This Week's Highlight : Adjustments To Be Made To Budget 2016 - PM

SPECIAL ADDRESS...Prime Minister Datuk Seri Najib Tun Razak arriving for a special address at the Treasury Building in Putrajaya Friday. He was received by Second Finance Minister Datuk Seri Ahmad Husni Mohamad Hanadzlah (right) and Deputy Finance Minister, Datuk Chua Tee Yong (left). Also present Treasury Secretary General,Tan Sri Dr Mohd Irwan Serigar Abdullah. Pic: Mahayudin Mohamad fotoBERNAMA

PUTRAJAYA -- Adjustments are to be made to Budget 2016 soon to reflect the realistic situation of the new year, said Prime Minister Datuk Seri Najib Tun Razak Friday at a special assembly at the Finance Ministry here Friday. He said the adjustments would take into consideration several aspects for recaliberation. These would involve, among others, measures to optimise expenditure, taking into account the role of government-linked companies (GLCs) and having the government continue to champion the well-being of the people. "These (adjustments) will be tabled soon," said Najib, who is also the Finance Minister.

This Week's Top Stories

Monday
Withdrawal From TPPA Won't Bankrupt Malaysia

KUALA LUMPUR -- The withdrawal from the Trans-Pacific Partnership Agreement (TPPA) will not bankrupt the Malaysian government, said the Ministry of International Trade and Industry (MITI). In a statement Monday, MITI said, the government could be sued for breach of the Investment Chapter of the TPPA, and if the breach was proven, compensation might have to be paid.

Tuesday
Malaysia Airlines Temporarily Limits Baggage For KL-Europe

KUALA LUMPUR -- Malaysia Airlines has imposed a temporary limitation on checked in baggage allowance for Kuala Lumpur-Europe flights to ensure passengers' safety in view of the unseasonably strong head winds. In a statement Tuesday, Malaysia Airlines said in the interest of safety, it currently operates a long route to Europe, which combined with temporary unseasonably strong head winds, would limit the airline's ability to carry baggage in cargo.

Wednesday
M'sia Gets First-Mover Advantage By Joining TPPA Earlier

BANGI -- Malaysia may not get a first-mover advantage if it were to adopt a wait-and-see attitude and join the Trans-Pacific Partnership Agreement (TPPA) later, International Trade and Industry Minister Datuk Seri Mustapa Mohamed said Wednesday. He reiterated that Malaysia, among others, managed to protect preferences for Bumiputera, small businesses and the local halal industry during the trade deal negotiations.

Thursday
Malaysia's Total Trade Up 7.6 Pct To RM125.02 Bln

KUALA LUMPUR -- Malaysia's total trade rose 7.6 per cent to RM125.02 billion in November 2015, from the RM116.19 billion recorded in the same month in 2014 due to stronger exports. The International Trade and Industry Ministry (MITI) in a statement Thursday said, exports in November grew 6.3 per cent year-on-year to RM67.63 billion, while imports expanded by 9.1 per cent to RM57.39 billion.

Friday
GST Saviour Of National Economy - Najib

PUTRAJAYA -- The Goods and Services Tax (GST) introduced in April last year is, at the macro level, the saviour of the national economic and financial position, said Prime Minister Datuk Seri Najib Tun Razak in his address at the special assembly at the Finance Ministry here Friday. Najib, who is also the Finance Minister, said the GST had grossed RM37.67 billion in proceeds and the projected net proceeds as at December 2015 was RM27.126 billion. The GST net proceeds for this year were estimated to rise to RM39 billion, he added.

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SMEbrief

Tekun Aims To Create Over 50,000 Entrepreneurs

SUBANG -- Tekun Nasional, an agency under the Entrepreneur and Cooperative Development Ministry, aims to create over 50,000 entrepreneurs this year involving the offer of RM600 million in loans. Managing Director/Chief Executive Officer Datuk Baharom Embi said Monday, of the total, RM300 million was from the government and RM300 million from Tekun Nasional.

SME Corp Terengganu To Allocate RM3 Mln For 25 Firms

By Zalina Maizan Ngah

KUALA TERENGGANU -- SME Corporation Malaysia (SME Corp) Terengganu has allocated financing of RM3 million this year for 25 companies as grants under the Bumiputera Enterprise Enhancement Programme (BEEP).

"In collaboration with more than 20 government departments and agencies related to entrepreneurship, we will be offering grants to companies that can benefit from the scheme and expand their business in the domestic and overseas markets," Director Muhammad Ibrahim told Bernama Thursday.

PNS Provides RM210 Mln For Franchise Businesses

KUALA LUMPUR -- Perbadanan Nasional Bhd (PNS) is allocating up to RM150 million for investments and another RM60 million to help entrepreneurs venture into franchise businesses this year.

Its managing director, Datuk Syed Kamarulzaman Syed Zainol Khodki Shahabudin said Thursday, PNS would be taking up equity of up to RM100 million in two franchise brands, while another RM50 million would be invested in properties to improve and add value to its existing properties to generate better returns.

On franchise business funding, he said PNS planned to help at least 140 franchisees and licensees this year with an allocation of RM38 million, franchisors and franchise licensors (RM20 million) and business-in-transformation (BIT) scheme (RM 2 million).

On contract financing, Syed Kamarulzaman said PNS via its investment arm, Ikhtiar Factoring Sdn Bhd is targeting to help at least 200 Bumiputera small and medium enterprises (SMEs) and franchise businesses with total financing up to RM200 million.

PropUP

Property update

IOI Properties On Track To Achieve RM2 Bln Sales

PUTRAJAYA -- IOI Properties Group Bhd is on track to achieve its RM2 billion sales target for the financial year ending June 30, 2016 despite the softening property market. Chief Executive Officer Lee Yeow Seng said Monday, the group had already achieved more than RM1 billion in sales from various projects including those in China and Singapore.

