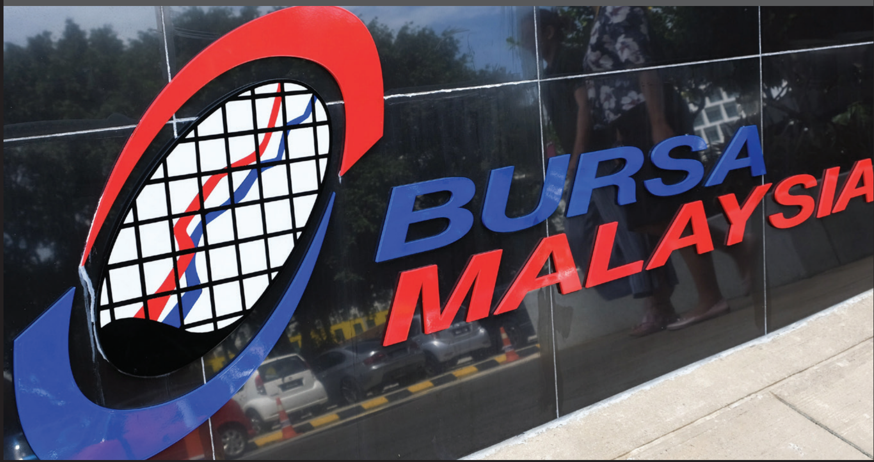
BERNAMA
# MALAYSIAeBiz
WEEKLY BUSINESS ROUNDUP 28 JANUARY - 31 JANUARY 2019

Edition 246

January 31, 2019

## This Week's Highlight : Govt Policies Key To Bursa Malaysia's Performance




Bursa Malaysia is positive over the local equity market. -- fotoBERNAMA

KUALA LUMPUR -- Bursa Malaysia Bhd is positive over outlook for the local equity market, provided, the government introduces initiatives or policies that can lift it. "We are hoping some of the government initiatives being looked into or policy shifts it is supposed to bring about, will start materialising at this point of time," chief executive officer, Datuk Seri Tajuddin Atan told reporters here Wednesday after a briefing on the local stock exchange operator's 2018 financial year.

## This Week's Top Stories

MONDAY

### Maybank Breaks Into Top 500 Most Valuable Global Brands

KUALA LUMPUR -- Malayan Banking Bhd (Maybank) is now part the world's top 500 brands for the first time, after it was named in Brand Finance's Global 500 Brands. In a statement Tuesday, Maybank said it was the only Malaysian bank, and one of two Malaysian brands, to be included in the global list.

TUESDAY

### Govt Will Incur Higher Debt If Continues With ECRL - PM

PUTRAJAYA – The amount of compensation the government needs to pay if it decides to cancel the RM81 billion East Coast Rail Link (ECRL) is not as huge in comparison to the debt should it decide to continue with it, said Prime Minister Tun Dr Mahathir Mohamad. "The huge compensation is not as huge of the amount we will carry the next 30 years," he said Tuesday when asked if the government would need to pay a huge compensation if it decide to terminate the RM81 billion ECRL project.

WEDNESDAY

### Govt Still Negotiating With China On ECRL

PUTRAJAYA -- The government is still in the midst of negotiating the RM81 billion East Coast Rail Link (ECRL) contract terms with China, said Finance Minister Lim Guan Eng Wednesday. "We should allow the discussions which will now be held between government to government, and away from the public glare. I would urge the media to wait for the official statement to be issued by the Malaysian government when we are ready," he said.

THURSDAY

### Malaysia Top 5 Globally In SocMed Penetration, Region's Highest

KUALA LUMPUR -- Malaysia was ranked top five globally and highest in Southeast Asia for mobile social media penetration, according to Hootsuite and We Are Social in their latest Digital 2019 report. Internet penetration in Malaysia said the report, stood at 80 per cent with users spending a daily average of eight hours and five minutes online.

# SMEbrief

## Ample Room For Malaysian Entrepreneurs To Engage In E-Commerce

By Goh Kok Guan

GEORGE TOWN – There is still plenty of room for Malaysian entrepreneurs to participate in the e-commerce market, PG Mall Sdn Bhd executive chairman Datuk Wira Louis Ng said.

He attributed this claim to a research report which indicated that last year, only 15.5 per cent of the total retail sales worldwide were through online shopping platforms. Believing that the proportion would steadily increase in the future due to the emerging online shopping trend, he said this would give a tremendous opportunity for Malaysian small and medium enterprises (SMEs) and mid-tier companies (MTCs) to start or to partner with local e-commerce businesses.

"However, Malaysians are still trying to adapt to the online shopping trend. Most of the people are still going to shops and supermarkets to purchase their goods, but as technology slowly advances over time, everyone will be embarking on e-commerce," he told Bernama. He said that currently, e-commerce serves as a new economic model and it would become an infrastructure for the nation in the future.

