MALAYSIAeBiz
BERNAMA
WEEKLY BUSINESS ROUNDUP DECEMBER 28 - 31 2015
December 31, 2015

This Week's Highlight :
ASEAN Community Formally Comes Into Being

UNITED... Prime Minister Datuk Seri Najib Tun Razak (fifth, left) posing with ASEAN Heads of States after the Signing Ceremony of the Declaration on the Establishment of the ASEAN Community; and the Kuala Lumpur Declaration ASEAN 2025 in conjunction with the 27th ASEAN Summit and Related Summits at Kuala Lumpur Convention Centre on Nov 22. (from left) Philippines President Benigno S Aquino III, Singapore Prime Minister Lee Hsein Loong, Thailand Prime Minister Prayut Chan-O-Cha, Vietnam Prime Minister Nguyen Tan Dung, Laos Prime Minister Thongsing Thammavong, Sultan Hasanal Bolkiah of Brunei, Cambodia Prime Minister Hun Sen, Indonesia President Joko Widodo and Myanmar President U Thein Sein. --Pic Iskandar fotoBERNAMA

KUALA LUMPUR -- The ASEAN Community is formally established Thursday, with 2015 ASEAN chair Malaysia welcoming the significant milestone in the history of the 10-member grouping of Southeast Asian nations. In a statement, Foreign Minister Datuk Seri Anifah Aman reiterated Kuala Lumpur's unwavering support to further deepen the community building and regional integration process.

This Week's Top Stories

MONDAY

Rebates For Malaysian Prepaid Customers From Jan 1

KUALA LUMPUR -- In line with the government's announcement during Budget 2016 in October, telecommunication companies will give rebates to individual prepaid customers who are Malaysian nationals, for one year throughout 2016. The rebate equivalent to the GST amount will be credited directly to their prepaid accounts, effective Jan 1, 2016 until Dec 31, 2016.

TUESDAY

Power Demand To Be Sub Par Or Flat 2016

By Azlee Nor Mahmud

KUALA LUMPUR -- After enduring a challenging economic backdrop in 2015, the growth of power demand is likely to remain sub par or flat, moving into 2016, according to analysts. Energy analyst at Hong Leong Investment Bank's (HLIB) research division, Daniel Wong told Bernama, power demand next year would experience a sub par growth of between two to three per cent.

WEDNESDAY

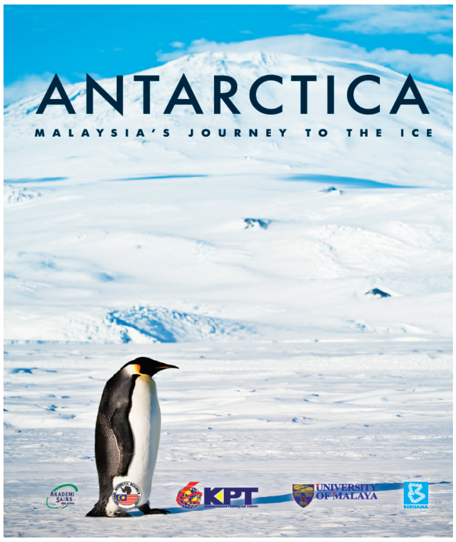
No Budget Revision For Now - Johari

PETALING JAYA -- The government will not make any revision to the 2016 Budget now despite declining oil prices, says Deputy Finance Minister Datuk Johari Abdul Ghani. "The impact on government revenue is bearable, so we do not see a need to do a revision at the moment, however, we will continue to monitor oil price movements in the first quarter of next year," he told reporters Wednesday.

THURSDAY

1MDB Sells Stake In Bandar Malaysia For RM7.41 Bln

KUALA LUMPUR -- 1Malaysia Development Bhd (1MDB) has inked a share sale and purchase agreement to sell a 60 per cent stake in Bandar Malaysia Sdn Bhd for RM7.41 billion to IWH-CREC Sdn Bhd consortium. The consortium is a 60:40 joint venture between Iskandar Waterfront Holdings IWH and China Railway Engineering Corp (M) Sdn Bhd.



SMEbrief

MDeC's MYCyberSALE Attracts 400 e-Tailers

KUALA LUMPUR -- Multimedia Development Corp (MDeC), which oversees the development of MSC Malaysia, saw a 40 per cent increase in participation to 400 e-Tailers this year in its #MYCyberSALE initiative to empower small and medium enterprises (SMEs) through the e-commerce platform. The annual event, in its second year, recorded sales of products and services to the tune of RM115 million, almost double last year's figure of RM67.38 million.

Targeted Efforts Needed To Attract Quality FDIs To Malaysia

By Christine Lim

KUALA LUMPUR -- To help boost Malaysia's economic growth and income, more focused and targeted promotional efforts are needed to attract quality foreign direct investments (FDIs) from small and medium enterprises (SMEs) of new emerging sectors as well as high-technology and skills-intensive industries. In the wake of falling government revenues from crude oil and oil-related exports following the plunge in global crude oil prices, there is now an urgent need to expand and diversify income from commodity-based resources to new areas of growth.

Don't Be Afraid To Become Entrepreneurs - Ahmad Maslan

SUBANG -- Malaysians must not be afraid to become entrepreneurs and apply for grants provided by the government via SME Bank, says Deputy Minister of International Trade and Industry (MITI), Datuk Ahmad Maslan. "Starting next year, MITI will sponsor more courses on online business," he told reporters at Systematic Aviation Services Sdn Bhd's (SAS) base here Tuesday.

Laos Turns ASEAN Economic Challenges Into Opportunities

HANOI -- As Chair of ASEAN in 2016, Laos is exerting every effort to turn challenges from the year-end establishment of the ASEAN Economic Community (AEC) into opportunities, reports Vietnam News Agency (VNA). To address restrictions, Laos is making preparations to increase local understanding of regional and global connectivity; enhance cooperation between State-run and private businesses; study trade and production, including support for small- and medium-sized enterprises (SMEs); and improve regulations relevant to business activities.

CGC Launches SAS-i For Customers Affected By Natural Disaster

KUALA LUMPUR -- Credit Guarantee Corporation Malaysia Bhd (CGC) has launched the Special Assistance Scheme (SAS-i), a direct financing facility aimed at providing financial assistance to existing customers' businesses affected by natural disaster. In a statement Wednesday,CGC said the facility will be made available to those who are in towns or districts that have been defined as disaster areas by the National Security Council, the Prime Minister's Department or deemed as a disaster area by the CGC.

PropUP — Property update

Property Industry To Remain Tough Next Year

By Zarul Effendi Razali

KUALA LUMPUR -- Amid the challenging economic environment, the property industry is expected to remain tough next year as a result of the slowdown from the 2011-2013 property boom which saw home prices growing at double digits. UEM Sunrise Bhd's Managing Director/Chief Executive Officer (CEO), Anwar Syahrin Abdul Ajib, said 2016 was expected to see the full impact of the slowdown in consumer spending from the weakening ringgit, goods and services tax implementation and weaker consumer sentiment.

