KLCI	1,571.56 ▲	5.07	Hang Seng	24,238.98 ▲	113.37	Nikkei	10,589.76 ▲	76.96	KOSPI	2,089.48 ▼	5.47
STI	3,255.87 ▲	10.93	SCI	2,827.63 ▲	6.32	TSEC	8,975.58 ▲	10.58	S&P/ASX200	4,795.20 ▲	71.00

KL MARKET SUMMARY

JANUARY 13, 2011

INDICES		CHANGE
FBMEMAS	10,854.87	+43.69
FBM KLCI	1,571.56	+5.07
INDUSTRIAL	2,923.83	+16.74
CONSUMER PROD	468.42	+4.85
INDUSTRIAL PROD	115.41	+19.14
CONSTRUCTION	305.34	+1.53
TRADING/SERVICES	193.79	+0.55
FINANCE	14,341.11	+37.92
PROPERTY	1,155.41	+19.14
PLANTATION	8,243.65	+35.73
MINING	640.35	-8.10
FBMSHA	10,538.87	+41.45
FBMACE	4,425.03	-27.49
TECHNOLOGY	19.18	+0.03
TURNOVER		VALUE
2.704b		RM3.001b

Share prices close higher

SHARE prices on Bursa Malaysia closed higher yesterday, backed by gains in blue chips led by Genting, dealers said.

At 5pm, the FBM KLCI rose 5.07 points or 0.32% to 1,571.56. It had opened 4.25 points higher at 1,570.74.

Dealers said investor confidence was lifted by positive economic numbers from the eurozone and US markets.

"Continued buying in selected heavyweights pushed the key index to finish the day in positive territory," a dealer said.

The Finance Index gained 37.92 points to 14,341.11, the Plantation Index increased 35.73 points to 8,243.65 and the Industrial Index added 16.74 points to 2,923.83.

Gainers led losers by 528 to 341 while 305 were unchanged, 210 not traded and 31 others suspended.

Volume increased to 2.704 billion shares valued at RM3.001 billion from 2.473 billion shares worth RM2.703 billion on Wednesday.

Leading the most active list was Karambunai which gained 1.5 sen to 22.5 sen, followed by SAAG which eased 0.5 sen to 13.5 sen and Compugates which was unchanged at seven sen.

Among the top gainers were Mudajaya which jumped 31 sen to RM5.20, Bursa added 22 sen to RM8.97 and Genting rose 14 sen to RM11.98. — Bernama

Good year for malls, industrial properties

> Rental and occupancy rates expected to remain stable given a better economy

BY *EVA YEONG*
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KUALA LUMPUR: Shopping malls are expected to maintain good rental and occupancy rates while strong demand for industrial properties will continue with more launches given the positive and stable property market outlook this year, says property consultancy firm Rahim & Co Chartered Surveyors Sdn Bhd.

"In 2011, 13 new shopping malls will be opened offering a total of 4.5 million sq ft of retail space, including two malls that are being refurbished and rebranded, Intermark Mall and Viva Mall," said Rahim & Co executive chairman Datuk Abdul Rahim Rahman (pic).

Speaking at a press briefing on the property market yesterday, Abdul Rahim said rental and occupancy rates are expected to remain stable on the back of expected improvement in the economy this year.

Average rental rates in neighbourhood malls range between RM13 and RM25 per square foot (psf) while in regional malls it ranges between RM15 and RM50 psf. Net yield is estimated at between 6.5% and 7.5% while occupancy rate of malls in Kuala Lumpur was at 84% last year.

"Total retail sales in Malaysia is forecast to increase from RM137 billion in 2010 to RM227 billion in 2014, giving a positive outlook for the local retail industry. Such optimism is driven mainly be relatively low unemployment rate at 3.6%, higher disposable income and the growing tourism industry," he said.

"Upon opening, Empire Shopping Gallery in Subang Jaya and Jusco Mahkota Cheras achieved occupancy rates of 97% and 95%, respectively. Fahrenheit in Bukit Bintang recorded 90% occupancy upon opening," he added.

Last year, the industrial property market was driven by strong demand from small and medium enterprises (SMEs) seeking small-sized industrial buildings, resulting in take-up rates of 80% to 100% for several new projects launched over the last two years, with prices as low as RM2.5 million.