## Govt Spent RM2.3 Bln On Women Entrepreneurs In 2018

KUALA LUMPUR — The government spent RM2.3 billion on 10 women entrepreneurship programmes last year to spur women's participation in business. Deputy Prime Minister Datuk Seri Dr Wan Azizah Wan Ismail said these programmes provided intensive training in entrepreneurship, export support, and financial assistance for women entrepreneurs. "These programmes have benefited 364,052 Small and Medium Enterprise (SME) recipients," she said in her keynote address at the ASEAN-Japan Women Entrepreneurs' Linkage Programme (AJWELP) Tuesday. She noted that in Malaysia, women-owned businesses constitute 20.6 per cent of the total 907,065 SMEs in Malaysia. "This is significantly lower than their male counterparts and of this figure, 97.2 per cent of the women are in the services sector," she added.

# PropUP Propertyupdate

## Govt Outlines Affordable Housing Policy For B40 Group

KUALA LUMPUR -- The government is in the midst of drawing up the National Affordable Housing Policy (DPMM) which will be a guideline to help the low-income group (B40) own homes. Housing and Local Government Minister Zuraida Kamaruddin said Monday, under the policy, the price of houses, whether built by the government, state government or private sector, would be fixed at between RM90,000 and RM300,000, depending on the location and the average income of the local community.

## Eco World Optimistic "Hope" Campaign Will Reap RM6 Bln Sales

KUALA LUMPUR – Eco World Development Group Bhd (Eco World Malaysia) expects its "Home Ownership Programme with Eco World" (HOPE) campaign to raise RM6 billion in sales for the company in financial years 2019 and 2020. "We raked in RM2 billion worth of sales - 1,800 residential units via the #OnlyEco World campaign - and we still see people coming to our sales gallery to know more about our residential units," President and chief executive officer Datuk Chang Khim Wah said after launching the campaign Monday.

## REDHA Expects National Campaign To Tackle Property Overhang

GEORGE TOWN – The Real Estate and Housing Developers Association (REDHA) Penang branch is looking forward to the commencement of the National Home Ownership Campaign announced in the 2019 Budget to address the issue of property overhang in the state. Its chairman Datuk Toh Chin Leong Tuesday said the Home Ownership Campaign is a positive move to reduce the number of overhang (unsold) properties in Penang.

## Lower Monthly Mortgage Rate Under BNM's RM1 Bln Housing Fund

KUALA LUMPUR -- First-time house buyers are expected to enjoy 23 per cent less in monthly commitment compared to current financing schemes offered in the market with the official launch of Bank Negara Malaysia's (BNM) RM1 billion Fund for Affordable Homes initiative Tuesday. Governor Datuk Nor Shamsiah Mohd Yunus said with a maximum 3.5 per cent financing rate per annum for houses priced up to RM150,000, the initiative had attracted more than 1,037 individuals who signed up for its financial education requirement under the Credit Counselling and Debt Management Agency (AKPK).

## Little Impact From Ownership Measures, Houses Still Largely Unaffordable

By Aishah Afandi and Rosemarie Khoo Mohd Sani

KUALA LUMPUR – The initiatives by the government to tackle the problem of property overhang and promote home ownership have been lauded and supported by many, although some feel that houses remain largely unaffordable, according to market watchers. For instance, the launch of the RM1 billion fund for affordable homes to help house buyers from the lower income group nationwide is most welcomed though some expect it to have minimal impact in assisting home ownership.

# MARKET

BURSA MALAYSIA

**Scoreboard**

Gainers - 424

Losers - 385

Not Traded - 755

Unchanged - 350

Value - 2410000000

Volume - 2360000000

## Bursa Malaysia Ends Marginally Lower On Last-Minute Selling

By Rosemarie Khoo Mohd Sani

KUALA LUMPUR -- Bursa Malaysia closed marginally lower Thursday on last-minute selling in heavyweights, dealers said. The benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) moved in positive territory earlier but profit-taking in index-linked counters emerged in the last 10 minutes of trading, pushing the key index to settle at its intraday low. Market breadth was however positive with 424 gainers and 385 losers, 350 counters unchanged, 755 untraded and 84 others suspended. Total volume rose to 2.36 billion shares worth RM2.41 billion, from Wednesday's 1.91 billion shares valued at RM1.73 billion. Rakuten Trade Sdn Bhd head of research Kenny Yee said the marginal fall in the benchmark index was due to profit-taking by some investors ahead of the long weekend.

"Besides that, they may be cautious over the outcome of the ongoing trade talks between US and China. "But overall, we see that the smaller cap stocks on the local bourse are doing well as the overall market breadth which is positive, coupled with foreign fund inflow which stands at over RM900 million year-to-date," Yee told Bernama. Bursa Malaysia will be closed Friday for the Federal Territory Day. Main Market volume expanded to 1.71 billion shares worth RM2.28 billion, against Wednesday's 1.32 billion shares valued at RM1.61 billion.

