906/8987 and declined against the euro to 4.1936/1977 from 4.1815/1871 previously.

Money-Market: Short-Term Rates Close Stable

KUALA LUMPUR -- Short-term interbank rates closed stable Friday on Bank Negara Malaysia's (BNM) intervention to absorb surplus liquidity from the financial system. The liquidity surplus in the conventional system fell to RM23.49 billion from RM28.01 billion earlier, while in the Islamic system, it declined to RM5.49 billion from RM9.99 billion. In the morning, BNM called for three tenders of two conventional money market, and a Qard. The central bank also conducted a late conventional money market tender for RM23.50 billion and a RM5.50 billion Qard tender, both for three-day monies. The overnight Islamic reference rate stood at 3.21 per cent, while the one-week, two and three-week rates stood at 3.27 per cent, 3.32 per cent and 3.35 per cent respectively.

KLIBOR Futures Remain Untraded For 17th Consecutive Session

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives ended untraded for the 17th consecutive session Friday. At 5 pm, July 2015, August 2015, September 2015 and December 2015 remained pegged at 96.34, 96.36, 96.37 and 96.38, respectively. Open interest amounted to 944 contracts. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.69 per cent.

KLCI Futures Contract Ends Lower

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract (FKLI) on Bursa Malaysia Derivatives closed lower despite the uptrend in the cash market. At 5 pm, July 2015 eased 5.0 points to 1,724, August 2015 decreased 6.0 points to 1,719, September 2013 shed 7.0 points to 1,715.50 and December 2015 slid 4.5 points to 1,712. Turnover increased to 7,792 lots from 7,257 lots on Thursday while open interest rose to 42,482 contracts from 41,247 contracts Thursday. At 5 pm, the benchmark FBM KLCI ended 0.36 points higher at 1,734.24.

PNB Declares 3.45 Sen Per Unit Income Distribution For ASN2

KUALA LUMPUR -- Amanah Saham Nasional Bhd, a subsidiary of Permodalan Nasional Bhd (PNB), declared an income distribution of 3.45 sen per unit for the Amanah Saham Nasional 2 (ASN 2) fund for the financial year ending June 30, 2015. ASN2 is a variable-priced equity growth fund aimed at generating reasonable dividend yield, as well as, capital appreciation at reasonable risks through diversified portfolios. PNB Chairman Tun Ahmad Sarji Abd Hamid said the rate declared was equivalent to the 6.9 sen per unit announced for last year. "It took into consideration the implemented unit split of one unit to one unit on July 18, 2014," he added. The 3.45 sen a unit, based on 50 sen par value, is equivalent to 6.90 sen a unit based on a RM1.00 par value.

AmInvestment: Greek Crisis To Accelerate Efforts To Stimulate Economy

KUALA LUMPUR -- Concerns over the Greek debt issue, which has been weighing on Asian stock markets, including Bursa Malaysia, will accelerate the government's efforts to stimulate the local economy. Towards this end, AmInvestment Bank Head of Equity Capital Markets Yong Saiyeen, expects the government to announce more construction projects from July onwards. "Since the global economy is now showing signs of weakness, and if that is the reality, central banks of major economies will launch their second and third phases of quantitative easing. "As for emerging market central banks like Malaysia, they will just focus on the fiscal stimulus, since there are quite a lot of infrastructure projects that have yet to be completed," he told reporters here Tuesday.

Broad Money Growth Moderated To 5.7 Pct In May

KUALA LUMPUR -- Broad money growth moderated to 5.7 per cent in May, driven mainly by the extension of credit to the private sector by the banking system, said Bank Negara Malaysia (BNM). In a statement here Tuesday, BNM said the expansion, however, was partially offset by a decline in net foreign assets following net capital outflows during the month. "Net financing to the private sector grew by 8.3 per cent in May, driven by higher growth of both outstanding banking system loans and net outstanding issuances of private debt securities," it said.

Islamic Banking To Reach US$296.26 Bln By 2019

KUALA LUMPUR -- Malaysia's Islamic banking sector is expected to grow at an average rate of 18 per cent year-on-year (yoy) in the next five years to US$296.26 billion by 2019 compared with US$141.77 billion in 2013. The Islamic Research and Training Institute (IRTI) Director-General, Professor Dr Mohamad Azmi Omar, said the target was achievable underpinned by the increase in corporate financing and sukuk issuances "This projected growth can be achieved if sustained favourable market conditions are met," he said in his speech at the launch of Malaysia Islamic Finance Report 2015 here Tuesday. Mohamad Azmi said Malaysia, a global leader in the Islamic economy, has built its Islamic finance capabilities beyond its domestic market and was playing a key role in providing Islamic finance expertise throughout ASEAN and the Far Eastern countries.

Islamic Banking To Meet 40 Pct Of Total Financing Target

KUALA LUMPUR -- Malaysia's Islamic banking sector is on track to meet its target of 40 per cent of total financing by 2020, driven by the industry's ability to continuously tap opportunities to finance the activities of the real economy. Bank Negara Malaysia (BNM) Deputy Governor, Datuk Muhammad Ibrahim, said the continued progress of Islamic finance in the country would very much depend on the industry's resourcefulness to build and maintain an innovative, competitive and inclusive Islamic finance industry. "Furthermore, our continuous efforts to initiate cross-border regulators and industry, as well as between regulators and international bodies, would further expand cross-border activities given a steady and strong regulatory and supervisory framework already put in place," he told reporters here Tuesday.

TA Investment Declares 2 Sen Distribution For TA Growth Fund

KUALA LUMPUR -- TA Investment Management Bhd Wednesday declared a gross income distribution of two sen per unit for TA Growth Fund to registered unitholders of the fund as at June 30, 2015. It said despite concerns of lofty market levels, key equity market indices like the Dow Jones, India's Sensex, China's Shanghai and Japan's Nikkei have progressively moved higher, driven by stimulus or stimulus-linked policy. "We believe there is enough liquidity flowing into the financial system to keep the party going for a while. "With global growth still lethargic and consumption slowing, most governments opt to implement stimulus," the company said in a statement here. TA Investment expected the benchmark FTSE Bursa Malaysia KLCI to be volatile with a bias towards short-term correction. It said any pullback in the market would be a good opportunity to accumulate stocks for the longer term.