Mah Sing To Receive RM35.96 Mln Refund From Seremban Land

KUALA LUMPUR -- Mah Sing Group Bhd will be receiving RM35.96 million by Dec 31, 2015, representing the refund of the entire deposit for the acquisition of land in Seremban. The acquisition was terminated in August 2015, according to Mah Sing in its filing to Bursa Malaysia Monday.

Ewein To Acquire Penang Land For RM162 Mln

KUALA LUMPUR -- Ewein Bhd's (Ewein) unit, Ewein Zenith II Sdn Bhd, has inked a sale and purchase agreement (SPA) with Consortium Zenith BUCG Sdn Bhd (CZBUCG) to acquire a 1.79-hectare freehold land in Section 1, Bandar Tanjong Pinang, Penang for RM162 million. In a statement Monday, Ewein said RM16.2 million would be deposited as refundable deposit upon the execution of the SPA.

Pavilion Reit To Acquire Intermark Mall For RM160 Mln

KUALA LUMPUR -- Pavilion Real Estate Investment Trust (Pavilion REIT) is acquiring The Intermark Mall here for RM160 million cash. In a filing to Bursa Malaysia Tuesday, Pavilion REIT said the trustee, AMTrustee Bhd, signed the sale and purchase agreement on its behalf with The Intermark Sdn Bhd for the acquisition of the six-storey retail building with a strata floor area of 31,348 sq metres.

Application, Registration For Intellectual Property To Drop

KUALA LUMPUR -- The application and registration for intellectual property is expected to fall by almost four per cent this year against the backdrop of a lacklustre economy, says Deputy Director General (Industrial Property), Intellectual Property Corporation of Malaysia (MyIPO) Abdul Aziz Ismail. He said Wednesday, in the first 11 months of this year, the number of applications and registration reduced to 29,814 compared with 32,106 recorded in the same period in 2014.

MARKET

![BURSA MALAYSIA]

Scoreboard

Gainers - 409

Losers - 419

Not Traded - 552

Unchanged - 359

Value - 1332278132

Volume - 13479373

BURSA: FBM KLCI Ends Year Marginally Lower

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) ended the year slightly lower after recording huge gains of 64.05 points in the last five consecutive days, on lack of catalysts ahead of the New Year. At the closing bell, the benchmark index gained 0.63 of-a-point to 1,692.51, after fluctuating between 1,688.74 and 1,697.43. The market will be closed Friday for the New Year. Market breadth was slightly negative as decliners edged advancers 419 to 409 while 359 counters were unchanged, 552 untraded and 27 others were suspended. Total volume was lower at 1.35 billion shares worth RM1.33 billion from 1.77 billion shares worth RM1.80 billion, traded on Wednesday. Main Market volume reduced to 848.49 million units worth RM1.21 billion from 1.13 billion units worth RM1.66 billion traded on Wednesday.

FOREX: Ringgit Ends Lower Against US Dollar

KUALA LUMPUR -- The ringgit closed lower against the US dollar Thursday on negative sentiments influenced by the plunge in the global oil prices, dealers said. At 5 pm, the local unit fell to 4.2900/2970 from the 4.2880/2960 on Wednesday. A dealer said the benchmark Brent crude oil declined to almost 11-year low as traders were cautious on the decline in the demand for the commodity amid the over-production. “The decline in oil prices has hit currencies of the countries that rely on the commodity, including Malaysia,” he said. Meanwhile, the ringgit was mostly lower against other major currencies. It slipped against the Singapore dollar to 3.0367/0423 from 3.0334/0408 Wednesday and eased to 6.3604/3716 from 6.3518/3658 versus the British pound on Wednesday. The local currency also weakened against the yen to 3.5637/5698 from 3.5603/5672 Wednesday. It, however, rose to 4.6851/6940 against the euro from 4.6894/6985 on Wednesday. The market will be closed Friday for New Year holiday.

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	4.2900	4.2970
EUR	4.6851	4.6940
GBP	6.3604	6.3716
100 YEN	3.5637	3.5698
SGD	3.0367	3.0423

Source: Bank Negara Malaysia

Money-Market: Short-Term Interbank Rates Close On Steady Note

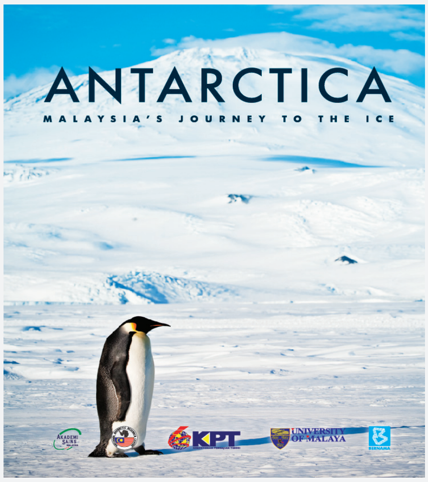
KUALA LUMPUR -- Short-term interbank rates closed on a steady note on Bank Negara Malaysia’s (BNM) intervention to absorb excess liquidity from the financial system. The liquidity surplus in the conventional system eased to RM37.92 billion from RM44.55 billion earlier while in the Islamic system, it fell to RM11.65 billion from RM14.94 billion. In the morning, BNM called for three tenders -- conventional money market, Qard and a repo. The central bank conducted a late conventional overnight tender for RM34 billion and a RM8 billion Qard, both for four-day money. The overnight Islamic reference rate stood at 3.21 per cent while the one-, two- and three-week rates were pegged at 3.30 per cent, 3.35 per cent and 3.39 per cent, respectively.

KLIBOR Futures End Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives ended untraded Thursday. At the close, January 2016, February 2016, March 2016 and April 2016 remained pegged at 96.18, 96.17, 96.16 and 96.13, respectively. Open interest stood at 120 contracts. Meanwhile, at the 11 am fixing, the underlying three-month KLIBOR stood at 3.84 per cent.

KLCI Futures Contracts Close Easier

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract (FKLI) on Bursa Malaysia Derivatives closed, easier Thursday in line with the weaker underlying cash market. Spot month December 2015 and January 2016 declined 7.5 points each to 1,691 and 1,688.5, respectively. March 2016 fell 7.0 points to 1,677 and June 2016 depreciated 10.5 points to 1,657. Turnover reduced to 12,543 lots from 19,566 lots on Wednesday while open interest weakened to 53,519 contracts from 62,777 contracts yesterday. At 5 pm, the benchmark FBM KLCI edged down 0.63 of-a-point to 1,692.51.



Bursa Issues UMA Query To Teck Seng Holdings

KUALA LUMPUR -- Bursa Malaysia Securities Bhd issued an unusual market activity (UMA) query to Teck Seng Holdings Bhd today due to the recent rise in price and volume of the company's shares. At 12.06 pm Monday, Teck Sen Holdings shares were traded at RM1.01, down four sen with 988,500 units transacted. Bursa Malaysia in a statement advised investors to take note of the company's reply to the query, which will be posted on its website, under company announcements.