**Exchange Rate**
(Ringgit : Foreign Currency)

| | Buying | Selling |
|---|---|---|
| USD | 4.0930 | 4.0980 |
| EUR | 4.7000 | 4.0070 |
| GBP | 5.3688 | 5.3758 |
| 100 YEN | 3.7699 | 3.7749 |
| SGD | 3.0409 | 3.0450 |

Source: Bank Negara Malaysia

## Weaker Greenback Drives Ringgit Higher To Three-Week High

KUALA LUMPUR -- The ringgit closed at an almost three-week high against the US dollar Thursday boosted by improved risk appetite for emerging currencies after US Federal Reserve's dovish stance that its interest rate hiking cycle could now be over. At 6 pm, the ringgit was quoted at 4.0930/0980 against the greenback from 4.1050/1100 on Wednesday. Phillip Capital Management Malaysia senior vice-president (investment) Datuk Dr Nazri Khan Adam Khan said the ringgit strengthened in line with regional currencies, with the Chinese renminbi being the biggest gainer. He said regional investors cheered the Federal Open Market Committee's overnight decision to hold key interest rates steady, after raising them four times last year.

"This is a dramatic reversal from its recent policymaking. Market players expected a hike, instead they were pleasantly surprised," he told Bernama. Meanwhile, the ringgit was traded mostly lower against other major currencies. It fell versus the Singapore dollar to 3.0409/0450 from 3.0385/0433 on Wednesday, declined against the Japanese yen to 3.7699/7749 from 3.7530/7586, and weakened against the euro to 4.7000/0070 from 4.6920/6998. However, the local currency rose vis-a-vis the British pound to 5.3688/3758 from Wednesday's close of 5.3804/3886 as market sentiment was weighed by the Brexit development.

## Short-Term Rates Close Stable On BNM's Operations

KUALA LUMPUR -- Short-term interbank rates closed stable Thursday on Bank Negara Malaysia's (BNM) operations to absorb excess liquidity from the financial system. The surplus in the conventional system decreased to RM21.72 billion from RM33.11 billion Thursday morning, while in the Islamic system, it reduced to RM12.65 billion from RM19.65 billion. Earlier, BNM conducted four tenders comprising a range maturity auction, a Qard, a Commodity Murabahah Programme and a reverse repo. At 4 pm, the central bank conducted a RM21.7 billion conventional money market tender and a RM12.6 billion Murabahah money market tender, both for three-day money. The average Islamic overnight interest rate stood at 3.19 per cent, while the one-, two- and three-week rates were pegged at 3.26 per cent, 3.30 per cent and 3.35 per cent, respectively.

## KLIBOR Futures End Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives remained untraded Thursday. February 2019 remained unchanged at 96.24, while March 2019, April 2019 and June 2019 were all pegged at 96.22. Both volume and open interest remained nil. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.69 per cent.

## KLCI Futures End Higher

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract on Bursa Malaysia Derivatives ended higher Thursday despite the marginal fall in the underlying cash market. January 2019 increased 5.5 points to 1,688.5, February 2019 rose 7.0 points to 1,692, March 2019 added 6.5 points to 1,687.5 and June 2019 improved 5.0 points to 1,679. Turnover decreased to 10,382 lots from 14,496 lots on Wednesday, while open interest narrowed to 42,374 contracts against 46,963 contracts. The underlying benchmark FBM KLCI ended 0.58 of-a-point lower at 1,683.53.

## HSBC Expects Ringgit To Trade Around 4.15 Against US Dollar In Q1

KUALA LUMPUR -- HSBC Malaysia is expecting the ringgit to trade around the 4.15 level against the US dollar for the first quarter (Q1) of 2019, following the pause in US interest rate hikes and better oil prices forecast. Global markets head, Malaysia, Alvin Kong told reporters Monday, at the moment, there are growing risks to the US economy and the US Federal Reserve (Fed) was expected to leave interest rates unchanged.

## Salihin Gets CIBAFI Accreditation

KUALA LUMPUR -- Salihin Shariah Advisory (Salihin) has become an accredited agent of the General Council for Islamic Banks and Institution (CIBAFI) to promote its professional certifications and training programmes in Malaysia. An agency agreement signed between CIBAFI and Salihin in Bahrain recently, allowed the latter to promote and market 10 professional certificates, five diplomas and one executive professional master programme. Salihin's chief executive officer, Assoc. Prof Dr Ahcene Lahsasna, said in a statement Monday, the collaboration with CIBAFI will contribute significantly to the enrichment of the quality of Islamic finance education in Malaysia.

## CIMB Launches Banking Presence In The Philippines

KUALA LUMPUR -- CIMB Tuesday announced the formal launch of its banking presence in the Philippines, CIMB Bank Philippines Inc (CIMB Philippines). In a statement Tuesday, CIMB Group chief executive officer of Group Ventures and Partnerships, Effendy Shahul Hamid said this would complete CIMB's operating footprint in ASEAN.

## Malaysia To Receive First Payment Of 1MDB Money Soon - Lim

PUTRAJAYA -- Malaysia will receive the first payment of money allegedly stolen from 1Malaysia Development Bhd (1MDB) this year, said Finance Minister Lim Guan Eng. Without disclosing the amount and source of the money, Lim said: "It is not billions but it is at least a good start. "This is good news. We hope this will be followed by subsequent payments to Malaysia, where we will get back the money stolen from 1MDB," he told reporters Wednesday.