PUNB Gives RM860,000 In Business Zakat To PPZ-MAIWP

KUALA LUMPUR -- Perbadanan Usahawan Nasional Bhd (PUNB) has presented the company's business zakat for the 2014 zakat period totalling RM860,000 to the Zakat Collection Centre of the Federal Territory Islamic Religious Council (PPZ-MAIWP). Its Chief Executive Officer, Datuk Dzulkifli Fadzilah, said the presentation of the business zakat represented PUNB's responsibility as a corporate body to develop the economy of the Muslims. He said for the 2014 zakat period, PUNB had allocated RM1.4 million to be distributed to 14 states, including Sabah dan Sarawak. "Currently, besides the Federal Territory, PUNB has handed over RM30,000 to the Selangor Zakat Collection Centre on June 25. For the other states, PUNB is scheduling the presentation with the Zakat Collection Centre in each state, latest by July," he said in a statement here Wednesday.

Hiap Teck Records Pre-Tax Loss Of RM4.83 Mln In Q3

KUALA LUMPUR -- Hiap Teck Venture Bhd reported a pre-tax loss of RM4.83 million for the third quarter (Q3) ended April 30, 2015, from a pre-tax profit of RM11.67 million in the same period a year ago. Revenue however rose to RM335.05 million from RM296.74 million, due to higher sales volume achieved in the quarter under review, the company said in a filing to Bursa Malaysia here Monday. It said the steel industry has been operating in a difficult environment and the recent depreciation of the ringgit against major currencies further aggravated the challenges faced by the industry. "However, the group is optimistic that demand for steel products in the domestic market will remain resilient with the ongoing major construction projects implemented by the government," it said.

Ire-Tex Expects 30 Pct Revenue Growth In FY15

GEORGE TOWN -- Corrugated packaging services provider, Ire-Tex Corporation Bhd, expects revenue growth of about 30 per cent for the financial year ending Dec 31, 2015 (FY15) after registering RM108.2 million last year. Group managing director Datuk Yap Tatt Keat said Ire-Tex is looking at revenue of RM130 million for FY15 and posting RM150 million in 2016. He said the forecast growth would driven by growing demand in packaging services as multinational corporations (MNCs) take advantage of the weakening ringgit. "The weakening ringgit has prompted MNCs to ramp up production and expand operations, hence, the increased demand in packaging for export activities. It benefits us as a supporting industry," he told a press conference after the group's annual general meeting, here Monday. For the bottomline growth, Yap said the company's operating margin is likely to improve this year and expects to return to the black in the financial year 2016 following operations consolidation and cost cutting measures. Ire-Tex posted a pre-tax loss of RM2.4 million in the first quarter ended March 31, 2015 from a pre-tax profit of RM7.26 million in the same period last year.

GMB Malaysia Aims To Bring 100 Consumer Goods Overseas

KUALA LUMPUR -- The Young Entrepreneur Organisation Malaysia (GMB) aims to bring more than 100 local fast-moving consumer goods to Myanmar, Dubai and the United Kingdom by next year. Its president, Agil Faisal Ahmad Fadzil, said the products would include food and beverages and household items. "We have done a feasibility study for a year on how to penetrate these markets. We realised that demand is there but there are a few requirements you need to fulfill such as standard and licence," he said. He was speaking to reporters after the soft launch of the Young Bumiputera Entrepreneur Congress 2015 by International Trade and Industry Minister Datuk Seri Mustapa Mohamed Monday. The congress is expected to take place in August.

Smartphone Shipments To SEA To Reach 100 Mln Units 2015

KUALA LUMPUR -- Smartphone shipments to Southeast Asia is expected to reach about 100 million units this year, registering a 21 per cent increase from 83 million in 2014. This is supported by established smartphone vendors defending their turf against new and existing China and local vendors, as well as new mobile innovations in the industry, according to International Data Corporation in a statement here Monday. According to the IDC Asia/Pacific Quarterly Mobile Phone Tracker report, total smartphone shipments in the region reached about 24 million units in the first quarter of 2015 (1Q15), posting a year-over-year growth of 65.6 per cent. IDC attributed the higher 1Q15 growth to smartphones with four generation (4G) capability, which grew to 25 per cent of the total smartphone market share, compared with 16 per cent in the 1Q14.

M'sia's Furniture Exports To Reach RM16 Bln By 2020

KUALA LUMPUR -- Malaysia's average furniture export value of RM8 billion is expected to increase to RM16 billion by 2020, driven by Malaysian Timber Industry Board (MTIB)'s Professional Designer Programme (PDP). PDP is an initiative and a joint programme with the Malaysian Furniture Promotion Council in integrating designs and designers into the furniture production in the country. MTIB director-general, Dr Jalaluddin Harun, said the programme aimed to encourage more creativity and innovations in terms of furniture designs among young local designers. "We hope with PDP programme, we can enhance exports with less volume but of higher value," he told reporters here Monday. Furniture exports stood at RM2.26 billion between January and April 2015, 6.5 per cent higher from RM2.089 billion in the same period in 2014.

Midea Expects Sales To Rise To RM120 Mln By Year-End

KUALA LUMPUR -- Midea Scott & English Electronics Sdn Bhd (MSEE) expects to increase sales to RM120 million by year-end from the RM90 million achieved in 2014. This would be achieved by way of introducing more products to fulfill its retail and commercial customer needs. Chief Executive Officer Ng Kong Chin said the company plans to introduce consumer products such as instant water heaters and small appliances. "For commercial customers, we will be introducing products such as the chiller, VRV and Ducted System air-conditioners," said Ng in a statement in conjunction with the launch of its energy-saving Midea Marine Series washing machine here Tuesday. He said MSEE is also widening its sales channel to cover modern trade segments, including chain stores, hypermarkets and e-commerce platforms.