China-Based Agile To Launch First Int'l Project In Mont'Kiara

KUALA LUMPUR -- Agile Real Estate Development Sdn Bhd is set to launch its residential project valued at RM1.4 billion on a 4.05-hectare site in Mont'Kiara here on Jan 9, 2016. The project, consisting of 11 towers of low- and high-rise structures, was scheduled for completion in 2019," it said in a statement Tuesday.

Annual Penang Property Summit From Jan 8-9

GEORGETOWN -- The annual three-day Penang International Property Summit will be held at the Subterranean Penang International Convention and Exhibition Centre from Jan 8 to Jan 10. The summit would showcase 30 exhibitors and a conference on Jan 8 where 200 industry stakeholders are expected to attend, State Housing and Town and Country Planning Committee Chairman Jagdeep Singh Deo said Tuesday.

Bandar Malaysia's RM7.41 Bln Valuation To Be Adjusted

KUALA LUMPUR -- The sale of a 60 per cent equity in Bandar Malaysia to a Malaysia-China consortium at RM7.41 billion will be adjusted to reflect certain liabilities such as relocation costs associated with the land, 1Malaysia Development Bhd (1MDB) said. In a statement Tuesday, the fund said the adjustments might be made depending on whether or not certain Bandar Malaysia-related liabilities can be passed to the consortium such as the remainder contract costs for relocation of the existing facilities and the Bandar Malaysia sukuk debt.

Sentosa, Sejati Pertiwa JV For Mixed Devt Project

KUALA LUMPUR -- Sentoria Group Bhd's 75 per cent-owned unit, Sentoria Utara Sdn Bhd, has signed a joint venture (JV) agreement with Sejati Pertiwi Sdn Bhd to undertake a mixed development project in Kedah. In a filing to Bursa Malaysia Wednesday, Sentoria said the project would be located on a 48.56-hectare freehold land in Kuala Muda.

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BURSA MALAYSIA

Scoreboard

Gainers - 529

Losers - 375

Not Traded - 494

Unchanged - 324

Value - 1928064210

Volume - 20736400

MARKET

BURSA: KL Shares End Higher On Improved Oil Prices

KUALA LUMPUR -- Bursa Malaysia ended marginally higher Friday as investor confidence improved on the back of higher oil prices, a dealer said. At 5 pm, the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) settled at 1,657.61, up 2.48 points or 0.15 per cent, after fluctuating between 1,648.66 and 1,664.53 throughout the day. Market breadth was positive as gainers overwhelmed decliners 529 to 375 while 324 counters were unchanged, 494 untraded and 12 others suspended. Total volume eased to 2.07 billion shares worth RM1.93 billion from 3.05 billion shares valued at RM2.27 billion Thursday. Brent Crude rose 1.99 per cent to US$34.42 per barrel after tumbling to a 12-year low for the first time since April 2004 Thursday, and as China allowed the Renminbi to slip, sending global stock markets on a further fall. Earlier Friday, the FBM KLCI see-sawed from negative to positive in the first 30 minutes of trade in the morning session. It traded higher after China ditched the "circuit breakers" system that was blamed for its stock market turmoil. Affin Hwang Investment Bank vice-president and retail research head Datuk Dr Nazri Khan Adam Khan said there was growing unease in markets at the moment over the weakening Renminbi and falling ringgit. "Market sentiment also remained subdued on news that China's main stock exchange would suspend the use of 'circuit breakers', which is negative for the broad mass of investors," he told Bernama. Meanwhile, Hong Leong Investment Bank believes that severe downside risks are well shielded by the reintroduction of Valuecap funds, potential further stimulus measures from the fund, resiliency in Malaysia's economic fundamentals and sovereign ratings. The undervalued ringgit, it added, could provide another good basis for the return of foreign exposure on Malaysian equities. Main Market volume declined to 1.33 billion units worth RM1.75 billion from 2.01 billion units worth RM2.01 billion on Thursday. Turnover on the ACE Market fell to 334.77 million shares valued at RM92.09 million from 440.73 million shares worth RM115.14 million.

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	4.3800	4.3900
EUR	4.7611	4.7738
GBP	6.4014	6.4182
100 YEN	3.6993	3.6093
SGD	3.0472	3.0550

Source: Bank Negara Malaysia

FOREX: Ringgit Closes Higher Vs US Dollar

KUALA LUMPUR -- The ringgit closed higher against the US dollar Friday, tracking its regional peers, an analyst said. At 5 pm, the ringgit was at 4.3800/3900 versus the greenback at 4.3910/3960 on Thursday. The analyst noted that investors were also responding to the People Bank of China's move to firm the renmimbi guidance rate for the first time in nine day. "The recovery in China stock market, which saw the circuit breaker mechanism to be lifted, has also sent some positive hints to the market. "This has supported the emerging Asian currencies, including the ringgit to be stronger in today's trading," the analyst said. Earlier Friday, Prime Minister Datuk Seri Najib Tun Razak announced that the government would make some adjustments to the 2016 Budget to reflect realistic situation due to the strengthening of the US dollar and declining oil and major commodity prices. However, oil prices rose two per cent on Friday, reacting to the recovery in China's stock market. The ringgit ended higher against the Singapore dollar to 3.0472/0550 from Thursday's 3.0552/0606 and went up against the British pound to 6.4014/4182 from 6.4025/4107 on Thursday. The local unit strengthened against the yen to 3.6993/6093 from 3.7342/7397 and vis-a-vis the euro, and fell to 4.7611/7737 from 4.7454/7521 previously.

Short-Term Inter-Bank Rates Close Steady

KUALA LUMPUR -- Short-term inter-bank rates ended steady Friday on Bank Negara Malaysia's (BNM) intervention to absorb excess liquidity from the financial system. The liquidity surplus in the conventional system eased to RM33.03 billion from RM38.37 billion earlier while in the Islamic system, it went down to RM9.2 billion from RM13.66 billion. In the morning, BNM called for one conventional money market, one Qard and one repo tender. The central bank conducted a late conventional overnight tender for RM33 billion and a RM7.6 billion Qard, both for three-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 Contracts End Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives ended untraded Friday. At the close, January 2016, February 2016, March 2016 and June 2016 stood unchanged at 96.19, 96.18, 96.17 and 96.14, respectively. Open interest totalled 120 contracts. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.84 per cent.