Insurance Industry To Grow 4-5 Pct In 2016

By Azlee Nor Mahmud

KUALA LUMPUR -- The insurance industry is projected to grow by four to five per cent in 2016, said MSIG Insurance (Malaysia) Bhd's Chief Executive Officer, Chua Seck Guan. "In terms of growth percentage, we used to plan for six to eight per cent growth on a good year, but then moving forward, we had to change our figures due to the impact of the Goods and Services Tax, weakened currency and the dampening market," he told Bernama in an interview. For 2015, the insurance industry was expected to record a maximum growth of three to 3.5 per cent, after achieving 2.6 per cent as of September, Chua said. "Going forward into 2016, it would be unlikely that the insurance industry will get six to eight per cent growth and that would impact MSIG's growth as well," he said. Consumers, he added, were being very cautious and holding back their decision on big ticket items such as new cars or new houses due to the weakened currency.

ASNB Announces 6.10 Sen Income Distribution For ASN

KUALA LUMPUR -- Amanah Saham Nasional Bhd (ASNB), the wholly-owned unit of Permodalan Nasional Bhd (PNB), Monday announced an income distribution of 6.10 sen per unit for Amanah Saham Nasional (ASN) for the financial year ended Dec 31, 2015, from the 6.45 sen per unit announced in 2014. PNB Chairman Tun Ahmad Sarji Abdul Hamid said the income distribution would involve a total payout of RM106.72 million and benefit 1.25 million unitholders who currently hold a combined 1.75 billion ASN units. "As of Dec 23, ASN had recorded gross income of RM126.27 million," he told a press conference after announcing the dividend distribution here Monday. Of this amount, profit from the sale of shares contributed 63.3 per cent, followed by dividend income from investment in companies (28 per cent) and other instruments (8.7 per cent).

PIDM Collaborates With Cagamas To Ensure Operational Readiness

KUALA LUMPUR -- The Malaysia Deposit Insurance Corporation (PIDM) signed an agreement recently with Cagamas Bhd (Cagamas) to ensure operational readiness. The collaboration is one of several alternative funding agreements to ensure the corporation had access to readily available funds should the need arise. "It complements the various initiatives undertaken by PIDM to ensure it is ready to intervene in a troubled member institution promptly as part of the mandate to maintain financial system stability. "Operational readiness and effectiveness are areas critical to the achievement of PIDM's mandate and strengthening financial consumer protection," PIDM Chief Executive Officer Jean Pierre Sabourin said in a statement Monday.

LPI To Gain RM37.1 Mln After Disposal Of PBB Shares

KUALA LUMPUR -- General insurance provider LPI Capital Bhd is expected to gain about RM37.1 million after its disposal of 2.5 million Public Bank Bhd (PBB) shares, representing 0.06 per cent of PBB's share capital. In a filing to Bursa Malaysia here Monday, LPI said it had Monday disposed of the PBB shares on the open market for RM45.99 million in cash or RM18.39 per PBB share. "The sale proceeds will be used to pay cash dividend to LPI's shareholders in the first quarter of 2016 with the balance placed in a fixed deposit to generate interest income," it said. LPI's shareholding in PBB after the disposal is 52.244 million shares, representing 1.35 per cent of total issued and paid-up capital in PBB. LPI said the original cost of investment of LPI in PBB shares in 1999 was RM14.8 million.

Allianz Malaysia Unit Launches Claims Caravan

KUALA LUMPUR -- Allianz Malaysia Bhd's unit, Allianz General Insurance Co (M) Bhd, has launched a claims caravan in the East Coast of Peninsular Malaysia to help expedite claims processes during the year-end monsoon. In a statement here Tuesday, Allianz General said the caravan would be stationed interchangeably in the cities to allow its policyholders to lodge a claim for their homes affected by the flood. The cities included Kota Bharu, Kuala Terengganu, Temerloh and Kuantan, where it would spend at least one day in each city by rotation, it said. "All they need to do is approach our Allianz staff at the caravan, fill in the claims forms and an authorised adjuster will be assigned to survey the property within 24 hours," said Head of Claims Division of Allianz General, Jayapragash Amblavanar. The initiative, expected to run from Dec 29, 2015 until Jan 4, 2016, is the first for Allianz General to deliver on its promise to be the most reliable partner for the customers in their hour of need.

BSN Expects SSP Deposits To Hit RM3 Bln By Mid-2016

PETALING JAYA -- Bank Simpanan Nasional (BSN) expects to rake in RM300 million in deposits for its Premium Savings Certificate (SSP) next year and total deposits for SSP to reach RM3 billion by mid-2016. Deputy Chief Executive for Business Support, Ahmad Latfan Mohd Amran said the bank was confident of achieving these targets, despite the unfavourable economic situation. "Up to Dec 27, BSN recorded a net increase of RM174 million, bringing total deposits for SSP to RM2.91 billion," he told a press conference after the prize giving ceremony of BSN's SSP special, monthly, local and weekly draws here Wednesday. BSN SSP has now marked its 37th anniversary since its introduction in 1978. Ahmad Latfan said in line with the government's effort to inculcate a savings culture among youths, BSN had introduced a new draw category, Junior Draw, next year for those aged between 12 years and 23 years.

AIMS Group To Continue Regional Expansion Next Year

KUALA LUMPUR -- AIMS Group, Southeast Asia's leading carrier-neutral data services provider, will continue with its regional expansion next year to cater to demand in the emerging markets. In a statement here Monday, Group Chief Executive Officer Chiew Kok Hin said 2016 is anticipated to be a slow year due to market consolidation and current market sentiments. He said the Inter-Data Centre Network initiative by the Multimedia Development Corporation (MDeC) would be a game changer in reducing operation costs for data centres.

New Hoong Fatt Aims To Increase Auto Parts Exports In 2016

KUALA LUMPUR -- New Hoong Fatt Holdings Bhd (NHF) plans to strengthen its exports of automotive replacement parts in 2016 by taking advantage of the market liberalisation in the ASEAN region. In a statement here Monday, the automotive replacement parts manufacturer said the ASEAN Economic Community (AEC) would eliminate trade barriers among the 10 Southeast Asian country members and open the door for it to further expand its business in the region. In the first nine months ended Sept 30, 2015, NHF's export revenue grew by 20 per cent to RM78.8 million from RM65.4 million recorded during the same period in 2014.

HeiTech Padu Unit Bags RM26.2 Mln Project From TNB

KUALA LUMPUR -- HeiTech Padu Bhd's unit Duta Technic Sdn Bhd has secured a RM26.2 million project from Tenaga Nasional Bhd for the establishment of the 132/33KV Tunjung (2X45MVA) main entry substation in Kelantan. In a filing to Bursa Malaysia here Monday, it said the contract is for a period of 730 days from Jan 7, 2016 to Jan 5, 2018. "The proposed transaction will not have any material effect on HeiTech group's net asset for the financial year ending Dec 31, 2015 and is expected to contribute positively to the future earnings of the group," it said.