Berjaya Corp Pre-Tax Profit Rises To RM1.43 Bln

KUALA LUMPUR -- Berjaya Corporation Bhd's pre-tax profit for the financial year ended April 30, 2015 rose to RM1.43 billion from RM523.87 million a year ago. In a filing to Bursa Malaysia here Tuesday, the group said its revenue increased to RM9.6 billion from RM8.7 billion previously. The improved performance was mainly contributed by the increase in revenue from the marketing of consumer products and services segment whereby the motor distribution business reported higher revenue, it said. For the fourth quarter, Berjaya Corporation posted a higher pre-tax loss of RM323.03 million as compared to a pre-tax loss of RM103.47 million in the same quarter last year.

Domestic PPI For May Falls By 0.9 Pct

KUALA LUMPUR -- Malaysia's Producer Price Index (PPI) for May 2015 decreased

0.9 per cent to 103.5 from 104.4 recorded in April 2015, the Statistics Department said Tuesday. This was due to a decrease in the local production index of 1.5 while the import price index increased 0.1 per cent. Year-on-year comparison showed that the PPI for local production fell 9.4 per cent in May 2015, the department said in a statement. The highest drop was displayed by the mining index (-34.9 per cent), followed by agriculture, forestry and fishing (-8.1 per cent), manufacturing (-5.6 per cent) and electricity and gas (-5.3 per cent). The index for water supply, however, increased at 1.9 per cent. The PPI for local production also decreased by 1.5 per cent in May 2015 compared with the previous month, mainly due to the decreases in mining (-3.6 per cent), manufacturing (-1.3 per cent) and agriculture, forestry and fishing (-0.7 per cent).

George Kent Aims For RM3 Bln Order Book

KUALA LUMPUR -- George Kent (M) Bhd aims to have an order book of up to RM3 billion this year, said Group Chairman, Tan Sri Tan Kay Hock. Tan said the current order book stood at over RM1 billion and the outlook for the company was excellent. "The company aims to have an order book of RM5 billion within the next two years," he told reporters here Tuesday. On the company's Ampang LRT 2 line extension works, he said, there were no major problems and has proceeded better than anticipated. "Our contract value is just short of RM1.1 billion and the value of the job and the work that has been completed is over RM500 million. However, Tan said, there might be a slight delay, mainly due to issue relating to underground cables". He said the company was one of the seven companies shortlisted for the LRT 3 project. George Kent's pre-tax profit for the first quarter ended April 30, 2015, rose by 51.27 per cent RM13.17 million. Its revenue fell to RM59.03 million from RM64.86 million previously.

Construction Sector To Maintain 10-12 Pct Contributions To GDP

KUALA LUMPUR -- The construction sector will maintain its 10 to 12 per cent contributions to the national gross domestic product (GDP) this year, driven by the number of projects from the ministry and private sector. Works Minister Datuk Seri Fadillah Yusof said several projects would be completed this year, including the ongoing West Coast Expressway and other highway projects. "In Sarawak alone, the Pan Borneo project is worth RM16 billion. So you can imagine the spillover to all sectors that will derive and create the supply chain," he told reporters here Wednesday. He said the construction sector would be busy this year with the Mass Rapid Transit, Light Rail Transit and the 1Malaysia Housing projects.

Innity Sees 20-30 Pct Growth In Digital Adex

PETALING JAYA -- Innity Corporation Bhd, an online media and advertising technology provider, expects its digital advertising expenditure (adex) to grow at an average of 20 per cent to 30 per cent year-on-year across the region. Its Chief Executive Officer, Peter Phang Chee Leong, said the region's digital adex growth was slightly higher than Malaysia's overall adex growth of between 12 and 15 per cent. "Digital adex continues to exceed the increase in the overall adex," he said. Innity has a presence in Singapore, Indonesia, Hong Kong, Thailand, Vietnam, Philippines, Taiwan, China and Malaysia. "Some countries might be higher and show better numbers...Digital is still growing," he told reporters here Wednesday. He said Malaysia is still the major contributor to the company's revenue with 35 per cent, followed by Hong Kong, Indonesia and the Philippines.

MATRADE Mission Secures RM602.9 Mln Sales At Paris Air Show

KUALA LUMPUR -- Ten Malaysian companies which participated in the Paris Air Show 2015 from June 15-21 have notched sales worth RM602.9 million, said the Malaysia External Trade Development Corporation (MATRADE). Six memorandum of understandings were signed by four companies with buyers from France, The Netherlands and Spain including Airbus, Safran-Snecma, Cadmes and CT Ingenieros. MATRADE Director of Transport, Logistics, Machinery and Maintenance, Services and Overhaul Section Md Silmi Abd Rahman said the Paris Air Show provided a platform for Malaysian companies to further promote their products and services to the European market and serve as a stepping stone for globalisation. "The aerospace industry, especially in France, has recognised Malaysia's capabilities. The confidence shown by the French companies towards Malaysian suppliers and service providers creates further confidence among other key players in the industry," he added.

Takaful Malaysia Sees 15 Pct Overall Growth By Year-End

KUALA LUMPUR -- Syarikat Takaful Malaysia Bhd expects its overall company growth to hit 15 per cent this year versus 12 per cent recorded last year. Group Managing Director Datuk Seri Mohamed Hassan Kamil said the target is achievable, driven by positive market response to its product offerings. "Recently we launched two new products to cater to small and medium enterprises and the take-up rate has been encouraging," he told reporters after taking 50 orphans from Pertubuhan Kebajikan dan Perlindungan Nur Qaseh Malaysia for Hari Raya shopping here Friday. Takaful Malaysia's earnings are mainly contributed by its Family Takaful Business (70 per cent) with the balance from the General Takaful Business. The company has an authorised capital of RM500 million and paid-up capital of RM163 million.