KLCI Futures Close Higher

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts (FKLI) on Bursa Malaysia Derivatives closed higher Friday in tandem with the underlying cash market. January 2016 added seven points to 1,647.50, February 2016 increased 7.50 points to 1,641.50, March 2016 rose eight points to 1,631.50 and June 2016 was 10.50 points higher at 1,611. Turnover reduced to 11,637 lots from 13,248 lots on Thursday, while open interest eased to 53,422 contracts from 53,453 contracts. At 5 pm, the benchmark FBM KLCI gained 2.48 points to 1,657.61.

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Valuations of Equity Markets Not Excessive - Pacific Mutual

KUALA LUMPUR -- Pacific Mutual Fund Bhd remains cautiously optimistic on equities in 2016, saying valuations are not yet excessive. Its chief investment officer/executive director Teh Chi-cheun said Monday, global equities are expected to rise given the decent economic growth of the US with ample liquidity on the back of continued quantitative easing by Europe and Japan coupled with monetary easing in Asia, especially by China.

OCK Gearing To Increase For FY16

KUALA LUMPUR -- OCK Group Bhd expects the master services agreement with Telenor Myanmar Ltd will increase its gearing gradually from 0.7 time to 0.8 time for the financial year ending 2016. In a filing to Bursa Malaysia Tuesday, OCK said, as at September 2015, its borrowings stood at RM75 million while shareholders' funds amounted at RM203million.

TNB Says Debt Programme In Preliminary Stage

KUALA LUMPUR -- Utility giant, Tenaga Nasional Bhd (TNB) said it is in the preliminary stages of setting up a long-term multi-currency medium term note programme. In a statement Wednesday, it said the debt programme was part of its ongoing process of exploring funding options it might require in the future which is in line with its strategic objectives, and to sustain growth and shareholder value creation.

RM7.41 Bln Purchase Consideration For Bandar Malaysia Equity Stays

KUALA LUMPUR -- The purchase consideration of RM7.41 billion for 60 per cent equity in Bandar Malaysia project to 1Malaysia Development Bhd (1MDB) does not change regardless of the settlement agreement, the strategic investment company said Wednesday. 1MDB said the purchase consideration by Iskandar Waterfront Holdings (IWH)-China Railway Engineering Corporation Sdn Bhd (CREC) consortium for the equity would vary depending on the agreement between the two parties and relevant consent on the passing through of Pangkalan Udara Kuala Lumpur (PUKL) relocation cost and existing sukuk.

PGB Executes US$500 Mln Term Loan With Mizuho Bank

KUALA LUMPUR -- Petronas Gas Bhd (PGB) Thursday announced that it has executed a facility agreement with Mizuho Bank Ltd, Mizuho Bank Ltd Labuan Branch and Mizuho Bank (Malaysia) Bhd for a US$500 million term-loan. In a filing to Bursa Malaysia, PGB noted that the loan has a tenure of five years from the first drawdown and was expected to be used to finance PGB and/or its subsidiaries' general corporate funding purposes including but not limited to capital expenditure.

Visa Partners Maybank To Introduce Contactless Payment

KUALA LUMPUR -- Global payment technology, Visa has collaborated with Maybank to introduce Maybank Visa Payband, the first contactless wearable in Malaysia. Maybank Visa Payband allows users to conduct contactless payments in a matter of seconds, leveraging on Visa's payWave contactless technology, at more than 1,000 locations across the country, said Visa Country Manager for Malaysia Ng Kong Boon Thursday.

BNM's International Reserves At RM409.1 Bln End-2015

KUALA LUMPUR -- The international reserves of Bank Negara Malaysia (BNM) amounted to RM409.1 billion (equivalent to US$95.3 billion) as at Dec 31, 2015 compared to RM405.4 billion (equivalent to US$115.9 billion) as at end-2014. In a statement Thursday, BNM said, the level of reserves during 2015 remained supported by the current account surplus and inflows of foreign direct investment in an environment of reversal of flows.

Instacom Completes Private Placement With Encouraging Take Up Rate

KUALA LUMPUR -- Instacom Group Bhd's completed its private placement exercise, which resulted in proceeds of RM33.75 million, recently with an encouraging take up rate with strategic investors. "The placement was done at 25 sen per share, which represented a discount of approximately 9.71 per cent to the five-day weighted average market price of Instacom shares, up to and inclusive of Dec 16, 2015," it said in a statement Thursday.

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No Price Increase Across The Board For Mercedes Benz

KUALA LUMPUR -- Mercedes-Benz Malaysia Monday said it will not increase the price of its vehicles across the board at the start of the new year. The leading premium automotive manufacturer said it will continue to monitor all influencing factors.

Connect To Invest RM20 Mln To Boost Capacity In China

KUALA LUMPUR -- ConnectCounty Holdings Bhd (Connect) plans to invest close to RM20 million to expand its manufacturing capacity in China. The facility manufactures interconnect products. In a statement Monday, Connect said it also plans to expand its workforce in China by close to 40 per cent by the end of 2016.

Emirates Launches Annual Global Sales

KUALA LUMPUR -- Dubai-based Emirates Airline has launched its annual global sales for travel period between Jan 15 and Nov 30, 2016. In a statement Tuesday, the airline said, bookings had to be made between Jan 5-19, 2016. It said the all-inclusive economy class fares from Malaysia will start at RM2,538 to Europe, RM1,808 to Australia and New Zealand, RM2,068 to the Middle East and RM4,208 to North America.

2017 Msia-China Trade Target Hard To Achieve - Mustapa

IPOH -- Raising the value of two-way trade between Malaysia and China to US$160 billion by 2017 from US$100 billion currently would be difficult due to the slowdown in China's economy, said Datuk Seri Mustapa Mohamed. The International Trade and Industry Minister said Tuesday, China's economy is projected to grow only by 6.5 per cent this year, affecting the global economy.