## BNM: Net Financing Records Annual Growth Of 6.3 Pct In Dec 2018

KUALA LUMPUR -- Net financing recorded an annual growth of 6.3 per cent in December 2018, compared with 7.3 per cent registered in November 2018, said Bank Negara Malaysia (BNM). "This was due mainly to a moderation in the growth of outstanding corporate bonds to 8.0 per cent against 10.5 per cent in November 2018, reflecting the high base effect in December 2017," the central bank said in a statement Thursday. The central bank said outstanding business loan growth had moderated to 5.4 per cent in December 2018 (November: 6.3 per cent) mainly driven by the construction and real estate sectors, while growth in household loans was sustained at 5.6 per cent against 5.7 per cent in November 2018.

## Malaysia's Reserves Remain Usable As At End-Dec 2018, Says BNM

KUALA LUMPUR -- Malaysia's reserves remained usable as at end-Dec 2018, with official reserve assets at US$101.44 billion, in accordance with the International Monetary Fund's Special Data Dissemination Standard (IMF SDDS) format. Bank Negara Malaysia (BNM) in a statement Thursday said other foreign currency assets amounted to US$53.7 million. "For the next 12 months, the pre-determined short-term outflows of foreign currency loans, securities and deposits, which include among others, scheduled repayment of external borrowings by the government and repayment arising from maturity of the foreign currency Bank Negara Interbank Bills amounting to US$3.44 billion.

## InvestKL Aims To Attract More MNCs This Year

KUALA LUMPUR -- Invest Kuala Lumpur Corporation (InvestKL) aims to secure at least 10 multinational companies (MNCs) this year including from the United States, Europe and China, said chief executive officer Datuk Zainal Amanshah. Despite the challenging external environment among others due to the US-China trade war and Brexit, he remained bullish on Malaysia's prospects in attracting MNCs to invest here. He told reporters Monday, the country's fundamentals are still strong with 4.6 per cent economic growth, unemployment rate at about 4.3 per cent, cost of doing business remaining attractive, and a multilingual talent pool.

## Hume Industries' Q2 Net Loss Widens To RM27.08 Mln

KUALA LUMPUR -- Hume Industries Bhd's net loss for the second quarter ended Dec 31, 2018 widened to RM27.08 million compared with a net loss of RM4.44 million chalked up in the same period last year. However, revenue came in slightly higher at RM163.00 million versus RM162.89 million previously. In a filing with Bursa Malaysia Monday, Hume Industries said although the full commissioning and increase in reliability of its second production line of the cement business had resulted in higher sales volume, losses before tax increased mainly due to the lower selling price of cement.

## MRCB's Wholly-Owned Subsidiary Bags RM323 Mln Contract

KUALA LUMPUR -- Malaysian Resources Corporation Bhd's (MRCB) wholly-owned subsidiary, MRCB Builders Sdn Bhd, has bagged a RM323 million contract from Turnpike Synergy Sdn Bhd. In a filing with Bursa Malaysia Monday, MRCB said the contract is for the construction and completion of mainline and other associated works for the Sungai Besi–Ulu Kelang Elevated Expressway Package CA2.

## iPay88 To Double Transaction Volume In 2019

KUALA LUMPUR -- Payment gateway provider, iPay88 Holdings Sdn Bhd, aims to double its transaction volume this year, riding on new launches of e-wallets and new sectors coming into the digital platform. Executive Director Chan Kok Long told a media briefing Monday, in 2018, the company recorded a total of 52.45 million successful transactions, valued at RM7 billion, with the highest transaction of 6.9 million recorded in December. This is almost double compared with 28.7 million transactions, worth RM4.8 billion, registered in 2017.

## VHM Group Posts 20 Pct Profit Growth In 2017-2018

GEORGE TOWN -- Vouk Hotel Management Group (VHM) has recorded a 20 per cent profit growth for 2017-2018. Jazz Hotel Penang and Vouk Hotel Suites general manager Khoo Boo Lim told a press conference Monday, all the eight properties under their management had recorded overall profit growth. "So far, all the hotels (in VHM) are heading towards the right direction. We are genuinely making a profit even though we are young, having started only in 2012," Khoo said.

## AirAsia, AirAsia X Record Passenger Growth In FY18

KUALA LUMPUR -- AirAsia Group Bhd recorded a 14 per cent increase in passenger traffic to 74.8 million for the financial year ended Dec 31, 2018 (FY18), for all its six aircraft operating certificate (AOCs). The low-cost carrier has also significantly expanded its capacity over the year, with available seat kilometres (ASK) up by 15 per cent, and managed to achieve the group's full-year load target of 85 per cent, with a fleet size totalling 224, it said in a statement Monday.

## Senai Airport Records 13 Pct Passenger Growth In 2018

KUALA LUMPUR -- Senai International Airport has handled 3.52 million passengers last year, a 13 per cent increase from the number of passengers recorded in 2017. Md Derick Basir, chief executive officer of Senai Airport Terminal Services Sdn Bhd (SATSSB), the airport operator, said in a statement Monday, the growth was mainly driven by domestic passengers with an increase of 234,650 passengers while international passenger traffic rose by 37 per cent to 600,000 in 2018.