UEM Edgenta Unit Bags RM109 Mln Road Maintenance Contract

KUALA LUMPUR -- UEM Edgenta Bhd's wholly-owned unit Edgenta PROPEL Bhd (formerly known as Projek Penyelenggaraan Lebuhraya Bhd) has won a five-year road maintenance contract in Selangor worth RM109 million. In a filling to Bursa Malaysia Monday, UEM Edgenta said the company has received a letter of acceptance from the Selangor Public Works Department for the contract. The contract will commence on Feb 1, 2016 and end on Jan 31, 2021 and is expected to contribute positively to the group's future earnings and net assets per share, it added.

Selangor Properties' Q4 Pre-Tax Profit Surges To RM514.74 Mln

KUALA LUMPUR -- Selangor Properties Bhd's pre-tax profit for the fourth quarter ended Oct 31, 2015 surged to RM514.74 million from RM40.89 million in the same period a year ago. Revenue increased to RM28.04 million for the period under review from RM27.2 million recorded previously, the company said in a filing to Bursa Malaysia Monday. The company gained a profit of RM403.9 million (excluding Real Property Gains Tax of RM17.1 million) for the disposal of a parcel of freehold land in Kuala Lumpur which was completed on Sept 30, 2015.

Yinson Posts Lower Pre-Tax Profit In Q3

KUALA LUMPUR -- Yinson Holdings Bhd recorded a lower pre-tax profit of RM86.78 million in the third quarter ended Oct 31, 2015, against RM93.05 million in the same quarter a year ago. Revenue declined to RM246.41 million for the period under review from RM255.22 million previously, the integrated offshore services provider said in a filing to Bursa Malaysia. Going forward, Yinson said global growth would remain moderate with the downside risks remaining high, arising from the moderating growth momentum in a number of major economies.

PNB Declares 7.25 Sen Income Distribution, 0.50 Sen ASB's Bonus

KUALA LUMPUR -- Amanah Saham Nasional Bhd (ASNB), a unit of Permodalan Nasional Bhd (PNB) Tuesday announced an income distribution of 7.25 sen per unit and a bonus of 0.50 sen per unit for Amanah Saham Bumiputera (ASB) for the financial year ended Dec 31, 2015. This is slightly lower than the 7.5 sen per unit income distribution declared for ASB last year. PNB chairman Tun Ahmad Sarji Abdul Hamid said the income distribution portion would involve a total payout of RM10.41 billion, an increase of 4.3 per cent compared to the RM9.98 billion last year. For the bonus portion, he said it would involve a total payout of RM451.73 million.

Berjaya's Q2 Pre-Tax Profit Falls To RM288.93 Mln

KUALA LUMPUR -- Berjaya Corp Bhd's pre-tax profit for the second quarter ended Oct 31, 2015 fell to RM288.93 million from RM427.95 million a year ago. In a filing to Bursa Malaysia Tuesday, the group said its revenue declined to RM2.25 billion from RM2.57 billion previously, due to the deconsolidation of Berjaya Auto Bhd, which ceased to be a subsidiary company on Dec 1, 2014.

Eastspring Declares Income Distributions For Five Funds

KUALA LUMPUR -- Eastspring Investments Bhd Tuesday announce gross income distributions for five of its existing funds. In a statement here Tuesday, Eastspring said the funds were: Eastspring Investments Small-cap Fund, Eastspring Investments Growth Fund, Eastspring Investments Balanced Fund, Bond Fund and Asia Pacific ex-Japan Target Return Fund. The unit trust announced a 4.18 sen per unit gross income distribution for existing uniholders of the Small-cap Fund; 2.71 sen per unit for the Growth Fund; and, 3.99 sen per unit for the Balanced Fund. It declared a gross income distribution of 3.40 sen per unit for the Bond Fund and 2.19 sen per unit for the Asia Pacific ex-Japan Target Return Fund.

Borneo Oil's Q3 Pre-Tax Profit Jumps To RM5.26 Mln

KUALA LUMPUR -- Borneo Oil Bhd's (BornOil) pre-tax profit jumped to RM5.26 million for the third quarter ended Oct 31, 2015 from RM1.47 million in the previous corresponding quarter. In a filing to Bursa Malaysia, the company said revenue rose to RM23.96 million from RM21.16 million previously. "Our fast food division continues to perform remarkably well. In addition to the contribution from our existing fast food SugarBun outlets, the opening of our new Pezzo pizza franchise chain has further contributed to the overall turnover," said BornOil Executive Director Raymond Teo in a separate statement here Tuesday.

RM2.13 Bln Sales Gained Via Int'l Sourcing Programme

KUALA LUMPUR -- Malaysia recorded RM2.13 billion in sales from January to October 2015 through the business-matching International Sourcing Programme (INSP) despite the global uncertainties. Deputy Minister of the International Trade and Industry Ministry, Datuk Ahmad Maslan said here Wednesday, this was due to more specialised marketing missions and trade fairs organised this year. He said data showed that the economic prospects for Malaysia in 2016 would still remain stable. "

Penang Port Expects TEUs To Reach 1.35 Mln Next Year

GEORGE TOWN -- Penang Port Sdn Bhd (PPSB) aims to handle 1.35 million Twenty-Foot Equivalent Units (TEUs) for its container handling business in 2016. This will be supported by demand from the Batu Kawan industries and the northern region completely knocked-down (CKD) automotive industry. Chief Operating Officer Steven Yoogalingam said 2015 had been a fairly good year as the group expects to finish it by handling about 1.31 million TEUs or about a four per cent increase from last year.

Kim Loong's Q3 Pre-Tax Profit Rises To RM37.61 Mln

KUALA LUMPUR -- Investment holding company Kim Loong Resources Bhd's pre-tax profit for the third quarter ended Oct 31, 2015 rose to RM37.61 million from RM23.25 million in the same period of 2014. Revenue increased to RM209.12 million from RM179.4 million previously. In a filing to Bursa Malaysia Wednesday, Kim Loong attributed the better performance mainly to higher processing quantity and better margins in its palm oil milling operations. "Total crude palm oil (CPO) production for the current quarter and year-to-date was 89,100 metric tonnes and 231,200 metric tonnes respectively, which were 25 per cent and 16 per cent higher than the production in the corresponding aperiods last year," it said.

Ho Hup Unit Acquires EGSB For RM2 Mln Cash

KUALA LUMPUR -- Ho Hup Construction Co Bhd's indirect unit, Ho Hup Ventures (Malacca) Sdn Bhd, has completed the acquisition of Erakuasa Global Sdn Bhd (EGSB) for RM2 million cash. In a statement here Wednesday, Ho Hup said this would pave the way for the group's entry into the granite quarry business. Ho Hup said following the signing of a share sale and purchase agreement, it will have an effective 52.5 per cent stake in ACV-ICM Quarry Sdn Bhd (AIQSB), which owned the quarrying rights to approximately 102.3 hectares in Taboh Naning, Melaka. "The other equity partner in AIQSB is ICM Industries Corp Bhd (ICM), which is wholly-owned by Kolej Teknologi Islam Melaka Bhd, a company owned by Melaka state government," it said.