Business Confidence Rebounds Q1 2016 - Survey

KUALA LUMPUR -- Following a pessimistic preceding quarter, business optimism of Malaysian firms has rebounded into the expansionary zone in the first quarter (Q1) of this year, according to Dun and Bradstreet (D&B) Business Optimism Index (BOI) study. In a statement Tuesday, D&B Malaysia said all six indicators in the quarterly study -- volume of sales, net profits, selling price, inventory level, employees and new orders -- have sprung into positive territory for Q1 this year.

VS Ind Sees Higher Export Orders

KULAI -- VS Industry Bhd, an electronics manufacturing services provider, is optimistic of business outlook for the financial year ending 2016 on anticipation of increasing export orders this year. Managing Director Datuk Gan Sem Yam said Tuesday, the company has received encouraging feedback from key customers on potentially larger orders to commence soon.

LBS Bina Eyes RM1.2 Bln In Sales This Year

KUALA LUMPUR -- LBS Bina Group Bhd aims to rake in RM1.2 billion in sales this year after achieving record sales of RM1.02 billion last year, Managing Director Tan Sri Lim Hock San said Tuesday. The group's unbilled sales of RM993 million at end-2015 would contribute to the group's turnover this year, he said.

BHIC Expects Losses From Chulan Chemical Tankers' Disposal

KUALA LUMPUR -- Boustead Heavy Industries Corp Bhd's (BHIC) decision to dispose three Chulan chemical tankers would result in a loss of approximately RM12 million. In a statement to Bursa Malaysia Tuesday, BHIC said the decision to dispose the tankers was taken mid 2015 and was in the best interest of shareholders and the company.

MMC Port Buys 92.58 Pct Stake In NCB

KUALA LUMPUR -- MMC Corp Bhd's unit, MMC Port Holdings Sdn Bhd (MMC Port), has acquired 435.33 million shares, or 92.58 per cent of the total issued and paid-up capital of NCB Holdings Bhd. In a filing to Bursa Malaysia Tuesday, MMC Port's adviser, RHB Investment Bank Bhd, said after the acquisition, MMC Corp did not intend to maintain the listing status of NCB.

Malaysia Remains Ultimate Owner Of Bandar Malaysia

KUALA LUMPUR -- Malaysia remains the ultimate owner of the Bandar Malaysia project, with 76 per cent stake while a Chinese entity commands only 24 per cent equity, 1Malaysia Development Bhd (1MDB) said. 1MDB, in a statement Wednesday, said this is on the basis of 40 per cent equity owned by 1MDB or the Ministry of Finance Inc, 36 per cent by Malaysia's Iskandar Waterfront Holdings Sdn Bhd (IWH) and 24 per cent by China Railway Engineering Corporation Sdn Bhd (CREC).

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Tiger Synergy Eyes 200 Pct Revenue Rise FY2016

KUALA LUMPUR -- Tiger Synergy Bhd (TSB) is eyeing a 200 per cent increase in revenue for the financial year ended June 30, 2016, following the acquisition of a semi-conductor company and new property launches. Managing Director Shirley Tan Lee Chin said Wednesday, the proposed acquisition of the semi-conductor company, BPE Synergy Engineering Sdn Bhd (BPE), is expected to be completed by the second half of this year with a purchase consideration of RM16 million via a share swap.

Proposed Pricing Mechanism For RON95 Not Feasible -Irwan

KUALA LUMPUR -- The new pricing mechanism proposed by a certain party for RON95 to be based on the actual production cost of Malaysian oil refineries denominated in the ringgit is not feasible, says Treasury Secretary-General Tan Sri Dr Mohamad Irwan Serigar Abdullah. The country's fuel needs are still being fulfilled by imports and denominated in the US dollar, he said Wednesday, noting that the current pricing framework of a managed float system based on the Automatic Pricing Mechanism (APM) has witnessed reductions in the retail price.

M'sia To Benefit From Lesser Reliance On Commodity-Related Revenue

KUALA LUMPUR -- The World Bank Group has forecast that Malaysia's economic growth will slow to 4.5 per cent this year from 4.7 per cent in 2015 on slowing domestic demand, but benefit from lesser reliance on commodity-related revenue. According to the World Bank's January 2016 Global Economic Prospects released here Thursday, Malaysia's growth is almost similar to the projection for developing economies, which are expected to expand by 4.8 per cent this year from 2015's 4.3 per cent.

Human&Eco Targets 200,000 Tonnes Palm Kernel Shell Exports

By Noor Bakhtiar Ahmad

BINTULU -- Human & Eco Energy Resources Dev't (M) Sdn Bhd (Human & Eco) aims to increase its export of palm kernel shell to 200,000 tonnes this year from 120,000 tonnes worth RM36 million last year. Its managing director, Mohd Fauzi Bachok said Thursday, besides Japan, which was the company's main export market, the commodity was also shipped to South Korea, Taiwan and European countries.

Johor To Get Japanese Investment Worth RM500 Mln

BATU PAHAT -- Johor will receive new investment inflow worth RM500 million from a Japanese multinational company that is interested to undertake operations based in Tanjung Langsat, near here. Johor Menteri Besar Datuk Seri Mohamed Khaled Nordin said Thursday, the company was interested to operate at the industrial area which focuses on petrochemical and oleochemical related activities.

Mercedes-Benz Posts Record Sales Of 10,845 Units 2015

KUALA LUMPUR -- Mercedes-Benz Malaysia (MBM) posted record sales in 2015, up 56 per cent to 10,845 units from 6,932 in the previous year. President/Chief Executive Officer, Dr Claus Weidner said Friday, MBM sold a range of passenger vehicles from A-Class to the brand's leading S-Class with locally-produced limousines, namely C-, E- and S-Class leading the sales.