## O&G Industry To Remain Bullish This Year - Serba Dinamik

KUALA LUMPUR -- The oil and gas (O&G) industry is expected to remain bullish and sustainable this year and moving forward, despite oil prices fluctuating between US$55-US$75 per barrel recently. Serba Dinamik Holdings Bhd group managing director and group chief executive Datuk Dr Mohd Abdul Karim Abdullah said Tuesday, that despite many economists' and industry experts' opinion that the industry would undergo a volatile year for 2019, it would manage to sustain due to some internal factors and industry development.

## Pavilion REIT FY18 Net Profit Jumps To RM288.68 Mln

KUALA LUMPUR -- Pavilion Real Estate Investment Trust's (Pavilion REIT) net profit for the financial year ended Dec 31, 2018 (FY18) rose to RM288.68 million from RM249.45 million a year ago. Revenue jumped by 13 per cent to RM554.98 million from RM490.00 million previously, it said in a filing with Bursa Malaysia Tuesday.

## LPI Capital Net Profit Rises To RM314.05 Mln In FY18

KUALA LUMPUR -- LPI Capital Bhd's (LPI) net profit for the financial year ended Dec 31, 2018 (FY18) increased to RM314.05 million from RM313.79 million a year ago. Revenue rose by 2.9 per cent to RM1.51 billion from RM1.47 billion previously mainly contributed by higher premium written by its wholly-owned insurance subsidiary, Lonpac

Insurance Bhd, it said in a filing with Bursa Malaysia Tuesday. Basic earnings per share rose to 78.83 sen from 78.77 sen before.

## Bursa Malaysia's FY2018 Net Profit Up Slightly to RM224 Mln

KUALA LUMPUR -- Bursa Malaysia Bhd's net profit for the financial year ended Dec 31, 2018 increased slightly to RM224.04 million from RM223.04 million recorded in the same period last year. Revenue, however, declined to RM550 million from RM556.83 million. Chief Executive Officer Datuk Seri Tajuddin Atan said Wednesday, the higher profit was due to higher operating revenue of RM523.3 million, a 0.2 per cent increase from the previous financial year, and a year-on-year decrease of 3.6 per cent in operating expenses as a result of lower technology and staff costs.

## LCT's FY18 Net Profit Falls 26 Pct To RM788.25 Mln

KUALA LUMPUR -- Lotte Chemical Titan Holding Bhd's (LCT) net profit for the financial year ended Dec 31, 2018 (FY18) fell 26 per cent to RM788.25 million compared to RM1.14 billion registered in the previous financial year. However, revenue rose 18 per cent to RM9.24 billion from RM7.82 billion the preceding year. In a filing with Bursa Malaysia Wednesday, LCT said the higher sales revenue was mainly driven by an increase in sales volume which was supported by improvements in production quantity during the year, but profit margin was squeezed, primarily due to much higher naphtha feedstock costs in tandem with global crude oil prices, relative to product prices for the year.

## Westports FY18 Net Profit Falls To RM533.47 Mln

KUALA LUMPUR -- Westports Holdings Bhd's net profit for the financial year ended Dec 31, 2018 decreased to RM533.47 million from RM651.51 million recorded in the financial year 2017. Revenue slipped to RM1.61 billion from RM2.09 billion previously, the group said in a filing to Bursa Malaysia Wednesday.



## Pestech Unit Bags Contracts Worth RM280.89 Mln From TNB

KUALA LUMPUR -- Pestech International Bhd's wholly-owned subsidiary, Pestech Sdn Bhd (PSB), has secured two contracts from Tenaga Nasional Bhd (TNB) worth RM280.89 million. In a filing to Bursa Malaysia Thursday, Pestech said PSB had received the letter of acceptance to establish the main sub-station (PMU) 500/275kV Junjung (3x1050 megavote ampere (MVA) in Kedah worth RM168.39 million. In a separate filing, it said PSB through Pembinaan Tajri Sdn Bhd had secured a contract for double circuit underground cable from PMU Prince Court to PMU Ampang for a contract sum of RM112.50 million.

## Value Of Gross Output Of Economic Sectors Grows 6.5 Pct In 2017

KUALA LUMPUR -- The value of gross output of economic sectors covered in reference year 2017 recorded an annual growth rate of 6.5 per cent compared to 2015, said the Department of Statistics, Malaysia (DoSM). The DoSM Thursday released the Preliminary Report Of Annual Economic statistics 2018 which comprised the agriculture, mining & quarrying, manufacturing, construction and services. In a statement Thursday, chief statistician, Datuk Seri Dr Mohd Uzir Mahidin said the Annual Economic Survey 2018 reference 2017, revealed that the value of gross output registered an annual growth of 6.5 per cent amounting to RM2,823.9 billion compared to RM2,489.5 billion in 2015.