MMC Unit Sells Land In Johor To IPark For RM369.97 Mln

KUALA LUMPUR -- Senai Airport City Sdn Bhd (SACSB), a wholly-owned unit of MMC Corp Bhd (MMC), has sold three parcels of land, totalling 76.38 hectares in Mukim of Tebrau and Mukim of Senai, Johor, for about RM369.97 million to IPark Development Sdn Bhd (IPark). In a filing to Bursa Malaysia Thursday, MMC said SACSB, formerly known as Enigma Harmoni Sdn Bhd, had signed a sale and purchase agreement (SPA) with IPark on Aug 11, 2015. On Dec 30, 2015, SACSB and IPark signed a supplemental agreement to amend and vary certain terms of the SPA, it said. "The conditions precedent that have not been fulfilled under the SPA are removed as conditions precedent," it said, adding that consequently, the parties agreed that the SPA shall be completed Thursday.

Broad Money Continues To Post Positive Growth Of 3.7 Pct In Nov

KUALA LUMPUR -- Broad money (M3) continued to post a positive growth of 3.7 per cent in November, albeit, at a more moderate pace from four per cent recorded in October. Bank Negara Malaysia (BNM) said the growth was driven mainly by the extension of credit to the private sector by the banking system, amidst continued decline in net foreign assets. Net financing to the private sector grew by 8.4 per cent in November from 8.8 per cent in the previous month, driven by higher growth in net outstanding issuances of private debt securities (PDS) amidst a moderation in the growth of banking system loans, the central bank said in a statement here Thursday.

Cabotage Policy Issue To Be Discussed At National Export Council Meeting

TUARAN -- Agriculture and Agro-Based Industry Minister Datuk Seri Ahmad Shabery Cheek said implementation of the cabotage policy, particularly involving export companies in Sabah, will be discussed at next month's meeting of the National Export Council. He said he understood the challenges faced by the Sabah exporters in delivering their goods, in particular agro-food products to other countries, as they were forced to go through Port Klang first. "This system, (cabotage policy) is no longer practical. It is an old system that needs to be reviewed, as foreign ships coming to Malaysia, have to unload at Port Klang. This pushes up costs. "This is among the matters that I will bring up at the meeting," he told reporters here Monday.

Guardian M'sia Allocates RM20 Mln For Rebranding, Expansion Next Year

PETALING JAYA -- Pharmacy, health and beauty store chain, Guardian Malaysia is allocating RM20 million for its rebranding and business expansion next year. Chief Executive Officer, Peter J. Dove, said the rebranding efforts would involve the enhancement of its corporate logo, colours and also the look of its stores for better consumer experience. "We will have an additional 15 stores next year throughout Malaysia, bringing our total stores to 449 stores," he told reporters here, Tuesday. Touching on the Trans-Pacific Partnership (TPP) trade pact, Dove said the trade agreement would potentially lower the price of medicines, thus making it affordable to consumers.

MISIF Resorting To All Avenues To Protect Local Iron & Steel Industry

KUALA LUMPUR -- The Malaysian Iron and Steel Industry Federation (MISIF) is willing, able and ready to resort to all available avenues to protect the domestic iron and steel industry's interest. In a statement here Tuesday, the federation said it was of the firm view that Megasteel Sdn Bhd's petition was without merits and any imposition of safeguard measures and further protection measures in the form of the proposed special purpose vehicle to bailout an insolvent company was contrary to public interest. To recap, the Ministry of International Trade and Industry had initiated a safeguard investigation on imports of hot rolled coils (HRC) based on a petition lodged by Megasteel, the country's largest HRC producer. In its petition, Megasteel had requested the government to impose safeguard duties on the imports of HRC at the rate of 40 per cent on top of the existing 15 per cent import duties on HRC, with the rate to be gradually reduced over a four-year period.

Lithium Battery-Powered Transportation Devices Banned On Airasia, Airasia X Flights

KUALA LUMPUR -- All lithium battery-powered personal transportation devices are prohibited as check-in and hand baggage on all AirAsia and AirAsia X flights effective Wednesday. It includes hoverboards, Segways, mini-Segways, electronic scooters, solowheels, airwheels, balance wheels and similar equipment. "Under certain circumstances, the carriage of battery operated wheelchairs or mobility devices might be accepted, subject to removal of the battery by guests. "The maximum weight allowed for wheelchairs and mobility devices is 85kg," said AirAsia in a statement. Guests travelling with battery operated items are encouraged to refer to AirAsia's guideline available on www.airasia.com/ask.

AirAsia X Selling Airbus DPE Kits For US$2.38 Mln

KUALA LUMPUR -- AirAsia X Bhd (AAX) has signed an agreement with Asian Aviation Centre of Excellence Sdn Bhd (AACE) to sell its Airbus designated pilot examiner (DPE) for US$2.38 million. In a filing to Bursa Malaysia, the low-cost airline said AACE is a company incorporated under the laws of Malaysia and is in the business of operating an aviation academy for the provision of pilot training, maintenance, training and cabin crew training, among others. "The DPE kits comprise data package, simulation software package and kit of genuine aircraft parts to be installed in the aircraft simulation training device," AAX said. It added that the sale of DPE kits would include the title to and all interest in the aircraft parts. The DPE kits will be royalty free and will include non-exclusive licence for usage free from all encumbrances, for the manufacture, installation, qualification, development, operation, maintenance, upgrade and update which shall include the provision of training services to all AACE's customers.

PPSB Puts Off Plan To Reduce Ferry Service

GEORGE TOWN -- Penang Port Sdn Bhd (PPSB) has put off its plan to reduce the number of ferries plying between Penang island and the mainland following the discussions with Penang Port Commission (PPC) today. In a statement here Wednesday, PPSB Senior General Manager Corporate Service Division, Rosihan Adi Baharuddin, said the PPC has urged PPSB to put off its plan until the board meeting in January next year. "The plan will be discussed during the PPC board of directors' meeting in January and any decision will be made during the meeting," he said. He said the new plan will be put on hold until further notice and the ferry operations will be continued as usual.

Megasteel: Safeguard Petition Merits Consideration

KUALA LUMPUR -- Megasteel Sdn Bhd has reiterated that its petition for Safeguard on Hot Rolled Coil (HRC) to curb the rampant imports of HRC at dumping prices merits consideration. The company said this in reply to The Malaysian Iron and Steel Industry Federation's (MISIF) allegation that its petition had no merit. In a statement here Wednesday, Megasteel said it had the right to seek trade remedy measures such as anti-dumping and safeguard duties against HRC imports which were causing serious injury to the local HRC industry. The industry has two producers, Megasteel and Southern Steel Bhd, whose production are adversely affected by such imports. It said the Ministry of International Trade and Industry (MITI) had gazetted the petition which was thus deemed to have fulfilled the necessary conditions and requirements including under the World Trade Organisation, and therefore, merits consideration.