Ekuinas Enters Healthcare Sector With RM79.8 Mln Investment

KUALA LUMPUR -- Ekuiti Nasional Bhd (Ekuinas) said Friday, it has invested RM79.8 million in two third-party medical claims administrators (TPAs), marking its maiden entry into the healthcare sector. The investments comprise the purchase of 60 per cent equity in the Express Group (MediExpress), which consists of MediExpress (M) Sdn Bhd and Health Connect Sdn Bhd, and another 60 per cent stake in PMCare Sdn Bhd.

Banking Sector Earnings Expected To Decline Marginally FY2015 - Kenanga

KUALA LUMPUR -- Earnings growth for the banking sector is forecast to decline slightly by 0.3 per cent for financial year 2015 (FY15) on moderating economy, weakening loans growth and contracting net interest margins (NIM), a research house said. The earnings are forecast to bounce by 7.4 per cent for financial year 2016 (FY16) due to lower base, said Kenanga Research in a research note Friday. It said aggregate loans growth in the sector is expected to weaken to 8.6 per cent and 8.4 per cent for FY15 and FY16 respectively against 11.9 per cent in FY14.

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TPPA Gives More Benefits Than Challenges - Mustapa

KUALA LUMPUR -- The Trans-Pacific Partnership Agreement (TPPA) will give more benefits than challenges, said Minister of International Trade and Industry, Datuk Seri Mustapa Mohamed Monday. Mustapa said the government has analysed the full impact of the trade agreement and would continue to provide explanations to all levels of the society for them to gain deeper understanding.

Bumi Contractors' Rights Protected Under TPPA - Mustapa

KUALA LUMPUR -- The rights of the Bumiputera contractors will be protected if Malaysia decides to join the Trans-Pacific Partnership Agreement (TPPA). Minister of International Trade and Industry (MITI), Datuk Seri Mustapa Mohamed said Monday, the country would maintain and defend the policy of giving 30 per cent of the contracts to Bumiputeras.

TPPA Will Boost Environmental Standards - MITI

KUALA LUMPUR -- The Trans-Pacific Partnership Agreement (TPPA) will help strengthen environmental standards, said Ministry of International Trade and Industry's (MITI) Deputy Secretary-General (Strategy and Monitoring), Datuk J. Jayasiri. In a statement Monday, Jayasiri said the objectives of the Environment Chapter in TPPA were to ensure trade and environment policies were mutually supportive and encourage high levels of environmental protection.

Growing UK Mart Offers Opportunities For Furniture Manufacturers

KUALA LUMPUR -- The completion of more affordable housing programmes coupled with the rising customer confidence in the United Kingdom will open doors for Malaysian furniture manufacturers to tap into the growing market, said Malaysian Timber Council (MTC). MTC said 16 local manufacturers would participate in the January Furniture Show (JFS) 2016 in Birmingham from Jan 24 to Jan 27, the council said in a statement Monday.

Cybersecurity Eyes 20 Cyber Security Professionals

SERI KEMBANGAN -- Cybersecurity Malaysia expects to increase the number of cyber security professionals by 100 to 200 per annum driven by the increased number of training programmes related to the field. Chief Executive Officer (CEO) Dr Amirudin Abdul Wahab said Tuesday, the growth would contribute to the national target of 10,000 professionals by 2020 to serve the rapidly growing cyber security sector.

DPMM Wants Govt To Focus On ASEAN Market

KUALA LUMPUR -- The government needs to focus on the ASEAN market and other regional trade agreements instead of a massive trade pact, the Malay Chamber of Commerce Malaysia (DPMM) said. Its president, Datuk Syed Ali Alattas said Wednesday, Malaysia should take advantage of its chairmanship of ASEAN to expand into the regional market of 600 million people.

Construction Sector To Remain Busy

KUALA LUMPUR -- The construction sector is expected to remain busy for the next few years, driven by mega infrastructure projects underpinned by the MRT2, LRT3, RAPID, the Pan Borneo Highway, SUKE and DASH. Maintaining an "overweight" call on the sector, Kenanga Research said Wednesday, local contractors stand to benefit from the contracts, with most awards expected to be out in mid-2016.

Long TPPA Negotiations To Protect, Safeguard Msia's Position - Anifah

KUALA LUMPUR -- The talks on the Trans-Pacific Partnership Agreement (TPPA), led by the Ministry of International Trade and Industry, were extensively deliberated to ensure that Malaysia's position is protected and safeguarded. In a statement Thursday, Minister of Foreign Affairs, Datuk Seri Anifah Aman, said the PricewaterhouseCoopers Malaysia (PwC) report said that by participating in the TPPA, Malaysia has the opportunity to shape the TPPA text and annexes and secure extensive safeguards.

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Nation's Sovereignty Will Not Be Harmed Under TPPA - Mustapa

KUALA TERENGGANU -- The nation's sovereignty will not be harmed with the signing of the Trans-Pacific Partnership Agreement (TPPA) as the people are getting smarter and knowledgeable, International Trade and Industry Minister Datuk Seri Mustapa Mohamed said Thursday. He allayed concerns aired by certain quarters that the TPPA would trample on the nation's sovereignty.

Perak's Tallest Building Ready In 2 Years - MB

IPOH -- Perak's tallest building, the 29-storey MH Pinnacle, will be completed by end-2018, says Menteri Besar Datuk Seri Dr Zambry Abdul Kadir. "We have been planning for several years now to make Perak a developed state in line with the Perak Aman Jaya concept," he told reporters after the groundbreaking here Thursday.

Century Bond To Acquire Prestige Packages For RM2.89 Mln

KUALA LUMPUR -- Century Bond Bhd's wholly-owned unit, CB Bags Sdn Bhd, has signed an agreement to buy the remaining 30 per cent equity in Prestige Packages (Perlis) Sdn Bhd from Cement Industries of Malaysia Bhd (CIMA). In a filing to Bursa Malaysia Thursday, Century Bond said, CB Bags, which current has 70 per cent stake in Prestige Packages, would pay RM2.89 million for the stake.