**ICT, Auto Sectors To Gain Most From China-US Trade War - Economist**

KUALA LUMPUR -- The information and communications technology (ICT) and automotive sectors in Malaysia will gain the most from the ongoing trade war between China and the United States, says an economist. The Economist Corporate Network associate director Pamela Qiu told reporters Monday, a lot of big and multinational companies (MNCs) are currently thinking about how to de-risk themselves from China, moving their manufacturing bases or supply chain outside of China. "From our survey, ASEAN is the huge beneficiary from this and because Malaysia has a long history of making cars and experience in electronic engineering compared to other ASEAN countries, you are well placed to absorb any investment coming out of China," she said.

**Identity Of Any Party In An Ongoing Review Will Not Be Disclosed, Says SC**

KUALA LUMPUR -- The Securities Commission Malaysia (SC) Monday clarified that as a matter of policy, it does not disclose the identity of any party in an ongoing review. The regulator was responding to recent news reports that the SC was looking into the conduct of auditors of 1Malaysia Development Bhd (1MDB). "In reference to recent news reports, the SC does not, as a matter of policy, disclose the identity of any party in an ongoing review," the regulator said in an emailed statement to Bernama.

**SWS Acquires Ee Jia Housewares For RM64 Mln**

KUALA LUMPUR -- SWS Capital Bhd (SWS) is proposing to acquire the entire equity interest in Ee Jia Housewares (M) Sdn Bhd (Ee Jia), for RM64 million, the company said in a filing with Bursa Malaysia Monday. The company entered into a conditional share purchase agreement today with a group of vendors consisting of five individuals, and upon the completion of the proposed acquisition, the plasticware maker will become a wholly-owned subsidiary of SWS.

**Malaysia Exploring New Markets For Palm Oil - MPOC**

PUTRAJAYA -- Malaysia is consistently looking for new markets to promote palm oil while enhancing its existing markets with a focus on ASEAN countries this year, said chief executive officer of Malaysian Palm Oil Council (MPOC) Datuk Dr Kalyana Sundram. He told reporters Monday, the ASEAN countries had become the main concern with regards to palm oil as they are the major consumers of the commodity, namely for use in cooking and food products.

**AirAsia Increases Connectivity To Sarawak From Kota Kinabalu**

KUALA LUMPUR -- AirAsia Bhd celebrated its new Kota Kinabalu-Sibu route Tuesday following the recent commencement of its commercial service aimed at further increasing connectivity to Sarawak. "We are pleased to kick off 2019 with our new commercial service from Kota Kinabalu to Sibu and Bintulu," said AirAsia Malaysia chief executive officer Riad Asmat in a statement Tuesday. Last year, the low-cost carrier flew 1.2 million guests to and from Sibu and over 669,000 guests in and out of Bintulu.

**Petronas Dagangan To Explore New Formulation For RON97, Diesel**

KUALA LUMPUR -- Petronas Dagangan Bhd (PDB) is looking to explore new formulation and improvement for both RON97 and diesel. Managing Director and Chief Executive Officer Datuk Seri Syed Zainal Abidin Syed Mohamed Tahir said Tuesday, the new products for RON97 and diesel were expected to be available in the market in the second half of this year or early 2020.

**Govt Policies Will Drive Business Performance This Year - Survey**

KUALA LUMPUR -- Government policies to address economic issues and corruption would be the main drivers of business performance this year, said a survey of 399 accountants and financial professionals. The findings of the survey jointly conducted by the Malaysian Institute of Accountants (MIA) and Association of Chartered Certified Accountants (ACCA) were released Tuesday in the inaugural Business and Economic Outlook 2019 Report.

**Ikea Supply To Open RM900 Mln Distribution Centre In Pulau Indah**

KUALA LUMPUR -- IKEA Supply (Malaysia) will be opening an IKEA Distribution Centre (DC) with an investment worth RM900 million in Pulau Indah, Selangor. Construction of the biggest regional DC in the Asia Pacific has commenced and the centre is expected to be open in September 2020, supplying for the Southeast Asian and Indian markets, IKEA said in a statement Tuesday.

**SSP MRT Line 41 Per Cent Done - MRT Corp**

KUALA LUMPUR -- Construction of the Sungai Buloh-Serdang-Putrajaya (SSP) Mass Rapid Transit (MRT) line reached 41 per cent completion by the end of December 2018, said MRT Corp. Its Strategic Communications and Stakeholder Relations director, Datuk Najmuddin Abdullah said at a press conference Tuesday, with the current pace of progress, the project would be able to move to the next phase of construction as scheduled by 2022.

**MITI: Extend Broadband Coverage To Spur Women Participation In e-Commerce**

KUALA LUMPUR -- Internet providers should extend their broadband reach into the villages and rural parts of the country to lay the foundation for higher participation by women entrepreneurs in e-commerce. International Trade and Industry Minister Datuk Darell Leiking told reporters Tuesday, he would look at e-commerce in a non-gender perspective, it was imperative to ensure that women participate in this sector.

**MGBF: PNB Has Confidence In Top Homegrown MNCs**

KUALA LUMPUR -- Permodalan Nasional Bhd (PNB) has confidence in the top homegrown multinationals, which bodes well for long-term prospects and would remain committed to them despite challenging market conditions, says the Malaysia Global Business Forum (MGBF). It said in a statement Tuesday, the fund, now led by former Bank Negara Malaysia governor, Tan Sri Dr Zeti Akhtar Aziz, would still invest heavily in companies with strategic national interests.