Volvo M'sia Aims To Lead Heavy Duty Truck Segment

SEBERANG PERAI -- Volvo Malaysia Sdn Bhd aims to be the leading heavy duty truck brand after investing RM75 million to expand its network in Malaysia last year. Managing Director Mats Nilsson said the group will continue to strengthen the brand's presence in Malaysia and elevate its aftermarket support to a higher level. "We have achieved stellar growth in the truck business and will continue our gain of market share after an unprecedented 38.5 per cent growth in truck sales last year. This accomplishment has further reinforced our position as the leading brand in the European heavy duty trucks segment in Malaysia," he told reporters here Friday. Currently, Volvo commands 57 per cent of the market share for heavy-duty trucks in Malaysia.

MAHB To Revise Passenger Movements Target Upwards

SEPANG -- Malaysia Airports Holdings Bhd (MAHB) expects to revise upward its passenger movements at Malaysia's airports before year-end from the current forecast of 85.8 million. Its managing director, Datuk Badlisham Ghazali, said MAHB saw healthy growth from across Asia-Pacific region and expected the trend to continue for the next couple of years. "In addition to benefitting from the current cheaper ringgit, this is the best time for foreigners to visit Malaysia. "We will still monitor the situation. If the trend continues for the next couple of months we will revise our target before year-end," he told reporters here Monday. Meanwhile, he said, All Nippon Airways, the Japanese airways will fly into KLIA in November.

Exporters Urged To Use Renminbi To Trade With China

KUALA LUMPUR -- Malaysian exporters are encouraged to use renminbi (RMB) in their trade with China to help mitigate the volatility of foreign exchange especially in the current economic situation. Malaysia External Trade Development Corporation (Matrade) Chief Executive Officer (CEO), Datuk Dzulkifli Mahmud, said the RMB is a stable currency in exchange to the ringgit, hence it is to the traders advantage to use RMB as it is more predictable and consistent. "However, the take up to switch trading to renminbi is still slow although there is no obvious hindrance like bureaucracy for this. Hence, more outreach programmes are needed to encourage this," he told reporters here Monday.

Malaysian Companies To Take Part In VICB15

KUALA LUMPUR -- Twenty-two Malaysian companies will participate in the three-day Vietnam International Construction and Building Exhibition (VICB) 2015 in Ho Chi Minh City, beginning July 1. The VICB is organised by the Malaysian External Trade Development Corporation (MATRADE) and would feature Malaysian expertise, capabilities and products from the construction and building materials industries. "MATRADE Ho Chi Minh City is coordinating the one-to-one business meetings between Malaysian exhibitors and Vietnamese buyers. "These meetings will provide greater links between Malaysian service providers and suppliers with the Vietnamese business community," MATRADE said in a statement here Monday.

M'sian Firms Keen To Collaborate With Japanese Cutlery Manufacturers

By Kenny Teng Khoon Hock

TSUBAMESANJO (Japan) -- Malaysian companies have expressed interest to collaborate with Japan's cutlery manufacturers and exporters, especially those based in the Niigata Prefecture, to bring their products to the Southeast Asian market. Two Malaysian companies which participated in the recently-ended Industrial Tourism Project organised by Japan External Trade Organisation (Jetro) here, are impressed with several companies located in TsubameSanjo, Japan's most famous city of craftsmanship. Pete's Kitchenwares Sales and Technical Manager, Calvin Chong, said the company participated in the programme to search for quality sharp tools and knife manufacturers for a business venture. He said Pete's Kitchenwares specialises in wholesaling and retailing of high quality knives some of which are imported from Europe, Japan, the United States and China.

CIMB Group And PT CIMB Niaga Complete MSS Exercise

KUALA LUMPUR -- CIMB Group Holdings Bhd and PT CIMB Niaga TBK have completed their individual Mutual Separation Scheme (MSS) exercise. The exercise, involving 3,599 applications (1,891 from Malaysia and 1,708 from Indonesia), represented a rationalisation of 11.1 per cent of the total workforce in both countries. While the group would incur approximately RM443.3 million in cost, the resultant savings from the headcount reduction is estimated to be RM291.6 million per annum, which translates to 18.2 months payback, said CIMB Group in a statement here Wednesday. The MSS was introduced as part of its continued efforts to enhance efficiency and productivity. "With the completion of the MSS, we are on track to meet the targets set in our cost-to-income plans outlined in our T18 strategy," said Group Chief Executive Tengku Datuk Zafrul Tengku Abdul Aziz.

Felda, Astro Collaborate To Organise Roadshow Tours

KUALA LUMPUR -- The Federal Land Development Authority (Felda), Felda Global Ventures Holdings Bhd (FGV) and Yayasan Felda to jointly organise the "Gempak Keluarga Felda" roadshow tours with the collaboration of Astro Malaysia Holdings Bhd to promote Felda entrepreneurs starting August. The roadshow tours, targeting customers in Felda land schemes, will kick off on Aug 1 at the Pendang Mini Stadium, Kedah. Felda Director-General Datuk Hanapi Suhada said the tours, which would be held at 10 Felda schemes, would enable Felda entrepreneurs to showcase their products to settlers and visitors. "To date, there are 30,000 Felda entrepreneurs engaged in business, plantations, trade, aquaculture, handicraft and livestock industry," he said in a statement here Wednesday.

Ampang Line LRT Extension Phase 1 To Begin Operations As Scheduled

KUALA LUMPUR -- The Prasarana Malaysia Bhd's Ampang LRT line extension project is on track with the first phase set for launch on Oct 31, 2015 as scheduled. "For Phase 2, the completion date for the project is on March 31, 2016. We are committed to deliver the project on time. There's no issue of delay," Prasarana Group Director of Project Development Datuk Ir. Zohari Sulaiman said. Zohari, who is also CEO of Prasarana Rail and Infrastructure Projects Sdn Bhd, said the overall completion rate of Phase 1, which involves the opening of four new stations for the Ampang Line, was at 92.58 per cent. "We are very confident that we can meet the timeline. The four new stations – Awan Besar, Muhibbah, Alam Sutera and Kinrara BK5 along the Ampang LEP - will be opened for full service on Oct 31. "The remaining stations under Phase 2 are almost 70 per cent completed," he added.