With the expected expansion in the manufacturing sector, the momentum is expected to continue this year with more launches to cater to SMEs.

"As the supply of industrial land within prime commercial areas is limited, more developments are expected to be launched in areas like Port Klang, Pulau Indah and outside the Klang Valley like Nilai," said Abdul Rahim.

Average rental rates of industrial property remained stable at between 70 sen and RM2.05 psf while capital values of industrial buildings stayed above RM100 psf with prime areas like Bukit Jelutong going as high as RM300 psf.

In the office market, vacancy rates in Kuala Lumpur rose to 5% last year, pressuring rental rates which remained lower than its peak in 2007/08 of between RM6.50 and RM8 psf.

An estimated 14.5 million sq ft of new office space would be completed in the next five years, 27% of which would be located in the suburbs. The growth of new townships and accessibility via major highways would result in competition for Kuala Lumpur offices from those in the suburbs.

"With selling prices of between RM500 and RM1,000 psf, some companies in the city centre are relocating to new office buildings in the suburbs due to lower rental rate, opportunity to own their space and convenience, which helps recruitment and retention of staff," said Abdul Rahim.

He said the office market may stabilise in the short term due to recovery in the economy and effects of the Economic Transformation Programme, but in the long term would remain challenging.

In the high-end condominium market, the trend was flat last year due to oversupply and lack of interest from investors and purchasers. The lacklustre rental market (low yield of 4% to 5%) drove investors to look overseas.

"The leasing market has not recovered fully due to the reduction in the number of expatriates and most MNCs have cut back on their housing allowances," Abdul Rahim said.

Asia needs to go on diet

BY *IZWAN IDRIS*
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KUALA LUMPUR: Asian policymakers are faced with a "trilemma" in the fight to tame inflation, as further interest rate hikes would attract "hot money" that had pushed up prices of food, fuel, equity and homes across the region.

"Money inflows into developing Asia is still the trend this year," said Wellian Wiranto, the Asian economist at Hong Kong and Shanghai Banking Corp Ltd.

"The prudent way to handle this is not to tighten too much and go on a diet," he told reporters in Kuala Lumpur yesterday.

Brent crude oil futures in London had reached a 27-month high at US$98 a barrel, while in New York crude oil futures crept up to US$92 a barrel yesterday.

Wiranto said the crude oil market is "restless" and this is fuelling inflation worries worldwide.

South Korea's central bank yesterday unexpectedly raised its key interest rate to curb inflation, while the government announced its own steps to control rising prices.

The World Bank yesterday expressed concern about rising commodity prices, including food and fuel, driven by loose monetary policies in the developed countries and strong demand in emerging economies.

Bank Negara Malaysia stood out as one of the first in the region to tighten its monetary policy early in the upcycle, following three interest rate hikes last year.

"The space Bank Negara has created for itself with its normalisation drive should allow the central bank to pause during the first half of 2011," Wiranto said.

He expects Bank Negara to raise its key overnight policy rate in the second half by at least 50 basis points to 3.25%.

"Essentially, having moved early to nip any potential inflationary pressure in the bud, Bank Negara can focus more readily on risks to growth over the near term," he said.

Wiranto expects the Malaysian economy to expand by about 5.1% this year from 7% in 2010.

He added that the bank has projected the ringgit to strengthen to RM2.88 against the US dollar by year-end.

Fast-rising commodity prices from crude oil and copper to cotton and corn, amid slowing economic growth has evoked memories of 2008.

The first half of 2008 was marked by a sharp increase in commodity prices, with crude oil soaring to a record US$147 a barrel. The later part of the year saw the explosion of the financial crisis in the West that crippled the whole world.

"Nobody wants to see a repeat of 2008," Wiranto said, adding that while there was "similarity" in the market compared with 2008, he believed the probability of 2008 happening all over again was "very low" at this juncture.

KLCI Sensitivity by INTER-PACIFIC SECURITIES SDN. BHD.