China's Yuan To Stay Stable Despite Speculating Forces - PBOC

BEIJING -- China's central has asserted that it is capable of keeping the yuan "basically stable at a reasonable equilibrium level" in spite of "speculating forces". The reassurance, made by the People's Bank of China (PBOC), came as the currency's central parity rate lost 332 basis points to 6.5646 against the US dollar Thursday, Xinhua News Agency reported Thursday.

MMC Gamuda, MRT To Launch Public Voting For Bench Designs

KUALA LUMPUR -- MMC Gamuda KVMRT (T) Sdn Bhd and Mass Rapid Transit Corporation Sdn Bhd (MRT) will launch a public voting for bench designs beginning Jan 9, 2016 until Jan 31, 2016. Todate, over 130 designs have been received from 19 colleges and universities in Malaysia. "Twenty one entries were shortlisted by a panel of industry experts and these finalists will be voted by the public," it said in a statement Friday.

Brahim's To See Strong Turnaround FY16

BANGI -- In-flight caterer Brahim's Holdings Bhd expects to turn round strongly this year after wallowing in huge losses in the third quarter ended Sept 30, 2015. Group Executive Chairman Datuk Ibrahim Ahmad said Friday, the company hoped to be able to turn around in financial year 2016 (FY16), but it would not be a complete turnaround due to the massive losses but "it will be a substantial turnaround".

Halal Products Export To Hit RM50 Bln This Year

BANGI -- Malaysia is targeting halal products export to hit RM50 billion this year compared with last year's target of RM40 billion. As of September 2015, the export value of halal products totalled RM31.1 billion, up 27 per cent from a year earlier, said Deputy Minister of International Trade and Industry (MITI) Datuk Ahmad Maslan Friday. Hence, he was confident of achieving the target of RM40 billion for 2015.

TPPA Will Be Signed In February With Or Without M'sia

KUALA LUMPUR -- The Trans-Pacific Partnership Agreement (TPPA) will be signed in February, with or without Malaysia, said Minister of International Trade and Industry, Datuk Seri Mustapa Mohamed. "We expect the signing to take place in February and we will table it in the Dewan Rakyat on Jan 27 and Dewan Negara on Jan 28 for voting," he told reporters after hosting a townhall session with small and medium entrepreneurs here Friday.

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AirAsia Offers Promotional Low Fares During CNY

KUALA LUMPUR -- AirAsia is offering promotional low fares and special giveaways during the upcoming Chinese New Year (CNY).In a statement Monday, the airline said flights to domestic destinations such as Penang and Johor Baharu are from as low as RM28 one-way inclusive of taxes, Langkawi from RM59, Kuching from RM99 while Kota Kinabalu is from RM129 one-way, all departing from Kuala Lumpur.

Econpile Unit Bags RM20.3 Mln Contract From Ahmad Zaki

KUALA LUMPUR -- Econpile Holdings Bhd's wholly-owned unit, Econpile (M) Sdn Bhd (EMSB), has received a letter of acceptance from Ahmad Zaki Sdn Bhd to undertake piling and sub-structure works worth RM20.3 million.

In a filing to Bursa Malaysia Monday, Econpile said, the contract comprised bored sheet piling, earthworks and sub-structure works for a mixed commercial and residential development in Kampung Bharu, Kuala Lumpur.

Ikhmas Jaya Bags RM166.4 Mln Service Apartment Project

KUALA LUMPUR -- Ikhmas Jaya Group Bhd's unit, Ikhmas Jaya Sdn Bhd, has bagged an award worth RM166.4 million from Star Effort Sdn Bhd to develop two blocks of suite service apartments in Kuala Lumpur. In a filing to Bursa Malaysia Monday, the group said the development of the 375 units would be carried out at Jalan Talalla, Seksyen 69, Kuala Lumpur.

Pizza Hut To Introduce More New Products 2016

KUALA LUMPUR -- Pizza Hut Malaysia, a unit of QSR Brands (M) Holdings Sdn Bhd, plans to introduce another four to five new products this year, following the launch of its first new product, Awesome Loaded pizzas, this year. Pizza Hut Malaysia Senior General Manager Low Kang Moon said Monday, there would be more value products and innovations to be introduced in this year to attract more customers.

Tanjong Baram Oil Field Starts Production - Petronas

KUALA LUMPUR -- The Tanjong Baram Field, Miri, Sarawak, which operated under a risk service contract (RSC), has achieved its first oil production. In a statement Wednesday, Petronas said the field, which commenced on Aug 18, 2015, was the fifth RSC that has achieved oil production after Berantai, Balai Cluster, Kapal Banang Meranti (KBM) Cluster and Tembikai.

Malindo Air Opens Bookings For KL-HK Route

KUALA LUMPUR -- Hybrid airline, Malindo Air, today opened for bookings the flights from Kuala Lumpur (KL) to Hong Kong (HK) and return. In a statement Thursday, the airline said the promotional fares were from RM579 for economy class and RM1,699 for business class. "The fares are inclusive of free baggage allowance, in-flight entertainment, meal and light refreshments," it said.

Customs To Launch Ops Tracks GST 2016

PUTRAJAYA -- The Royal Malaysian Customs (Customs) will launch Ops Tracks GST 2016, from Jan 17 to Jan 22, to ensure businesses, companies and individuals are registered under the Goods and Services Tax (GST).Customs Director-General Datuk Seri Khazali Ahmad said Thursday, Ops Tracks 2016 would detect individuals, companies and businesses that qualify to be registered under the GST but have yet to do so.

Boeing Achieves 2015 Record Commercial Aircraft Deliveries

KUALA LUMPUR -- Boeing delivered 762 commercial airplanes in 2015, 39 more than the previous year and most ever for the company as it enters its centennial year. In a statement Friday, Boeing said it recorded 768 net orders last year, valued at US$112.4 billion, and as at end 2015, it held 5,795 unfilled orders from customers, worldwide.