Secret Recipe Gets Halal Certification Back

KUALA LUMPUR -- Secret Recipe has received its halal certification back following the renovation and upgrading works of its Central Kitchen in Taman Mayang and its new plant in Kota Damansara. The certificates from the Department of Islamic Development Department Malaysia (Jakim) affirmed that the company had complied with the highest standards of food safety and Halal Certification Standards of Malaysia, MS1500:2009. "We reassure that food safety and quality control are our main priority as we have been following rigorous processes and standards to maintain our certification for the last 15 years and we will continue to uphold our promise to customers," Secret Recipe said in a statement here, Thursday. Secret Recipe's halal certification was revoked by Jakim on May 7 over "serious violations" in cleanliness and manufacturing practices.

Malaysia Remains Important Country For Shell Malaysia

KUALA LUMPUR -- Malaysia remains an important country for Shell Malaysia and its businesses are not affected by developments at the Shell Refining Co (Federation of Malaya) Bhd (SRC). SRC is a separate independent entity from Shell's other operating units in Malaysia, and refining overcapacity and margins globally have led the board of SRC to evaluate the long-term sustainability of this business, Shell Malaysia said in a statement here Thursday. It was reported in a local daily Wednesday that SRC was contemplating selling its assets due to strains from low margins and overcapacity. Shell Malaysia said it will continue to play a role in developing the nation's deep-water resources and deep-water service industry. "We are the leading retail fuels and lubricants provider in the country and will continue to invest in growing these businesses in Malaysia," it said.

KWAP To Allocate RM100 Mln For Fund Manager

KUALA LUMPUR -- The Retirement Fund Inc (KWAP) plans to allocate RM100 million to be managed by a fund manager, adding to the RM1.2 billion currently being managed by existing fund managers. Chief Executive Officer (CEO), Wan Kamaruzaman Wan Ahmad, said KWAP has identified a fund manager and both parties were already in the discussion stage. "We are, more or less, already in agreement. It is just that there are a few operational gaps the need to be rectified. "Once that are done and if the board approves, we will inject the RM100 million, adding on to the RM1.2 billion," he told a press conference here Friday, after announcing the establishment of the Institutional Investor Council Malaysia. On its overseas assets, Wan Kamaruzaman said KWAP would take advantage of the weak ringgit by increasing its hedging activities to lock up its foreign exchange gains and bring back returns to the fund. The fund's overseas assets include the Intu Uxbridge Shopping Centre, as well as, the 18-storey 88 Wood Street and 10 Gresham Street offices in London.

Latest Fitch Rating Is A Vote Of Confidence - Maybank Chief

KUALA LUMPUR -- Maybank Group said getting the positive ratings from Fitch Ratings is a vote of confidence in the country's economic strength in terms of the current account, trade and the amount of reserves that the country have accumulated over the years. Media Prima's TV3 also reported the group president and chief executive officer as saying that the Fitch Ratings' positive upgrade would augur well for the bond market, as well as, the foreign exchange market and probably see a little bit of ringgit strengthening against other currencies. "I think there will a lot more confidence which will be shown or evident as in the form of how much funds flow into the country," Datuk Abdul Farid Alias told Media Prima's TV3 in an exclusive interview Thursday night. On Wednesday, Fitch Ratings revised its outlook on Malaysia to stable from negative and reaffirmed the country's long-term foreign and local sovereign credit rating at 'A-' and 'A'.

ABN AMRO Bearish On Gold For 2015 And 2016

KUALA LUMPUR -- Nertherlands-based ABN AMRO Group Economics is of the view that gold will remain bearish for 2015 and 2016. In a note here Friday, the research house said higher US interest rates and a higher US dollar will provide strong headwinds for precious metal prices. "Higher US interest rates make investment assets that pay virtually no income relatively unattractive, and precious metals are among these assets," it said. In addition, a higher US dollar weighs on precious metal prices and it is likely that in such an environment investors will liquidate speculative positions in precious metals, it said. The research house said investors will likely liquidate gold positions when US dollar and US rates go up in an environment where inflation expectations remain muted and investor sentiment is constructive.

Young Malaysians Need To Play Central Role In ASEAN - Mustapa

KUALA LUMPUR -- International Trade and Industry (MITI) Minister Datuk Seri Mustapa Mohamed has urged young Malaysians to play a central role in the growth and development of the Association of Southeast Asian Nations (ASEAN). He said young Malaysians should unite and cooperate with their counterparts in other member nations to raise the profile and influence of the fast-growing region. "Be ambassadors for the ASEAN region, recognising that to be competitive in today's globalised economy, you need to embrace an international mindset and think beyond the borders of your country," he told 40 students at the MY ASEAN Leadership Workshop organised by Talent Corporation Bhd.

Mondelez Malaysia Wins Gold Award At PRWeek Asia-Pacific

KUALA LUMPUR -- Mondelez Malaysia has won the Gold Award at the 2015 PRWeek Asia-Pacific Awards for its Cadbury chocolate halal issue management efforts last year. In a statement here Monday, Mondelez said the awards were held in Hong Kong recently to shine efforts on successful campaigns, companies and individuals in the Asia-Pacific and the company was the only one from Malaysia to walk away with a Gold Award. "Mondelez Malaysia was recognised for the way it handles the crisis through a comprehensive crisis management and communications strategy, following an unsubstantiated report which claimed two variants of its Cadbury chocolates contained porcine DNA," it said in the statement.