**Buy Local Campaign Helps Local Firms Expand Their Markets- Lim**

PUTRAJAYA -- The "Buy Malaysian Products" campaign is a platform for local manufacturers and service providers to get access to hypermarkets, shopping malls and trade fairs in order to broaden their markets nationwide, says Finance Minister Lim Guan Eng. He said on Wednesday, the government has allocated RM20 million under the 2019 Budget to help local manufacturers and service providers expand their markets besides encouraging Malaysians to buy locally-made goods.

**Petronas Denies Preferential Treatment, Lodges Report**

KUALA LUMPUR -- Petroliam Nasional Bhd (Petronas) Wednesday denied allegations in a blog post and online site that it gave preferential treatment to certain companies. An online site alleged that Petronas gave preferential treatment to an oil and gas upstream services provider. In a statement Wednesday, Malaysia's fully integrated oil and gas company said it had filed reports with relevant authorities in regards to the posting and would leave the matter to the authorities for their further action.

**Airport Service Quality At Malaysian Airports In 2018 Improves**

KUALA LUMPUR -- The airport service quality (ASQ) survey score at Malaysian airports improved to 4.7 out of 5 last year compared to 4.5 in 2017 based on preliminary results, due to implementation of the Lean Six Sigma (Lean). Malaysia Airports Holdings Bhd group chief executive officer Raja Azmi Raja Nazuddin said in a statement Wednesday, since the Lean methodology was applied to various disciplines, namely terminal operations, landside and airside management, customer experience management and security screening, it improved passenger flow through the airports.

**Cancel ECRL If It Incurs More Losses, Says Jomo**

KUALA LUMPUR -- The government is urged to cancel the East Coast Rail Line (ECRL) project if it incurs more losses and instead focus more on socio-economic development in the East Coast, says prominent economist Professor Dr Jomo Kwame Sundaram. He told reporters Wednesday, the problem of clean water, sanitation and floods in Kelantan have long been in need of immediate attention. Jomo said the existing transportation system in the East Coast, such as land and air routes, was sufficient without the need for a high-speed train.

**CMSB: Rumours Of Venturing Into Airline Industry Untrue**

KUALA LUMPUR -- Cahya Mata Sarawak Bhd (CMSB) Thursday said recent reports of the company exploring to expand into the airline business are erroneous and baseless. It also clarified that a photograph in question purporting that CMSB is forming its own airline was actually a prop used in an annual dinner event on an imaginary journey to famous cities around the world. "The company clarifies that this is absolutely and unequivocally untrue. "In no way is the mock artwork a prelude to us diversifying our portfolio into the airline sector," it said in a statement Thursday.

### Sapura Energy Gets Shareholders Approval For OMV AG Partnership

KUALA LUMPUR -- Sapura Energy Bhd Monday received shareholders approval for the proposed 50:50 partnership with Austria's OMV Aktiengesellschaft (OMV AG) at its Extraordinary General Meeting (EGM) here Monday. In a statement issued after the EGM, Sapura Energy said it would immediately receive cash proceeds of RM7.6 billion immediately from the rights issue and the strategic partnership.

### PruBSN Launches PruBSN AnugerahPlus Plan

PETALING JAYA -- Prudential BSN Takaful (PruBSN) Monday launched PruBSN AnugerahPlus, a comprehensive takaful plan aimed at helping Malaysians cope financially during a health crisis. PruBSN chief marketing officer Wan Saifulrizal Wan Ismail told reporters, of the five critical illnesses for which PruBSN customers made claims over the last two years, half are cancer-related. "PruBSN has introduced PruBSN AnugerahPlus, a syariah-compliant and affordable plan that can be modified to suit the customer's needs and financial capacity," he said.

### Grab Launches RCoE, Expects To Generate 400 Jobs

PETALING JAYA -- Grab Monday launched its Regional Centre of Excellence (RCoE) at the newly expanded 54,000 sq ft office space here, and expects to generate 400 jobs within the year. Grab Malaysia country director, Sean Goh told a media briefing Monday, close to 300 of those jobs would be in regional functions as well as research and development (R&D).

### FGV, Samyang Ink MoU To Establish Halal Manufacturing Facility

KUALA LUMPUR -- FGV Holdings Bhd (FGV) has signed a memorandum of understanding (MoU) with Samyang Foods Co Ltd (Samyang Foods) to establish a halal ramen (noodles) manufacturing facility in Malaysia for the local and global markets. FGV's group chief executive officer (CEO) Datuk Haris Fadzilah Hassan said in a statement Monday, the collaboration was part of the group's strategic direction to expand the downstream business by diversifying product offerings and penetrating new markets.

### 6th CPOPC Ministerial Meeting To Be Held Next Month

PUTRAJAYA -- The sixth ministerial meeting of the Council of Palm Oil Producing Countries (CPOPC) next month will discuss among others, trade policy issues affecting members, sustainable production of the crop and activities towards strengthening cooperation in the industry, Minister of Primary Industries Teresa Kok Suh Sim told reporters Monday. To be held on Feb 28 in Jakarta, Indonesia, she said the meeting would also discuss the development of smallholders in member countries, namely Malaysia, Indonesia and Colombia, which recently joined the grouping.