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Malaysian Economy, The Balancing Act

By M.Saraswathi

KUALA LUMPUR (Bernama) -- The year did not take off as rosy as one would have wanted it to be, with the global stock markets stuck in the red, no thanks to the shockwave created by China and the fast plummeting oil prices.

The call for adjustment to the 2016 Budget came less than three months after it was tabled on Oct 23 last year - a clear sign of another difficult year ahead. The Malaysian Budget was based on an average oil price of US$48 per barrel, which has now crashed to US$33 and expected to go lower than US$18.

Although the country's economy has largely diverted from heavy dependency on oil revenue, it nevertheless still has a big role.

Prime Minister Datuk Seri Najib Tun Razak was being direct when he said that the government would state the reality," let us be frank and honest and state that this year is going to be a challenging one."

Najib, who is also Finance Minister, announced Friday that adjustments to the Budget 2016 will be tabled soon.

KEY MESSAGE....Prime Minister Datuk Seri Najib Tun Razak speaking at the special assembly of the Ministry of Finance at the Treasury Building in Putrajaya Friday. Also present Second Finance Minister, Datuk Seri Ahmad Husni Mohamad Hanadzlah (right) and Treasury Secretary General, Tan Sri Dr Mohd Irwan Serigar Abdullah (second, right). Pic: Mahayudin Mohamad fotoBERNAMA

BITTER PILL

A second dose of bitter pill not only for the "man on the street" after a bumpy ride in 2015 but also for the government. The big question now is how will the government keep to its promises without compromising the basic needs of the country such as sustaining good infrastructure, healthcare and welfare of the people.

The budget deficit is among those that will be closely monitored as the government has promised to bring it down to 3.1 per cent of Gross Domestic Product (GDP), a notch lower from 3.2 per cent last year.

Malaysia's projected GDP growth for 2016 is between four and six per cent with the World Bank forecasting it to grow 4.5 per cent in its latest outlook, and OCBC Bank nudging it a little higher at 4.7 per cent.

The declining ringgit, currently hovering at RM4.37 versus the US dollar, has been a cause for concern as it is far from correcting itself any time sooner.

BREAD AND BUTTER CONCERNS

Although, the latest data from Ministry of International Trade and Industry (MITI) revealed that Malaysia sustained 217th consecutive months of trade surplus since November 1997, it slipped by 6.9 per cent to RM10.23 billion in November 2015.

But honestly speaking, for ordinary Malaysians, the global fuel price, trade figures and budget deficits are least of their concerns.

The only thing that is worrying them is whether the price of bread, butter and fuel will remain the same tomorrow.

Although, the Goods and Services Tax (GST) has been touted to be the saviour of the national economy and financial position, it had, without doubt, affected the bulk of 30 million Malaysians.

To be fair to the government, it has exempted a long list of essential items from the GST - Malaysia has been unique in this sense as no other country that has taken the GST path, has done this before. Perhaps what is lacking is proper vigilance on those who are profiting from the GST and more stern action by the government against the culprits.

In a difficult situation, the ordinary man wants solutions to the problems instead of screaming slogans.

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LIST OF MARKET REPORTS :

BURSA MALAYSIA

BURSA: KL Shares Likely To Be Volatile Next Week

By S. Joan Santani

KUALA LUMPUR -- The key benchmark FTSE Bursa Malaysia (FBMKLCI) is expected to be volatile next week in tandem with regional performance, due to China's slowing economy and depressing crude oil prices.

Affin Hwang Investment Bank vice-president and retail research head Datuk Dr Nazri Khan Adam Khan said a confluence of negative events like a major trading halt in China's stock market, second round devaluation of renminbi, Saudi-Iran tension and falling oil prices may dent the market in the short term.

"The renewed weakness of the ringgit, which is putting the currency pair on track for the lowest finish since November 2015, also acts as a dragging catalyst," he told Bernama.

Brent Crude rose 1.99 per cent to US$34.42 per barrel after tumbling to a 12-year low for the first time since April 2004 on Thursday, while China allowed the renminbi to slip, sending global stock markets on a further fall.

China stocks were suspended twice this week after the CSI 300 tumbled more than seven per cent.

"For the week just ended, the FBM KLCI was swinging between gains and losses and settled marginally higher on Friday after China decided to stop the "circuit breakers" system for good.

On a weekly basis, the FBM KLCI fell 34.9 points to 1,657.61 from last Thursday's 1,692.51.

Weekly turnover advanced to 11.30 billion units valued at RM10.19 billion from 6.98 billion units worth RM6.66 billion last week.

Main market volume surged to 7.39 million shares valued at RM9.10 billion from 4.66 billion shares worth RM6.12 billion.

FOREX: Ringgit Expected To Remain Volatile Next Week

By Harizah Hanim Mohamed

KUALA LUMPUR -- The ringgit is expected to remain volatile next week, driven by negative sentiment brought by China's shrinking economy and continued worries over commodity prices, dealers said.

Affin Hwang Investment Bank Vice-President/Head of Retail Research Datuk Dr Nazri Khan Adam Khan said the local unit is expected to trend lower next week due to falling oil prices and a major trading

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halt in the Chinese stock market, which may dent the short-term traders psychology.

"The recent turmoil in China's stock markets and further strengthening of the US dollar kept the pressure on global equities, funds outflows and fuelled further selling of the ringgit as investors were shifting to gold as a safe-haven.

"The renewed weakness for the ringgit at 4.400 level put the currency on track for the lowest finish since November 2015," he told Bernama.

Meanwhile, earlier this week, China introduced a stock market circuit-breaker mechanism to curb losses in its equity market, which saw its stock market shutting down prematurely.

On the home front, Prime Minister Datuk Seri Najib Tun Razak said some adjustments would be made to the 2016 Budget to reflect the realistic situation due to the strengthening of the US dollar and declining oil and major commodity prices.

For the week just ended, the ringgit depreciated against the greenback to 4.3800/3900 from last Thursday's 4.2900/2970.