Company	Price (RM)	Change (RM)	KLCI Points
Genting	11.98	+0.14	+1.22
Sime	9.35	+0.05	+0.71
BAT	48.48	+1.30	+0.59
Genting M'sia	3.65	+0.06	+0.56
Gamuda	4.13	-0.07	-0.45
AMMB	7.00	+0.06	+0.43
Axiata	4.89	+0.02	+0.40
TM	3.70	+0.04	+0.34
PPB	17.26	+0.16	+0.30
UMW	7.72	+0.10	+0.27
			+4.37
Others			+0.70
FBM KLCI		1571.56	+5.07

EXCHANGE RATES

JANUARY 13, 2011

Foreign currency	Bank sells TT/OD	Bank buys TT	Bank buys OD
1 US DOLLAR	3.0885	3.0235	3.0135
1 AUSTRALIAN DOLLAR	3.0870	2.9930	2.9820
1 BRUNEI DOLLAR	2.4050	2.3440	2.3350
1 CANADIAN DOLLAR	3.1370	3.0590	3.0470
1 EURO	4.0520	3.9670	3.9470
1 NEW ZEALAND DOLLAR	2.3780	2.2840	2.2690
1 PAPUA N GUINEA KINA	1.3080	1.0660	1.0500
1 SINGAPORE DOLLAR	2.4045	2.3440	2.3360
1 POUND STERLING	4.8600	4.7690	4.7490
1 SWISS FRANC	3.1990	3.1180	3.1030
100 ARAB EMIRATES DIRHAM	85.5000	80.9200	80.7200
100 BANGLADESH TAKA	4.4260	4.1750	3.9750
100 CHINESE RENMINBI	N/A	N/A	N/A
100 DANISH KRONE	56.1200	51.5300	51.3300
100 HONGKONG DOLLAR	40.3900	38.2300	38.0300
100 INDIAN RUPEE	6.9580	6.5800	6.3800
100 INDONESIAN RUPIAH	0.0348	0.0329	0.0279
100 JAPANESE YEN	3.7250	3.6320	3.6220
100 NEW TAIWAN DOLLAR	N/A	N/A	N/A
100 NORWEGIAN KRONE	53.9200	49.4700	49.2700
100 PAKISTAN RUPEE	3.6900	3.4500	3.2500
100 PHILIPPINE PESO	7.1500	6.7600	6.5600
100 QATAR RIYAL	86.0500	81.8500	81.6500
100 SAUDI RIYAL	83.6100	79.3700	79.1700
100 SOUTH AFRICAN RAND	46.9700	42.9300	42.7300
100 SRI LANKA RUPEE	2.8800	2.6400	2.4400
100 SWEDISH KRONA	47.4700	43.0900	42.8900
100 THAI BAHT	10.9100	9.2400	8.8400

Source: Malayan Banking Berhad/Bernama

UCSI plans RM1.13b expansion drive

KUALA LUMPUR: Property and education group UCSI Group is embarking on a RM1.13 billion expansion plan that will see the building of three hotels, its corporate headquarters, an international school and a medical centre in Negri Sembilan, Sarawak and the Klang Valley.

It is already developing a UCSI University medical centre, a UCSI International School and UCSI Resort Hotel as well as a convention centre in Bandar Springhill, Negri Sembilan. The projects will be completed by 2012.

Plans in the pipeline include the UCSI headquarters and a 48-storey hotel in Taman Connaught, Cheras, and the CityIsland Hotel in Sarawak. Another project is the development of a commercial property in Cyberjaya with the SoHo (small office home office) concept on 1.39 hectares of land.

UCSI Group chairman and founder of UCSI University Datuk Peter Ng said the group hoped to raise the necessary funds for the projects by selling some of its assets, through bank borrowings and internal cash. The group will also be undertaking a restructuring exercise to streamline its assets.

According to Ng, the Bandar Springhill developments are expected to be completed by mid-2012 and the resort, convention centre and international school by end-2011.

Ng said the CityIsland Hotel project in Sarawak is pending approval from the authorities.

On UCSI international school, he said the 10,730 sq ft building will cater to students from primary to high school and will be fully residential. He said the university will not raise its fees any time soon although there had been hardly any increase in the past 15 years.

As for the five-star UCSI resort hotel and convention centre, he said it will occupy an area of 60,793 sq ft, which will include meeting and conference rooms, function hall and ballroom.

The medical centre will be developed on 12.16 hectares of land and will have public and private wards, and hostels for nursing students.

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