BPMB Appoints Mohammed Rafidz As New President/Group MD

KUALA LUMPUR -- Bank Pembangunan Malaysia Bhd (BPMB) has appointed Mohammed Rafidz Ahmed Rasiddi as President/Group Managing Director, effective June 15. Prior to joining BPMB, he was the Deputy Chief Executive Officer and Head of Corporate Investment Banking at MIDF Amanah Investment Bank. Mohammed Rafidz has over 25 years of experience in the financial services and capital markets industry and held senior and leadership positions in well-established and leading financial institutions in Malaysia. "Mohammed Rafidz will be responsible for steering BPMB to continue playing an important role in the government's objective to develop strategic sectors of the economy," BPMB said in a statement here Monday.

GST Expo And Conference 2015 To Be Held In July

KUALA LUMPUR -- Following the successful Goods and Services Tax (GST) Expo and Conference 2014, organiser, Business Connection PLT, will hold the event again here next month. In a statement here Monday, Business Connection spokesperson, Lau Hwei Choong, said the event, from July 12-14, will be held at Connexion@ Nexus, Bangsar South. "The event aims to provide the Small and Medium Enterprises (SMEs) practical solutions as well as assisting them file their GST submissions. "Although GST started in April this year, the SMEs are still stuck with just more theories than practical know-how," Lau said. Lau said the SMEs still had many unresolved issues and some were under emotional stress. "There will be key speakers to educate the SMEs on things that they need to do before meeting the deadline," Lau said.

Tabung Haji Inks Deal With MAS Charter Services

KUALA LUMPUR -- Tabung Haji (TH) Monday entered into an agreement with Malaysia Airlines (MAS) Charter Services to carry pilgrims to the Holy Land during the 1436H/2015 Hajj season. TH and MAS' Hajj partnership started back in the 1980s. The airline's experience and competency in managing pilgrims from Malaysia had encouraged TH to extend the charter services, TH said in a statement here. TH Group Managing Director and Chief Executive Officer (CEO) Tan Sri Ismee Ismail said TH placed great emphasis on the quality of services offered to Malaysian pilgrims and was confident that Malaysia Airlines would continue to provide outstanding services.

Proton Offers Free 30 Points Car Inspection

KUALA LUMPUR -- Proton Holdings Bhd will offer free 30 points inspection to all national car owners from July 9-15 as part of its initiative to promote vehicle safety awareness during the festive season. "Customers can enjoy this free inspection at all Proton authorised service centres, nationwide, and selected Petronas petrol stations between 3 pm and 7 pm during the one-week duration. The free 30 points include inspection of fluid level, battery, pedal operation, fuel and brake system among others. Besides, customers would also enjoy free consultation on engine and car maintenance, Proton said in a statement here Tuesday.

Global Halal Exchange, Al Ansar Health Sign MoU

KUALA LUMPUR -- Global Halal Exchange, a unit of Dagang NeXchange Bhd that offers an eMarketplace for the halal industry, has signed a memorandum of understanding (MoU) with Al Ansar Health Sdn Bhd to provide the base for cooperation between the two parties. In a statement here Tuesday, Dagang Nexchange said under the MoU, the Global Halal Exchange will serve as the eMarketplace for Al Ansar Health to promote and sell its products and services online, and provide them with access to a wider market both domestic and global, as well as integrated logistics services and other value-adding services.

Immigration Department, Talentcorp Open MYXpats Centre

KUALA LUMPUR -- The Malaysia Expatriate Talent Service Centre (MYXpats Centre) to open Wednesday, July 1, in Surian Tower, Petaling Jaya, to process and issue all Employment Pass (EP) applications and other EP-related passes for expatriates working in Malaysia. Jointly operated by the Immigration Department and Talent Corporation Malaysia Bhd (TalentCorp), the one-stop centre would process and issue the employment pass (Category I), employment pass (Category II), dependant pass, social visit pass (Long-Term) and visit pass (Temporary Employment) for maids. "From July 1 onwards, the centre will implement the Electronic Referral Visa (eVDR), enabling companies to download and print the visa approval letter, and end the requirement for companies to collect the visa approval letter from the Immigration Department," they said in a joint statement here Tuesday.

Fitch's Revised Outlook Mends The 'Hurt'

COMMENTARY: By Siti Hawa Othman

MUCH-AWAITED...Minister in the Prime Minister's Department Datuk Seri Wahid Omar says the Fitch revised rating outlook is due to Malaysia's improved fundamentals. -- fotoBERNAMA

KUALA LUMPUR (Bernama) -- After signalling a rating downgrade in March, hurting both the stock and currency markets' sentiment along the way, Fitch Ratings has decided to revise Malaysia's credit rating outlook following the improved fundamentals. A Ramadan gift indeed and it seemed that the government's prudent fiscal management has paid off with the rating agency affirming the country's long-term foreign currency rating at A- and revised upwards its outlook to stable from negative.

"The much-awaited positive news shows the prudent fiscal management and economic policies carried out by the government," said an elated Datuk Seri Wahid Omar, Minister in the Prime Minister's Department in charge of Economic Planning. After a much-battered week, the stock market's benchmark FBM KLCI celebrated the early Wednesday news, opening higher at 1,709.77 to surge a further 30.56 points to 1,737.20 at midday before ending at 1,727.96. When just two days earlier, the index had fallen to its lowest level in five months on Monday at 1,691.92.

RATING IMPROVES THE RINGGIT

The revised rating too had improved the ringgit to the 3.73 level against the US dollar in early Wednesday morning after having hit a 10-year low of 3.78 on Monday. It was quoted at 3.7480 at Wednesday's close. A credit rating is an important indicator to these markets, as it is the grading of a country's ability to meet its financial obligations. It is used, among others, by sovereign wealth funds, pension funds and other investors to gauge the credit worthiness of Malaysia, thus having a big impact on the country's borrowing costs.

And it was reported that about 45 per cent of Malaysia's sovereign debt is owned by foreigners. The three big rating agencies are Fitch, Moody's and Standard & Poor's (S&P) and each has a slightly different approach in assessing the ability of the borrower to repay their debts. Hence, having a rating downgrade could somewhat affect a country's ability to borrow money in the markets but sometimes the rating agencies are also criticised for failing to warn of the risks posed by giving inaccurate ratings and forecasts.