Xingquan Int'l Sports To Purchase Knit Fabric Machines For RM99.21 Mln

KUALA LUMPUR -- Xingquan International Sports Holdings Ltd plans to purchase between 80 and 100 knit fabric machines, valued at RM99.21 million, via internally generated funds and the issuance of right shares. The main market-listed company will generate RM44.31 million internally while the balance of RM50.71 million will be funded via a rights issue. "The decision to purchase these knit-fabric machines is in line with the global trend of two layer shoe sole lining and with the new machine, we can produce two layers shoe soles with one machine," said Chairman/Chief Executive Officer Datuk Qing Quan here Thursday. He said phase one of the machinery acquisition would be completed in the first half of 2016. In September, the company proposed to conduct a fund-raising exercise which would leave Xingquan with a cash pile of RM886.55 million.

November Domestic PPI Down 0.6 Pct To 104.1

KUALA LUMPUR -- Malaysia's domestic Producer Price Index (PPI) for November 2015 decreased 0.6 per cent to 104.1, the Statistics Department said Thursday. In a statement, the department said this was due to the decrease in local production index of one per cent and an increase in import price index of 0.1 per cent. "Year-on-year (yoy) comparison showed that the PPI for the domestic economy in November decreased three per cent with the local production index dropping 5.3 per cent while the import price index rose 1.8 per cent," it said. The department added that the PPI for local production declined one per cent to 101.6 in November 2015 mainly due to decreases in mining (-5.6 per cent), agriculture forestry and fishing (-2.3 per cent), electricity & gas (-0.9 per cent) and manufacturing (-0.3 per cent). On a yearly basis, the PPI for local production fell 5.3 per cent in November 2015 with the mining index recording the highest fall of 31.9 per cent.

Smart Savings On KLIA Ekspres, KLIA Transit Fares

KUALA LUMPUR -- Express Rail Link (ERL), the operator of KLIA Ekspres and KLIA Transit train services, has introduced a saving option for passengers to continue enjoying the fastest airport transfer in the country, effective Jan 1, 2016. In a statement here Thursday, ERL said the KLIA Ekspres train fares will be reduced automatically from RM110 to RM100 when a return ticket between Kuala Lumpur Sentral and Kuala Lumpur International Airport (KLIA)/klia2 is purchased. "Passengers are encouraged to purchase tickets online through KLIA Ekspres website, mobile app and at the self-service kiosks to enjoy a 10 per cent discount for single (RM45) or return tickets (RM90)," it said. ERL also offers a 20 per cent discount promotion to MasterCard credit and debit cardholders when KLIA Ekspres single (RM40) or return ticket (RM80) is purchased via its website, mobile app and kiosks.

Emirates Introduces Two-Class A380 Aircraft For M'sian Market

KUALA LUMPUR -- Dubai-based Emirates Airline is introducing its new two-class A380 aircraft for the Kuala Lumpur–Dubai flights. Beginning Jan 1, 2016, passengers can enjoy the iconic comforts of Emirates' A380 aircraft, on daily flights, it said in a statement Thursday. Emirates Airline said its two-class A380 was designed to seat 615 passengers with 58 Business Class and 557 Economy Class seats. The airline's partnership with Malaysia began in October 1996 when it launched flights to Kuala Lumpur and stimulated trade between the country and points across its network. Currently, it connects Kuala Lumpur to its Dubai hub with 28 weekly flights and a daily flight between Kuala Lumpur and Melbourne.

Ranhill Launches Prospectus For Public Offering

KUALA LUMPUR -- Ranhill Holdings Bhd, en route to the listing of and quotation for its entire share capital on the Main Market of Bursa Malaysia Securites Bhd, has launched its prospectus for its public offering. In a statement here Thursday, Ranhill said, this followed the reverse takeover (RTO) of Symphony House Bhd, which was approved by Symphony shareholders last month. "The RTO also entails the transfer of the listing status of Symphony to Ranhill, thus enabling it to be listed on the Main Market," it said. Ranhill said in conjunction with the RTO, it will undertake the offering of 475 million shares, representing about 50.5 per cent of the enlarged issued and paid-up capital of the company. "This comprises the offer for sale of 100 million units and a public issue of up to 375 million new shares to be issued to retail and institutional investors, excluding the exercise of the over-allotment," it said.

Higher Prices Of School Items In The Duty-Free-Island

LABUAN -- Prices of school essential items including kindergarten uniforms in the duty-free-island here are slightly higher despite the exemption from the Goods and Service Tax (GST). The hike was chiefly due to the transportation cost borne by the suppliers who passed on to the retailers and consumers. Most of the essential school items here are imported from the mainland of Sabah and Peninsular Malaysia and this had caused the prices to be higher. Apart from school uniforms, other items that had seen unreasonable increases in price included shoes, bags and stationery. Uniform for primary and secondary schools in the three superstores are being sold from RM13.90 to RM42.90 and shoes from RM20.00 to RM33.00 depending on the sizes and brand. Other small shops however are selling 10 to 15 per cent higher than in the other major superstores.

OCBC Opens First Islamic Banking Branch In Sabah

KUALA LUMPUR -- OCBC Bank's wholly-owned Islamic banking unit, OCBC Al-Amin Bank Bhd, today opened its first Islamic banking branch in Sandakan, Sabah. In a statement, OCBC Al-Amin said the new branch offered a comprehensive range of products and services for individuals, small and medium-sized enterprises (SMEs) and corporates. Other services include 24-hour electronic banking services comprising ATMs and Cash/Cheque Deposit Machines. Chief Executive Officer Syed Abdull Aziz Syed Kechik said the bank had set its sights on expanding into Sabah since its establishment in 2008 and was pleased to see the plans coming to fruition.

Malindo Air Prohibits Hoverboards, Personal Movement Devices

KUALA LUMPUR -- Malindo Air Monday officially announced the prohibition of all personal movement devices such as hoverboards, mini wheels, electric scooters, electric segways and electric bicycles. In a statement here Monday, Malindo Air said the move to ban these devices, which are categorised as dangerous goods, complies with the directive of the Department of Civil Aviation of Malaysia (DCAM) and as recommended by the International Air Transportation Association (IATA). It said rechargeable battery packs and electronic devices such as laptops and digital cameras for personal use or related to medical electronic devices with lithium batteries of less than 100 watt-hour rating or with a lithium content of less than 2 grammes are allowed in carry-on baggage only.

CIMA Launches Updated Certificate In Business Accounting

KUALA LUMPUR -- The Chartered Institute of Management Accountants (CIMA) has launched an updated CIME Certificate in Business Accounting (Cert BA), in which, assessments under the updated syllabus would commence in January 2017. In a statement here Tuesday, the world's largest professional body of management accountants said, the update consolidates five subjects of the existing syllabus into four. "The former standalone Business Mathematics subject is now integrated across other subjects, allowing for contextual practical application of maths. "The full syllabus content has been reviewed and refreshed following thorough global industry and educational research, to ensure it remained up-to-date and relevant," it added.