It declined against the Singapore dollar to 3.0472/0550 from 3.0367/0423 last Thursday and eased against the yen to 3.6993/6093 from 3.5637/5698 last Thursday.
The ringgit went down against the euro to 4.7611/7737 from 4.6851/6940 and closed lower against the British pound to 6.4014/4182 from 6.3604/3716 previously.

Money Market To Stay Stable Next Week

KUALA LUMPUR -- The Malaysian money market is likely to remain stable next week with more stabilised rates on expectations of continued intervention by Bank Negara Malaysia (BNM) to manage excess liquidity.

The central bank is expected to continue the intervention with daily tenders to mop up excess funds from the market, a dealer said.

For the week just ended, BNM intervened daily to absorb the system of surplus funds by conducting conventional, Commodity Murabahah Programme, Qard, reverse repo tenders and repo tenders.

On Friday, the central bank's action helped reduce the market's total liquidity surplus to RM33.03 billion from RM38.37 billion earlier, while in the Islamic system, it went down to RM9.2 billion from RM13.66 billion.

The overnight Islamic reference rate stood at 3.21 per cent, while the one-, two- and three-week rates stood at 3.28 per cent, 3.33 per cent and 3.37 per cent respectively.

Meanwhile, the benchmark three-month interbank rate stood at 3.84 per cent.

KLCI Futures To Move In Line With Cash Market

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts on Bursa Malaysia Derivatives are likely to move in line with the underlying cash market next week.

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A dealer said the cash market is expected to trend lower next week in the absence of market moving catalysts.

On a week-to-week basis, January 2016 fell 43.5 points to 1,647.50, February 2016 stood at 1,641.50, March 2016 decreased 45.5 to 1,631.50 and June 2016 reduced 46 points to 1,611.

Weekly turnover fell to 63,649 lots from 86,543 lots last Thursday, while open interest eased to 53,422 contracts from 53,519 contracts previously.

On a weekly basis, January 2016 fell RM135 to RM2,263 per tonne, February 2016 lost RM60 to RM2,354 per tonne, March 2016 eased RM50 to RM2,435 per tonne, and April 2016 declined RM35 to RM2,493 per tonne.

Weekly turnover increased to 177,378 lots from 132,634 lots last week, while open interest slipped to 228,101 contracts from 229,915 contracts previously.

On the physical market, January South decreased RM110 to RM2,270 per tonne.

MPOB Data A Catalyst For CPO Futures Trend

By Mohd Khairi Idham Amran

KUALA LUMPUR -- The Malaysian Palm Oil Board (MPOB) data for December 2015 would become a catalyst for the crude palm oil (CPO) futures trend next week, a dealer said.

Interband Group Senior Palm Oil Trader Jim Teh said the data, scheduled to be released on Monday, is expected to support the price despite softer commodity and equity market.

“The December production is expected to be down, thus dragging inventory to around 2.7 million to 2.8 million tonnes,” he told Bernama.

The CPO inventory in November 2015 stood at 2.91 million tonnes.

Teh expects the CPO price to hover around RM2,200 to RM2,300 next week.

For the week just ended, the CPO futures contracts were traded mostly lower, weighed down by softer crude oil price and slowing Chinese economy.

Rubber Market To Remain Subdued Next Week

KUALA LUMPUR -- The Malaysian rubber market is expected to remain subdued next week on bearish external sentiment.

A dealer said rubber price trendsetter the Tokyo Commodity Exchange (Tocom) hit another seven-year low on Friday and was on track for its biggest weekly loss in four months, dragged down by worries over plunging stock prices in China, slumping oil markets and a stronger yen.

“The outlook for the market is uncertain as market operators were concerned about slowing demand from China and lower crude oil prices,” he said.

For the week-just-ended, rubber prices were mostly lower, influenced by external factors, including the weakening of crude oil prices and softening of China’s economy, the world’s largest rubber consumer.

On a Friday-to-Thursday basis, the Malaysian Rubber Board’s sellers’ official physical price for tyre-grade SMR 20 fell 17.5 sen to 462 sen a kg,

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while latex-in-bulk slipped one sen to 330.50 sen a kg.

Meanwhile on a Friday-to-Wednesday basis, the unofficial closing price for tyre-grade SMR 20 eased 19.5 sen to 461 sen a kg, while latex-in-bulk declined 5.5 sen to 339 sen a kg.

KLIBOR Futures To Remain Untraded Next Week

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 week just-ended, the market was untraded. Settlement prices for January 2016, February 2016, March 2016 and June 2016 were pegged at 96.19, 96.18, 96.17 and 96.14, 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.

KLTM To Trade Between US$13,700 And US$13,800

KUALA LUMPUR -- The Kuala Lumpur Tin Market (KLTM) will likely trade between US$13,700 and US$13,800 per tonne next week, a dealer said.

"We anticipate a slight uptrend on the occurrence of a technical correction early next week, backed by moderate consumer buying support, particularly from European and Japanese buyers," he told Bernama.

The dealer noted that for the week just ended, the KLTM was traded on a downtrend of between US$14,550 and US$13,700 per tonne

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On a Friday-to-last week's Thursday basis, the KLTM ended US$850 lower at US$13,700 per tonne

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Japanese, European and local players accounted for the week's turnover of 264 tonnes compared with 171 tonnes last week.

The premium between the KLTM and the London Metal Exchange widened to US$240 per tonne versus US$175 per tonne previously.

Gold Futures To Continue Downtrend Next Week

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 pressure from the US unemployment data and the Nonfarm Payrolls data set to be released on Friday," Phillip Futures Sdn Bhd Dealer Chua Zheng Liang said.

On a Friday-Thursday basis, January 2016 rose 161 ticks to RM154.70 a gramme, February 2016 added 165 ticks to RM155 a gramme, March 2016 climbed 166 ticks RM155.30 a gramme, and April 2016 increased 167 ticks to RM155.45 a gramme.

Weekly turnover rose to 381 lots worth RM5.67 million from 211 lots worth RM3.11 million last week.

Open interest on Thursday rose to 1,364 contracts from 1,279 contracts last Wednesday.

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