### Sime Darby, Unilever Malaysia Named As 2018 Sustainable Business Awards Overall Winners

KUALA LUMPUR -- Sime Darby Plantation Bhd and Unilever Malaysia were named as the overall winners of the 2018 Sustainable Business Awards (SBA), highlighting their consistent performance across the 12 categories in line with the United Nations (UN) Sustainability Development Goals (SDGs). Global Initiatives chief executive officer Tony Gourlay said in a statement Tuesday, Malaysia's sustainability leadership is evident in this year's awards, both in terms of business engagement as well as a country, leading by example in the region.

### Fully Cashless System On MRT Buses From Feb 1

KUALA LUMPUR -- Rapid Bus Sdn Bhd – the operator of the Rapid KL bus service -- will implement a fully cashless payment system on all its Mass Rapid Transit (MRT) feeder buses from Feb 1. In a statement Tuesday, Prasarana Malaysia Bhd (Prasarana) said a one-month grace period till Feb 28 will be given to current concession card holders (students, senior citizens and the disabled) to switch to a MyRapid Touch n' Go Concession Card to enjoy a 50 per cent discount.

### DRB-HICOM In-Direct Tie Up With China's XQ To Manufacture Components For Vehicles

KUALA LUMPUR -- HICOM-Teck See Manufacturing Malaysia Sdn Bhd (HTS) has entered into a shareholders agreement (SA) with Jiangsu Xinquan Automotive Trim Co Ltd (XQ) to form a joint venture company in Malaysia to design, develop and manufacture instrument panel, floor console and door trims and related components for vehicles. HTS is a 51 per cent-owned subsidiary company of HICOM Holdings Bhd which in turn is a wholly-owned subsidiary company of DRB-HICOM, it said in a filing with Bursa Malaysia Tuesday.

### Bigger Matta Fair On March 15-17

KUALA LUMPUR -- The 2019 Malaysian Association of Tour and Travel Agents (Matta) Fair 2019 will return to the Putra World Trade Centre (PWTC) on March 15-17 and is expected to attract 100,000 visitors. Matta secretary-general Nigel Wong told a news conference Wednesday, the visitors at the 47th edition of the travel fair would be spoilt for choice as it would feature 1,369 booths in seven halls compared to 1,336 booths during the 2018 Matta Fair held in September last year.

# Net Inflow Increases, Confidence Returns To Emerging Economies

By Mohd Khairi Idham Amran & Azlee Nor Mahmud


Confidence returns to the local stock market -- fotoBERNAMA

KUALA LUMPUR (Bernama) – Net inflow into the country stood at RM479.6 million as of Jan 24, surpassing last week's total net inflow of RM471.3 million while foreign institutional funds turned net buyers pumping in RM293 million versus RM417 million recorded the previous week, say economists. These positive developments suggest that values have emerged among Malaysian stocks at a time when interest rate hikes have tapered down in the United States, said Bank Islam chief economist Dr Mohd Afzanizam Abdul Rashid,

"The week started off on a weak note. China's sluggish economy in the fourth quarter of 2018, global growth forecast revision by the International Monetary Fund (IMF) and the lingering effect from the long drawn out discussions between the United States and China as well as UK Brexit left the market with much uncertainty," Mohd Afzanizam told Bernama. He said at the current juncture, the FTSE Bursa Malaysia KLCI (FBM KLCI) was lingering around the immediate resistance level of 1,700 points although it attempted to breach the resistance level especially in the early part of the week. "For next week, we can expect the market to remain timid in the absence of progress on the Brexit front, trade negotiations between the US and China as well as the Federal Open Market Committee meeting on Jan 30 which will be closely watched by the market," he said.

## RENEWED INTEREST

Meanwhile, Inter Pacific Research Sdn Bhd head of research Pong Teng Siew said emerging markets saw renewed interest from international investors after the US Federal Reserve decided to slow the pace of interest rate hikes while the uncertainty over Brexit was benefitting other regions. Pong said the pattern of fund flow into the country's equity market was different this week with more interest emerging for small and mid-cap counters as opposed to big-cap and index-linked stocks in other markets in the region. "Surprisingly, the FBM KLCI benefitted less than other regional markets but the fund inflow was encouraging and managed to push up small and medium-cap counters," he said. Pong added that the uncertainty over Brexit also led to investors shifting their investment to emerging markets. Another analyst, Putra Business School senior lecturer and manager for business development Dr Ahmed Razman Abdul Latiff echoed Mohd Afzanizam and Pong's views that movmeents on Bursa Malaysia was lacklustre as investors were very cautious awating the outcome of US-China trade talks at the end of this month.

"Crude oil price remained stable, hovering around US$60 per barrel while the ringgit weakened further to RM4.14, which could help boost export. "Bank Negara Malaysia's decision to maintain the overnight policy rate at 3.25 per cent will also help reduce uncertainties in the market," said Ahmed Razman.

-- BERNAMA