10 Undergrads Get Azman Hashim-IIUM Ummatic Scholarship

KUALA LUMPUR -- Chairman of AmBank Group, Tan Sri Azman Hashim, Tuesday presented the Azman Hashim-IIUM Ummatic Scholarship to ten undergraduates of International Islamic University Malaysia (IIUM). In a statement here Tuesday, the Azman Hashim Foundation said the scholarships covered tuition and hostel fees. Each recipient would receive a monthly allowance of RM600, book allowance of RM500 per year and a notebook costing RM2,500, it said. "The scholarships are made possible due to the innovative concept of the IIUM Perpetual Endowment Property Fund, which provided a sustainable method to generate scholarship funds for poor students who excel in their studies," Azman said. The foundation said the scholarship was funded by the net rental proceeds from the Azman Hashim Complex, which was built using the "IIUM Perpetual Endowment Property Fund" concept with an annual allocation of RM500,000.

FIMM Issues Guidance On Use Of Simple English In Prospectuses

KUALA LUMPUR -- The Federation of Investment Managers Malaysia (FIMM) has issued guidance on good drafting practices for prospectuses to encourage the use of English and presentation of information in a clear, concise and effective manner. In a statement here Wednesday, the federation said the guidance was the outcome of the efforts FIMM has taken by working with the Securities Commission Malaysia (SC) and key representatives of the investment management industry to improve the quality of information disclosed in the prospectuses of unit trust schemes. FIMM Chief Executive Officer, Nazaruddin Othman, said the prospectuses that were written and presented in a clear, concise and effective manner would help improve the readability of the documents and facilitate investors to better understand the information disclosed in the documents. "Using plain and simple language in the documents will enable unit trust management companies to clearly communicate the desired messages to investors more easily and in a friendlier manner," Nazaruddin said.

FGV To Develop Smallholder Supply Chain Risk Assessment Model

KUALA LUMPUR -- Felda Global Ventures Holdings Bhd (FGV) has signed a memorandum of understanding (MoU) with several parties to collaborate in the development of the Smallholder Supply Chain Risk Assessment Model. The MoU, valid for three years, was signed with World Resources Institute, Procter and Gamble, Malaysia Institute For Supply Chain Innovation, Wild Asia, Profest Initiative and Daemeter, FGV said. "The MoU sets out the understanding and intention of the parties during this interim exploratory period," it said in a filing to Bursa Malaysia Wednesday.

JTI Malaysia Appoints New MD

KUALA LUMPUR -- JT International Bhd (JTI Malaysia) has appointed Guiherme Silva as Managing Director with effect from Friday, Jan 1, 2016. In a statement here Thursday, JTI Malaysia said Silva would replace Rob Stanworth who would assume a new role in another JTI market in the Asia Pacific region. Silva would bring a wealth of experience to JTI Malaysia gained through a successful career in other JTI markets. Prior to joining JTI, Silva worked at Hershey's Brazil and Deutsche Bank.

Airlines Must Brace For More Turbulence In 2016

By Farhana Poniman

SUBTLE AND SWIFT...Malaysia Airlines Bhd (MAB), which has taken over from Malaysian Airline System Bhd (MAS) as the national carrier, had a smooth first-day operation on Sept 1. -- Pic Harry Salzman fotoBERNAMA

KUALA LUMPUR -- After a couple of tragedies the year before, 2015 has not been a fantastic year either for the aviation industry despite a plus point on the fuel part.

So a cautious note for airlines, "please buckle up and brace for more turbulence in 2016 as the weather is still not too promising".

According to the Centre for Aviation (CAPA), the domestic market should experience faster growth than 2015 but yields will be under pressure and will have an impact on profitability.

This year's growth, said to be at about two per cent, has been the slowest since 2006, it added. Meanwhile, 2015 had seen many developments affecting Malaysian carriers and the aviation sector.

While the lower oil price, on the one hand, helped with cheaper fuel but a lower ringgit had translated into foreign exchange losses.

LASTING IMPACT

The airline tragedies in 2014, that of Malaysia Airlines MH370 and MH17 as well as AirAsia's QZ8501 which crashed into the Java Sea, too have had a lasting impact on global travellers and caused much nervousness in the market.

However, Asian airlines have improved their safety records in 2015.
The year shed some light on the baffling MH370 incident when on July 29, a 2.7-metre-long wing flap or flaperon of a Boeing 777 was found on Reunion Island in the Indian Ocean. The only Boeing aircraft reported lost in the Indian Ocean was flight MH370.

Transport Minister Datuk Seri Liow Tiong Lai had announced that until October, the government had spent US$53.81 million (RM231.5 million) on operations to locate MH370 and US$2.99 million (RM12.9 million) on the recovery mission for the MH17 tragedy. Following the series of aviation misfortune, there had been greater cooperation among industry stakeholders globally to make flying ever safer.

The International Air Transport Association and the International Civil Aviation Organisation had begun to "test drive" a proposed tracking standard and recommended practices to improve airlines' tracking capabilities.

CONSOLIDATION PHASE

Malaysia Airlines, on the other hand, implemented SITA OnAir's Aircom FlightTracking service to assess a new "15 minutes minimum" surveillance interval.

Since its transition, Malaysia Airlines saw good and sustained progress despite macroeconomic headwinds and adverse currency exchange rates.

The national carrier successfully formed a new legal entity on Sept 1, 2015 with 1,165 staff exiting the company - of which, 466 gained employment, 650 decided to set up personal businesses and 49 opted to retire.

Given its ongoing turnaround plan and rebranding exercise, Malaysia Airlines is expected to continue undergoing consolidation.

Among its significant milestone this year was the mammoth code-share deal with Dubai-based Emirates, the world's biggest international carrier, allowing it to sell tickets to more long-haul destinations while scrapping unprofitable routes.

-- BERNAMA

LIST OF MARKET REPORTS :

BURSA Malaysia Likely To See Range-Bound Trading

KUALA LUMPUR -- The key benchmark FTSE Bursa Malaysia (FBM KLCI) is expected to see range-bound trading next week as investors are likely to remain cautious over the market's outlook going forward, said a dealer. The dealer said the index would likely move between 1,660 and 1,700 points. He said some investors would stay on the sidelines amid the lack of strong leads and uncertainties in global markets. "The market is likely to see downward bias post-year-end window-dressing activities especially if the crude oil market and ringgit depreciated further," he said.

The local market was traded mostly higher this week on window-dressing activities before retreating on the last trading day ahead of the long weekend. The market was closed on Friday for New Year holiday. Weekly turnover rose to 6.98 billion units valued at RM6.66 billion from 5.08 billion units valued at RM4.78 billion recorded last week. Main market volume increased to 4.66 billion shares valued at RM6.12 billion from last Wednesday's 3.39 billion shares valued at RM4.41 billion.

FOREX: Ringgit Likely To Trade Lower Next Week

KUALA LUMPUR -- The ringgit will likely trade lower versus the greenback next week on expectations of lower commodity prices, dealers said. A dealer said the decline in the global oil prices has hit the currencies of commodity-dependent countries including Malaysia. Last Wednesday, the benchmark oil, Brent crude, fell by over three per cent towards 11-year lows, after data showed an increase in the US crude supplies. He said this has caused the greenback to trade lower and influence other emerging currencies including the ringgit. "The local note will likely trade downwards if the commodity prices continue to weaken," he said.