MALAYSIA REMAINS ATTRACTIVE

While a triple A (AAA) is the prime rating and a double A (AA) is within the high grades, an A- is in the upper medium grade, just above a triple B (BBB) lower medium grade. Fitch had assigned a negative outlook to Malaysia's rating in July 2013, and affirmed the stance a year later, following the country's shrinking current account surplus amid a bigger fiscal deficit and drop in oil prices. It had in March this year, signalled a 50 per cent likelihood of a downgrade to the BBB range as trade balance worsened while debt obligations by state-owned entities had further diminished the rating support. But some economists had opined that Malaysia remains attractive to foreign investors as it provides stability while its fast growth rate and low inflation are positive rating factors. The underlying strength of the economy, they said, was due to its diversification, in particular, its reliance on services and manufacturing, as the key drivers of growth of recent.

MALAYSIA'S FUNDAMENTALS

A meeting ensued between Abdul Wahid and Fitch in June on the negative outlook for Malaysia's sovereign rating, in explaining Malaysia's fundamentals and contending that two other competing ratings agencies -- Moodys and S&P — had considered Malaysia's credit to be stable. Moody's had maintained Malaysia's A3 rating, saying that the 1Malaysia Development Bhd issue will not affect Malaysia's credit rating as the state-owned fund currently does not pose risks to the country's financial systems. While S&P had affirmed Malaysia's long-term A- rating, believing that the fall in oil prices would not disrupt the country's long-term fiscal consolidation as the economy can withstand some weaknesses in the energy sector due to its fairly diversified and broad-based growth.

Malaysia's growth has expanded 5.6 per cent in the first quarter this year. In April, its trade surplus had narrowed to RM6.89 billion while in May, its inflation rate stood at 2.10 per cent. The revised rating outlook has certainly been a relief after investors have been shying away from one of Asia's most favoured markets due to the negative perceptions earlier.

Nearer the region, Fitch has been assigning China A+, Hong Kong AA+, South Korea AA-, Japan A, Indonesia BBB- and the Philippines BBB-. Meanwhile, countries which have been assigned the prime AAA rating by Fitch include the likes of Australia, Canada, Denmark, Finland, Germany, Netherlands, Norway, Singapore, Sweden, Switzerland and the US.

-- BERNAMA

LIST OF MARKET REPORTS :

BURSA: Outcome Of Greek Referendum To Influence Bursa Malaysia

By S.Joan Santani

KUALA LUMPUR -- Greece's referendum on Sunday is expected to weigh heavily on global equity markets including Bursa Malaysia's performance next week. This is despite the stable rating by Fitch Ratings towards Malaysia's economic outlook. Affin Hwang Investment Bank Vice-President and Head of Retail Research Datuk Dr Nazri Khan said the broader market had started to deteriorate after last week's rally. He said the ringgit depreciated 0.3 per cent against the greenback despite the upgrade status and this could potentially weaken investors' sentiment. "The local bourse should find support between the 1,700 points and 1,680 points-level in the near-term," he told Bernama. Nazri added that investors would remain jittery and stay on the sidelines because of Greece's possible exit from the Eurozone and ahead of the outcome of the three-day US Federal Open Market Committee meeting, beginning Monday, which may decide on raising interest rates. Meanwhile, for the week just-ended, sentiment was depressed on the first two days but rose sharply on Wednesday after Fitch Rating Agency announced a stable outlook for the Malaysian economy. The index fell to its lowest level in five months on Monday to 1,691.92 as the local bourse was impacted by concerns over Greece's debt default and the likelihood of a downgrade rating by Fitch. Weekly turnover added to 8.27 billion units, worth RM9.37 billion, from 7.35 billion units, worth RM8.19 billion, traded previously. Main market volume slipped to 4.75 billion units, valued at RM8.39 billion, from 4.91 billion units, valued RM8.31 billion, registered last week.

FOREX: Ringgit To Rebound Slightly Versus Greenback

By Zairina Zainudin

KUALA LUMPUR -- The ringgit is expected to appreciate slightly against the US dollar next week on improved buying interest, a dealer said. Malaysia's strong trade performance in May reflected by the 1.3 per cent increase in total trade to RM115.4 billion helped boost the sentiment for the ringgit. The dealer also said sluggish US employment data coupled with Greece's referendum on bailout conditions would help investors focus more on Malaysia's fundamentals. Throughout the week, the ringgit was traded mixed, moving between 3.7480 and 3.7825 as it was under tremendous pressure before the rating announcement by Fitch Ratings Agency. It, however, rebounded on Wednesday after Fitch Ratings Agency upgraded Malaysia's sovereign rating outlook to stable from negative. "The ratings upgrade confirmed that the ringgit is undervalued and Malaysia's public finances are improving and remained steady despite economic challenges on the external front," another dealer said. The momentum, however, turned sideways Thursday due to mild profit taking amid concerns over global commodity prices.

On a weekly basis, the ringgit was traded flat against the US dollar at 3.7760/7790 from last Friday's 3.7660/7690. Meanwhile, the local note was traded mixed against other major currencies. It was unchanged against the Singapore dollar to 2.7997/7024 from 2.7996/7020 last Friday and fell marginally versus the yen to 3.0684/0711 from 3.0516/0543 last week. The ringgit, however, rose against the British pound to 5.9000/9054 from 5.9318/9369 and strengthened against the euro to 4.1936/1977 from 4.2194/2235 last Friday.

Money-Market: Short-Term Rates To Remain Stable

KUALA LUMPUR -- Short-term interest rates are likely to remain stable next week as Bank Negara Malaysia (BNM) continues its intervention to mop up excess liquidity. A dealer said the central bank is expected to continue to call for money market tenders on a daily basis. For the week just-ended, BNM intervened daily by conducting conventional, Qard, range maturity auction and Commodity Murabahah programme tenders to reduce excess liquidity in the system. The overnight rate for the week stood at 3.21 per cent, while the one-week, two and three-week rates stood at 3.27 per cent, 3.32 per cent and 3.35 per cent, respectively. On Friday, the central bank conducted a late conventional money market tender for RM23.50 billion and a RM5.50 billion Qard tender, both for three-day money. Total surplus in the conventional system this week was decreased to RM23.49 billion while RM5.49 billion remained in Islamic funds. The underlying three-month interbank rate stood at 3.69 per cent.

KLCI Futures Likely To Trend Lower

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract (FKLI) on Bursa Malaysia Derivatives is likely to trend lower next week in tandem with the bearish outlook for the cash market, said a dealer. The dealer said several factors will determine movements for the futures contract next week, including Greece's debt crisis and the movement of US dollar. For the week just-ended, July 2015 shed 25.5 points to 1,724, September 2015 slipped 20 points to 1,715.50 and December 2015 fell 17.5 points to 1,712. Turnover for the week dropped to 56,269 lots from 94,629 lots last week while open interest fell to 42,282 contracts from 69,751 contracts previously.

CPO To Undergo Technical Correction

By Zarul Effendi Razali

KUALA LUMPUR -- The crude palm oil (CPO) futures contract on Bursa Malaysia Derivatives is expected to undergo a technical correction next week, driven by global economic uncertainties. Interband Group of Companies Senior Palm Oil Trader Jim Teh said futures' price were expected to hover between RM2,150 per tonne and RM2,200 per tonne next week. Despite the current dry spell and Ramadan season, demand was expected to be subdued as most consuming countries, including the Middle East, had already stocked up on the edible oil in June. "Our high level inventory, which currently stood at 2.2 million tonne, has also contributed to the decline in prices," he told Bernama. On a weekly basis, July 2015 shed RM15 to RM2,263 a tonne, August 2015 declined RM11 to RM2,267 a tonne, September 2015 slipped RM13 to RM2,270 a tonne and October 2015 decreased RM9 to RM2,274 a tonne. Weekly turnover added to 185,869 lots from 155,732 lots last week while open interest widened to 222,757 contracts from 212,548 contracts previously. On the physical market, July South depreciated RM5 to RM2,280 a tonne.

Rubber Market To Trade Cautiously

By Zarul Effendi Razali

KUALA LUMPUR -- The Malaysian rubber market is expected to trade cautiously next week as a number of uncertainties continue to loom over the market, said a dealer. Sentiment is expected to be affected by the overall negative global economic condition but the overall positive rating of Malaysia by Fitch Ratings will limit losses. The dealer also said the rubber market will continue to remain weak despite the lower production at home, due to the current dry spell, as a glut in other producing countries limited gains. For the week-just-ended, rubber prices were sharply lower on the back of erratic crude oil prices. On a Friday-to-Friday basis, the Malaysian Rubber Board's sellers official physical price for tyre-grade SMR 20 declined 19 sen to 556 sen per kg while latex-in-bulk eased 26.5 sen to 451 sen per kg. The unofficial sellers' closing price for tyre-grade SMR 20 was 16.5 sen easier at 558.5 sen per kg while latex-in-bulk declined 33.5 sen to 441.5 sen per kg.

KLIBOR Futures To Remain Quiet

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives is likely to remain flat next week. For the week just-ended, the market remained untraded for the 17th consecutive session. Open interest remained at 944 contracts. July 2015, August 2015, September 2015 and December 2015 stood unchanged at 96.32, 96.34, 96.35 and 96.36, respectively. The underlying three-month KLIBOR was pegged at 3.69 per cent.

Tin Price To Hover At Current Levels

By Mohd Khairi Idham Amran

KUALA LUMPUR -- The Kuala Lumpur Tin Market (KLTM) is expected to hover around current levels next week on lack of catalyst to push the price upwards, a dealer said. He said the metal was expected to hover around US$14,500 per tonne as declining oil prices and the strengthening US dollar continue to dampen sentiment. "The current price level is much below the average. In normal conditions, the average tin price should be around US$20,000 per tonne," he told Bernama. The dealer, however, was optimistic tin price would come back to normalcy over the next six months. For the week-just-ended, the market was mostly lower in tandem with the sentiment on the London Metal Exchange (LME). The KLTM ended the week US$500 lower at US$14,450 per tonne on lack of buying interest. Japanese, European and local players accounted for the week's turnover of 213 tonnes against 275 tonnes traded last week. The premium between the KLTM and LME narrowed to US$335 per tonne versus US$355 per tonne previously.

Gold Futures To Remain Volatile

By Mohd Khairi Idham Amran

KUALA LUMPUR-- Gold futures contract on Bursa Malaysia Derivatives is expected to remain volatile next week on continuous uncertainty over Greece's debt crisis amid the strengthening US dollar, a dealer said. "Investors will turn their focus to Greece's weekend referendum on a bailout deal," Phillip Futures Sdn Bhd Dealer Leo Goh Boon Hao told Bernama.

Meanwhile, Nertherlands-based ABN AMRO Group anticipated gold prices to remain bearish until next year as higher US interest rates and a steady greenback would provide strong headwinds for the precious metal. The research house said higher US interest rates made precious metal investment assets, that pay virtually no income ,relatively unattractive while a higher US dollar would weigh on precious metal prices. "It is likely that in such an environment, investors will liquidate speculative positions in precious metals," it said, adding that gold had a relatively low share of industrial demand. However, it said Chinese gold demand, especially jewellery demand, is expected to improve and should dampen the downside trend. For the just-ended trading week, the precious metal traded mostly lower weighed by the failed negotiations between Greece and its debtor. July 2015, August 2015, September 2015 slipped six ticks each to RM142.20, RM142.60 and RM142.05 a gramme, respectively, while October 2015 eased four ticks to RM143.55 a gramme. Weekly turnover totalled 345 lots, worth RM4.913 million, from 683 lots, worth RM9.74 million, traded last week. Open interest on Friday fell to 1,353 contracts from 1,851 contracts previously.