It was reported that the Brent crude went down by US$1.33, or 3.5 per cent, to US$36.46 a barrel. For the holiday-shortened week, the ringgit appreciated to 4.2900/2970 against the greenback from 4.3070/3136 last Wednesday. It rose against the Singapore dollar to 3.0367/0423 from 3.0609/0660 last

Wednesday. It declined to 3.5637/5698 from 3.5589/5647 against the yen last Wednesday. The ringgit went up against the euro to 4.6851/6940 from 4.7024/7100 last Wednesday and strengthened against the British pound to 6.3604/3716 from 6.3890/3997 previously. The local market was closed on Friday for the New Year holiday.

Money Market Likely To Remain Stable

KUALA LUMPUR -- The Malaysian money market is expected to remain stable next week on Bank Negara Malaysia's (BNM) intervention to manage surplus liquidity. The central bank is expected to continue the intervention with daily tenders to mop up excess funds from the market. For the holiday-shortened week, BNM intervened daily to absorb excess funds by conducting conventional money market, Commodity Murabahah Programme, Qard and repo tenders. The local market was closed on Friday for the New Year holiday.

On Thursday, the central bank's actions helped reduce the market's total liquidity surplus to RM37.92 billion in the conventional system and RM11.65 billion in Islamic funds. The overnight Islamic reference rate stood at 3.21 per cent, while the one-, two- and three-week rates were pegged at 3.30 per cent, 3.35 per cent and 3.39 per cent, respectively. Meanwhile, the benchmark three-month interbank rate stood at 3.84 per cent.

FBM KLCI Futures To Move In Tandem With Cash Market

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts on Bursa Malaysia Derivatives are likely to move in tandem with the underlying cash market next week, dealers said. A dealer said the cash market was expected to see range-bound trading next week, with the likelihood of trending lower following lack of catalysts in the market.

On a week-to-week basis, December 2015 jumped 27 points to 1,691.0, January 2016 expanded 27.5 points to 1,688.5, March 2016 soared 32.5 points to 1,677 and June 2016 improved 31 points to 1,657. Weekly turnover soared to 86,543 lots from 34,041 lots last Wednesday while open interest declined to 53,519 from 76,716 contracts previously. The market was closed on Friday for New Year holiday.

CPO Futures To Trade Cautiously Next Week

By Rosemarie Khoo Mohd Sani

KUALA LUMPUR -- Crude palm oil (CPO) futures contracts are expected to see cautious trading next week with a range price of between RM2,300 to RM2,400 a tonne, said Interband Group Senior Palm Oil Trader, Jim Teh. "The CPO price is at a satisfactory level, which is above the RM2,000, despite the holiday mood where traders are absent from the market and the heavy CPO stock inventories in Malaysia and Indonesia," he told Bernama. However, the CPO prices may ease throughout next week in view of the expectation of a bearish outlook over demand. For the holiday-shortened week, the CPO futures contracts were traded mostly higher. On a weekly basis, January 2016 gained RM104 to RM2,398 per tonne, February 2016 eased RM7 to RM2,414 per tonne, March 2016 fell RM2 to RM2,485 per tonne and April 2016 dipped RM7 to RM2,527 per tonne.

Weekly turnover increased to 132,634 lots from last Wednesday's 98,486 lots while open interest rose to 229,915 contracts from 218,043 contracts previously. On the physical market, January South increased RM110 to RM2,400 per tonne.

Rubber Market To Move Within Narrow Range

By Rosemarie Khoo Mohd Sani

KUALA LUMPUR -- The Malaysian rubber market is expected to move within a narrow range next week if there are no improvements in the near term in the crude oil prices, currency movements and regional rubber of physical and futures markets, said a dealer. He said the demand and supply fundamentals for most commodities had weakened and these had also affected the natural rubber (NR) prices. "Next week, the market will likely be quiet due to the closure of the Tokyo Commodity Exchange for most of the days, so traders will not have a reference price," he told Bernama.

Another dealer said the current low NR prices would pose a greater challenge to smallholders as they were now below production costs. "Even though rubber-producing countries like Thailand, Malaysia and Indonesia are cooperating to increase consumption of rubber, we hope the governments can support the smallholders like offering incentives and subsidies. "It is difficult to go against the global market forces which are experiencing a slowdown especially top consumer China, but we hope they (smallholders) can remain in this market with the help from the authorities," he said. On a Thursday-to-Wednesday basis, the Malaysian Rubber Board's sellers' official physical price for tyre-grade SMR 20 fell 19 sen to 479.50 sen a kg, recording the lowest price in 2015. Latex-in-bulk dropped 22 sen to 331.50 sen a kg. Meanwhile on a Wednesday-to-Wednesday basis, the unofficial closing price for tyre-grade SMR 20 eased 19 sen to 480.50 sen a kg and latex-in-bulk declined 18.5 sen to 334.50 sen a kg. The market was traded for half-day on Thursday and was closed on Friday for the New Year holiday.

KLIBOR Futures Likely To Remain Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate

(KLIBOR) futures contracts on Bursa Malaysia Derivatives will likely remain untraded next week. For the holiday-shortened week, the market was untraded. Settlement prices for January 2016, February 2016, March 2016 and April 2016 were pegged at 96.18, 96.17, 96.16 and 96.13 respectively. Open interest on Friday was unchanged at 120 contracts from last week. The underlying three-month KLIBOR was pegged at 3.84 per cent. The local bourse was closed on Friday for New Year holiday.

KLTM To Trade Between US$14,500 And US$14,600

KUALA LUMPUR -- The Kuala Lumpur Tin Market (KLTM) will likely trade in a narrow range of between US$14,500 and US$14,600 per tonne next week, traders said. The market is anticipated to be mainly supported by European buyers as the price level seems very attractive to them, said the dealer.

For the week just ended, the metal was traded at between US$14,500 and US$14,830 per tonne, mainly influenced by the performance on the London Metal Exchange (LME). Japanese, European and local players accounted for the week's turnover of 310 tonnes compared with 349 tonnes last week. The premium between the KLTM and the LME on Friday narrowed to US$225 per tonne from US$285 per tonne previously.

Gold Futures Likely To Continue Downtrend

By Niam Seet Wei

KUALA LUMPUR -- Gold futures contracts on Bursa Malaysia Derivatives are likely to continue their downtrend next week, a dealer said. "Next week, we remain bearish on the gold prices amid worries about a potential Federal Reserve rate increase and bearish outlook for crude oil," said Phillip Futures Sdn Bhd Dealer Lim Eng Wee. "A bearish outlook for oil could also pile pressure on gold as the precious metal is often seen as a hedge against oil-led inflation," Lim told Bernama. On a Wednesday-to-Thursday basis, December 2015 declined 39 ticks to RM146.65 a gramme, while January 2016, February 2016 and March 2016 slipped 42 ticks each to RM146.65, RM146.75 and RM147.00 a gramme, respectively.

Weekly turnover fell to 211 lots worth RM3.11 million from 282 lots worth RM4.2 million last week. Open interest on Thursday rose to 1,364 contracts from 1,279 contracts last Wednesday. The market was closed on Friday for the New Year holiday.